2002: The Director looks back

NIAS did well in 2002. Our results are satisfactory. We managed to ride the financial storms once more and came out with an acceptable financial result. Our Board and staff have been instrumental in this process. We have also appreciated the good relationship with our owners, the Nordic Council of Ministers.

2002 was my first year at NIAS. I have come to appreciate the active and vibrant atmosphere at NIAS. The solid experience and competence of NIAS, which has been built over many years, is the fuel of a very dynamic institute with a high level of activities and a global network of partners and collaborators.

During 2002, I have been very happy to meet many of our partners in the Nordic countries as well as in Asia and elsewhere. Through these contacts I have learned to appreciate the current situation in Asian Studies. Whereas Asia is more dynamic than ever and the Asian Studies scene is full of enthusiastic and committed actors, we have to fight for the attention of our audience beyond the normal international Asian student, researcher or observer. Most people in this part of the world still feel far away from our Asian neighbours. Funding for Asian research in the Nordic countries is limited, possibly with the exception of Sweden where there is more focus on development of Asian Studies than elsewhere in the region.

In this context, we are happy to consider part of the Swedish scene when it comes to applications for financing of some of our activities. Still, we have to exert ourselves to make ends meet.

I have received many good suggestions in 2002 on how NIAS can improve its work and we try to implement many of them. I have also devoted time in 2002 to strengthening of our administrative functions and systems as well as to realigning tasks. We hope that our users and partners will benefit from these efforts in the future.

By the end of 2003, we may be on our way to restructure our ownership and financing. The Nordic Council of Ministers has initiated a restructurating process in order to be relieved of the ownership and some of the financial commitment. This process will probably be our greatest challenge in 2003.

All the same, we shall continue striving to be among the best Asian Studies institutes on the global scene. With that goal in mind we are fully committed to our Nordic mission. We still want to see expansive Asian Studies solidly anchored in the Nordic countries.

Finally, NIAS would like to thank our sponsors, users, partners and readers for their interest and collaboration in 2002. We look forward to continuing the dialogue and collaboration.

Jørgen Delman, PhD
Director

NIAS Nytt 2003

In this issue of NIAStytt, the sub-title of our quarterly bulletin changes from 'Nordic Newsletter of Asian Studies' to 'Asia Insights'. In so doing, we signal a shift away from bringing news in printed form about activities in the Asian studies environment. Such time-sensitive information will now be brought to you via 'NIAS Update', our electronic newsletter (to subscribe, send an empty e-mail to updateon@nias.ku.dk), as well as placed on the NIAS website. Henceforth, NIAStytt will aim to provide its readers with high-quality information about Asian affairs in a readable form. Each issue will focus on a theme both of general importance and (we trust) of interest to our readers. All suggestions regarding future themes and/or guest editors are most welcome.

Given the current state of international affairs, we feel that the present issue—which focuses on Korea—is especially timely. With contributions from a group of internationally renowned scholars, we are convinced that you will find that this issue is both interesting and provides much needed background information on this complex situation.

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Introduction
By Geir Helgesen

The Korean peninsula has received extensive coverage in the worldwide media lately. Korean names and occurrences are mentioned daily, political leaders are recognized and almost everybody must have some idea about the Sunshine Policy of Kim Dae-jung, president of South Korea until February 25 this year. Developments on the peninsula are, however, still difficult to interpret. The one day, pictures of reunited families flash across the screen, the next famine and starvation in the North occupy the front page, only to be displaced shortly thereafter by speculations concerning war or peace on the peninsula. There is seldom time or space in the daily news coverage to deal with background information and more in-depth socio-political analysis. We hope to help fill the gap with the eight topical articles written especially for the present issue of NIASnytt: Asia Insights.

Obviously, we can only provide a limited coverage of what needs to be updated on contemporary Korea, but in our opinion the following pages provide important insights presented by some of the best scholars and observers available. This is not the place for a lengthy discourse on the history of the region, although history gives us an indispensable background and basis for contemporary developments. As a context for reading this issue, it is important to know that Korea was a unified and politically centralized country for centuries, that the Japanese colonized it for 35 years starting from the beginning of the last century, and that the division of the country was caused by World War II and the immediate post-war political and ideological cleavage between USA and the Soviet Union. The Korean War from 1950 to 1953 greatly affected developments on the peninsula, and this is still the case.

In the meantime, Korea used to be neglected because of its mighty neighbours, China and Japan. "A string between whales" was a well-known phrase depicting Korea and her neighbours. Korea, though no longer a string, is still divided. The economic strength and political advancements in the South juxtaposed with a basically stagnant North, where a cold-war regime and a corresponding ideology still inform political thinking, are the root of the imbalanced relationship between the two halves of the Korean peninsula which causes increasing international concern. There are more than two actors in this conflicting relationship, however, and the most important third actor is the USA. The fact that American troops are still stationed in the South while North Korea is experimenting with the development of weapons of mass destruction makes for a dangerous relationship. China and Japan, the fourth and fifth actors, are hardly comfortable with the situation. Neither is Russia, in this case the sixth of the most concerned actors. While Japan is the traditional enemy and former colonial power in Korea, China and Russia used to have close ties - even non-too-friendly relations with the North, but currently they seem to lack any particular means of influencing the Northern regime. North Korea has throughout its existence claimed total independence, and this "worldview" is now causing trouble for the system itself as well as for its neighbours. It claims willingness to negotiate, and is most interested in negotiating with the Americans, but at the same time threatens the preferred dialogue partner with total war. Which of these signals is in earnest? How should the surrounding world react? We have invited eight experts to share their insights with us readers. Their field of expertise covers most areas of what is commonly called modern Korea.

Chung-in Moon is professor of political science at Yonsei University, where he served as dean of the Graduate School of International Studies. Currently he is vice-president of the International Studies Association (ISA) in North America, and adjunct professor at the Asia Pacific Studies Institute, Duke University. Professor Moon accompanied President Kim Dae-jung to the historic Pyongyang Korean summit in June 2000. In this issue he reviews Korea's 'Sunshine Policy'. Gay Garland Reed is associate professor in the department of Educational Foundations at the University of Hawaii. She shares with us personal memories of President Kim Dae-jung acquired in 1974, when she taught English to this most distinguished political personality in post-war Korea. He was under house arrest at the time. Tae-Dong Kim is professor of economy at Sunkyunkwan University and served as Senior Secretary for Economic Affairs and Policy Planning to President Kim Dae-jung. He is currently a member of the Monetary Policy Committee of the Bank of Korea. He discusses Korea's economy and its future perspectives. Dae-sook Sah is professor of political science at the University of Hawai, where he came to establish and develop the program for the Center for Korean Studies. He served as the center's first director from 1972 to 1995. Professor Sah deals with North Korea and the approach of the regime to unification. Tom Hart, professor of political science, has worked on European and global security issues at the Swedish Institute for International Affairs. He was formerly director of the Center for Pacific Asia Studies at Stockholm University, and is now based at the Stockholm School of Economics. He discusses the North Korean diplomatic brinkmanship. David I. Steinberg is Professor and Director of Asian Studies at Georgetown University and Senior Consultant to the Asia Foundation. He was formerly a member of the Senior Foreign Service, Agency for International Development (AID), US Department of State. Professor Steinberg delves into the fluctuations of political relations between Korea and the US. Aldan Foster-Carter is an honorary senior research fellow at NIAS.

