

Draft

**DISENCHANTMENT TO CONFRONT,
DEMOCRACIES TO CONSOLIDATE**

Some Notes for Discussion

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Introduction

In the 1980's, Latin America began a significant political transformation, with several countries shifting from authoritarian regimes (most of them of a military nature) toward a formally democratic character, with the establishment of governments chosen by the citizenry through electoral processes. At the end of the '80's, South Korea ² also started along the democratic path with the victory of the President by direct election after an intensive citizen's movement. In recent years, some countries like Mexico and Korea also share the experience of their first democratic "alternancia" (in Spanish "alternancia" is the first-time change of ruling party), which were very closely-related to periods of severe financial crisis (before the "alternancia" in Mexico, during the "alternancia", itself, in Korea).

The societies of both Latin America (especially the countries that began their transition in the '80s) and Korea have passed through some three or four five-year periods of political and social experiences linked to democratic processes. They have also had to confront the extraordinary challenges unleashed by severe economic crises, which were most persistent in Latin America. The combination of the transition to democracy, economic crises, growth recovery (faltering, in Latin America) and social problems created challenges of the first order for social science research. In this presentation, we will look into the recent views of democracy in Latin America and Korea, and the factors which may limit or favor the consolidation of democracy in those societies. In particular, we will consider their means of achieving what we call social legitimization of democracy, and some of the main elements of the recent trajectories that the neo-democracies in Korea y Mexico are following. This is not to say that it is an exhaustive review of the transitional processes in recent years, nor an extensive bibliography thereof, but that it merely takes note of some dynamics that are considered to be relevant; rather, this is a collection of hypotheses on the recent transitional processes in democracy in both Latin

America (with special attention on Mexico) and Korea, and on their relationship to social and economic processes.

A Complex Setting for the Consolidation of Democracy

The transitional processes toward democracy began in Latin America within the context of a severe economic crisis; one so severe as to be seen as the "lost decade" in the region. According to World Bank figures, in the '60s and '70s, the Latin American GDP per capita had grown by an average 2.5% to 3.5% annually. Conversely, in the 80's, the product per Latin American dropped an average 0.1% per year. By the 90's, now with practically the entire subcontinent under formally democratic regimes, the economic recovery was feeble, with a production-per-person growth of only a bare 1.1% yearly (De Ferranti, 2000). In the past decade, the Latin American economies grew, but even with growth recovery and all, poverty in Latin America was not substantially reduced. According to the CEPAL (2000), the population living in poverty remained at practically the same percentages. It shrank from 48% in 1990 to 43.8% in 1999 (CEPAL, 2001), a level that very probably increased toward the year 2002, because in recent years the Latin American economies in general have been suffering hard times. From 1997 to 2002, the region has accumulated a "lost five-year period" that implies a cumulative reduction of 2% in the GDP per person. Overall, according to the ECLAC, poverty at the end of the 90's was still greater than that of 1980 (40.5%). In terms of population, if there were 200 million poor in 1990, according to ECLAC, then in 1999 there were 217 million (CEPAL, 2002). The growth recovery in the 90's barely sufficed to reduce the percentage of poverty slightly, but not to reduce the number of poor people at all. The kind of growth the region has experienced has not been of the right sort for confronting the social problems indicated by the poverty index. The challenges are enormous, and according to the ECLAC, in order to halve the population in poverty by 2015, Latin America would have to grow at an average rate of 4.4% per annum. This is far from today's figures, and more so when, in 2001, the Latin American economy stagnated again; for the present year of 2002 a reduction is expected of only a little less than one percentage point.

We have, in effect, a region advancing toward procedural democracy, but not recuperating more-sustained growth; and what seems more serious still, it seems to be unable to show substantial progress in the social development area. The governments of the Latin American democracies have great challenges before them to consolidate and move ahead in a sustained

manner with the democratic process.³

In Korea, the transitional process was initiated in a setting of very strong economic growth. Between 1965 and 1996, the GDP in the Korean economy grew at average rates of around 8% per annum, with the single exception of 1980 (NSO, 1998). In fact, the years previous to the 1987 democratic start-up were of even greater growth, and the average annual GNP per person grew at 8.3% between 1981 and 1987 (Sakong, 1993). However, the shift to a presidential “*alternancia*” in Korea came along against the backdrop of the worst decline in several decades, and the GDP fell by -6.7%. The GNP per person also fell off drastically to -7.1% (World Bank, 2000). In contrast to Latin America, the Korean economy recovered growth in recent years (1999-2002), so that its average annual growth in the GDP has been 7.2%.⁴ Still, in these later years, the Korean economy has shown serious signs of volatility, with a growth of more than 10% in 1998-1999 but of only 4.4% in 2001-2002.

