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# South Korea: Chun at "Midterm"

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An Intelligence Assessment

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*EA 84-10139*
*July 1984*

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An Intelligence Assessment

This paper was prepared by
Office of East Asian Analysis. Comments and queries are welcome and may be directed to the Chief, Northeast Asia Division, OEA,

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## Key Judgments

*Information available as of 15 June 1984 was used in this report.*

South Korea has made substantial progress on economic and political issues since President Chun Doo Hwan came to power in 1980:

- Economic performance has improved substantially; real growth should top 7 percent, with exports growing at double-digit rates in 1984-85.
- South Korea's international diplomatic status has also improved in comparison with the North's, although this is partially a result of the Rangoon bombing.
- US–South Korean ties are stronger than in many years, and Seoul's oft-troubled relations with Tokyo are much smoother.

Despite the successes, Chun remains highly unpopular with most South Koreans, in part a vestige of the way he came to power and the repressive measures he used to consolidate his control. Many Koreans also question Chun's own contribution to his government's achievements. Recognizing this, Chun has moved gradually to defuse opposition claims of repression and enhance the credibility of civilian political institutions. To these ends, over the last year he has taken steps to "liberalize" the domestic political process, including:

- Amnesty for several hundred persons imprisoned for political offenses.
- Reinstatement of the political rights of all but 99 Park-era figures.
- Introduction of a more tolerant policy toward student demonstrations.

Additional measures to reduce press controls and permit more organized labor activity are being considered.

Thus far, the experiment with "liberalization" has gone well. Student demonstrations, although widespread and at times violent, have been easily contained by the well-prepared security forces. The moves have also helped isolate radical antigovernment elements and divide the opposition.

As part of the effort to create more credible and effective political institutions while retaining control over the political process, Chun is now attempting to:

- Strengthen the power base of the ruling Democratic Justice Party by expanding its influence over local development programs.
- Increase—within limits—the role and power of the National Assembly, in part to serve as a "safety valve" for dissenting views.



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Chun's successes on those fronts are real but fragile. And he must negotiate several hazards over the next four years:

- He must avoid giving the opposition—students, Christian dissidents, and politicians—issues with broad public appeal. A government misstep, such as another major corruption scandal or the deaths of student demonstrators, could undo the progress made thus far.
- He must keep his own camp in order. In particular, he must keep in check rivalries among his advisers and military supporters that could stall forward movement on meeting popular expectations for political reform.
- He must convince senior military officers that the political reform measures are not significantly reducing their influence in the government.

The next major test of Chun's ability to keep opposing political forces in hand will come with the National Assembly elections, which probably will be held in late 1984 or early 1985. The balloting also will test the ability of Chun's Democratic Justice Party to deliver the popular mandate he seeks and of the government's willingness to tolerate a more vigorous opposition.

Looking further ahead, the most potentially explosive issue remains Chun himself. He has repeatedly insisted publicly and privately that he will step down in 1988, when his term ends. Even some of Chun's harshest critics now believe he will do so but that he will seek to orchestrate the political transition to ensure stability and protect himself. Astute observers question whether Chun has the ability and political vision to manage the situation successfully, but Chun almost certainly recognizes that both domestic and foreign support for his government could quickly dissipate should he appear to be moving to retain the presidency.

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## A Pattern of Success

***Resurgent Economic Growth.*** After three years of lackluster performance, recent economic growth has eased fears that South Korea could not recover the economic momentum of the 1970s. Economic indicators improved strikingly in 1983, and prospects for 1984-85 are bright: strong global demand and a solid competitive position put South Korea in a position to sustain double-digit rates of export expansion and surpass its 1984 goal of 7.5-percent real GNP growth. Government restraint should hold inflation below 5 percent.

