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South Korea: Warning Signs of Political Change [redacted] 25X1

An Intelligence Assessment

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South Korea: Warning Signs of Political Change

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An Intelligence Assessment

This paper was prepared by the Office of East Asian Analysis

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It was coordinated with the Directorate of Operations. Comments and queries are welcome and may be directed to the Chief, Northeast Asia Division, OEA,

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South Korea: Warning Signs of Political Change

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Key Judgments

Information available as of 6 December 1985 was used in this report.

Over the past 10 months, the political opposition to President Chun has become more vigorous, student protests more radical, and South Korea's economy more troubled than at any time in the last several years. Opposition behavior since parliamentary elections last February has provoked Chun—after a brief period of greater tolerance—to return to an aggressive posture toward dissent. This has led to a cycle of political action and reaction reminiscent of the late 1970s, and causes us concern about stability in South Korea.

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Broad-based opposition that involved antigovernment demonstrations, with workers joining students in the streets, would pose the greatest danger to Chun. In the current climate, we believe a controversial action by Seoul—for example, harsh measures to quiet the campuses or martial law—could bring these groups and other antigovernment elements together. So, too, could developments beyond Chun's direct control, such as a protracted economic slowdown or a major corruption scandal. If such developments emerged to unify the opposition in a violent, large-scale confrontation with the government, historical precedent argues that some element of the Army leadership would step in to restore order, citing national security concerns, and almost certainly remove Chun in the process.

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We believe the possibility of serious trouble will increase with the approach of 1988, when Chun has promised to step down. In our view, any widespread perception that Chun is reneging on his promise

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or pursuing an obviously flawed succession strategy, could bring an early test of strength with the opposition and perhaps a preemptive power grab by would-be successors.

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Despite the growing number of warning signs, we still believe that massive civil strife or succession-by-coup can be avoided:

- In the short run, Chun has considerable strengths and some advantages, including his powerful internal security apparatus, public recognition of the threat that political instability poses to continued economic progress, and the reluctance of senior military leaders to intervene except in the most extreme circumstances.

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- Chun also has some political and policy options that could ameliorate the destabilizing effects of the political competition facing him and his opponents over the next two years. In particular, a more constructive approach to student dissent and efforts to defuse the tensions of the succession process would help prevent further polarization. 25X1

We are not optimistic, however, that Chun will display the flexibility and conciliation needed to ease political tensions and to fashion a leadership transition that his opponents, the populace, and the Army can accept. 25X1

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South Korea: Trends in Selected Political and Economic Indicators

Selected indicators of prospects for political stability in South Korea have deteriorated over the past year. In mid-1984, only five of 24 indicators, associated with an increased risk of political instability in a number of cross-national studies, were assessed to be of moderate concern (yellow in the accompanying chart). At present, half of the indicators fall into this warning category, and one—prospects for demonstrations, riots, or strikes—is deemed to be of serious concern (red). No combination of indicators is a certain predictor of political instability, but the overall trend in South Korea is grounds for concern about such developments over both the medium and the longer term.

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Indicators *Legend*

○ *Not of concern*
⊖ *Low concern*
◯ *Moderate concern*
◒ *Substantial concern*
● *Serious concern*