NIAS Library and Information Centre (NIAS LINC) has compiled a bibliography on current Korean affairs (titles published between 1995 and 2003). The bibliography is in the form of a searchable database and can be found at http://www.niaslinc.dk/gateway/korea
The Result of the Sunshine Policy and Its Prospects

By Chung-in Moon

Upon his inauguration in February 1998, President Kim Dae-jung initiated two major policy initiatives: sweeping economic reforms to deal with the 1997 financial crisis and the sunshine (engagement) policy to improve inter-Korean relations. Of the two, economic reforms have been generally considered more successful. Despite its outstanding achievements, however, the sunshine policy has been subject to intense domestic debate for several reasons: endangering national security by obeying over engagement, premature abandonment of Cold War sentiments and its concurrent ideological chaos in the South, violation of the principle of reciprocity by making unilateral concessions to the North, and failure to forge national consensus and the advent of acute political and ideological cleavages. Some conservative critics have also argued that the blind pursuit of the sunshine policy has jeopardized traditional alliances with the United States. Furthermore, North Korea's unwrath behavior, for example, recurring naval clashes such as those in June 2002 and the current nuclear stand-off, has further tarnished the policy's image.

Is the sunshine policy a failure? Should it be abandoned? I concur with some of its critics. The sunshine policy is man-made, and is thus bound to be fallible. But I believe that it is a sound policy that has brought about a major positive change in inter-Korean reconciliation, exchanges, and cooperation. And its liberal premises are still valid: trust is better than suspicion; cooperation is more valuable than conflict; and engagement is more rewarding than containment. Incoming president Roh Moo-hyun will join Kim Dae-jung in maintaining its forward-looking momentum. He is keenly aware that neither containment nor malignant neglect will work as effectively as engagement. Despite domestic, inter-Korean, and external challenges, Roh will be committed to the continuation of the policy.

What is the Sunshine Policy?
The sunshine policy can be defined as a proactive policy aimed at inducing incremental and voluntary changes in North Korea for peace, opening, and reforms through the patient pursuit of reconciliation, exchange, and cooperation. It is framed by three fundamental premises: non-tolerance of a military threat or armed pro- womention by North Korea; the official abandonment of the idea of unification by absorption and any other means which undermine or threaten the North; and the promotion of exchanges and cooperation through the re-unification of the 1951 Basic Agreement on Reconciliation, Non-aggression, Exchanges, and Cooperation.

In primary goal is to lay the foundation for peaceful co-existence and Korean unification by breaking the vicious cycle of negative and hostile actions and reactions through reconciliation, exchanges, and cooperation. Thus, the prevention of war and the management of an unstable peace constitute the core objectives of the sunshine policy. Although the sunshine policy strongly adheres to the principle of military deterrence through defense build-up and alliance with the United States, it also calls for peacemaking measures, such as inter-Korean tension reduction, confidence-building, and arms control as well as the removal of nuclear, bio-chemical, and other weapons of mass destruction.

The second objective is to achieve denuclearization through the promotion of exchanges and cooperation. The sunshine policy assumes that denuclearization through mutual consent could take a much longer time. Aware of this realistic constraint, the Kim Dae-jung government aimed at creating a climate of peace in the process of implementing the denuclearization process. In order to forge national consensus, the Kim Dae-jung government emphasized the importance of transparency in policy management, constant consultation, a shared understanding with mass media and opinion leaders.

Assessing the Results of the Sunshine Policy

The results of the sunshine policy's primary goal of achieving peace and reunification can now be measured. The sunshine policy has not been successful in making a major breakthrough for inter-Korean cooperation in confidence-building, and arms control. Acute military tension still remains, and the current nuclear issue is the most vivid testament to it. However, it should be recognized that compared with the period preceding the engagement policy, the overall situation regarding peace and security on the Korean peninsula has substantially improved since the summits. Both North Korea and not only suspended hostile propaganda warfare along the DMZ, but also five the first inter-Korean defense ministerial meeting in June 2000. Although temporarily suspended, inter-Korean military cooperation on such projects as the reconstruction of the Seoul-Sinuiju railway, the completion of a ground route, and the construction of the Gaesung Industrial Complex, reveals important developments in informal confidence-building measures. While the sunshine policy has not resolved the Korean conflict, it has brought about profound improvements in peace and stability.

Although inter-Korean exchanges and cooperation signify remarkable progress, the sunshine policy is far short of materializing denuclearization. Since the 2000 Korean summit, inter-Korean personnel exchanges have increased by 20 times, trade volume rose from $200 million in 1998 to $560 million in 2002, and the range of social and cultural exchanges and cooperation has profoundly widened, including North Korea's participation in the Busan Asian Games in September 2002. The surprise of separated families has also been impressive. 5,400 Koreans were able to meet their separated families through five rounds of reunion meetings, and 12,000 were able to verify the survival of their separated families in the North. For all this, the free flow of people, goods, and services across the DMZ has still not been realized.

Pyongyang remains reluctant about opening its door to Seoul, perhaps in fear of negative boomerang effects. Another significant aspect of the policy is its restoration of official North-South dialogue. Since the 2000 Korean summit, the North radically altered its attitude toward official dialogues. There were nine inter-Korean ministerial talks, six Red Cross talks, one defense ministerial talk, as well as fifteen working-level military talks, and twenty high-level and working level talks for economic cooperation. Judged by North Korea's traditional strategy of ignoring and circumventing the South Korean government, what has happened since the summit is quite remarkable. Despite overall improvements in official dialogues, however, chairman Kim Jong-il did not make his promised return visit to Seoul, delimiting the scope of inter-Korean official interaction.

Has the sunshine policy induced voluntary, incremental changes for opening and reform? In North Korea, reacting to its dismal moves in the past, the North has begun to show positive signals for opening and reforms. On July 1, 2002, North Korea adopted new administrative guidelines for economic reforms that included greater autonomy for enterprises, the introduction of realistic wages, prices, and foreign exchange rates, and new incentive systems. In tandem with these measures, North Korea enacted new laws to designate Sinuiju, Gaesung, and Mt. Geumgang as new special economic zones. In November 2003, North Korea designated these special economic zones for the first time, and on February 8, 2004, North Korea designated the second special economic zone.

Based on the results, the Sunshine Policy is still ongoing and its achievements remain mixed. No comprehensive peace and cooperation agreement has been signed yet, but the disengagement increase in the number of separated families meeting, the removal of barriers between the two Koreas, and the beginning of economic cooperation are important steps. The Sunshine Policy is not yet complete, but it has laid the foundation for further progress in the future.
Personal Memories of Kim Dae-Jung

By Gay Garland Reed

Sometime in 1974, a Jesuit priest who was associated with Seogang University in Korea where I taught for 5 years, asked me if I would like to teach English to 'Mr. Kim.' In a land of many 'Mr. Kim's and many requests for English tutoring, I hesitated. The priest explained that only a short while before, Kim Dae-Jung had been kidnapped by Korean intelligence agents while he was travelling in Japan and had been dumped mysteriously on his front doorstep in Korea after a narrow escape with death. The 'Mr. Kim' that he referred to was famous as an opposition leader and as the man who ran again President Park Chung-Hee in 1971. It was rumored that he won that election but was denied the presidency for over two decades.

I was honored to serve as his tutor and we practiced English 2–3 times a week for about 6 months. At the time he was under house arrest. Fortunately, his modest, but comfortable, home was within walking distance of Seogang University where I lived. Although he had occasional visits from foreign reporters and academics during the time that I taught him, he was essentially cut off from fellow Koreans, except those few who were part of the inner circle. Guards at his front door only permitted a few people to enter and many were turned away. Our sessions were unconventional in the sense that he preferred not to use a book for study. He liked to talk about things that interested him and it seemed that he was using the opportunity to hone his listening and speaking skills to prepare for the sessions with foreign visitors and reporters. He seemed to be experimenting with the language and with translating his ideas into understandable English. Over the years his skills in English became more important as he made his way into the international arena, but he always sounded much more tentative in English than in Korean. As is often the case with people who speak a second language, the language seems to define the person.

