

The State and Social Classes in Korea and the Philippines¹

Seung Woo Park

The failures of an 'over-burdened' state and the vulnerability of civil society in South Korea will be contrasted with the vitality and vivacity of the civil society and slow but steady democratization in the Philippines.

Introduction

The idea that the 'strong' state was functioning as a decisive factor in the socio-economic development of some Southeast Asian and East Asian NICs has been shared by many researchers in the field of development and underdevelopment.² This belief appears to be suddenly degraded to a myth due to the recent economic crisis in this region, especially in South Korea. However, we still need to more carefully examine some related issues around the idea of the 'strong/weak state' before we discard our discussion on the state in total.

In this synoptic paper, I will discuss first the historical origins of the 'strong state' in South Korea and the 'weak state' in the Philippines in the colonial and the immediate post-war periods. It will be argued that the strength and capacity of the state in each country cannot be determined without taking into consideration the internal class dynamics and the role and composition of the colonial state, as well as the external impact (materialized through the politico-economic policy of the colonial state) of the colonial system.

We will then examine the state and its relationship with the various social class forces, with the dominant classes in particular, in the two countries for two different periods in the post-war era: from the 1950s to 1972, and from 1972 to the mid-1980s. Here, it will be argued that the state and social classes are shaping each other; the state plays an active role in the formation of the internal class structure and through its policies and actions determines the class relations, class struggle and class alliances; the state structure and its power are, in turn, anchored upon the internal class dynamics.

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² Amsden, 1989; Burmeister, 1986; Haggard & Moon, 1983; Hart-Landsberg, 1993; Hofheinz & Calder, 1982; Koo, 1987; Wade & White, 1984

Finally, we will also discuss the implications of strong/weak state in the development/underdevelopment of civil society and democratization processes in the Philippines and South Korea in the period from the mid-1980s onward. The failures of an 'over-burdened' state and the vulnerability of civil society in South Korea will be contrasted with the vitality and vivacity of the civil society and slow but steady democratization in the Philippines.

The Origins of the "Strong State" in Korea and the "Weak State" in the Philippines

The strength and capacity of the peripheral state is shaped by both the external world-economic forces and the internal class structural factors. The differences in state power and capacity in post-war South Korea and the Philippines stem partly from the differences in their colonial experiences. The external world-system influences, mediated through the socio-economic policies and actions of the two colonial states in Korea and the Philippines, acted differently upon the internal class relations and class dynamics of these two colonial societies, and both the external forces and internal class structure combined to produce varying configurations of social conditions, in which different forms of post-colonial states in the two countries developed. As Alavi (1972) suggests in his arguments on the 'overdeveloped state' in peripheral societies, the colonial experience is important in forging the strength of post-colonial states in some former colonial countries in the periphery. Before we move on to the discussion of the colonial experiences of Korea and the Philippines, I'd like to point out a few historical conditions favorable to the development of the 'strong' state in Korea and the 'weak' state in the Philippines.

First, Korea inherited a more-or-less state-centered society from its previous history. This is in sharp contrast to the Philippines, where the history of the centralized state structure is very much a recent phenomenon. In Korean history, the system of centralized state bureaucracy with a strong monarch at its apex dates back to the seventh century in the Silla dynasty (57BC-935) and continued to operate until the end of the Chosun dynasty (1398-1910). Confucian principles of socio-political relations were employed as the ideological basis of the central state system and the monarchy, providing legitimacy and authority for the state.³ Second, a high degree of nation-formation had been achieved in Korea very early in its history. Compared to Korea, the extent and intensity of nation-formation in the Philippines is quite low.⁴ In its weak foundation of nation-formation, the 'strong' state-formation may not be the expected outcome. Third, Korea is a homogenous society in terms of ethnicity and culture and, borrowing Smith's (1986) terms, it is an 'ethnic nation'. Philippine society, however, is very heterogenous and is based on the notion of a 'territorial nation'. It is also, as Diokno (1997) puts it, a multi-layered society. All these factors seem to have certain effects on the formation of strong/weak states in the two countries.

³ Michell, 1984

⁴ Lallana, 1995

The Philippines in the Pre-war Era

During the half century of American colonial influence, the Philippine agrarian ruling class continued to dominate domestic politics and government and internal class relations. American colonial rule in the Philippine Islands is characterized by the wide latitude of political autonomy by local Filipinos and the preferential 'free-trade' relations between the colony and the US. Filipino agrarian elites fully utilized the US colonial policy which allowed the colonized much room for political participation and self-government to consolidate and reinforce their political power. By employing their increased political hegemony, the Filipino agrarian upper class managed to buttress the free-trade regime operating within the metropolitan economy. The preferential trade with the US, prompting agricultural exports, in turn, enabled them to augment their economic power.⁵

One of the prominent features of American colonial policy was an emphasis on self-government and local autonomy and the progressive transfer of political power to Filipino political elites. In the second decade of colonial rule, which was known as the 'Filipinization' era, the newly created upper houses of legislature (Senate) consisted wholly of popularly elected Filipino political elites. The National Assembly, the lower legislative body created in 1907, came to be filled by Filipino representatives. Likewise, in the central colonial administration, many ranking American officials were replaced by local elites, and low-level administrative positions were also gradually filled by Filipinos. With the establishment of the Commonwealth government in 1936, the indigenous Filipino elites were able to take almost total control over their own political institutions and policy-making processes.

More extensive was Filipino self-government at the local level. From the beginning of American colonial rule, the provincial and municipal governments were controlled by local Filipino elites elected by popular vote. The agrarian ruling class, comprised of powerful landlords, merchants and processors of agricultural products, money-lenders and their professional associates whose economic interests were vested in land ownership and agricultural undertakings, dominated and virtually monopolized both municipal and provincial politics and governments.⁶

The economic relationship between the US and the Philippines during the pre-war era was based upon the mutual duty-free trade or 'preferential trade' policy of the US. It was carried out to facilitate the provision of primary agricultural products and raw materials for the American economy. The free trade regime initiated by the *US Tariff Act of 1909* (known as the *Payne-Aldrich Act*) and the parallel *Philippine Tariff Act* was maintained with only minor changes throughout the entire colonial period.⁷ The class power of the Philippine agrarian elites and the US colonial policy of free trade, led to the development of export-oriented commercial agriculture in the Philippines

⁵ Park & Green, 1993, p. 147

⁶ Friend, 1965; Grossholtz, 1964; Hayden, 1942; Lande, 1965; Park & Green, 1993, pp. 144-46; see also Rivera, 1994, pp. 61-62

⁷ Golay 1983; Jenkins 1954

during the American period.⁸ From the beginning of American rule, the Filipino agrarian elites favored the free-trade relations with the US and sought to promote commercial agriculture. Also, increasing demand in the world market prompted a rapid expansion in the cultivation of such export crops as coconut, sugar, abaca and tobacco. Sugar production, for example, increased from 135,000 metric tons in 1920 to 1,450,000 metric tons in 1934.⁹ These four crops accounted for approximately 90 per cent of total export value throughout the entire American period. This development helped the Filipino agrarian upper class to retain and enhance its economic privileges and socio-political power, and its influence over the state structure.