		1983			1984				1985			
		II	III	IV	I	II	III	IV	I	II	III	IV
Social change/ conflict	Ethnic/religious discontent	○	○	○	○	○	○	○	○	○	○	○
	Demonstrations, riots, strikes	◯	◯	◯	◯	◯	◯	●	●	●	●	●
Economic factors	General deterioration	○	○	○	○	○	○	○	○	◯	◯	◯
	Decreased access to foreign funds	○	○	○	○	○	○	○	○	○	○	○
	Capital flight	○	○	○	○	○	○	○	○	○	○	○
	Unpopular changes in economic policies	○	○	○	○	○	○	○	○	○	◯	◯
	Food/energy shortages	○	○	○	○	○	○	○	○	○	○	○
	Inflation	○	○	○	○	○	○	○	○	○	○	○
Opposition activities	Organizational capabilities	○	○	○	○	○	○	◯	◯	◯	◯	◯
	Opposition conspiracy/planning	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯
	Terrorism and sabotage[a]	○	◯	●	◯	◯	◯	◯	◯	◯	◯	◯
	Insurgent armed attacks	○	○	○	○	○	○	○	○	○	○	○
	Public support	○	○	○	○	○	○	○	◯	◯	◯	◯
Military attitudes/ activities	Threat to military interests/dignity	○	○	○	○	○	○	○	◯	◯	◯	◯
	Discontent over career loss, benefits	○	○	○	○	○	○	○	○	○	○	○
	Discontent over government policies	○	○	○	○	○	○	○	◯	◯	◯	◯
	Reports/rumors of coup plotting	○	○	○	○	○	○	○	○	○	○	○
External factors	External support for government	○	○	○	○	○	○	○	○	○	○	○
	External support for opposition	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯
	Threat of military conflict	○	○	○	○	○	○	○	○	○	○	○
Regime actions/ capabilities	Repression/brutality	○	○	○	○	○	○	◯	◯	◯	◯	◯
	Security capabilities	○	○	○	○	○	○	○	○	○	○	○
	Political disunity/loss of confidence	○	○	○	○	○	○	○	◯	◯	◯	◯
	Loss of legitimacy	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯
Prospects for major regime/policy change	During next six months	◯	⊖	⊖	⊖	◯	◯	◯	◯	◯	◯	◒
	During next six months to two years	◯	⊖	◯	◯	◯	◯	◯	◯	◯	◒	◒

[a] Includes North Korean actions against South Korea.

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South Korea: Warning Signs of Political Change

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Growing Concern

Analysts tracking threats to political stability have ceased describing South Korea as among the most stable of the developing countries. Early indicators of an increased risk of instability have accumulated over the past year (see the figure), reflecting progressively deepening confrontation between the government of President Chun Doo Hwan and a more vigorous opposition movement. The unexpectedly strong showing of the newly formed, vehemently anti-Chun New Korea Democratic Party (NKDP) in parliamentary elections last February exposed the depth of popular antipathy toward Chun and set the stage for bold attacks on the ruling Democratic Justice Party and on the government in the National Assembly and increasingly radical student protests in the streets—frequently including anti-US themes.

In the last few months—following a brief period of greater tolerance of dissident activities—Chun has gone on the political offensive, moving to isolate radicals and intimidate moderate critics. Although Chun's retraction in August of a campus stabilization bill—which called for controversial reindoctrination centers for dissident students—briefly renewed hopes of a more tolerant attitude toward the opposition, Chun has shown no sign of reversing his current hardline approach:

- The police are back on campus with orders to break up the almost daily protests, leading dissident groups to rely increasingly on small-scale, hit-and-run street demonstrations or seizures of off-campus targets.

- Seoul has greatly expanded the use of the tough national security law, previously aimed mainly at espionage cases, to control dissidents, and has played up the arrest of student activists allegedly involved with North Korean agents.

- Human rights activists report increased abuse of political offenders: police interrogators tortured a dissident leader arrested in September; three senior newsmen were beaten for violating government news guidelines; and the press law has been used for the first time to arrest an author and close down a publishing firm.

- Several opposition NKDP assemblymen have been detained for participating in illegal protests

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The worst economic slowdown in South Korea in four years provides a troublesome backdrop to the political tensions engendered by the nearly continuous student protests and Chun's hard line. Thus far, the economic slump that began in mid-1984 has chiefly increased criticism of both government economic policies and perceived US protectionism. But we believe it could bring on widespread labor unrest if recently adopted stimulative measures do not reinvigorate exports and reverse rising unemployment. Both Embassy and press reporting indicates layoffs are on the rise in light and heavy manufacturing industries, and the recruitment of new university graduates is at its slowest pace in years. Even the seriously flawed official statistics have begun to show an upswing in the unemployment rate, and some observers contend that around 30 percent of young blue-collar workers are jobless in the southeastern industrial zone around Pusan, which has a particularly high concentration of export industries. High unemployment there in 1979 aggravated the crisis that led up to President Park's assassination.