Poverty in Korea had been dropping off sharply during the long growth period, associated with good real-wage increases and job creation, and reduced inequality of incomes, compared to Latin America. According to some figures, extreme poverty in Korea had fallen from 48.3% of the population in 1961 to 7.6% in 1993 (Adelman, 1997), with a reduction of 71% between 1970 and 1990, so that in the first half of the 90's, the incidence of extreme poverty had reached only slightly more than 7% of the population (Kwon, 1998 a and b).⁵ With the outbreak of the crisis came a serious increase in the incidence of poverty: extreme poverty nearly doubled between 1997 and 1998 (Bark, et al. 2001 consider that it rose from 4.9% of the population to 10.9% in 1998, and remained there in 1999). Other calculations of poverty, done on the basis of household expenditures, indicate practically a duplication of the population in conditions of poverty, with an increase from the range of between 8.9% and 13.7% of the population in 1997 to a range of between 21.6 and 23.5% in 1998.⁶ In absolute numbers, poverty would have reached between 6.2 million and 9.5 million Koreans in 1998.⁷ The psychosocial impact of this dynamic of impoverishment was of enormous proportions. The situation improved in the following years with their economic growth and reduction of unemployment, but economic instability is not the best context for a lasting reduction of poverty. The financial crisis and severe increase in poverty revealed the weakness of the social policies in Korea (Valencia, 2002).

In summary, Korea's entry into democratic “*alternancia*” faced a financial and social crisis that was unprecedented in the prior decades, although some

indicators have improved since 1999. Furthermore, in contrast to Latin America, in 1997-1998 Korean society had to confront the sudden modification of a habit that was socially constructed over the last four decades (that of seeking or having a job, increasing income and consumption, insuring more and more against the uncertainties of health). The custom saw itself drastically interrupted, and unemployment quadrupled while poverty doubled in only one or two years. A shock of this kind is not easily erased. Thus, the incipient Korean democracy also faces challenges which are extraordinary for consolidation and advancement that are likewise sustainable.

Similarities Between Latin America and Korea: A Relative Disenchantment with Democracy in Recent Years

Beyond the initial enthusiasm over partial abandonment of authoritarianism, the new democracies "must at the same time attend to the civil, political and social demands of citizenship". In an economic crisis situation, these requirements are even more demanding. The citizens are theoretically more able to insist upon the fulfilment of government responsibility, but they must also be more able to participate in the public decisions and responsibilities (those not belonging only to the government). Therefore, in the case of change, both the citizens and the State "must redefine their roles in the democracy" (Przeworski, et al., 1998:63). After several decades of authoritarian processes, the citizen's commitment to democracy is not assured; nor is the willingness of the elite to deepen and consolidate the democratic change. The initiation of democracy does not bring the guarantee of continuity, nor does citizenship automatically mature, thereupon. In this sense, a study of the values of the individual and of the actions taken by the new democratic governments is essential.

In the last few years, with the differing and unequal democratic drives of various countries, new instruments have been in development for comparison of public opinion relating to democracy. The study of the democratic consolidation process requires research on the values and perceptions of the individual concerning the legitimacy of democracy (Diamond, 2001). For this purpose, a very useful type of tool can be the "barometers" that have been applied in several parts of the world. In this work, we shall attempt to outline some of the indicators in the "Latinobarometer" and the "New Korea Barometer". Given the complexity of the political culture issue, these instruments work together to achieve at least an initial approach, of a mostly general and hypothetical nature.