One particularly vivid recollection from those lessons was Mr. Kim's unusual kindness in seeing me to the door. It is customary for a maid or the woman of the house to turn the guest's shoes around at the entrance so the guest can easily step into them upon departure. On one occasion, Mr. Kim himself reached down to turn my shoes around. In all the years that I lived in Korea, I never saw another man do this. It was a gesture of hospitality that broke the conventional Korean gender and status rules and felt somehow remarkably egalitarian. His kindness was particularly noteworthy because he had some difficulty in moving as a result of a car accident. Over the years he suffered bouts of sciatica that caused him to limp.

When the time arrived for me to leave Korea, I requested that an acquaintance continue the teaching. That acquaintance and I were later married, largely as a result of our shared experience working for Mr. Kim. We often referred to him as our 'matchmaker,' a rather unexpected role for a person of his stature to fill. When our daughter was born in 1981, we gave her the middle name, 'Kim,' in honor of the role that Kim Dae-Jung played in our lives.

When he was exiled to the U.S., Mr. Kim requested that we move from our home in Michigan to Washington, D.C., where he was establishing the Korean Institute for Human Rights. My spouse picked up where he had left off in Korea and became one of Mr. Kim's assistants for a year. At the end of that year we moved to a farm in rural Virginia to establish an international school. Some years later, near the end of his exile in the U.S., Mr. Kim and his third son, Kim Hong-Seol, visited nearby Charlottesville, Virginia to see Monticello, the home of Thomas Jefferson, located a short distance from the farm. Mr. Kim had been a lifelong admirer of Thomas Jefferson and was once punished for quoting Jefferson's famous line that 'the tree of liberty is watered by the blood of tyrants.'

A Japanese television crew accompanied him to visit Jefferson's home because they sensed the power of historical democratic forces coming together across time and cultures. They all came to the Reed family farm on a cold January afternoon in 1985 and I cooked a huge Chinese-style meal. After the television crew and the guests left, Kim Dae-Jung and his son spent the weekend with us at the farm. A Korean shitake mushroom farmer from a neighboring Virginia county came bearing gifts—an abundance of the precious mushrooms—thrilled at the honor of meeting a man of Mr. Kim's stature and political views. I felt somewhat apologetic for the lack of amenities at the farm but recalled that Kim Dae-Jung had spent time in prison and was accustomed to modest surroundings.

Those years of imprisonment had a profound affect on him. Mr. Kim always seemed to have a sense of owning, even when others were uncertain that his final return to South Korea President would be successful. Perhaps it was the result of forced isolation so many times in his life. The years in prison and of isolation under house arrest fostered a kind of contemplation that modern individuals rarely face. His tenacity is the characteristic that comes to mind when one thinks about his multiple attempts to become president of South Korea and his four narrow escapes with death. But these are public aspects of his personality that could easily be noted by anyone. There were other aspects that were more hidden from public view. He has a particular tenderness for dogs. In the time that I went to his home to teach English, he had a tiny Chihuahua that was a valued companion. Clearly he delighted Mr. Kim whose face always lit up when the tiny creature entered the room. The dog had an uncanny ability to ascertain who Mr. Kim's friends and political enemies were. Some years later when my dog was killed by a car, Mr. Kim was clearly moved, and expressed sympathy.

The last time I saw him was in May of 1997 while he was running for President. I was in Seoul to give a paper at Seoul National University and he asked that I join the family for their regular weekly lunch when the three sons, their wives, and children got together. During the lunch there was talk about the most recent polls, much speculation and strategizing, and questions directed to me inquiring about my children. On that occasion, as always, he and his wife Lee Hee Hee showed enormous generosity as they had over a period of many years. Mrs. Kim, in particular, always remembered that our son was fond of Korean seaweed and I returned home with a large package. Amidst all the theory of settings and goings, despite their celebrity, they were always intensely human.

On my desk at the University of Hawaii, where I teach is a clock that he and Mrs. Kim gave me on my last visit to Korea. In President Kim's characteristic calligraphy are the words, 'Conscience in action.' These words reflect his commitment to democratic principles and his conviction that democracy is achieved only through sacrifice and struggle. His own life is a testament to that sacrifice. After being nominated for the Nobel Peace Prize in 1987, he received that honor in 2000. It is difficult to fathom the enormous sacrifices that some individuals make for a belief. At the same time one cannot ignore all the invisible sacrifices that others in his family and inner circle had to make to permit him the space to make that contribution. I am reminded that each individual is sustained through collective effort.
Economic Development Strategies and Korea's Future

By Tae-Dong Kim

The 1997 Economic Crisis

The 1997 economic crisis took place through a complex process: beginning from a recession and a deterioration of the terms of trade, moving to corporate bankruptcies and to banking crises, then also under the effects of contagion from the South East Asian currency crises, to a currency crisis. However, the fundamental cause was structural problems rooted in the process of government-led extensive economic development for over thirty years.

Although Korea had pursued an economic development strategy that was geared toward global openness and competitiveness since the 1960s, the sophistication of its internal economic system had failed to keep pace. At home, the government's managing of the economy was outdated and often incompatible with open market practices; however, no adequate reforms were undertaken to fix those structural inconsistencies to allow for better economic growth.

The problem lay in over-investment in major industries. Big business groups (chaebols) extended their business lines too broadly. Duplication investments by chaebols brought about inefficiency at the core of the Korean economic system as a whole. Another source of structural weakness lay in the tendency to value operational scale over profitability and cash flow. Business expansions were financed through heavy borrowings from both domestic and overseas markets. The debt-equity ratio in the Korean manufacturing sector was 196% as of the end of 1997, which was considerably higher than that of other countries.

At the macro level, the economic growth rate had shown a good performance before the crisis. However, the quantitative growth strategy also caused high inflation, deep-seated current account deficits, and huge increases in foreign debt. The financial sector in 1997 was not in a position to allocate resources efficiently and became even more fragile.

Because the economy was built on a flawed foundation, it could not withstand various stresses. The financial turmoil in East Asia in the latter half of 1997, as well as the shortage of foreign exchange reserves and the loss of confidence by international investors, ignited the economic crisis of 1997.

New Development Strategy: Dijonomies

As the onset of the economic crisis, Kim Dae-Jung was elected as President. His inauguration was momentous, marking for the first time in election history a peaceful transfer of power to an opposition party candidate. President Kim announced that his main goal was the parallel development of democracy and a market economy; this economic philosophy was termed Dijonomies. With a focus on establishing a new foundation for the economy, President Kim pursued a three-part economic strategy. First, he adopted thorough reform policies not only to overcome the crisis but also to fix long-term structural weaknesses in the economy. Second, Korea opened its markets more widely to foreigners. Third, the Korean government facilitated and encouraged the momentum of the FT revolution.

Structural reform was implemented in four key fields: the financial, corporate, and public sectors and the labor market. In the financial sector, non-viable financial institutions were shut down, and those deemed fragile but valuable were restructured. Public funds of about 160 trillion won were injected to clear bad loans and to increase paid-in capital of financial institutions during the last five years. That amount corresponds to around 30% of nominal GDP.