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The combination of intractable campus unrest, unpopular efforts to control the opposition, and uncertain economic conditions is reminiscent of the first stages of past political crises in South Korea and obviously

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The Historical Precedent

The lessons of recent history have led most observers of South Korea to expect that a domestic political crisis would unfold in the following progression:

> *Protests by students and young workers would gain momentum . . . security forces would overreact . . . the public would be galvanized into joining demonstrations . . . Army leaders would fear domestic instability was undermining defenses against a North Korean threat . . . tight-knit Army clique would remove the existing government . . . the coup group would transform itself into the new "civilian" leadership.*

Although the dynamics of South Korean politics strongly suggest that the opening and closing scenes of a crisis would be like those described above, the intermediate stages are much less predictable. Former President Park's assassination by his own intelligence chief provides a dramatic example of the potential for surprise.

Death at the Dinner Table—
A Lesson in Expecting the Unexpected

Park's assassination by Korean Central Intelligence Agency Director Kim Chae Kyu in October 1979 came without warning when the domestic political situation was rapidly deteriorating. Although the degree to which personal ambition motivated Kim remains open to debate, he apparently believed Park's removal was essential to resolving the national crisis precipitated by deepening labor strife in Pusan and Masan. Kim's decision to take matters into his own hands was at least partly a consequence of the defenses Park had set up to protect himself from an Army coup. Brig. Gen. Chun Doo Hwan's subsequent usurpation of the Army leadership brought the crisis to its anticipated conclusion—political intervention by a strong military clique to fill the power vacuum created by Park's death.

represents ammunition for Chun's opponents. Although the opposition's unity continues to be fragile—government manipulation of factional rivalries among opposition politicians has taken its toll—the NKDP is pressing to open parliamentary discussions on constitutional reform to restore direct presidential elections. The NKDP—apparently hoping a display of bravado will translate into greater credibility as a genuine political force—has vowed to take its fight into the streets next spring unless the government sets a timetable for dealing with constitutional revision and other political reform issues. 25X1

Chun's Strengths

Notwithstanding the factors that in our view represent dangerous political tinder, Chun has the tools to keep his individual challengers off balance, at least in the short term. He is willing to use tough measures, and there are few operative limits on his presidential powers. The large security services have virtually unlimited scope for action and work almost unchecked under presidential directives. And Chun can still count on widespread popular as well as military concern that North Korea could take advantage of political instability to move south. Finally, press and Embassy reporting indicates many South Koreans remain worried that political unrest will undermine their hard-won economic progress. 25X1 25X1

Moreover, even when tensions have been high, Chun has not faced the kind of mass opposition that could overwhelm the security forces. Most Koreans have remained on the sidelines when government and antigovernment forces have clashed. During the Kwangju incident in 1980, for example, when Army commandos killed scores of civilians while suppressing riots touched off by Chun's arrest of opposition leader Kim Dae Jung, other major cities remained quiet. During recent student protests as well, widespread public sympathy with the demonstrators' demands has not translated into active participation in antigovernment actions. 25X1

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Given the pivotal role of the Army in Chun's tenure, Chun has been careful to watch and attempt to control the military's senior leadership.

Although the Army has intervened twice—in 1961 and 1979—the very real security threat from North Korea gives it a sense of mission that US military officers in Seoul believe works against involvement in politics. Senior military leaders have repeatedly told US officials of their concern that the North would exploit any faltering in the South's preparedness that accompanied political instability. Close association with US forces in Korea reinforces the spirit of professionalism.