On top of that, the regional specialization of agricultural production (eg sugar in the Western Visayas and Tagalog provinces) also facilitated the strength of local Filipino agrarian elites. As McCoy (1982) notes, the regionalization of the Philippine agrarian economy, functioning as strong centrifugal forces, "...developed a series of distinct regional elites with divergent, if not conflicting, economic interests".¹⁰ These regionally-based Filipino agrarian elites were working against the formation of a unitary strong nation-state in the Philippines.

Korea in the Pre-war Era

In sharp contrast to the Philippines under American colonial rule, the Japanese colonial state in Korea was very strong *vis-a-vis* the colonial society. It was equipped with a well-organized and disciplined state bureaucracy, and strong repressive state apparatuses, and exercised monopolized power over the colonial economy. The Korean agrarian upper class, which had traditionally been the only viable power-contender against the central state (monarchy), was unable to exercise any significant socio-political influence and was virtually excluded from political processes and colonial administration. In addition to its political incapacity, its economic advantages were dramatically undermined. Therefore, the only social class force that could have counteracted the dominance of the colonial state was seriously weakened, and the Japanese colonial state enjoyed a monopolistic power over the colonial society. The weak class power of the Korean agrarian classes and the strength of the Japanese colonial state in Korea can hardly be compared to the colonial conditions experienced by their Philippine counterparts.

The strength of the colonial state in Korea can be attributed to several factors. First, Japan initiated its colonization campaign much later than did the Western colonial powers. The relative lateness of Japan's colonialism did not allow it to colonize far-distant territories, and left it with only its neighbors in Northeast Asia.¹¹ The proximity of the colonies within the Japanese empire facilitated "...a close, tight integration of colony to metropole".¹² As a consequence, the Japanese colonialists began their aggression towards Korea with a view to

⁸ Park & Green, 1993, pp. 146-47

⁹ Sturtevant, 1976, p. 50

¹⁰ McCoy, 1982, p. 8

¹¹ Cumings, 1981, pp. 7-8; 1984a; 1984b; Peattie, 1984

¹² Cumings, 1984a, p. 10

incorporating it fully into their territory, rather than operating the country as merely an overseas colony, as the Western colonialists did.¹³ A total integration of Korea and its economy into the Japanese metropole made it necessary for the Japanese to establish a strong colonial state in Korea.¹⁴

Second, the strength of the Japanese state at home also contributed to the strength of its colonial state in Korea.¹⁵ The Meiji reformatory rule in Japan during the late 19th century is characterized by the superiority of the state over civil society.¹⁶ This state-centered tradition *per se*, and the same attitude, strategies, and framework employed by the early Meiji leaders in their own state-building, were later applied to Japan's colonial state in Korea. Third, the Japanese colonial state in Korea had a well-organized and powerful state bureaucracy, and was extremely centralized, with the power concentrated on the central government-general in Seoul.¹⁷ Its governor-general possessed immense power, including legislative and, to a certain extent, judicial power. He also directly supervised all provincial and municipal governments and appointed all local government officials - provincial governors, district magistrates and municipal mayors.¹⁸

Finally, the Japanese colonial state also instituted powerful repressive apparatuses - military and police. The key instrument of Japanese colonial rule was the police force, which was superbly efficient and well organized. It was maintained on such a large scale and was so pervasive that it penetrated every village in the countryside. The colonial police force not only enforced the law and maintained internal security, but also performed ordinary civil administrative functions, such as collecting taxes and gathering political intelligence.¹⁹ With this strong security apparatus in place, the colonial state exercised a determinative power over Korean society and economy.

In contrast to the colonial Philippines, the political machinery and bureaucracy of the strong colonial state in Korea was completely monopolized by the Japanese. They occupied all important positions within the central government-general. Koreans were allowed to occupy only minor positions, such as clerks and secretaries. The Japanese also dominated the provincial governorships and other lower-ranking posts in the provincial and municipal administrations. In contrast to the Filipino people under American colonialism, the indigenous population of Korea were not granted the right of suffrage, nor the right to participate in political decision making - neither in the form of a central legislature nor local self-government. If any such mechanisms for popular representation existed in colonial Korea, they were mere formalities and cosmetic arrangements.²⁰

In an economy controlled by the Japanese colonial state, the economic power-base of the Korean agrarian upper class gradually disintegrated. Upon the annexation of the Korean peninsula, the Japanese imperialist economic

¹³ Peattie, 1984

¹⁴ Cumings, 1984b

¹⁵ Cumings, 1981, pp. 8-12; Peattie, 1984

¹⁶ Peattie, 1984, pp. 23-24

¹⁷ Cumings, 1981, p. xxii; Grajdanzev, 1944

¹⁸ Park & Green, 1993, pp. 147-48

¹⁹ Gann, 1984, p. 515; Grajdanzev, 1944; Peattie, 1984, pp. 27-28

²⁰ Grajdanzev, 1944, pp. 46-60, pp. 243-49

system attempted to fully integrate the Korean economy into its metropolitan economy. As Japan achieved rapid industrialization during the first two decades of the 20th century, the demands from its urban industrial workforce for wage goods increased. World War I further enhanced the pace of Japan's industrialization. Japanese industrial expansion during the war years, coupled with a rapid increase in population and a slower growth of agricultural production, reinforced an already-strong demand for food grains. As a result, the role of Korea as source of agricultural foodstuffs (mostly rice) was given more impetus.²¹ During the 1910s and 1920s, these external forces led the colonial state in Korea to implement strong policy measures for increasing rice production in the colony and exports to Japan. Korean landlords and farmers were goaded into making every effort to expand agricultural production.²²

However, it was not the indigenous Korean agrarian upper class but the Japanese landlords and agricultural corporations that controlled colonial agriculture in Korea. Backed up by the colonial state, Japanese settlers and agricultural corporations managed to accumulate large areas of arable land in the colony from the first years of colonial rule. Japanese landlords possessed more capital than the indigenous landlords, and they were readily supported by the colonial government and by the Japanese-controlled banks.²³ They were able to gradually accumulate land and capital, dominating the rural social configurations. In tandem with this process, the socio-political influence as well as the economic power of the Korean landed class was greatly diminished.