Thirteen insolvent banks out of a total of 33 were closed down. The non-performing loan ratio of financial institutions fell sharply from the 10.4% of 1998 to 4.2% as of June 2002, thanks to this reform and efforts by the banks. To minimize the risk of financial failure, new procedures for clarifying assets and better plans for prompt corrective actions were adopted.

In the corporate sector, debt structure and long-standing management practices were reorganized, resulting in out of Korea's 30 largest business groups leaving the market. Various measures were carried out in the corporate sector in order to enhance transparency and management accountability. Cross guarantees and unfair transactions between chaebols were banned, and the drawing up of consolidated financial statements was made mandatory. As a result of these changes, the debt-equity ratio of the market as a whole increased to 182.2% by the end of 2001 from almost 400% just after the onset of the crisis.

Economic cooperation with other countries also increased. For example, seven bilateral currency swap contracts have been signed with East Asian countries, for a total value of 17.8 billion dollars. For better commerce, a free trade agreement (FTA) between Korea and Chile, the first FTA agreement for state-run companies and processing for management innovation. Seven out of eleven state-owned firms were privatized, and 140,000 workers, 20% of the government payroll, lost their jobs. Some important changes were made in the labor market. As a result of the 'Tripletrade Agreement': Arrangements permitting lay-offs were introduced from 1998 and a more flexible labor market was developed.

Market Opening

To revitalize the economy, conscious steps towards increasing market openness and cooperation with foreign countries were taken. Despite the national crisis, the government consistently pursued a market opening policy; this approach may be said to be opposite to that pursued by Malaysia, which instead chose to retreat from its open policies. In 1998, the Foreign Investment Promotion Act was enacted, which removed many obstacles to direct foreign investment, now virtually all industrial sectors are open to foreign investments. M&A activity by foreigners has also been allowed since 1998.

As a result, foreign direct investment (FDI) has sharply increased. During the four years post-crisis years (1998-2001), Korea received 31 billion dollars in FDI. In the three decades preceding 1997, the total of FDI into Korea only amounted to 16.3 billion dollars. Notably, the share of foreign investment from Europe increased to 45% during that period compared to its 31% share prior to 1997.

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North Korean Approach to Unification

By Dae-Sook Suh

In his review of the North Korean unification policy, Kim Jong II said that the basic position of North Korea on unification consists of three principles, and he called them ‘three great charters of unification’. The first charter was the three principles of unification: independence, peace, and national unity transcending ideological differences. This agreement was reached by both North and South Korea at the time of the 6th Congress of the Korean Communist Party in 1972. The second charter was the idea of the Democratic People’s Republic of Korea as a preliminary step toward unification. Kim Il Sung announced the idea in October 1980 at the time of the Sixth Congress of the Workers’ Party of Korea to create one nation, two systems, and one state, two governments. The third charter was the ten great platforms for national unity for Korean unification proclaimed by Kim Il Sung on April 8, 1993, approximately a year before his death. The platforms endorsed various measures of reconciliation between North and South Korea. Kim Jong II claimed that the three charters represented essentially the basic policy position of North Korean approaches toward national reunification.

The summary by Kim Jong II seems too simplistic to ascertain the essence of the North Korean unification policy. To be sure, North Korea started with an armed attack, hoping to conquer the South militarily and unify the country on its terms. After the Korean War, North Korea seemed to have adopted a ‘Democratic Basic Theory’ in the 50s to build a strong, democratic base to be able to integrate the South into the North. During the 1960s, North Korea promoted a national liberation theme in the South and encouraged the South Korean people to engage in an armed struggle and revolution against their own government. The conciliatory principles of non-aggression, independence, peace, and national union of 1972 were difficult to understand considering the North Korean record from 1945 to 1972. Kim Il Sung’s interpretation of the three principles of 1972 was most interesting. For the principle of independence, he advocated the withdrawal of American troops from South Korea, for peace, he tried to stop modernization of the South Korean military, and for national union, he wanted to strengthen the dissident groups in the South.

Kim Il Sung also promoted the idea of the confederation of North and South Korea without any relaxation of tensions between the two regions, irrespective of the merits of the confederation proposal, he simply failed to win the trust of the South Korean people. Many wondered whether the creation of the Democratic People’s Republic was an interim measure or the goal and end result of the North Korean unification plan. To most South Koreans, it seemed an approach to convert the North into the North Korean system. The basic North Korean position seemed to be changed from adversarial relations of the 1960s and 1970s to peaceful coexistence with the South in the 1980s. Kim Il Sung spoke about the reunification issue at the time of the 6th Congress of the Party in October 1980 and the 8th Supreme People’s Assembly in December 1986. The most significant result Kim Il Sung accomplished during his lifetime was arguably the agreement of Reconciliation, Non-Aggression, Cooperation, and Exchange between North and South Korea in December 1991. Definite changes in the North Korean position from absorption to cooperation with the South could be detected in the agreement.

In the commemoration of the 50th anniversary of the first North-South meeting of April 18, 1948, commonly known as the four-Kim meeting in Pyongyang, Kim Jong II was a letter in April 1998 to a conference commemorating the event, delineating his own views. This was known as his five-point policy for national reunification. The five points included the principle of national self-reliance, union under the banner of patriotism, reform of inter-Korean relations, struggle against foreign domination, and promotion of dialogue and union of the Korean people. This was a repetition of policies from the ten-point platform of Kim Il Sung proclaimed in 1993.

In his discussion of inter-Korean relations, Kim Il Sung always examined three aspects: (1) the situation of corrupt and dictatorial South Korea, (2) a positive evaluation of Socialist North Korea, and (3) the state of international politics influencing the Korean peninsula. With strong solidarity of the Socialists in support of North Korea and positive evaluation of his own accomplishments, Kim Il Sung always assumed to cooperate and dealing with South Korea. It was not until the collapse of the Soviet Union and disappearance of the Socialist regime in Eastern Europe that North Korea had to re-evaluate its position in the international arena. Furthermore, the death of Kim Il Sung and natural calamities that ensued for four years reduced the one time ‘glorious Socialist’ state to a poverty-stricken environment of lifting its people from survival for survival. When Kim Jong II established his own government under the title of Supreme Leader in September 1998, the tide of inter-Korean relations definitely favored South Korea.

Kim Jong II may not be able to control the democratization process and economic prosperity in the North, but he is trying to ensure the survival of the Socialist system in the North. He has instigated what is known as the ‘military first’ politics, and justify it in the name of North Korea’s own ‘root style’ of socialism. He is also expanding his international horizon to establish diplomatic relations with capitalist countries. He has the difficult task ahead of establishing viable relations with the US and Japan, but with proper concessions as strategic points of negotiation as displayed to the Japanese Prime Minister in September 2002, he might be able to improve North Korean relations with the United States.

Unlike the position of Kim Il Sung in the past, Kim Jong II might have suffered setbacks from which he may not be able to recover in the future. However, his spirit in dealing with South Korea seems undaunted. He

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increased transparency and accountability. Also, the foundation for an information and knowledge-based society has been established. The number of persons with regular access to the Internet reached 23.5 million in 2002, roughly 55% of the population. Moreover, the number of mobile phone subscribers stood at over 31 million by the end of last year.

Future Agenda
The world economy is increasingly interdependent, and global competition is more intense than ever. Therefore, for Korea, there is no alternative but to continue its outward-oriented growth strategy in order to achieve economic success. Here per capita income still lies at only around 10 thousand dollars. To attain the level of a world-class economy (say, 25–30 thousand dollars per capita income), determined efforts should be maintained.