We have observed episodes of increased military grumbling about Chun's performance over the past ten months, but we believe conditions would have to deteriorate considerably before there would be sufficient support in the officer corps for a coup. Widespread recognition that high-level corruption or excessive repression had irreversibly undermined respect for the government and weakened national security, or a belief that a new leadership hostile to the military's basic interests was positioned to replace Chun, represent problems of the magnitude necessary to impel the Army to act.

Developments That Would Make Matters Worse

As was the case with President Park's assassination and Chun's subsequent takeover in 1979, dramatic political events in Korea tend to occur with little forewarning. But a careful look at recent domestic political and economic trends as well as at Chun's behavior and policies suggests that a variety of developments in months ahead could rapidly increase political tensions and undermine Chun's grip on the security apparatus, thereby raising the odds of a major crisis.

Foremost among these developments would be incidents stemming from the student challenge. The government's greatest concern appears to be that student activists, playing their traditional role as the voice of the "national conscience," may succeed in galvanizing campus moderates and elements of labor into antigovernment activity. The worry is well founded: South Korean observers both inside and outside the government note that rapid social and economic change over the past two decades has greatly expanded the number of students as well as workers who are politically alienated and see South Korean society in polarized "have" and "have not" terms. 25X1

The government's roundups of known student organizers and tighter campus security this fall have made it more difficult for dissident groups to coordinate large-scale actions. The recent resurgence of smaller, often violent protest actions, however, suggests that new radical student leaders have begun to emerge. Embassy contacts on the most turbulent campuses report that many professors believe the network of the militant student movement will be fully rebuilt by next spring, when the constitutional reform issue could come to a head. 25X1

A continuation of harsh measures to curb student protests also carries risks for the government, particularly if such measures alienate a large segment of South Korea's middle class. The most radical student leaders are from working-class families, according to Korean security officials, but families of the upper and middle classes already feel threatened by tougher government sanctions that would mean that their sons and daughters could be expelled, blacklisted, jailed, or worse. Antigovernment actions also have involved the children of the political establishment. Several officials in the government, ruling party, and military—including a senior ruling party adviser—have been demoted or forced to resign because their children were involved in protest activities. 25X1

In our view, government excesses in dealing with the students—more than any actions of the political opposition—have the potential to galvanize broadly based public protests. Several possible actions already on the horizon could give student leaders and the other political activists the "cause" needed to mobilize 25X1

large-scale demonstrations, increasing the risk of violent clashes with riot forces:

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- Passage of special measures to control campus unrest remains a red flag to the parliamentary opposition, which has vowed an all-out fight if such legislation is forced through the National Assembly.

- Reimprisonment of opposition leader Kim Dae Jung on unconvincing charges—or worse, Kim's death under circumstances that raised questions about government involvement—could unify the various anti-Chun groups.

- Cooperation among the government's political and popular opponents could be precipitated by declaration of martial law followed by a political crackdown, or dissolution of the National Assembly (Chun must wait until April to dissolve it legally) followed by cancellation or gross manipulation of required elections.

Other less blatant government moves could raise political tensions to the danger point. These include:

- Harsher government treatment of young blue-collar strikers, which would antagonize their working-class or rural families; increased harassment of moderate proreform religious and social groups; or increased manipulation of nonpolitical organizations to promote the government's antidissident campaign.

- A general purge of government employees who publicly or privately criticize government policies. (The firings of teachers and government-appointed trade union officials that occurred last summer could develop into a broader campaign against government employees whose loyalty to Chun is in doubt.)

- Introduction of emergency economic recovery measures that are perceived as bailing out wealthy businessmen at the expense of workers and the middle class,

Developments outside of Korea—and thus beyond Chun's direct control—could also impact heavily on confidence in the government. All groups, including the military, would be sensitive if:

- The US troop presence in South Korea, or other aspects of the US security commitment to Seoul, resurfaced as a political issue in the United States.
- Allies and sponsoring organizations were becoming cool toward allowing South Korea to host international events—especially if the 1988 Olympics appeared in danger.
- International bankers appeared to lose confidence in the economy—as demonstrated, for example, by serious difficulty in securing foreign loans.