The Japanese colonial government in Korea was prompted to reformulate its economic policy in the colony due to the significant changes in external politico-economic conditions that occurred in the late 1920s and early 1930s. First of all, the economic depression and high protectionist barriers throughout the world which had begun to take effect in the late 1920s forced Japan to change the direction of its state policies to pursue the establishment of a self-sufficient economy within the empire. Economic self-sufficiency required a diversification of its industries at home (and a build-up of heavy industries such as steel, chemicals, and armaments) and their relocation to the colonies (thus, a new division of labor within the empire, between the colonies and the metropole). The incorporation of Manchuria into the Japanese empire made Korea strategically important. Located between Japan and Manchuria, Korea was an ideal place for Japan's industrial relocation project, with Manchuria supplying both food staples and abundant industrial raw materials for Korean industry.²⁴ Thus, from the early 1930s Korea was forced to provide industrial producer goods (intermediate products such as petro-chemicals and metals) for Japan's heavy industry (especially the munitions industry).²⁵ Another factor arose from the problems of the Japanese metropolitan economy itself. Toward the end of the 1920s, Japan began to suffer from an overproduction of rice within its colonies in Korea and Taiwan. Japanese farmers, who had been agitated by the flooding of rice from the colonies, put strong pressure on the Japanese government to change its colonial policies.

²¹ Ho, 1984, pp. 348-50; Peattie, 1984

²² Park & Green, 1993, pp. 149-51

²³ *ibid.*, p. 153

²⁴ Cumings, 1984a

²⁵ Chang, 1971; Ho, 1984; Park & Green, 1993, pp. 151-52; Peattie, 1984

As a consequence, the Japanese colonial state in Korea carefully accommodated its policies to the changing conditions of the world economy and to the changing political and economic needs of Japan. Thus, at the beginning of 1930s, the government-general in Korea canceled all plans for increasing rice production in Korea and shifted its policy focus to industrial development.²⁶ This presented a serious blow to the rural economy in Korea. Korean landlords, as well as peasant farmers, were greatly damaged by this abrupt policy change.

In conjunction with the dwindling personal dependency ties between the landlords and peasant farmers in the rural sector (push factor), the urbanization and industrial development during the 1930s and the early 1940s provided employment opportunities for the landless rural laborers and poor peasants, enticing potential industrial workers from the countryside (pull factor). This development led to a massive rural out-migration in the later years of the colonial period and ultimately to the formation of an industrial working class in Korea.²⁷ It also contributed, however, to the gradual disintegration of existing rural social relations, as well as the destruction of the power base of the Korean landlord class. On the other hand, the external changes in world-systemic conditions driven toward World War II and the war-related mobilization of economic and human resources in colonial Korea, led to the further reinforcement of the power of the Japanese colonial state, and its penetration into colonial society was greatly escalated.

In short, during the pre-war years, the state in the Philippines was under the influence of the agriculture-based, regionally-developed Filipino agrarian upper class, and the state policies reflected their collective class interests. The Philippine state was also weak and highly decentralized due to the development of local self-government and political autonomy. Local politics and government were also not autonomous from the agrarian ruling class. The Japanese colonial state in Korea, in contrast, enjoyed fully-fledged autonomy from any indigenous social classes. The Korean agrarian upper class was no longer able to exercise its class power under Japanese rule. It became a mere subject of the rule of the colonial state. The big landlords in Korea lost their traditional socio-political as well as economic power, and were turned into mere 'land owners' (no more 'landlords'). The policies and actions of the colonial state in Korea were only constrained by the structural requirements of an 'East Asian world-economy' operating around the hegemony of the Japanese metropole, and were dictated by the strategic decisions of the metropolitan state leadership at home. If the Philippine state during the pre-war period was said to be 'besieged' by the indigenous ruling agrarian class, then the Japanese colonial state in Korea was strongly 'embedded' in the colonial society.

South Korea and the Philippines in the Immediate Post-war Era

After World War II, the tradition of strong state under Japanese colonial rule was inherited with little adaptation by the newly created state of South Korea. The internal class structure in the immediate post-war era, between the end of the Japanese rule in 1945 and the end of the Korean War in 1953, can be best characterized by a 'class-power vacuum' and the absence of a strong ruling

²⁶ Grajdanzev, 1944, pp. 92-93; Lee, 1936, pp. 131

²⁷ Mason et al., 1980, pp. 74-82

class in South Korea. This led to a permeation of state power in every sector of civil society and the economy, resulting in full state dominance of the country's social classes. The three years of the Korean War (1950-1953), as well as the world-systemic influences radiating from post-war US hegemony, also greatly contributed to the strengthening of the South Korean state structure. In the Philippines, on the other hand, the post-war order was reinstated upon the continuation of the *status quo ante*. The ruling-class-besieged state structure in the Philippines remained basically the same in the post-war period. The hegemony of the pre-war agrarian elites was resumed after a short period of Japanese occupation. In spite of the social unrest in the countryside due to peasant uprisings, particularly the Huk rebellion in the Central Luzon, the ruling agrarian class was able to retain its strong power base and managed to devise state economic and trade policies which reflected its collective economic interests.

When the war ended in 1945, the southern half of the Korean peninsula was put under the control of a US Army Military Government. After three years of American tutelage, a new state of the Republic of Korea was created in 1948. The remnants of the strong state tradition of the Japanese colonialists were revived in the newly-born South Korean state. It was formulated in the same fashion as the Japanese colonial state. The basic characteristics of the colonial state structure, such as a strong bureaucracy, an extensive network of police apparatus, and an over-centralized state administration with no local autonomy, remained virtually intact in post-war Korea. The handful of Korean bureaucrats, policemen and army officers who had served the Japanese colonizers, together with the returned cadre of anti-Japanese movement leaders (eg Syngman Rhee), constituted this state apparatus. This reminds us of the well-known thesis that strong state bureaucracy in some peripheral countries was inherited from an overdeveloped state in the colonial period.²⁸

The 'power vacuum' created by the flight of the Japanese in August 1945 was not filled by any indigenous Korean ruling classes. The class power of the old agrarian upper class was seriously undermined under Japanese rule, as noted above. Due to their weakness, the former landed gentry were "... unable to politically mobilize and organize themselves at the time of liberation".²⁹ And, there existed no noteworthy comprador class in a comparable manner to that of Latin America. Koo (1987) argues that:

"[many Koreans] had, of course, accumulated fortunes in the colonial period by means of their close ties with the colonialists. But it is questionable whether they really constituted a viable comprador class; even if they had done, their class basis no longer existed after independence because they could not maintain their ties with the metropolitan capital. Because of the political nature of U.S. involvement in Korea ...in the first decade after independence, hardly any private capital came in, providing little opportunity for the rise of a new type of comprador class".³⁰

²⁸ Alavi, 1972; Ziemann & Lanzendorfer, 1977

²⁹ Park & Green, 1993, p. 154

³⁰ Koo, 1987, pp. 170-71

It is generally agreed that the state can have greater capacity and more autonomy in such a situation where no social classes assume the ruling power in society.³¹ In the absence of significant ruling class power, the newly-born South Korean state was able to exercise ample autonomy, free from any class interference.