In societies that have but recently emerged from the domination of authoritarian regimes, it is very important to analyze whether democracy is more preferable than authoritarianism to the individual. In samples from the European societies with already-consolidated historical democracies, the preference for democracy is found to be around 80% of the respondents. In Latin America, from 1996 to 2002⁸, we find a primary trend toward deterioration in the preference for democracy and a second, recent trend of mild recovery. In 1996, 61% of those surveyed indicated a preference for democracy, a percentage very close to the responses in 1997 (63%), in 1998 (62%), and in 2000 (60%). The trend downward begun in 1998 was confirmed with the considerable drop in 2001 (only 48% in favor). By 2002, the preference for democracy nearly returned to that of the previous decade (57%). However, there are still significant pockets of support for authoritarianism, ranging near 17% of those surveyed between 1996 and 2000. Up to the latter year, Paraguay (43%) and Mexico (34%) remained among the countries with the greatest support for the chance of authoritarian solutions⁹. In 2002, in reciprocation with the increase in support for democracy, the support for authoritarianism fell in Mexico (to 20%), Venezuela (from 24% to 12%), Chile (from 19% to 14%), Brazil (from 24% to 15%) and Colombia (from 23% to 11%). The influence upon these results that the attempted coup d'etat in Venezuela may have had, remains to be analyzed¹⁰.

What stands out from this first series of figures is the relative weakness and instability of the support for democracy in Latin America; weakness compared to the consolidated democracies, and instability relating to the economic setting. The notable reduction in support for democracy coincides with the "*lost five years period*" mentioned above (1997-2002). But 2002 saw an important recovery that may be explained by several factors: the delayed effect of the "alternancia" in Mexico (which rose from 46% in favor in 2001 to 63% in 2002), fear of a coup d'état in Venezuela (which went from 57% to 75% during the same period) and the preference for democracy in spite of the deep economic crisis in Argentina (which increased from 58% to 65% in those years, though not completely regaining the support seen in 1996, of 71%).¹¹ Brazil continues to show a particularly low support for democracy, having dropped from 50% in 1996 to 30% in 2001. There was a mild recovery to 37% in 2002 in view of the presidential elections, a figure that will probably increase given that this year's (October) electoral process was particularly participatory, especially in the first round, with around 80 million voters going to the polls. This was a historical record in Latin American elections.

In spite of the recovery of support for democracy in 2002, it would seem that Latin Americans vacillate in their evaluation in the face of economic crisis. To the statement, "It doesn't matter if a dictator or non-democratic government takes power, as long as the economic problems can be resolved", 50% of responses were "agree" in 2001 and 2002. The return of the crisis and the memory of the 1980's seem to dig spurs into the authoritarian culture. Pessimism appears to dominate, because more and more Latin Americans think that their parents had better lifestyles (54% in 1996, compared to 57% in 2002), and fewer and fewer think that their children will have better lifestyles (53% and 46%, respectively). Periods of dissatisfaction with democracy coincide with those of economic pessimism.

Several other questions and answers highlight the weak institutionalization of democracy in Latin America. It is not surprising that satisfaction with the way in which democracy works in Latin America should have fallen from 41% in 1997 to 25% in 2001, with a mild recovery in 2002 (33%). It is very probable that this dissatisfaction also has something to do with the very widely-perceived increase in corruption. In the period from 2000 to 2002, 8 out of every 10 Latin Americans thought that corruption had grown considerably. Political institutions do not enjoy the confidence of the majority in the region, and the most trustworthy institution for Latin Americans continues to be the church (over 70% confidence in 2001); nearly 8 out of 10 Mexicans place their greatest confidence in the church (Secretaría de Gobernación, 2002). The legislative, judicial and executive branches enjoy the confidence of barely one in three Latin Americans; in Mexico, perhaps as a product of the "alternancia" in 2001, the President had a 53.5% confidence rating (Secretaría de Gobernación, 2002). The armed forces competed with television for the position of second-most-trustworthy institution, with a support factor of between 4 and 5 Latin Americans in the several surveys from 1996 to 2001.

Surprisingly, the weakness of democratic support, the institutional weakness and the instability of the democratic culture in Latin America all seem to coincide with the Korean experience of recent years. Still, we must be sure to place this experience within the context of three cleavages of Korean political history that would seem to endure: democracy in the face of authoritarianism, distribution of wealth in the face of economic growth and differing perspectives on reunification (Choi, 1993). In this text, we will bring out some reflections concerning the first two cleavages.