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Risks to Chun's standing also clearly accompany the North-South dialogue. Although Chun has long called on North Korean President Kim Il-song to meet him in an inter-Korean summit, this initiative could result in a no-win situation for Chun. Several political insiders in South Korea have criticized his role in the expanded North-South contacts since last spring as diplomatic grandstanding, according to the US Embassy.

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popular sentiment is likely to further harden against Chun if he is perceived as manipulating the emotion-laden North-South issue to enhance his image or justify tighter domestic controls. Ironically, however, Seoul's waning interest in advancing the dialogue in recent weeks—possibly reflecting greater sensitivity to such criticism by Chun and his advisers—leaves Chun open to popular criticism for impeding progress toward broader North-South ties and eventual detente.

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Developments That Could Improve Chun's Standing

Despite the clear potential for trouble and the likelihood that Chun will face serious challenges in the coming months, Chun can still reduce political tensions. The aftermath of President Park's assassination in 1979 demonstrates how cautious the majority of South Koreans are when confronted by a political watershed. We doubt Chun would concede to any of the most highly publicized opposition demands, such as those for direct presidential elections or an amnesty for Kim Dae Jung that would allow Kim to run for office. Nor do we believe that Chun's opponents—handicapped by an absence of firmly institutionalized opportunities to contribute to the decisionmaking process—will fundamentally alter their confrontational political style. But Chun could take the initiative in less sensitive areas that are important to many South Koreans. In our view, the "man in the street" would be likely to read such actions as signs that the President was moving toward the long-promised political transition and transfer of power officially set for 1988.

We have doubts about Chun's inclination to take such steps, but he has choices that could help defuse the domestic scene. None of these measures alone would offer an easy solution, but taken together these and others could ease tensions and reduce the risk of a crisis. They include:

- A return to the earlier policy of benign neglect toward nonviolent on-campus protests. Although this would probably result in larger demonstrations, it would at least ease popular discontent with the current hardline policy and help stem the radicalization of the student movement. Further gestures, such as establishment of a credible blue-ribbon commission to set guidelines for effective university autonomy over academic matters and reduce or eliminate the role of the university in policing student antigovernment activities, would go far toward restoring professors' influence on the majority of students who are chiefly concerned with their studies.

- Measures to broaden opportunities for political participation through previously promised public hearings on draft legislation, public forums on locally important issues, and more visible cooperation with the opposition in the National Assembly on bread-and-butter legislative issues.