The internal conflicts in Korea during the immediate post-war era (between independence in 1945 and the outbreak of the Korean War in 1950, which escalated into a near civil-war), greatly contributed to the strengthening of the South Korean state. On top of that, the Korean War of 1950-53 led to the further consolidation of state power. The foremost strategic purpose of US involvement in Korean affairs was to contain communist expansion in East Asia. Both the American military government and the Republic of Korea government, under Syngman Rhee's leadership, took every possible measure to put down the leftist and indigenous communist elements in the Korean countryside until 1950. The suppression of the Autumn Uprising in 1946 was only one of the many instances of the US and South Korean state's anti-communist stance.³² The confrontation between the anti-communist forces of the US and South Korea and the communist expansionism of the Soviet Union and North Korea culminated in the Korean War in 1950, which lasted until 1953. The Korean War, as well as pre-Korean War internal conflicts, led to further strengthening of the ultra-conservative and anti-communist state under Syngman Rhee. The Korean War was also a great blow to the already debilitated old agrarian upper class.

In the Philippines, the pre-war social and political order was restored after the war with the help of the American military authorities. At the national level, the pre-war political oligarchy which had enthusiastically represented the landed interests of the local agrarian class during the American period reassumed state power.³³ At the local level, the old agrarian upper class also regained its pre-war socio-economic hegemony in the rural areas. The insurgency elements in the countryside, especially in Central Luzon, were suppressed by a joint military campaign of the US military forces and the Philippine constabulary. The *Hukbalahap* (or Huk in short), which had assumed control of the peasant farmers in Central Luzon during the war years between 1941-1945 and continued to dominate the countryside until the early 1950s, was subdued by the mid-1950s in a series of massive military campaigns by the Philippine government. The agrarian unrest and its suppression in the Philippines during the immediate post-war years led not so much to a strengthening of state power, as to the invigoration of the class power of the local landed elites. With the pacification of the countryside, the agrarian class was able to return to its farmland and resume its dominance of the rural sector.³⁴

The strong state in South Korea, under the authoritarian leadership of Syngman Rhee and combined with an absence of any efficient opposition from the ruling agrarian class, was able to successfully carry out a land reform program during the 1950s. Korean landlords, of course, opposed the implementation of land reform, but their influence upon the national government and legislature was not so effective as to change the direction of the state's reform program.

³¹ Gold et. al., 1975; Hamilton, 1981

³² Cumings, 1981

³³ Shalom, 1981, pp. 1-32; Steinberg, 1967

³⁴ Park & Green, 1993, p. 154

Although the official land redistribution program started in April 1950, "...the fear of radical land reform (confiscation and redistribution of farmlands without compensation) and the rising tide of radicalism in the countryside forced many Korean landlords to sell privately their farms to the tenants"³⁵ as early as 1945. As a result, the agricultural landscape of the Korean countryside witnessed fundamental change. The land reform created a vast mass of small-scale owner-operated farms. By 1959, the number of tenant farm households declined to a mere two per cent of total farm households; the area of land tilled by tenants dropped to less than eight per cent of total cultivated land. Thus, by the early 1960s, a small-scale family farm system was firmly established within Korean agriculture. Ninety-three per cent of farm households owned farmlands smaller than two hectares.³⁶ The land reform in Korea during the late 1940s and the 1950s, laid a firm foundation for an increase in agricultural productivity and farm income, the development of a more-or-less egalitarian rural class structure, and the formation of the "home market" in the agricultural sector. But, the most significant result was that successful land reform finally annihilated the old agrarian upper class.

In contrast, the resistance of the ruling agrarian class and the unwillingness of state agencies in the Philippines prevented the successful implementation of a series of agrarian reform programs during the 1950s and the 1960s. Both the *Land Reform Act* of 1954-55 by the Magsaysay government and that of 1963 by the Macapagal government attempted to redistribute farmland, to improve tenancy structure and practices, and to establish a small-scale, owner-operated farm system within Philippine agriculture. However, these reform programs were not implemented successfully due to organized opposition by local landed interests and their representatives in the legislature. The Philippine agricultural sector, thus, continued to be dominated by local agrarian elites and powerful landlords.³⁷

The State and Classes in the First (from the 1950s to 1972) and Second (from 1972 to the mid-1980s) Post-war Periods

The strength and capacity, and institutional forms and internal composition, of the states in South Korea and the Philippines were shaped and defined by external influences in the capitalist world-system, as well as by the internal class dynamics. These internal class dynamics were in turn, rooted in: 1) the historical and cultural residues inherited from the previous local history; 2) the contemporary internal class structure; and, (3) the ways in which various classes or segments of classes have related with one another in the form of class conflict and class alliances. Furthermore, the different internal class dynamics and the relationships between the state and social class forces, in conjunction with the different opportunity structures imposed by global transformation processes, have determined different development paths for these two countries. The character and *modus operandi* of the state within the two countries were the key factors wedding the world system and class forces to the development process.