The Korean preference for democracy had features that were similar to the

instability in Latin American. In 1996 and 1997 support for democracy seemed to rise to percentages even higher than the Latin American ones (from 65% to 69%), but in the context of the deep financial crisis and recession of 1998, this support fell considerably (to 54% in 1998 and to 55% in 1999).¹² More relevant still is the rise in the support for authoritarianism, in response to the question of whether authoritarianism is preferable at times. In 1996, only 17% of Koreans agreed with authoritarian solutions (the same percentage as that found in Latin America), but beginning in 1997, and amid the uncertainty of the '98 crisis, this support for authoritarianism increased to 31% in 1998 and to 30% in 1999 (Diamond, 2001). The democracy - authoritarianism split in Postwar Korean history would seem to be present in the citizens' doubts and in the unstable support for democracy.

An important sector of the respondents pointed blame for the crisis at the democratic institutions and politicians, which may have affected the preference for democracy. In 1998 and 1999, 64.8% and 41.4%, respectively, indicated that the crisis was due to the incompetence of politicians; 28.5% and 53.1%, respectively, indicated the cause had been both that incompetence and the failing of democratic institutions. More than they blamed external actors like the IMF, Koreans identified the problems with the way in which the institutions and political actors operated. To place some dimensions on what this could mean for confidence in democratic institutions, in 1999, to the question of whether the respondent felt personally embarrassed by the economic crisis affecting his country, nearly 8 of every 10 interviewees replied in the affirmative. The crisis therefore strongly affected citizen morale and damaged confidence in democracy by the perception of incorrect activities of institutions and politicians (Hayo and Shin, 2002 a and b). According to Diamond (2001), we may speak in terms of a "torn" Korea; an unstable majority that is against dictatorship and in favor of abandoning military regimes, but a majority (70%) which would accept illegal actions by the President in times of crisis.

Notwithstanding the increased dissatisfaction with democracy's manner of operation (going from 49% satisfied in 1997 to 45 in 1999-2000) (Diamond, 2001),¹³ according to the 1998 survey, Koreans were more careful not to reject the democratic transition itself: the factor contributing most to the crisis was the "cozy relationships between government and conglomerates" (78% of responses!) and that which contributed the least to it was the "the democratic regime replacing military rule" (52% of responses, Hayo and Shin, 2002 b). The questions thus appear to be directed at the politicians: their activities, their efficiency and their relationship to the conglomerates

(chaebols). We may say that the crisis damaged confidence in the transitional government's activities and again emphasized the distribution axis (Choi, 1993). This conclusion could be in harmony with that of Lee and Glasure (2002): with data from the 1995 World Value Survey, they concluded that Koreans easily lost political confidence if they perceived that the society is ruled for the benefit of the privileged class and there is no fair distribution of wealth.

Dissatisfaction with some of the institutions of the democracy may also be documented as of 1997, when only about one out of five citizens showed confidence in parties (20%) and in the legislative branch (22%). The institutions enjoying the most confidence with Koreans that year were the military (72%) and the courts (57%). It is important to document that Koreans have as much confidence in the military as do Latin Americans in the Church.

On this point, it is good to underscore the comparison to Latin America. We could pose the hypothesis that Korean society is less unequal than that of Latin America,¹⁴ but more-sensitive to internal inequalities due to factors of a cultural nature.¹⁵ In this context, if the citizens perceive that the inequality is the product of government action or of political factors, it would be natural for them to lose confidence in political institutions. At least we can establish that the crisis had a regressive effect on the distribution of income and that the citizens question government institutions activity in the face of the crisis.

In terms of the Gini Index, Korea had been in a process of lesser concentration of income between 1980 and 1997. In 1980, the Gini Index for income of urban employed people was 38.9, and in 1997 it had fallen to 28.3, far from the average Latin American indicators; however in the crisis years, Korea was in a regressive process and went to a Gini Index of 31.6 and 33.3, respectively in 1998 and 1999 (Bark, et al., 2001; see also OECD, 2000).¹⁶ The incomes of the poorest 20% of urban employed people deteriorate at approximately 8% per year between 1997 and 1999, while the incomes of the richest fifth increased at around 10% per year (OECD, 2000; see also You and Lee, 1999). With respect to the possession of financial assets, the concentration was much greater.¹⁷ With the rise in interest rates and the strong inequality in the possession of financial assets, those who benefited the most were the homes of the ten percent with the highest incomes.