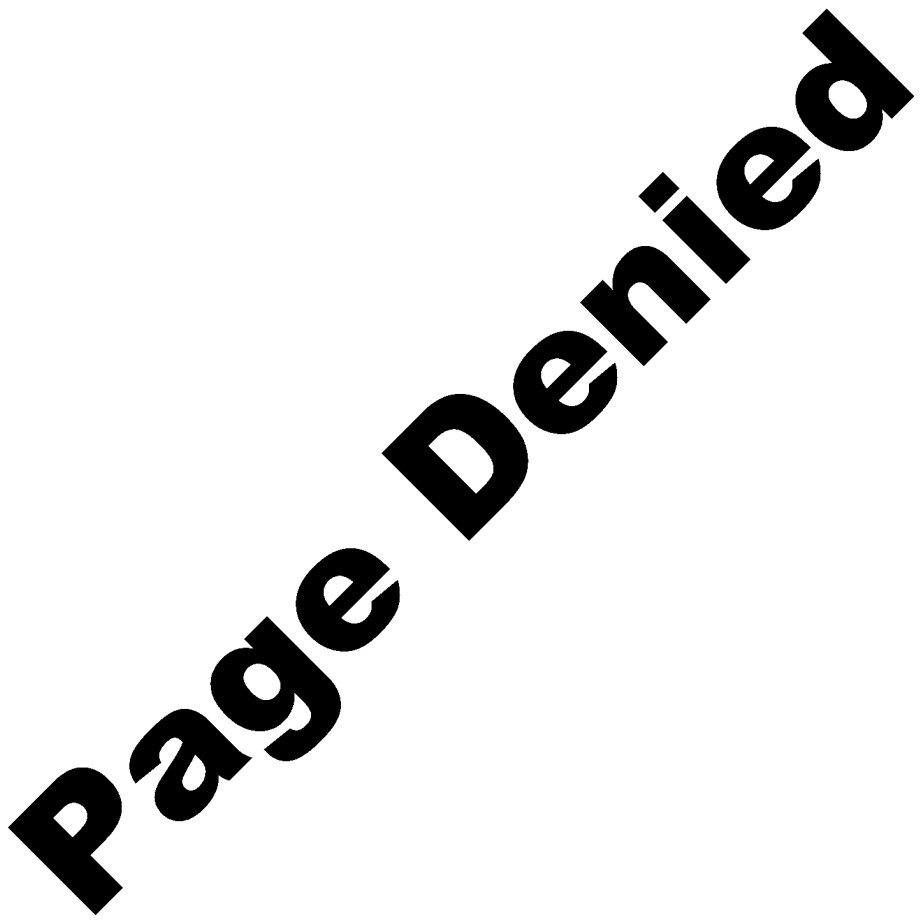
- Announcement of a timetable for implementation of specific reforms, such as the limited local government autonomy Seoul has promised to begin during 1986. 25X1

In our view, Chun also has room in coming months to defuse some of the tensions that are built into the presidential succession process. Although he obviously does not want to become a lame duck by unveiling the ruling party's presidential candidate too soon, he could implicitly testify to his intentions by having the party sponsor public discussions of 1988 campaign issues. The ruling party could also be encouraged to tap its local rank and file about possible successors to broaden participation and consensus building in the selection process. And Chun could alleviate at least some of the skepticism about his intentions if he began to talk openly about his postretirement plans or encouraged discussion about the appropriate political and social role of former presidents. 25X1 25X1

As 1988 Draws Nearer

Chun's control of the security services and the relative weakness of the opposition may enable the government to ride out the next year or so, but we still see a good chance for the succession issue to devolve into a political debacle. For Chun, the key to a crisis-free transition remains concessions on his part—both to popular aspirations for representative elections and to Army leaders who want a transfer of power without polarization and with protection for their position in the ruling establishment.[1] These hurdles are difficult for Chun. 25X1

[1] The prognosis of serious conflict between Chun and the Army over the succession issue has emerged as one of the most likely outcomes of a series of computer-assisted exercises, conducted jointly with the Political Instability Branch of the Office of Global Issues, designed to explore alternative scenarios for a succession crisis. 25X1



We believe Chun's explicit promise to step down in 1988 ironically has added to the potential for a crisis. The setting of a deadline has raised the odds of a preemptive test of strength. In our view, the catalyst for such a move could be provided by signs that Chun was moving to retain power personally or through a surrogate after 1988. Signs that Chun in fact was attempting to retain power would include:

- An increased emphasis on the need for political "continuity" to safeguard the 1988 Olympics.
- Movement in pro-Chun political circles to lengthen the presidential term and to build broader support for Chun's personal leadership in the ruling party.
- The demotion of influential establishment figures, such as ruling Democratic Justice Party chairman Roh Tae Woo, who could challenge Chun's plans, or the promotion of an apparent surrogate candidate into this or some other key "on deck" succession position. [redacted] 25X1

Indications that Chun's succession strategy was failing to jell also could lead to a perception of a vulnerable President. We would expect Chun to be seen as weakening if he rescinds plans to unveil the ruling party's candidate at its national convention in 1987. A recognition that the government was preparing to use massive election fraud to ensure victory for Chun's candidate—virtually guaranteeing postelection turmoil—could also encourage an early political run at Chun by his opponents. [redacted] 25X1