³⁵ *ibid.*, p. 156

³⁶ *ibid.*

³⁷ Murray, 1972; Park & Green, 1993, pp. 155-56; 1995, p. 132; Starnes, 1961, p. 187

The Philippine State under the Influence of Ruling Agrarian Interests (the 1950s-1972)

Philippine attempts at post-war economic development started with an import-substitution industrialization (ISI) strategy in the 1950s. Protectionist barriers - high tariffs, import quota restrictions, and foreign exchange control - were set up in 1949. These protectionist measures encouraged the growth of domestic manufacturing industries. Some contemporary analysts highly praise the Philippines's economic performance during the ISI period.³⁸ But, the economic development efforts in the 1950s under the protectionist umbrella were carried out mainly around agriculture-related manufacturing industries such as food processing (eg production of refined sugar, coconut oil, canned fruits), beverages and tobacco. By the end of the 1950s, after a decade of the ISI drive, processed foods, beverages, and tobacco accounted for over 40 per cent of total manufacturing value added.³⁹ The agricultural sector, however, continued to dominate the Philippine economy in the 1950s, and the agrarian ruling class, whose economic interests were anchored upon the export of primary agricultural products such as coconut, sugar, abaca, and tobacco, maintained their class power. Agriculture's share to total GNP stood at around 28 per cent and its employment accounted for over 60 per cent of the total employed labor force in 1960. Each year during the 1950s, coconut, sugar, and abaca exports alone accounted for 75 to 85 per cent of total export earnings.⁴⁰

The 1950s protectionist policy increasingly agitated members of the traditional agrarian ruling class as it gradually diminished their economic interests. They began exerting their influence on the state to change the protectionist trade policy. The US government and the American business community in Manila also put pressure on the Philippine state to lift the protectionist barriers.⁴¹ In 1962, the protectionist wall was removed with a lifting of the exchange and import controls, the devaluation of the Philippine peso, and a shifting of policy emphasis to export-oriented industrialization (EOI).

The export-oriented economic development efforts of the Philippine state during the 1960s, however, did not materialize as originally intended. The Philippine economic structure and exports during this period were heavily skewed toward agriculture and the agriculture-based manufacturing industry. Agricultural crops and processed foods still accounted for over 40 per cent of total exports in the late 1960s, while so-called 'non-traditional' manufacturing products such as textiles and garments, represented only five to seven per cent (wood products and minerals accounted for around 50 per cent of total exports).⁴² Although some observers argue that the unsatisfactory outcome of EOI in the 1960s was due to inadequate export-promotion measures,⁴³ the problem was more related to the absence of diversification in the economic structure than with insufficient liberalization, as Park and Green (1995) maintain.⁴⁴ The Philippine economy, which failed to fully develop high

³⁸ Rivera, 1994, pp. 64-65

³⁹ Park & Green, 1995, p. 133

⁴⁰ *ibid*

⁴¹ Park & Green, 1993, pp. 157-58; Rivera, 1994, p. 65

⁴² World Bank, 1976, pp. 536-37

⁴³ Estanislao, 1986, p. 210; Villegas, 1986, p. 154

⁴⁴ Park & Green, 1995, p. 134

value-added “non-traditional manufacturing” industries in the ISI decade, was obliged to depend on ‘traditional’ agro-industrial exports (such as coconut oil, refined sugar, cordage, canned fruits, lumber and other wood products, and minerals) for the badly-needed foreign exchanges necessary to finance its growing imports. However, the Philippine manufacturing exports which were highly dependent on these agro-industrial goods could not compete in the world market in the 1960s:

“The relatively low and precarious nature of international agricultural commodity prices ruined the agricultural sector’s and agro-food sector’s ability to earn foreign exchange. Even the expansion of agricultural exports was not an easy task. It was severely constrained by the low agricultural productivity caused by the inefficient production relations based on the traditional absentee landlord and sharecropper system”.⁴⁵

The Philippine state during the 1960s, therefore, continued to be beset by agro-exporting ruling class influences. The specific interests of the agrarian ruling class still dominated the economy and the state. On the other hand, a cohesive and unified class of new industrial capitalists had not yet emerged. The contradictory interests of the agriculture-related ruling agrarian class and a manufacturing-industry-based capitalist class hindered the emergence of a single ruling capitalist class.

Korean State Control of Social Classes and the State-Led Industrialization (1953-1972)

Korea’s industrialization efforts also started with ISI strategy from the mid-1950s. But the ISI industrialization efforts during this period produced no significant outcomes for the Korean economy.⁴⁶ From 1964, the South Korean state under the strong leadership of Park Chung Hee commenced a strong state-led industrialization drive and changed its policy direction from domestic-market-oriented economic development to outward-looking EOI.⁴⁷ It decided upon exports as a priority policy objective for all business enterprises. A quotation from a Korean economic expert is worth noting here:

“Under the government export promotion strategy, “survival of the fittest” among competing firms was not determined in the marketplace, but through discretionary government actions. ‘Fitness’ was judged in terms of the ability to expand exports, rather than based on profit-ability. If determined ‘unfit,’ firms were likely to face bankruptcy. Such firms were under constant threat of tax investigations and other punitive sanctions. On the other hand, firms that efficiently used their government-backed loans to expand exports were implicitly considered fit and favored with even further support”.⁴⁸

The Korean state encouraged exports via a number of policies: currency devaluation, subsidized interest rates and tax exemptions for exporters; and, state infrastructure support for export production.⁴⁹ The most effective policy measures, however, were a mixture of export-promotion and import-substitution strategies, and the use of subsidized credit for strategic businesses. The state’s export promotion policy was undertaken as part of a comprehensive

⁴⁵ *ibid*

⁴⁶ Koo, 1987, p 168

⁴⁷ Cole and Lyman, 1971; Mason et. al., 1980

⁴⁸ Song, 1990, pp. 101-2; cited in Hart-Landsberg, 1993, p. 37

⁴⁹ Hart-Landsberg, 1993, pp. 170-71

effort to promote national industrial development. South Korea used both EOI and ISI strategies simultaneously.⁵⁰ The state regularly targeted new areas for development by encouraging the establishment of domestic firms to replace imports. These new firms were protected by both trade restrictions and strict limits on foreign direct investment. As Hart-Landsberg (1993) notes,

“...[t]he state made regular use of a variety of techniques to control and limit imports. For example, all importers had to be licensed by the government, and permission to import was usually granted only under terms that specified type and quantity of product and often restricted the country of origin. Even goods listed as ‘automatically approved’ for import were subject to a maze of special laws, regulations, and hidden taxes which the government used to restrict their entry.”⁵¹

And, when these newly developed import-substituting enterprises were judged capable in the international market, they were then required to export as well as meet domestic needs.

The Korean state also made full use of its control over the financial system and foreign capital. It held discretionary power over the allocation and cost of domestic capital and the level and use of foreign loans. With its control over the allocation of underpriced credit, it could “...cut off the life-blood of business at any time”⁵² and, thus, was able to “...direct firm activity into areas considered strategic for industrial development”.⁵³ Through its articulated and integrated credit controls, the state’s control over the economy and industrial capitalists, its promotion of exports, and the creation of new industrial capitalist class were made possible. It also intervened in almost every major investment by the private sector. It even interfered with enterprise-level decisions on production, pricing and investment.⁵⁴ The Korean state thus ‘created’ the domestic industrial capitalists.