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Chun and particularly his advisers deserve much of the credit for current economic conditions. Chun has put together a team of experienced technocrats committed to gradual economic liberalization and to broad sharing in the benefits of growth. And the economic rebound reflects their success in shifting away from the unbalanced emphasis on investment in heavy industry and in controlling serious inflation. (Both problems were inherited from the Park government.) Moreover, Chun has outgrown the "command post" style of his first year in office, giving increased responsibility and authority to key planners in the Cabinet. Economic advisers, encouraged by prospects that strong aggregate growth will continue, appear to have persuaded him of the need to promote the growth of small and medium firms no less than the large conglomerates and to move forward on promised welfare programs and distributive measures.

***Better US-South Korean Relations.*** Seoul's success in cultivating its most important foreign tie has helped calm the chronic nervousness of the South Koreans about their place in Washington's strategic priorities. Chun has personally worked hard to appear responsive to US interest in human rights and political development as well as on bilateral trade issues. In turn, strong US support in the wake of the KAL shootdown in September 1983 and the Rangoon bombing incident in October 1983 has boosted confidence in Washington as a friend and ally, as did the visit of President Reagan last November.

*President Chun has drawn confidence from recent achievements but is still hampered by a tarnished image.* Korea Herald ©

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***Smoother Relations With Japan.*** Openly belligerent toward Japan when he first came to power, Chun has established excellent rapport with Japanese Prime Minister Nakasone, and dealings between Tokyo and Seoul on matters of substance are freer of irritants than at any time in the past decade. Chun's visit to Japan—now scheduled for early September—will be the first state visit by a South Korean president. Chun's opponents will seek to exploit deep-seated anti-Japanese sentiments to sully this milestone, but

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we believe the trip, on balance, will help to burnish his image as a leader who manages key bilateral relationships with self-assured equality.

***Growing International Stature.*** Such successes are the result of an aggressive, skillful approach to foreign policy that has given Seoul a diplomatic status commensurate with its status as a rising economic power. The selection of South Korea to host major international events—including the Inter-Parliamentary Union (IPU) meeting last October, the Asian Games in 1986, and the summer Olympics in 1988—is a source of pride to the vast majority of South Koreans. These events—and others such as the Pope's pastoral visit in May—have helped Seoul shed its image as a junior ally of the United States.

***Contacts With China.*** Last year, Seoul used the hijacking of a Chinese airliner to initiate unprecedented direct negotiations and broader informal exchanges with Beijing. The Chinese, although unprepared to make any moves that might damage relations with P'yongyang, nonetheless have demonstrated a willingness to expand nonofficial relations:

- Beijing is hosting Korean officials, academics, and athletic teams at internationally sponsored events, and it has begun participating in international gatherings in South Korea.
- The Chinese have relaxed restrictions on the exchange of mail and have announced their willingness to allow mutual visits between ethnic Koreans in China and their relatives in South Korea.

***Contacts With the Soviet Union.*** Until the downing of a South Korean airliner by the Soviets last September, contacts with Moscow were broadening as well. Soviet officials had twice visited Seoul since late 1982, and reporting suggested that Moscow was prepared to send a delegation to Seoul for the IPU meeting last October. The shootdown set back Seoul's hopes for more regular contacts with Moscow, as did the Soviet media's one-sided reporting of P'yongyang's statements on the Rangoon bombing.

South Korean officials assert that the basic policy on approaches to the Soviets is unlikely to be changed before the anniversary of the shootdown on 1 September, but we believe that a resumption of low-key nonpolitical contacts could come sooner: a South Korean delegation may attend an international conference in Moscow in mid-August, according to press and Embassy reporting. In our judgment, both the warming trend in Soviet–North Korean relations and the Soviet-led boycott of the Los Angeles Olympics may have spurred Seoul to moderate its posture toward Moscow, partly in hopes of parrying anticipated efforts by P'yongyang to prevent the 1988 Olympics from being held in the South.