To this end, market opening and economic cooperation should be steadily pursued. Making a business-friendly environment by introducing necessary regulations is extremely important. This will encourage inflows of foreign investment. Economic cooperation with other economies is also vital, and Korea’s new contribution into multilateral economic arrangements such as ASEM and APEC.

In this context, it is desirable to turn Korea into a vibrant business hub for Northeast Asia. By establishing Korea as a new economic hub connecting the Pacific Rim countries and the Eurasian land mass, its economy can be further developed. Korea can get benefit from its strategic location at the crossroads between three large markets: Japan, Russia, and China. It now needs to build an efficient infrastructure to fully utilize its geographical advantage.

Despite the recent nuclear crisis in North Korea, economic cooperation with the South should be continued. To this end, the two Koreas have already agreed to re-link the railways. The resulting unification of the railway and further to the Trans-Siberian, will bring about sizable economic benefit to many countries – that is, not only Korea, but also Eastern and Northern European countries.

The Korean economy has become stronger and more resilient after the painful restructuring and reform it underwent. Such reform, however, should be continued. Market opening requires the economic and social improvements, sparking a new economic crisis. To prevent this, it is necessary to secure well-functioning financial markets and build up an efficient financial system. The role of the central bank (the macro level) and the financial supervisory authority (at the micro level) is of great importance. Enhancing transparency not only in the business sector but also throughout society is also crucial, as it will lessen moral hazard and lure greater foreign investment.

Future growth should be based on faster productivity growth, rather than on larger inputs of labor and capital. Continued reforms are essential to further strengthen the global competitiveness of Korean enterprises and boost productivity. Advanced technologies such as biotechnology, nanotechnology, and environmental technology should also be developed as the future engine of growth. Policy initiatives are called for to increase R&D investment in these industries.

The new government led by President-elect Roh Moo-hyun is expected to carryout a three-faceted development strategy: reform, market opening, and promotion of new industries.
‘Let’s be friends!
We’re too dangerous as enemies!’

George W. Bush gets to know Kim Jong Il

By Tom Hart

Wasn’t it Richard Nixon who said something about the desirability of having your opponents believe you just might be a madman? In fact, wasn’t the Cold War balance of terror – which supposedly averted all-out war for four decades – based on the proposition that the leaders of the nuclear powers were a bit mad and were actually prepared to touch off a nuclear holocaust using the thousands and thousands of nuclear warheads they had been buying for trillions of dollars while letting their cities decay and people all over the world starve and grow up in misery? Well don’t look now, folks, but someone has been watching and picking up tips! More nuclear chickens are coming home to roost.

It is easy to be contemptuous of North Korea’s viciously anachronistic regime and its tyrannical policies, but its conduct of foreign affairs is no illogical, given that sheer desperation has convinced the dominant portion of the power elite – presumably the surviving members of the Kim II Sung clan and their cronies in symbiosis with the leaders of the military establishment – of the need to subordinate all else to the medium-range goal of regime survival. And regime survival depends on its eyes on a steady flow of external input (perceived seen as rightly deserved tributes and reparations), security guarantees, and perhaps a modicum of reform.

Longer-term survival will only be assured if and when there is a major shift in the internal power balance in favour of potential modernizers among this same power elite, whatever they may be. However unlikely, such a shift would pave the way for more fundamental reforms, including a stark reduction in military spending and influence. Such a development presupposes reduced regional tension and normalized relations with North Korea’s neighbours. To achieve this, reformers and other foresighted North Korean leaders should reasonably be expected to avoid provocative and antagonistic behaviour.

Who is to blame?

Does this imply that the radical moves North Korea has unannounced and partially carried out during the past three or four months are the work of hard-liners who fear (not without reason) that far-reaching reform would lead to their downfall? Perhaps. But then some factor must have once again tipped the scales in the hard-liners’ favour, for there has also been halting progress in relations with Japan and South Korea and there were intriguing announcements of significant reforms last summer.

There is a growing consensus that the polices of the Bush administration and the president’s penchant for ideological plain speaking are indirectly to blame for North Korea’s clandestine uranium enrichment program and – after bluntly calling the North Koreans to task about it – for Pyongyang subsequently ratcheting up tensions by expelling IAEA monitors, retrieving the nuclear fuel rods sequestered under the 1994 Agreed Framework, refusing the plutonium-yielding Yongbyon reactor and threatening to resume missile tests – thereby breaking a raft of solemn undertakings and alarming and embarrassing its neighbours.

The Bush administration’s lengthy time out while it conducted a review of the policies of the Clinton era upon coming into office was perhaps not in itself a provocation, especially when it had to face up to the conclusion that there seemed to be no better alternative than to continue along the same general path. But the tone changed and specific initiatives were not followed up, particularly Clinton’s full but complete effort to clinch a deal with Kim Jong Il to halt North Korea’s long-distance missile development program.

Pyongyang noted especially that no further mention was made of the U.S.-DPRK Joint Communique of October 12, 2000, in which the two sides had pledged to fundamentally improve their bilateral relations in the interests of enhancing peace and security in the Asia-Pacific region and to reduce tension on the Korean Peninsula and finally end the Korean War by replacing the 1953 Armistice Agreement with permanent peace arrangements. The two sides emerge from the negotiating table with the statement that “[e]ither government would have hostile intent toward the other”, i.e. that they would no longer treat each other as enemies.

Is it to be enemies, then?

In direct contrast to these sentiments were President Bush’s gratuitous slight to South Korean President Kim Dae-jung by officially designating the latter’s sunshine policy, and the “axis of evil” epithet applied to North Korea along with Iran and Iraq in Bush’s January 2002 State of the Union speech. Not only has Washington been lukewarm in support of Japanese and South Korean efforts to improve relations with the North – more troubling still to the generals in Pyongyang was certainly the U.S.’s use of high-tech military power to topple the Taliban in Afghanistan and before that to force the Yugoslav army out of Kosovo, not to mention its subservience to the UN against Saddam Hussein, toppled by President Bush’s West Point speech last June, in which he proclaimed the right, if not duty, of the United States to eliminate dictatorial regimes via pre-emptive war.

In the face of all this, the North Korean leaders figuratively threw up their hands, said “That does it” and reversed to form. Not, however, without simultaneously telling the United States that the door to a negotiated settlement is wide open. In August, a North Korean Foreign Ministry spokesman announced that “The D.R.K. clarified more than once that if the U.S. has a willingness to drop its hostile policy toward the D.R.K., it will have dialogue with the U.S. to clear the U.S. of its worries over its security.” Leon Sigal comments that North Korea’s thereby pursuing biological, chemical, and conventional arms on the negotiating table as the nu-

clear and missile deals are done. On October 20 Kim Yong Nam, North Korea’s titular chief of state, reiterated the August 31 formula in talks with Joong Sehyun, South Korea’s Unification Minister. “If the United States is willing to drop its hostile policy toward us, we are prepared to deal with various security concerns through dialogue,” he said.

What are the prospects?

It won’t be easy to even get started unless and until the American top leadership begins to pay more attention to Korea and less to Iraq, but when the U.S. and the D.R.K. do eventually begin talking, as they must, it is likely that some sort of negotiated settlement will be found, providing a way out of the present crisis will eventually be worked out. The next deal will, however, have to be a marked improvement over the old Agreed Framework (AF), at least a meaningful joint declaration fully lived up to AF – the plus being, for the American side, full implementation of the Bush administration’s so-called “denuclearize and verify” and for the North Koreans assured deliveries of energy resources, some sort of diplomatic recognition and binding U.S. security commitments. As well as a quicker and more realistic solution to the country’s energy needs than KEDO’s behind-the-scenes light-water reactor program can provide even if they do ever come on line.