The policy and actions taken by the ‘strong’ Korean state during the 1960s also initiated the formation of an industrial working class. The Korean state used its control over the grain market and rural credit to lower prices of major crops like rice and barley. The rural economy dwindled, rural income dropped, and many small-scale farmers left their farms to seek jobs in the urban industrial sector. The vast mass of an industrial working force which was willing to work for low-wages were thus created.

In this manner, the Korean state had almost total control over the economy and social classes; no social class, either dominant or subordinate, posed a serious obstacle to the state-led industrialization drive. As Koo (1987) put it,

“...[w]ith destruction of the old class system and social disruptions caused by war and massive migration, [South Korea was] quickly transformed into predominantly petit bourgeois societ[y]. The grip of tradition and status concerns had by and large disappeared, and society was full of small entrepreneurs who were continuously searching for new sources of income. Therefore [South Korea] had not only very few change-resistant residues of the old agrarian class structure to overcome but also great reserves of human potential to tap.”⁵⁵

⁵⁰ *ibid*; Luedde-Neurath, 1986

⁵¹ Hart-Landsberg, 1993, p. 37

⁵² Koo, 1987, p. 173

⁵³ Hart-Landsberg, 1993, p. 37

⁵⁴ Koo, 1987, p. 173

⁵⁵ *ibid* p. 171

The Consolidation of State Power and State's Dominance over the Economy and Classes in Korea (1972-1986)

At the beginning of the 1970s, however, South Korea's state industrialization policy of the 1960s began to face some serious problems. The Korean export sector in the 1960s was highly dependent on imported capital goods. The 'import-dependent, export promotion' policies of this period generated a considerable 'balance of payments' problem. The slowdown of world economic growth in the late 1960s and early 1970s triggered a rise in international protectionism. The US, for instance, forced the Korean state to sign a bilateral trade-restraint agreement on textiles, which was one of the most important items in the Korean economy.⁵⁶ In 1970, the textile sector accounted for 33 per cent of total manufacturing output, 32 per cent of manufacturing employment, and 38 per cent of total exports. The increasing amount of foreign debt also posed a serious threat to the Korean economy: "With foreign aid, credits, and export markets shrinking, it was becoming increasingly difficult for South Korean firms to service their international debt ... And because of its system of loan guarantees the government was ultimately responsible for the foreign debt".⁵⁷

Park Chung Hee's regime responded to this economic crisis with a bold move toward consolidating its state power and reforming the industrial structure. Park declared a national emergency on December 6, 1971 and promulgated the *Law Concerning Special Measures for Safeguarding National Security* on December 27 which banned all forms of public demonstration and froze wages, rents and prices. On October 17, 1972, he declared martial law and through a plebiscite instituted a new constitution, called the *Yushin Constitution*. Under the new constitution, the president secured tremendous power, including the right to dissolve the National Assembly whenever it was deemed necessary, to appoint all judges, and to take emergency measures which were superior to legislature-made laws.

With the consolidation of its power, the Korean state devised a series of reform programs to restructure its economy. The first move was the introduction of the *Heavy and Chemical Industrial Development Plan* (HCIDP). According to the HCIDP,

"...iron and steel, nonferrous metals, shipbuilding, machinery, electronics, and petrochemicals were to become the heart of a restructured and revitalised South Korean economy. It was Park's hope that development of these industries would, by reducing imports and establishing new higher value-added exports, enable South Korea to solve its balance of payments problems".⁵⁸

Development of heavy and chemical industries started with the creation of large industrial complexes for each of the targeted industries. Pohang complex was created for iron and steel production; Kumi, for electronics; Changwon, for machinery; Yosu-Yochon complex, for petrochemicals; Okpo, for shipbuilding; and Onsan, for the non-ferrous metal industry. The establishment of these new heavy and chemical industrial centers was undertaken with enormous state intervention. To develop them, the Ministry of Construction

⁵⁶ Hart-Landsberg, 1993, p. 175

⁵⁷ *ibid*

⁵⁸ Hart-Landsberg, 1993, pp. 189-90

was given responsibility for obtaining ownership of the desired land, often forcibly removing farmers, and building the required industrial infrastructure of roads, ports, and buildings. In the case of industries such as electronics and machinery production, the Ministry of Commerce and Industry used various financial incentives to attract private producers. For bigger projects, such as the establishment of steel mills and petrochemical facilities, the state created its own companies to undertake production or, as was more often the case, promoted joint ventures with foreign capital.

The development of these heavy and chemical industries was made possible by concentrating the state's financial and administrative support on a few capable large capitalists. The strong drive toward capital-intensive heavy industries by the Korean state in the 1970s resulted in the development of a few dozen large business conglomerates, called *chaebol*. These 30 to 50 *chaebol* conglomerates, each of which was composed of again 30 to 50 business corporations (owned and controlled by a single family), grew rapidly and soon dominated the Korean economy. For example, the combined net sales of the top 10 *chaebol* rose from 15 per cent of GNP in 1974 to 56 per cent in 1981.⁵⁹ In 1983, the combined net sales of the top 30 *chaebol* accounted for approximately three-quarters (or 75 per cent) of the country's GDP.⁶⁰ From the early 1980s, *chaebol* emerged as the core of the Korean capitalist class and their power came to pose a serious threat to state power.

Another characteristic feature in the Korean state's relations with the classes in this period was the control and discipline of labor by the state. Because the major comparative advantage of Korea's economy was low-wage labor of relatively high quality, the success of export-oriented and labor-intensive industrialization depended on maintaining a low-wage and disciplined labor force. To guarantee this condition, the Korean state combined corporate control of labor union activities with repression.⁶¹ Workers were kept disorganized, strikes in some strategic sectors were made illegal, and labor unrest was severely punished. Labor unions were weak and the only legal labor federation, the Federation of Korean Trade Unions, was under government control.⁶²

In comparison to the 'weak' Philippine state which had been 'besieged' by the ruling agrarian class's influence, the Korean state in the 1960s and 1970s, and to a lesser extent in the 1980s, was 'strong', having controlling power over the economy and over the social classes. In short, it was a 'creator' or 'formulator' of the industrial capitalist class, an 'expropriator' of the rural classes, including small-scale farm owners, and a 'creator' and 'discipliner' of the industrial working class.