Therefore, in Korea, we also find both weakness and instability in the support for democracy, and weak confidence in some institutions. Certain indicators show that lesser confidence in the "alternancia" government's actions has been due to the perception of government action being closely associated with large conglomerates. Thus, in the case of Korea, we hypothetically have the simultaneous action of the democratic and the distribution cleavages.

If the new democracies do not show themselves to be capable of "simultaneously caring for the civil, political and social demands of citizenship", in the middle of severe economic crises, the legitimacy of the "alternancia" governments may erode, as the above-mentioned cases of Korea and Latin America demonstrate. In this context, not only is action needed to consolidate democratic procedures and consolidate the transitions, but also that social policy take on special importance.¹⁸ In this sense, procedural democracy and substantive democracy are especially inter-related. Indeed, "the citizens of the new democracies have the expectation of enjoying both their social and political rights" (Przeworski, et al., 1998:115). When both democratic and distribution conflicts are active, the demands may be greater yet.

The Trajectories of Two Blooming Democracies: Korea and Mexico

The process of re-enforcing and consolidating democratization is not something that is guaranteed. The very experiences of Latin America and Korea show times of democratic collapse and the restoration of authoritarian regimes in the 20th century. Shugart and Mainwaring (2002) bring out several democracies that collapsed in the final quarter of the 20th century, among which were Peru and Granada in Latin America. Within the framework of economic crisis or stagnation and of growing social demands, the challenges for consolidation of democracy are yet more complex. We shall consider below some of the recent relative characteristics of the trajectories of the democracies in Korea and Mexico. In both cases, we find advances and limitations, weaknesses in the institutionalization of political agreements, divided governments and enormous social challenges (see specially Ahn and Jaung, 2000; Alonso, 2002; Aziz Nassif, forthcoming; Cho, 2001; Cho and Park, 2001; Kim, 2000; Kim, 2002; Moon and Kim, 2001; Pak, 1998; Solinger, 2001).

An agreement process for the transition to democracy: In Korea and in Mexico there was no radical break with the old political

powers; in a certain sense, a process of stages has been in play toward openness and the transition to democracy. In both cases, there were turning points which unleashed the beginning of the transition: in Korea it was the peaceful citizen revolt in the streets in 1987 (which led to direct elections for the presidency), and in Mexico, the peaceful citizen revolt at the polls in 1988 (which initially was contained through election fraud).

Limits in State reform: In both cases, the agreements leading to democratic transition have been more of an implicit nature, except for the modification of election rules in Korea in 1987, and in Mexico the creation of the Federal Electoral Institute (1996). Universal agreements for transformation of the state have not yet come into play, although there have been discussions along those lines. Effective coalitions for in-depth State reform have yet to be established.

The relationship between "minimalist" democracy and "substantive" democracy: The majority perception of inequality in Korea demands actions from the Korean State for social citizenship, such as the enrichment of the social institutions, the tendency toward universal coverage and the Minimum Welfare Law; in Mexico, the Zapatista rebellion in Chiapas has demonstrated again the enormous problems of inequality in the country, where there are still large sectors of the society without protection or social security. Recent social policies have attempted to focus specifically on these sectors, but without legally guaranteeing welfare minimums (Valencia, 2002). On the other hand, work remains to be done in both countries to guarantee civil liberties even further (several authors mention that the National Security Law remains in Korea and that charges of torture by police continue in Mexico) and assure the right to assemble (many reports indicate that problems remain in both countries with exercising the right to form unions).

The relationship between transition-"alternancia" and economic

crises: In Mexico, the transition began at the height of the economic crisis (1988); in Korea, by contrast, it began in a setting of economic growth and a good macroeconomic situation (1987). An inverse process was seen in the first presidential “alternancias”: The Mexican “alternancia” had after several years of growth and of macroeconomic improvement, and the Korean “alternancia” comes in the middle of a financial crisis. Then, the first “alternancia” government of Mexico immediately faced a drop in economic dynamism, in the setting of the international recession (2001-2002), and that of Korea faced a big recession (1998) with immediate recovery of the economic indicators. The shifting conditions for political openness have included social pressures on the budding democracies.