Can the present crisis be settled in such a way as to produce an enduring Northeast Asian security arrangement? Almost certainly not. To attain that latter a multifaceted solution in the genuine interest of all concerned parties will have to be worked out, and to be frank one has to ask if the indefinite survival of the North Korean regime can ever be in the genuine interest of anyone except you know who. After making a deal with the U.S., Pyongyang will probably proceed to see what it can get out of Japan and the newly elected South Korean president, Roh Moo-hyun. Eventually they may want to see the moribund Four Party talks resume, but unless the regime’s policies change significantly, the others are not likely to be interested. For the time being, North Korea’s rulers are only interested in talking directly with Washington, as their gnomous treatment in the January U.S. Defense Secretary Rumsfeld’s special envoy Kim Dong Won clearly demonstrated. They are clear on their priorities and no one is likely to change their minds.

Of course, it is not entirely certain at this writing that the impasse between North Korea and the United States can be resolved peacefully. But North Korea’s rulers must realize that the administration’s uncompromising toughness was predictable, and their nuclear blackmail tactics seem to be working once again. To whose ultimate advantage, if anyone’s, remains to be seen.
The U.S. and North Korea: Policy Perigrinations

By David I. Steinberg

In January 2003, when they recently picked up the prestigious Washington Post newspaper over their morning coffee, those aficionados of the policy process who live in Washington must have choked. They were greeted on successive days by extreme criticisms over the Bush administration’s policies toward North Korea by two of the most important columnists in the capital. Criticisms over any foreign policy issue are nothing new. What was unusual was that on the first day the complaint came from the liberal wing of the columnist community, and on the second it was from the conservative side. Both complained about the inconsistencies of the Bush administration’s approaches to North Korea, but from opposite sides of the political spectrum.

Those whom I deem liberals, who wanted dialogue with North Korea, complained that President Bush unnecessarily put himself in a position of having to backtrack on the administration’s position of not 'negotiating' with North Korea until they surrendered by dismantling their missile programs, but laterly admitted, nuclear activities. So although the U.S. first decided not to 'negotiate,' it later agreed to discuss the issues with the North. The White House spokesman, of course, denied that policies had shifted. After President Bush’s inclusion of North Korea in his famous ‘axis of evil’ triinity in January 2001 and his subsequent remarks about ‘soaking’ Kim Jong II and of not surrendering to ‘blackmail’ by North Korea by giving assistance to stop what North Korea had already agreed to stop, the administration had to change its position.

So from a liberal vantage point, the administration unnecessarily got itself into trouble by the White House shifting from the ship, so to speak, and only later trying to salvage an untenable position. To the liberals, the President’s emotional reaction to a clearly despicable regime was at odds with the rational need for dis-
Left turn in South Korea?

By Aidan Foster-Carter, University of Leeds

While the world worries about the North Korean nuclear crisis, a small bombshell in South Korean politics has had less attention. On February 25, Roh Moo-hyun will be sworn in to succeed Kim Dae-jung as president of the Republic of Korea. Unlike his Nobel Peace Prize–winning predecessor, Roh is little known outside Korea. Indeed he is not much talked about. He has never visited the US, acculturated his rivals of being there only to potassium. This is not the usual tone from Seoul. Clearly, change is in the air.

Born to lose, he won

Roh Moo-hyun breaks the mould of South Korean politics. From a poor farm family, he could not afford college but studied for the bar while working as a labourer. As a lawyer he fought human rights cases against the military dictatorship. Elected an MP for his native Pusan in the southeast, the ROK’s second city, he broke with his mentor Kim Young-sam (president 1993–98) when the latter imprisoned his political rival Lee Tae-woo (president 1988–93; none of these Rohs or Kim are related). Instead, Roh MH joined Kim DJ; no hero in Pusan, due to his rivalry between the southeast, long a centre of political power, and Kim’s excluded southwest. After defying several elections, Roh became known and respected as a principled, stubborn, external political outsider, with a small but loyal young following who ran an Internet fan club for him, Ninarno. A year ago the ruling Millenium Democratic Party (MDP), facing a backlash against continued corruption (two of President Kim’s sons are in jail) and appeasement of an unresponsive North Korea, tried something new: Ko’s first ever primary elections. Roh was the unexpected winner. Yet he soon trailed in the polls behind the opposition Grand National Party’s Lee Ho-chang, a partisan conservative ex-judge. Many in the MDP tried to ditch Roh for Chung Mong-joon: an urban Hyundai scion, who ran the Korean end of last year’s successful World Cup, co-hosted with Japan. In the end Chung backed Roh, only to break with him over anti-Americanism on the eve of December 19’s election. Yet Roh won, just taking 48.9% of the vote to Lee’s 46.6%.

Yankan go home

How did he do? Mainly thanks to youth. Under 40s voted overwhelmingly for Roh, while those over 50 plumped for Lee. This generation gap also has an anti-US twist. A trumpet of corruption, when a US tank crushed two schoolgirls, caused outrage when US troops marauded the drivers of negligent homicide. In daily vigils, some (but not all) protesters called on US troops to leave; a view Roh held in his youth. Many also blamed the Bush administration’s hard line on North Korea as undermining Kim Dae-jung’s ‘sunshine’ policy, and provoking Pyongyang’s nuclear defiance. An uncertain prospect thus looms as Roh begins his five-year term of office, due to last until 2008.

This article looks at what the ‘wind’, as Koreans call it, really means. Is it a fresh breeze in Seoul’s often fetid politics, promising modernization or a populist gale of divisive class and generational confrontation? How will Roh steer the world’s 13th largest economy? Will his government dire consequences for South Korea’s opening and market reform? In foreign policy, can he sustain a commitment to engaging North Korea’s strident, monopoly nuclearism and the Bush administration’s belligerence?

Generation gap

One might see Roh’s success as a fluke. Public opinion is volatile. Had the election been six months earlier, or without the tank accident, Lee Hoi-chang could have won. Yet deeper currents are at work. The generation gap is striking. This is the triumph of the so-called 386 (soon to be 486) generation: in their 30s, students in the 1980s, born in the 1960s. At university, the 386ers fought hard for democracy and imbued radical ideology, which banned the US for dividing Korea and supporting military dictators. Their parents, by contrast, thanked the US for keeping North Korea at bay, and put up with the generals on the same ground—and because they delivered prosperity. Rapid economic change has produced sharply divided worldviews. The old sea wall and stability as new, fragile and hard-won. The young take it for granted, but criticize their elders for allowing dictatorship, inequality, an arrogant US and national division.

Computers trump Confucius

Technology reinforces this reversal of traditional Confucian respect for the elderly. Broadband South Korea leads the world. Street pros are not dead, but for the young

So far the signals are mixed. Like Kim Dae-jung, Roh is already accused of rewarding his cronies with plum jobs. His choice of premier—Goh Kun, a popular Seoul mayor and MDP reformer—tends to placate conservatives, is criticized as playing safe; some people are hard to please. He supports multi-member districts, which would let the MDP pick up seats in the south-east while the GNP would be hard put to penetrate the solidly pro-MDP south-west. His plan to move the capital 140 km south from Seoul, ostensibly to reduce regional inequalities, is seen by critics as an expensive irrelevance— or worse, a pork-barrel reward to a region which voted for him on the basis of this promise.