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**Fostering "National Reconciliation"**

Despite the government's economic and international successes, knowledgeable observers assert that Chun himself remains unpopular among most South Koreans—many of whom question the extent of Chun's contribution to these achievements and remain skeptical about their durability. Counseled by close advisers to reduce his political liabilities before attempting to lay the groundwork for 1988, Chun in recent months has focused more of his attention on reducing domestic political tensions, promoting confidence in his pledge of gradual political reform, and lessening public cynicism toward political institutions. To this end, he has:

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- Amnestied more than 350 persons imprisoned for political offenses, including nearly all jailed student protesters convicted since 1980. Only a dozen or so violators remain in jail.
- Reinstated nearly 1,600 university students who had been expelled from school for antigovernment activity.
- Restored political rights to an additional 202 individuals banned from political activities; only 99 Park-era figures remain under the ban.
- Reinstated professors and journalists banned since 1980 from working in their professions.
- Reduced, if not entirely eliminated, the use of physical and psychological abuse in the interrogation of suspects and prisoners, according to US Embassy reporting.
- Permitted more pointed discussion of policy matters in the National Assembly and fuller press coverage of political affairs.
- Formulated a more tolerant policy toward campus political activities, including the removal of the security forces from the universities.

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The adoption of more relaxed political controls also reflects, in our judgment, the rising influence of politically moderate advisers.

External factors very likely spurred Chun to move more boldly and rapidly than he would have done otherwise. Chun sought to reduce tensions prior to the pastoral visit of Pope John Paul II in early May. South Korean officials reportedly also hope to prevent the human rights question from becoming an issue that might undermine support in the US Congress on economic and security issues. Finally, we suspect that Chun has seen in the more sober public mood since the Rangoon bombing incident an opportunity to experiment with several popular reform measures at a minimum risk of political instability.

**Skepticism and Success**

Public confidence in the reform measures is slowly growing, but skepticism remains high on campuses, in particular about the government's intentions. Some faculty members and many students still suspect the government is being more tolerant in order to invite a level of student violence that would justify reimposing tighter political controls.

Government moderation during the spring demonstrations clearly has helped. As of the end of May, no arrests had resulted from the approximately 250 demonstrations in Seoul this year. The anticipated high water mark of student protests during 18-27 May, the anniversary of the riots in Kwangju in 1980 against the military government, passed without a large-scale off-campus clash, despite numerous skirmishes between students and riot police.

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Just as important, given the strength of the hardliners, the leveling off of the scale of demonstrations vindicates the argument that moderation would isolate the hardcore activists—claimed by Lho Shinyong to number less than 300—and reduce their influence on campuses.

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The relative success of the new campus policy, the riskiest of the recent measures, will enable the government to take additional reform steps. Professors and students will be free to engage in political debate and even criticize the government as long as they do not advocate leftist views. the government may revise unpopular regulations governing university admissions and graduation quotas and perhaps eventually disband the government-authorized Student Defense Corps that has substituted for popularly elected student government since the Park era.

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*Student demonstrations, invigorated by looser government controls, have failed to gain the public's sympathy.*

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**Strengthening Political Institutions**

In addition to undertaking tactical measures to erase lingering reminders of how he came to power, we believe Chun seeks to build civilian political institutions that can buttress his own authority, yet also meet the desire of most South Koreans for a greater voice on issues that directly affect them.

***The Democratic Justice Party.*** To achieve this, he has focused first on building up the ruling party. The President's goal is an organization that cannot only deliver the votes needed to ensure continuing DJP control of the National Assembly, but also secure a firm public endorsement of his government now and manage diverse popular political currents during the next four years. Maintaining control of the legislature is the least difficult of these objectives. Current election procedures make it possible for the strongest party to parlay a narrow popular plurality into a solid majority in the assembly. For example, in 1981 the 36-percent share of the popular vote received by the DJP translated into 91 of the 184 elective seats as well as 61 of the 92 appointive seats that are divided among the three top parties, giving the DJP a 56-percent overall majority in the legislature.

In line with these aims, DJP chairman Kwon Ik Hyun—who together with floor leader Lee Jong Chan manages the party for Chun—is attempting to turn the DJP into South Korea's first mass political movement. The DJP claims to have enrolled more than 1 million members in its drive to recruit 5 percent of the voters in each district, or one out of every eight households.