The dynamics of the presidential systems: Both transitions inherit a presidential system. In the period prior to the democratization, there were exceptionally strong presidencies, armed particularly with supra-constitutional resources: in Mexico, control of the dominant party through the recognized leadership of the president, the internal discipline of the ruling party, a unified government (the ruling party controlled the presidency and both houses of congress) (Weldon, 2002), and corporate control of labor and farm unions. In Korea, the above conditions existed (in a single-house legislative system) with the additional features of a huge dependence of the ruling party upon the president (parties practically made for the president in power) and the military nature of the presidents (up to the civil change with Kim Young Sam). The “alternancia” has modified the conditions for presidential system in Mexico, which becomes a limited presidency. The president does not control his party (the PAN) and a process of divided government comes into play. Furthermore, the “alternancia” brings to light the relative weakness of the constitutional powers of the Mexican presidency, with marginal potential power to legislate (Shaugart and Mainwaring, 2002). The fiscal reform of 2002 and the budget agreements have been advanced with serious difficulty. There have also been modifications in the Korean presidential system, with the presence of a divided government during much of

the term. The difficulties in achieving some political reforms and with naming a prime minister in 2002 are examples of the limitations on Kim Dae Jung's presidential power; still, numerous analysts highlight the fact that the Korean President can still govern by decree.

The instability of presidential popularity: In both cases, the “alternancia” presidencies started out with an important dose of popularity at the beginning of their terms, a product of the enthusiasm over the fall of the authoritarian regimes; however, in both cases there was also a serious instability in the popularity indexes of the presidencies, perhaps more markedly in Korea. It should be stipulated that this instability has not been a great obstacle to the processes of governance. An element that facilitated the accumulation of high popularity figures in both cases was the political trajectory and charismatic characteristics of the presidents (Solinger, 2001): both were outsiders, in a sense, not participants in the prior authoritarian regimes, with opposition careers though with a much-longer trajectory in Kim Dae Jung's case. Vicente Fox was not a victim of political persecution, as Kim Dae Jung was, but he was a victim of election fraud; he was an opposition legislator and a regional governor in Western Mexico.

Presidencies with very important electoral legitimacy: By being the first real “alternancia” government in each country, their electoral legitimacy was more solid, but in both cases, the presidents won less than 50% of the vote (Korea and Mexico both maintain a single-round electoral system). After the initial electoral euphoria, problems arose with building majorities for important decisions (perhaps more accentuated in Mexico).

Ephemeral electoral and governmental alliance: In both cases, there was a formation of electoral alliances to assure winning of the presidency, followed by a rapid dissolution of the alliances. Thus, stable coalition governments were not achieved and the presidents govern only with the support of their parties. In Mexico, politicians without party joined the government who continue to be a part of it,

and who arise from the center-left wing (in contrast to the president's party, which is center-right wing).

A system of parties with different kinds of trajectories: In Korea, the political parties have less-stable processes lacking long-term consolidation, and they experience regionalism problems in attempting to establish themselves nationally. In Mexico, there are three national parties with a strong historical tradition for a good part of the 20th century (The PRI started in 1929, the PAN in 1939. The PRD began in 1989, although it is an accretion of several older parties and movements) and new, still very small party forces are arising. The “alternancia” has affected the Mexican parties in different ways, though it should be pointed out that the PRI has not diminished and retains a voting block (“voto duro”) that is still important.

Activism of civil and union organizations: The Korean civil and union organizations have maintained a greater activism in the “alternancia” stage (Kim Dae Jung and Vicente Fox governments), compared to the Mexican organizations, as shown by civilian organizations and movements in the 2000 general elections, together with the so-called Tripartite Commission union organizations.

Continuity in economic policy: both of the pluralistic governments have basically proposed a continuity in the economic policies that they inherited, and the deepening of economic reforms. In the Korean example, this entailed corporate, labor and financial reform, and in Mexico fiscal, energy and labor reform. The continuity of economic policies with weak social agendas (weaker in Mexico) undoubtedly hinders the identification of changes in the alternative governments' programs. Incorporation of these agendas into economic reforms, toward the strengthening of social citizenship, could serve as a strong incentive in the consolidation of democracy in the two countries. In this respect, finding a solution for the indigenous conflict will have particular significance in Mexico.