The future of South Korea is uncertain. There is no doubting the nationalist edge in both Roh Moo-hyun and the popular sentiments that propelled him to power. Here Korea’s young and foreign attitudes diverge. The rest of the world sees South Korea as a great economic success, and Koreans as slow to assert themselves. But clearly many Koreans feel they are still denied their due respect. This anti-US animus focused on the perceived injustice of US soldiers getting off in their own courts, and the Korean judicial system. Yet to the outsider this affair was a reaction to a one tragic accident (in a country with an appalling road death record), it was overblown. It demands to revise the Status of Forces Agreement (SOFA) are unrealistic: ROX forces serving overseas, in Kyrgyzstan or East Timor, are similarly exempt from local courts. Neither Seoul’s political elite nor mass media made such points, but went with the emotional flow of hi (resentment), long a potent voice in Korean culture. Foreigners were unsurprised by this wave of xen-
phobia – hard to square with hopes of becoming a business hub.

Friends and foes
Most serious is the potential impact on South Korea’s core alliances, especially with the US. Another target of anti-US protests was George W Bush’s hard line on North Korea, with the ‘axis of evil’ tag seen as casting a cloud over Seoul’s sunshine policy and raising tensions on the peninsula. Many observers would agree. Yet here again this seemed pushed to extremes. At times, as in the comment for which Chung Mong-joon broke with him, Roh Moo-hyun sounded as if this was some US-North Korea battle, with South Korea in the middle rather than firmly allied to one of the parties.

Others go further. For young South Koreans, distrust of the US is now added to the hostility to Japan (for its harsh colonial rule before 1945) dinned into them at school. But conversely, most have a benign view of China; and many now see North Korea as a brother which, even if it threatens others, would never attack them. Is this rational thinking, or emotional delusion? Quite rightly, in a post-Cold War era South Korea is rebalancing its alliances, and has forged valuable ties with Beijing and Moscow in the past decade. But sound foreign policy needs cool calculation of national self-interest. If they so choose, South Koreans have every right to follow the Filipinos in asking the US to take its troops home. Yet there is scant sign of any serious debate on this. With conservative US commentators in turn demanding that such an ingratitude be left to its own devices, and Roh Moo-hyun telling the defence ministry to plan in case of a US withdrawal, this could spiral out of hand into an outcome no party actively willed.

The man for the job
In sum, both Roh Moo-hyun and his country have come a long way. Democracy was hard-won in South Korea; the people decided, and of course one accepts their choice. A new government should not be prejudged. And yet it is fair to ask how a new leader will fare. 

Kim Dae-jung – a heroic figure, if no saint – is an hard act to follow. Roh is largely unknown and untried, in foreign and economic policy alike. Steering today’s South Korea is no easy ride: it will demand skill, strategy, patience, and a cool head. We can but hope that Roh Moo-hyun-and his state prove equal to this daunting task.

The regular news media and newly emerging Internet communication played a particularly important role in this presidential election. Public opinion polls conducted regularly by the news media not only simply reflected public opinions, but also shaped and led public opinions and decisions of major political actors through sensational reports of who is leading whom in different opinion polls. Ironically, the public opinion poll has almost substituted for the final voting outcome.

The main cleavage in Korean politics has been the pro and anti-Kim Dae-jung administration. The ruling minority party, Millennium Democratic Party (MDP), wants to ‘accelerate the political power’ at any cost, which means anybody is acceptable except for Lee Hoi-chang, the leader of the opposition majority party, Grand National Party (GNP), who lost the presidency to Kim Dae-jung by a slight margin in the previous election. In contrast, the opposition party is determined to reject anyone acceptable to the Kim administration. Thus, all other policy issues such as how to deal with North Korea, how to change the political rules of the game, the regional cleavage, and conservative hypotheses ideological divergence were subordinated to this paramount concern of the presidential election.

The first question of the presidential election was how each party selected its nominees. The ruling MDP changed the selection method to an American style primary that allows ordinary citizens to participate in the selection of the ruling party’s nominee. The outcome was a surprise. Roh Moo-hyun, a 56-year-old human rights lawyer who never attended college, but has been active in the democratic and labour movements, and whose personal integrity is highly respected, defeated Rhee In-je, who enjoyed the support of the majority of the Party delegations.

Known as a principled politician who is not easily swayed by political expediency and holds radical or progressive views on all policy issues, Roh was genuinely popular among the younger generations of the Korean known as the 80 generation – those in their thirties, born in the 1960s and received college in the 1980s, the generation who participated enthusiastically in democratic movements in the late 1980s. As a result of the MDP’s primary, public interest in the presidential election increased substantially, while all the news media competed to report Roh’s popularity.

Highly educated, but disenchanted with the old style of politicians, the followers of Roh used the Internet to form a fan club for Roh – known as Roh sa-mu (Gathering of those People loving Roh) – to articulate their political views and to drum up the public support for Roh. As the major news media reports prominently covered the high-tech, new forms of political support groups, Roh’s rise to prominence generated genuine excitement and new expectation among the Koreans who had been totally disillusioned and apathetic to the election. His followers connected with each other through the Internet, debating policy issues, developing political platforms, raising funds, organizing local branches, and attending public gatherings. With the spread of the ‘Roh wind’, his popularity in the public opinion polls rose from less than 30% to about 55% in April, leading Lee by a margin of 17%. It appeared that the Kim administration had finally chosen a candidate popular enough to bear his enemy, Lee Hoi-chang.

However, the ‘Roh wind’ did not last long. By early summer Roh’s popularity as measured in the public opinion polls showed a drastic plunge, and stayed thereafter at around 20%, whereas Lee’s popularity slowly rose to around 35%. Two factors largely contributed to the changing fortune. One was of Roh’s own making. Some of his reckless remarks expressing anti-Americanism and radical and unconventional views alarmed a large segment of the Korean population. The other reason was the corruption scandal involving Kim Dae-jung’s son and close confident.
With Lee maintaining the status quo over Roh, the anti-Roh faction in the MDP searched for an alternative to Roh, who could beat Lee. The dark horse who was believed to be capable of competing with Lee was Chung Mong-jun, the youngest son of late Chung Ja-young, the founder of Han-dai group, who had run for the presidency in 1992. As Vice President of Federation International de Football Association, and as Co-Chair of the Korean Organizing Committee for the 2002 FIFA World Cup Korea-Japan, Chung Mong-jun, a 51-year-old with an American PhD, could reap all the benefits from the Korean public’s enthusiastic and euphoric reactions to the Korean team, which advanced to the semi-final for the first time in history. According to a June 30 public poll, Chung’s popularity soared to the level of Roh, by July his popularity exceeds Roh’s, and by September, Chung’s popularity approached the level of Lee. Some influential politicians of the MDP demanded to replace Mr. Roh with Chung, who is not even a member of the MDP, purely on the ground that he was more likely to beat Lee. In some opinion polls surveying the voter’s preference in a hypothetical con-
test among the three candidates, Lee, Roh, and Chung, Chung enjoyed a lead over Lee by a small margin for a brief period, whereas Lee always surpassed Roh.

Despite many differences in terms of policy orientation and regional support, it was agreed that Roh and Chung would have one television debate, and the one who got the higher score in a public opinion poll would run as a ‘unified candidate’ for the presidency. The result of the opinion poll favored Roh by a slight margin over Chung – 46.8% vs. 42.2%, confirming Roh as a unified candidate. Probably unprecedented in any place and any time, this method of selecting, the presidential candidates (imposed on public opinion polls almost substitute for actual voting in Korea).