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A new DJP organizational structure gives greater control to the party's central leadership and also broadens rank-and-file participation in local party affairs. Newly created local consultative committees are intended, we believe, to enable the party to use control of development projects to expand its power base. The organizational changes should strengthen the position of Kwon and other retired Army officers who lack well-developed personal political networks.

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***The National Assembly.*** The influence of the legislature in decisionmaking remains limited, but here, too, Chun has made concessions in order to create an institution with greater credibility. For example, Chun allowed procedural concessions last December that have resulted in more pointed questioning during the National Assembly session this spring. Assembly members demanded explanations of government policy toward P'yongyang's tripartite talks proposal, plans for import liberalization, and countermeasures to deal with dumping cases against Korean exports. Seoul permitted such sensitive issues as election law reform, local autonomy, and stronger legal supports for freedom of the press to be debated on the Assembly floor. The National Assembly is not likely to develop into a major political force even under a more open system, but we anticipate that if Chun continues on this present course it will serve as a safety-valve forum for debate.

**Obstacles Yet To Be Negotiated**

As Chun seeks to build public confidence in his personal leadership and overall political agenda, he must negotiate several hazards that can easily bring these efforts to ruin.

***Chun's Own Image.*** Even officials close to Chun have voiced concern that his unpopularity may pose the greatest challenge. Even though most South Koreans now appear resigned to Chun's leadership, resentment over the way he seized power—and his government's history of repressive measures—has been aggravated by his aloof and authoritarian manner, widespread dislike for his wife, and suspicions that she and her family have been directly involved in financial scandals and corruption. In our judgment, Chun's ability to weather a serious political crisis, garner political strength from reform gestures, and overcome suspicions about his long-term intentions depends to a large degree on his success in blunting such public enmity.

***The Opposition.*** Chun must also be able to keep his adversaries in check. Even though he has become much more sophisticated in combining political concessions with strict controls, he must avoid giving his diverse opponents an issue around which they could rally broad public support. Seoul's manipulation of the opposition has been especially successful in reducing the inclination of more moderate Christian dissidents to openly challenge government policies.[2] Chun's concessions on human rights and his more careful handling of dissident clergymen have not only weakened the force of issues that unify moderate Christians, but have also made many disinclined to support activities in which more radical opposition elements are involved, Most students are committed to their studies, but there is a hardcore of antigovernment activists who to some extent are heroes to younger students whose political views have not been tempered by work or military service. Opposition parties remain badly divided and largely ineffective, in part because the lifting of the ban on 450 Park-era political figures has fomented competition for party nominations and rekindled longstanding factional animosities—as Chun calculated. The Rangoon bombing also has weakened the force of opposition claims that the Chun government, like its predecessor, has exaggerated the North Korean threat in order to justify repressive political controls.

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The government's success in controlling its opponents is still fragile. A government misstep—the killing of student demonstrators or another major financial scandal involving persons close to Chun, for example—could ignite antigovernment activity on the part of all these groups and ensure them a more sympathetic public hearing.

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***Solidarity in His Own Camp.*** Chun must also maintain political discipline among his supporters. The moderate advisers are in ascendancy, but there is no

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***Key Opposition Figures Languish Offstage***

*The civilian politicians most capable of invigorating the opposition ranks still remain under the political ban. In particular, Chun remains adamantly opposed to allowing the "three Kims"—Chun's leading civilian challengers before he arrested them in May 1980—to resume active political life. Kim Jong P'il, chairman of late President Park's now disbanded Democratic Republican Party, is keeping a low profile, and former opposition leader Kim Young Sam's efforts to cast himself as the leading off-stage politician have met with indifference from the public. Kim Dae Jung, South Korea's best known dissident figure and the opponent Chun fears most, recently stated he intends to return home from exile in the United States this year, and he may believe that the desire to avoid international criticism will dissuade Chun from sending him back to jail. Efforts to create a common opposition front, such as the formation in May of the Democratization Promotion Council by the Kim Young Sam and Kim Dae Jung camps, will continue to be hindered by government controls and by a history of bitter rivalry and fundamental differences over objectives and tactics that the government in the past has found easy to exploit.*

guarantee they will continue to be. Hardliners, particularly in the senior officer corps and among the retired Army officers who followed Chun into civilian politics, stand ready to seize upon any policy failure to push their point of view. In addition, the military security service, the Defense Security Command (DSC), opposed the campus liberalization at the outset. Despite that policy's apparent success, the DSC's longstanding institutional rivalry with the civilian NSP—to say nothing of the conservative leanings of the DSC's military officers—will incline it to view further political concessions with suspicion.