A Martial-Law Regime in the Philippines: The 'Strong State' Besieged by the Particular Interests of Marcos and His Cronies (1972-1986)

As the stability of the post-war capitalist world-economy began to falter and the era of neo-protectionism made its entrance at the turn of the 1970s, the Philippines also faced major economic and political crises. The price of

⁵⁹ Amsden, 1989, p. 116

⁶⁰ Koo, 1987, p. 176

⁶¹ Choi, 1984; Launius, 1984

⁶² Hart-Landsberg, 1993, p. 39; Koo, 1987, p. 174

international food grains soared and US food aid to the Third World was discontinued. The oil crisis followed the food crisis. The surge in food grain and raw petroleum prices put a heavy burden on the balance of payments in most peripheral countries, including the Philippines. In addition to the discontinuation of US food aid, low yields of food grains due to bad harvests and the fall and fluctuations of international agricultural commodity prices hit the Philippine economy hard in the early 1970s.⁶³ Amidst its serious economic problems, a new communist party was founded in 1968 and its military apparatus, the New People's Army (NPA) was established in 1969. This new development goaded the Philippine state into taking emergency measures. The Marcos regime declared martial law in 1972.

The Marcos regime attempted to establish a 'strong' state and, in some respects, it succeeded. The Philippine state apparatus during the martial-law regime boasted "...structures for intervention in the economy [which] were without parallel in the history of the country".⁶⁴ The state was in full control of the allocation of foreign loans, exerted a monopolistic power on the trading and exporting of major export crops such as sugar and coconuts, and directly managed a significant portion of the Philippine economy through its operation of public enterprises. Rivera (1994) argues that the massive inflow of foreign loans provided the state with ample financial resources for its intervention in the economy without seriously challenging the interests of "...the oligarchy and other dominant social groups like the entrenched industrial monopolies".⁶⁵ The state also used its control of foreign loans to directly support the operation and growth of public enterprises.

The Philippine state under Marcos' rule, however, was not able to bring about any fundamental changes in existing class relations. Nor was it able to obliterate, or even deteriorate, the dominant class power of the ruling agrarian class and old political oligarchy. The following statement is worth noting here:

"...the Marcos regime did not seek the actual destruction of the oligarchy's economic base of power, even for its most prominent enemies. As long as foreign loans were available, there was less need to politically confront the oligarchy and the industrial oligopolies and extract more resources from them. Land reform never seriously got off the ground and, in fact, exempted the big plantations owned by the most powerful sections of the oligarchy. While the state monopolized the trading and distribution of key agro-export crops, it also left the production process to the landowners".⁶⁶

Although the power-base of some of the old oligarches may have been seriously threatened by the state's control of major agricultural product exports and its monopoly over some strategic industrial sectors, in general the collective interests and power of the ruling class remained virtually intact.

What really distinguishes this period from other pre-martial law periods, or from the 1970s in the Korean case, is the fact that the much narrower particularistic interests of Marcos' cronies prevailed in the state's policies and actions. The massive foreign loans were appropriated by Marcos' relatives, close

⁶³ Park & Green, 1995, pp. 138-39

⁶⁴ Rivera, 1994, p. 68

⁶⁵ *ibid.*, pp. 70-71

⁶⁶ *ibid.*

associates, and favored oligarches as their personal 'patrimonial plunder' to fuel their rise in the Philippine economy. With the state's financial and logistic support, a handful of Marcos' cronies enjoyed almost absolute control of the Philippine economy in various sectors. A state which is constrained by particularistic interests, either of a small circle of power cliques or of a ruling segment of the dominant class, may not be considered a 'strong' state. Even though that state appears to be 'strong' in the sense that its power is anchored upon a strong repressive military and police apparatus and relies on the threat and use of coercion, it is 'weak' if it does not have a strong will and capacity to bring about genuine socio-economic transformation along universalistic vision and considerations.

The malfunctioning of the state, the state structure captured by narrow particularistic interests, the dominance of the economy via cronyism, the underdevelopment of a strong manufacturing industrial class, and a failure to diversify the economic structure⁶⁷ - all these factors combined to produce the economic and political crises experienced in the Philippines in the early 1980s, resulting in the ultimate collapse of the Marcos regime in 1986. But, one important phenomenon which developed during this period, and which deserves our due attention, was the rising tide of anti-Marcos social movements. The growth of strong social movements during the Marcos years, led by a sort of class alliance - an alliance not only of middle class people but also of important segments of the working class and peasantry - was the main force behind the success of the 'people power' revolution in 1986. The social movement process also laid a firm foundation for the development of a vital civil society and a steady democratization in the post-Marcos era.

Conclusion: Lessons for the 1990s

The current economic crisis in Korea is attributed by many analysts to the following three main categories of factors: 1) problems in the state structure and its operation; 2) problems of *chaebol* conglomerates - the monopolization of economic activity by the *chaebols* and their overly centralized and authoritarian governance structure; and, 3) problems in the financial system. From the early 1980s, the power of *chaebols* grew so fast that it came to emulate that of the state. They became a strong political force in their own right, posing a threat to state power. Some observers thus argue that the power relations between the state and the *chaebol* were shifted in favor of the latter, and that state power began to erode significantly in the late 1980s.⁶⁸ However, it seems that the state continued to hold the upper hand. The problem lies with the 'failure' of the state, the laxity of the *chaebol*, and the symbiotic relationship between the two, rather than with the erosion of state power *vis-a-vis* the *chaebol*.

The Korean state's relationship with the *chaebol* during the Chun Doo Hwan years (1981-87) is characterized by Hart-Landsberg (1993) as 'racketeering'.⁶⁹ The major *chaebols* were forced to make regular, clandestine 'political contributions' of large sums of money (as a kind of political insurance) to Chun in exchange for good relations with him. Those *chaebol* leaders who hesitated

⁶⁷ Park & Green, 1995

⁶⁸ Hart-Landsberg, 1993, pp. 229-55; Koo, 1987

⁶⁹ Hart-Landsberg, pp. 235-37

to pay were dealt with harshly with their applications to extend credit being refused thereby forcing them into bankruptcy. The relationship between the state and the *chaebol* was a unilateral one, the former imposing controlling power over the latter. This relationship underwent significant change from the mid-1980s, under the governments of Roh Tae Woo (1988-92) and Kim Young Sam (1993-97). It became a reciprocal and symbiotic relationship of a 'give and take' nature. The state leadership received money from the major *chaebols* and rewarded them by easing credit controls, expanding money supply through the central bank, and instituting favorable labor and tax laws. It also allowed state-favored *chaebols* to enter some newly-developed business sectors such as telecommunication (mobile phone and PCS) and local broadcasting.