With Chung Mong-jun’s withdrawal, and Chung’s populace support to support Roh Moo-hyun, Roh’s popularity surged, outpacing Lee’s by 41.8% vs. 35.3% in most public opinion polls. For the first time since 1972, the presidential election turned into a contest between two strong candidates with different support bases and positions on many important policy issues.

Lee Hee-chang, a 67-year-old former Supreme Court justice and the leader of the conservative GNP, represented the Korean establishment with vested interests, whereas Roh Moo-hyun, a human rights lawyer with a colorful career as a labour movement activist, was more appealing to the alienated and economically less influential groups. In terms of age group, those above 50 were more firmly behind Lee, whereas Roh was quite popular among those in their twenties and thirties, who, although highly educated, feel that their opportunity in Korea society has been shrinking. On the ideological spectrum, Lee stood on the right and conser-

vative side, whereas Roh belonged to the left and ‘progressive’ side. Roh is from the Busan area, but the prevalent anti-Kim Dae-jung feeling of the region left him far behind Lee in public support, although ironically he enjoyed almost unanimous support from the Cholla region. The region strongly opposed Lee was Northern Kyongsang province, and Lee also counted on the larger lead in Southern Kyongsang province. If Lee symbolized stability and continuity even though he unequivocally acknowledged the need for change, Roh portrayed himself as a new generation of Korean politicians advocating drastic reforms. The catch phrase of Roh’s campaign was ‘liquid-
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**Application Deadlines for Nordic applicants in 2003**

Please note that applications for all Nordic scholarships are assessed three times per year. The remaining deadlines for application for scholarships in 2003 are:


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**New Faces at NIAS**

Jakob Trane Ibsen, M.A. Student (Political Science), is working as a research assistant for the project 'Development Cooperation as an Instrument in the Prevention of Terrorism', headed by Timo Krommik. The project is supported by DANIDA and will be completed in June this year.

Line Hoeggaard comes from the Institute for Anthropology, University of Copenhagen. Line is working on her MA thesis on 'Induced Abortion among Married Women in Vietnam with Focus on the Two-Child Policy'.

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**Recent visitors**

On 10 January, the newly appointed Chinese Ambassador to Denmark, H.E. Zhen Jianguo – an old friend of the Nordic countries – visited NIAS together with Niu Wengi (First Secretary – Education), Cecilia Lou (Third Secretary – Culture) and Lin Jian (Political Affairs). NIAS director Jorgen Delman informed the visitors of recent activities at NIAS, NIAS researchers presented their research projects and plans for future collaboration were discussed. NIAS received a generous gift of books on China for the Library. From left to right: Lin Jian, Niu Wengi, Cecilia Lou, Zhen Jianguo, Jorgen Delman, Cecilia Mikkelsen, Mads Høier Jensen and Geir Helgesen.
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Recent Visitors

H.E. Ambassador Hans Braun of the Danish Embassy in Paris visited NIAS in early February. NIAS has been hired by the Danish Foreign Ministry to produce research on development cooperation as an instrument in the prevention of terrorism.

Andre Møller, Lund University, held an O€ f ruend Scholarship 6–17 January. Andre Møller is carrying out a Ph.D. project on Ramadan in Javel: Universal and Local Interpretations. Photo: E. Skauing

Paulus Mansalo, University of Helsinki, held a Contact Scholarship 2–13 December. He is working on a PhD project on Track-Two Diplomacy – Managing Parental Conflicts in the South China Sea. The project is part of the NIAS research theme “Violence in Asia.”

Lane Thune, University of Aarhus, held a Contact Scholarship 6–17 January. Lone Thune is working on an MA thesis on The Regional Order in Southeast Asia. Photo: E. Skauing


Lisa Ekholm, Lund University, held a NIAS Scholarship 5–28 February. She is carrying out a Ph.D. project on Urban Development and Female Labour Migration in China – the Making of New Urban Structures and New Living Conditions for Women Migrants.

Kari Shaheedul Hafim, University of Tampere, held a Contact Scholarship 18–29 November. Kari Shaheedul Hafim is working on a PhD project on An Emerging Class in Rural Bangladesh: A Study of Small Entrepreneurs.

Vahid Nahjib Ahmad Molaselu, University of Jyväskylä, likewise held a Contact Scholarship 29–31 January. He is working on an MA thesis on Media Interpretation of Muslim Fundamentalist Organizations in Indonesia. Vahid is a member of the Indonesia Conflict Studies Network.

Christian Bjerringgaard Jespersen, University of Aarhus, held a Contact Scholarship 2–13 December. He works on an MA thesis on ASEAN-China relations. ASEAN neither harbours nor accepts relations with China. The project is part of the NIAS research theme “Violence in Asia.”

Maria Edin, a SSAPS Postdoctoral Fellow, Uppsala University, visited NIAS in early February to give a seminar on China’s Poverty Reduction Programme, and to prepare a workshop on Fieldwork Methodology and Practice in China to be held in Copenhagen 2–3 October 2003.

Luu Duc Khoi, doing research on agricultural and rural development policy at the Central Institute for Economic Management (CIEM) in Hanoi, was Guest Researcher at NIAS 2–13 December. During his stay, Luu Duc Khoi worked on a report, together with Lone Jørgen (NIAS), on Mobilization and Allocation of Land, Credit and Labour in Quang Nam Province in Vietnam.

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Eija Eeromaa, University of Turku, held a Contact Scholarship 6–17 January. She is working on an MA thesis on The Changing Role of the Indonesian Military. Photo: E. Skauing

29 NIAStry no. 1, 2003
Then there were crocodiles ...

Susan M. Martin

In her fascinating history of United Plantations Berhad (a Scandinavian firm whose approach was quite different from the normal British colonial enterprise), British historian Susan Martin recounts the story of not only one company but also the development of Malaysian plantations sector as a whole. Her account begins with the fortune made in Siamese by the Danish engineer, Aage Wensholm. Part of this was used to fund his niece Karen Blixen’s farm in East Africa (and immortalized by her in “Out of Africa”), another to establish a rubber plantation – the Jendartas Estate – in Perak on the Malay Peninsula. By the 1920s, more land was added, first for an expansion into coconuts and later into oil palm cultivation. But there was a problem.

The new Ulu Bernam Estate had only one drawback, namely its distance from Jendartas. As shown in Map 4, the two estates were separated by only 27 kilometres as the crow flies, but in the absence of a good road this meant a journey of 65 kilometres by road, tedious travel along the tortuous and muddy Bernam River.

The journey, which took 6-8 hours depending on the tide, became legendary among both managers and estate workers at Ulu Bernam. It was not only dull but also dangerous, because the river was infested with crocodiles – up to 7 metres long, and mean and sneaky by nature. These ugly creatures used to bump the river boats until people began falling out. Nowadays crocodiles are rare in Malaysian rivers and tend to attack children rather than adults; but Axel Lindquist, one of the first Danes to live at Ulu Bernam, saw grown men seized several times. On the day he arrived in Perak in 1929, he was horrified to learn that a body had just been recovered from the river; it belonged to a 12-year-old Indian boy who had been snatched by a crocodile a couple of days earlier. Axel immediately declared war on the crocodile kingdom and later told his children how he had managed to kill 155 of the beasts during the four years which followed. Mostly he shot them, but some he caught “fishing”. A dead monkey would be tied to a very large, sharp hook, rather like an old-fashioned butcher’s meat hook. This would be tied firmly to a tree, carefully chosen for its location in an eye-catchy spot on the river bank. The hapless crocodile, in scaring its prey, would instantly find itself trapped. Guile was thus used to defeat guile, in a manoeuvre which brought a touch of style to the grim business of survival on the jungle’s edge.

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