Some Final Thoughts

In the last few decades, Korea and Mexico have each been confronting transformations of several kinds in the economic, political and social areas. They are similar in their need to consolidate their democracies. After several decades, Korea enjoys a dynamic economy and accelerated industrialization that have permitted advances, but that also brought on social imbalance. The recent crisis demonstrated the weakness of the social agreements, and the rise in inequality and poverty. Apart from those challenges, without doubt Korea will also face even more-complex challenges on the reunification of the Korean Peninsula. Consolidation of the democratic process is not just another of the challenges facing the nation, but the prerequisite for a new approach to confronting the required reforms in the economic, political and social fields. The disenchantment caused by the perception of failings in transitional government institutions may be a serious obstacle to consolidation, or just another episode in the wavering trajectory of a society that is maturing its essential agreements.

Mexico has suffered a more-shaky economic process, with reforms that have taken more than two decades without reaching consolidation even yet, and with latent or fully-active social claims as shown by the recent growth of poverty. According to official data published by the Social Development Secretariat, poverty rose from 52.6% in 1992 to 69.6% in 1996 (after the financial crisis), only to fall again to 53.7% in 2000 (Cortes, et al., 2002); the economic flow over the last two years allows prediction of a an increase in this indicator for 2002. These claims are politically expressed in the present-but-contained Chiapas conflict. The initial enthusiasm with democratic "alternancia" of leadership runs headlong into the hard social realities of the country. The economic, political and social reforms share facets and one does not act in the absence of the others. They all demand new social agreements, and so democratic consolidation in Mexico faces challenges of very imposing proportions.

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¹ A Universidad de Guadalajara researcher. I am grateful to Alberto Aziz Nassif for his suggestions on beginning the preparation of this paper.

² Heretofore we will refer to South Korea as simply Korea.

³ This presentation does not propose to discuss the effectiveness of democracy in economic and social performance. We do not share in the hypothesis of authoritarianism's greater economic efficiency. A discussion of this issue in Korea may be found in Moon and Kim (2000) under "demodisaster" and "demoprosperty".

⁴ Korea Economic Institute, 2002. The data for 2002 refer only to the first trimester (5.7%).

⁵ The authors quoted refer to "absolute poverty", which we may associate tentatively with the extreme poverty calculated for Latin America.

⁶ The first figures of this range are from Lee, 2001 and refer to the fourth trimester of 1997 (when the crisis broke out) and to the third trimester of 1998; The second figures are from the study sponsored by the PSPD (Kim, 2000), with data from the first trimesters.

⁷ The first figure is from Tamar Manuelyan Atinc (in Lee, 2001) and the second from Kim, 2000.

⁸ The data is taken from Lagos, 2001 and 2002; Diamond, 2001. For data on 2001 and 2002, we went to *The Economist* (issues of July 26, 2001 and 15 August, 2002).

⁹ In response to the question, "Under certain circumstances, can an authoritarian government be preferable to a democratic one?"

¹⁰ The Latinobarometer survey was taken between April and May, 2002.

¹¹ More than 90% of Argentinians described the economic situation in 2002 as "bad" or "very bad"; Uruguayans were also pessimistic about the economic situation, with some 70%.

¹² Unfortunately, we do not have the survey data for 2001-2002 available for this presentation.

¹³ The percentages for these replies in Korea cannot be strictly comparable to those of the Latinobarometer, because the scales used are different.

¹⁴ The World Bank (2001) reported the following differences in the Korean Gini Index (31.6 in 1993) from some Latin American countries: Brazil, 60 in 1996; Chile, 56.5 in 1994; Colombia, 57.1 in 1996; Mexico, 53.7 in 1995. The data for Korea refers to the distribution in consumption and those of Latin America to distribution of income.

¹⁵ Amartya Sen (see Atkinson, 1998) considers that some societies tolerate or support inequality more than others.

¹⁶ According to Lee (2001), these Korean Gini Indexes underestimate the inequality in income, because the homes of employers and under-employed people are excluded, as are single-person homes. Furthermore, although the Gini Indexes in Korea respecting the distribution of income are very low compared to Latin American countries, the Korean Indexes rise considerably in reference to financial activities, and above all in reference to the ownership of urban land, indicators in which they surpass 80 at the end of the 1990's (Choi and Kwon, 1997).

¹⁷ This ten percent monopolized 61% of the financial assets of homes in 1988; the Gini Index thus reached 77 (Kwon, 1993: 129).

¹⁸ See the comparison of the cases of Korea and Mexico in Valencia (2002) on the pre- and post-crisis social policies of 1997-98 and 1994-95, respectively.