***The Military's Backing.*** In our judgment, Chun has managed military affairs well, and—of critical importance—the Army remains firmly behind him. Knowledgeable observers assert that at present there are no indications of factional divisions that could seriously weaken Chun's control of the armed forces. Should it turn out that Chun is sincere about stepping down in 1988, however, he must persuade the military that the transition can be managed with minimum risk of political instability and without compromising the military's ability to protect national security. Traditionally, the South Korean Army has intervened overtly in politics only when ineffectual civilian leaders have left a void. Military Academy alumni who graduated in the early 1960s and rose through the ranks during a time of rising military influence in the civilian government will probably control the Army at the end of Chun's term, however, and Chun will have to ensure that these officers do not believe their interests are being sacrificed as a consequence of the political rise of the technocrats and businessmen responsible for South Korea's economic successes. The integration of more retired military officers into the DJP or the civilian bureaucracy may provide means of doing so.

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***National Assembly Elections.*** The balloting will provide a key test of the public's reaction to recent efforts by Chun and his moderate advisers to improve the political atmosphere as Chun enters the second half of his term. The elections also will measure the DJP's ability to deliver the popular mandate Chun seeks and test the degree to which the government is prepared to tolerate freer political expression and a more vigorous opposition.

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**Some Thoughts on the Future**

It is, of course, too early to tell whether Chun can keep the political fabric together for the next four years. On the plus side, most South Koreans see no practical alternative to Chun in the near term, chiefly because of the broadly shared desire to avoid political instability. On the other hand, we agree with US Embassy officials and astute Korean observers who believe Chun may not prove strong enough or far-sighted enough to manage the situation.

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Besides being highly unpopular, Chun also is widely belittled for lacking executive ability and political vision.

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Both South Korean and foreign

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officials have contrasted Chun's penchant for dominating meetings with his own views with the late President Park's willingness to listen to a spectrum of opinions.

Chun focuses on minutiae and does not appear to have an overall philosophy or long-term strategy. Chun's disjointed decisions have caused frequent reversals of previously announced policy guidelines, thereby aggravating frictions between government agencies and fostering an image of government ineptitude. Although we believe the government occasionally has orchestrated such incidents to test public opinion on controversial issues and smoke out opposition strategies, they more often seem to reflect a lack of direction at the political center.

Casting the largest shadow over political developments during the next four years will be the succession issue itself. The Constitution promulgated by Chun in 1980 limits the president to one seven-year term and specifically rules out amendments that would permit an incumbent president to extend his term. Chun has repeatedly stated—both publicly and in private to US officials —that he will step down. Chun has told US officials that he wants to be remembered as "Korea's George Washington"—the first Korean president to leave office willingly. Many knowledgeable contacts of US Embassy officials, including some of Chun's harshest critics, increasingly believe he is committed to stepping down—indeed that the potential for violent public opposition should he renege on his promise will force him to do so—but that he almost certainly hopes to transfer the presidency to a handpicked successor. Although Chun's thinking on the succession issue may change, it is clear that for now Chun views his promise of a constitutional transfer of power as the cornerstone of his claim to legitimacy.

We believe Chun is aware of the strong possibility that the political capital his government is slowly accumulating at home and through his personal diplomacy could quickly dissipate should he appear to be retracing his predecessors' steps toward retaining power against a rising tide of opposition. Chun witnessed how such a course left Presidents Rhee and Park vulnerable not only to explosive popular discontent, but also to challenges from within the Army, and we believe he recognizes the probable costs to himself and his family should he be removed forcibly or replaced by an unsympathetic successor.

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