Aside from the malfunctioning of the out-dated financial system in Korea, which remained under the state's centralized control, and the lack of competitive market logic, this symbiotic give-and-take relationship between the state and the large *chaebol*, combined with a potent mixture of politics and economy, can be blamed for the current economic turmoil which Korea is currently experiencing. With the close support of the state, the *chaebol* conglomerates were able to further consolidate their control over the Korean economy. In the early 1990s the net sales of the top 10 *chaebol* accounted for three fourths of the nation's GDP. As Mendoza (1995) aptly summarizes it:

"While the chaebols became dependent and receptive to state initiatives, the state, in turn, became part hostage to them. As these business grew further in size and political strength, thanks to state's nurturing, their size has now become a liability as their continued viability has turned into a matter of great significance to the country's economic and political stability".⁷⁰

The state's support of *chaebol* activities through highly subsidized, under-priced credit led to over-investment by major *chaebols* in unprofitable business sectors and excess capacity in a number of industries. Added to this was the governing structure of *chaebol* conglomerates. The controlling power of almost all the *chaebols* was concentrated with the owner or his family, and their decision making processes were highly authoritarian and overly centralized. Any arbitrary and wrong decisions made by the *chaebol* leadership, such as an investment in highly-crowded competitive industries and in too venturesome businesses, were carried out without any resistance from inside the organization.

However, a more significant factor contributing to today's crisis in Korea can be found in the state sector. The size of the Korean economy grew too big to be efficiently controlled by the state. In 1995 the total GDP in Korea stood at US\$460 billion. It was said that the Korean economy was the 11th largest economy in the world. The state, however, has continued to keep a firm grip on every aspect of the economy. During the 1990s there was much rhetoric about deregulation, decentralization, liberalization and a return to the free-market economy, but no significant change has ever occurred. The state's dual burden of controlling the economy and the giant *chaebol* conglomerates continued to increase. The state bureaucracy, however, was incapable and inefficient; the state structure became ever more centralized, and the decision making

⁷⁰ Mendoza, 1995, p. 168

mechanism within the state was inflexible and authoritarian. The inexperience and lack of vision of the state leadership led by Kim Young Sam made matters worse. Borrowing Offe's (1976, 1984) terminology, the 'overburden' on the state led to a 'crisis of the state' and its 'ungovernability'. Today's economic crisis in Korea is thus more of a 'crisis of crisis management' of the state. In addition, the policies and operation of the Korean state has become more and more constrained by the particularistic interests of the political leadership, the state bureaucracy, and the *chaebol* corporate class. As Offe notes, the crisis in the late capitalist development of Korea originated not in the economy, but in the state sector.

There were, however, no social forces that could curb the state's and *chaebol*'s monopolistic control over the politics and economy and their mismanagement, or that could initiate and propose a more workable and desirable developmental strategy. One of the social forces which could have carried out this function was the industrial labor class. But, the Korean industrial labor class was unable to play its part. Although the tight control of the state over the labor force has been eased and a certain degree of freedom was given to worker organizations and the labor movement since the late 1980s, it did not result in society-wide reformatory social movements. The labor movement in the 1990s remained basically a particularistic, economic-interests-oriented one, and was mainly concerned with raising wages and improving working conditions within the workplace. This can be compared to the Philippines where vigorous social movements at the societal level have developed since the fall of the Marcos regime. In Korea, the intervention of a strong state, which was antagonistic to mass mobilization and political participation and pursued 'political exclusion' of the subordinate class, has contained the development of civil society and impeded democratization processes. Although Korea has achieved a sort of 'formal' or nominal democracy during the 1990s, a progressive step toward real democracy has yet to be taken, and the development of a vital civil society is still far away.

In contrast, as well documented by many contemporary observers,⁷¹ the Philippine state since the 'people power' revolution in 1986 has made significant progress towards democracy, although it remains essentially 'weak' in terms of the composition of state leadership and in terms of the coherence and determination of its state policies. It is observed that the politico-administrative powers were gradually transferred to lower-level political institutions and local governments, especially through the enactment of the *Local Government Code* in 1992; a wide latitude of mass participation in political decision making processes was made possible; and the political system became more accessible and responsive to public needs. What is important in this trend toward decentralization and devolution in the Philippines is that this development tends to greatly promote a state structure which is more open and more responsive to the people's demands, and thus, more kin to the public or 'universalistic' interests of the nation. A state of this nature will be a prerequisite for the successful transition to real democracy. The process of decentralization and devolution is also important in the sense that it will relieve the burden of the state or, as Brillantes (1996) notes, 'decongest' the central government.

⁷¹ Brillantes, 1994; 1996; Encarnacion, 1994

Another important development worth noting here is the proliferation of 'universalistic-interest-oriented' social and political movements, led by non-governmental organizations (NGOs) and people's organizations (POs), and the vitality of the civil society in the Philippines. Many NGOs and POs were organized during the post-Marcos era to promote social development, pluralistic culture, peace and environmental protection, and to deal with the problems of social inequalities (sectoral, regional, and gender inequality). The number of Philippine NGOs and POs was phenomenal, over 14,000.⁷² These NGOs and POs are expected to actively intervene in state activities and present their views and demands to the formal state structure. This will encourage the state's attention to the universalistic interests of the people, goad the state leadership and bureaucracy into making right policies and decisions, and promote the accountability of the state. As Ferrer (1997) aptly put it, achieving real democracy is now much dependent on a vibrant civil society and "Philippine civil society has cumulatively pushed forward the democratization project at the micro-level".⁷³

It may be too early to tell which of the two - a strong state with a weak civil society as you see in Korea, or a weak state with a strong civil society as in the Philippines - will have a better chance of successfully handling their respective socio-economic problems. Whether Korea, with its strong but overburdened and inflexible state, based on vulnerable civil society, will succeed in overcoming its current economic crisis in the near future; or whether the Philippines, with a weak but decentralized (and 'decongested') and flexible state, which is susceptible to public interests and anchored upon the vitality and vivacity of the civil society, is better placed to successfully deal with their current social problems and pursue a more desirable and sustainable development - are questions which may take another decade to answer. It seems, however, that a strong but flexible and decongested (or, if we can say, 'deburdened') state, guided by the universalistic interests of the nation and responsive to the needs and demands of the civil society, seems to be the best alternative.

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⁷² Ferrer, 1997

⁷³ *ibid.*, p. 59

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