

Lessons of Transformation for Korean Unification

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Abstract

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Twenty-five years have passed since the system transformation initiated from Central and Eastern Europe in 1989. Since then, studies of social science have focused more on the external phenomenon that caused the collapse of the socialist system. Immediately after building the system, much attention was centered around the ‘revolution of a society and the establishment of the system,’ until it was replaced by the ‘maintenance of the system.’ The disintegrated socialist system was a part of living mechanism that was introduced to manage human societies in the former Soviet Union, including Central and Eastern European countries. The living mechanism has endured in a collective manner through diverse organically-connected fields. Therefore, the theories of socialist system is to simultaneously analyze the political, economic, and socio-cultural transformations by taking this organic living mechanism into consideration. In addition, this

analysis is subject to be established based on a generalized perspective which is commonly drawn from various examples regarding the system transformation.

Upon these studies, we have continued on the analysis of the costs and benefits of Korean Unification which was launched in 2011. In this year's research, we decided to view lessons from the system transformation and integration of the countries that had already undergone similar processes. Scholars from seven different countries were asked to submit papers on the analysis of system transformation or integration on their countries as well as the implications on the unification process of the Korean peninsula.

Various implications, concerning Korean unification, are suggested by each scholar. In Poland's perspective, seeking consensual relations with major powers in the Northeastern Asia seems to be an encouragement of the unification process. Polish case indicates that in the unified Korea, some major economic efforts must be undertaken to lift out the North Korean population from poverty. Romanian scholar mentioned mainly about how the economy should be transformed and how the North Korean totalitarian managements should be dealt with after the unification. Czech and Slovenia pointed out that the biggest obstacle in their system transformation was the 'socialist way of thinking' which had been indoctrinated into the population so that Korean must take it into

consideration. Ukraine and Kazakhstan cases suggest that South Korea has to take a great caution not to make radical economic reforms in the Northern part of the unified nation which could lead to an anti-unification sentiment among the North Koreans. Irish case puts emphasis on the normalization of relations between North and South Korea, which is not likely to be accomplished in a short period of time. Vietnamese case presents meaningful implications and suggestions on the possible economic reforms in North Korea.

Finally, the last part of this book includes suggestions on South Korea's policy toward North Korea, as well as the South's foreign policy during the whole process of Korean unification. Some typical points that should not be overlooked are as follows. First, South Korea needs to keep an eye on the North Korean scholars in case of a precocious achievement of reformation, open-door policy, or unification. Second, the South Korean government should persuade the advocates of reform and open-door policy in North Korea to stand independently and gain the majority of parliamentary seats, or join negotiations for unification. Third, South Korea needs to urge the North to undertake a gradual economic reform rather than a radical one when those who favor the reformation and open-door policy seize the power of the country. Fourth, the prompt dissolution of North Korea's Supreme People's Assembly is prerequisite for unification of Korea, for it can

be an obstacle in the process of North Korea's system transformation.

Keywords: Polish, Romanian, Czech, Slovenia, Ukrainian, Kazakhstan, Irish, Vietnamese, Transformation, Integration

요 약

본 연구는 ‘통일 비용·편익 종합연구’의 5개년 연구 중 4차년도 연구로 체제전환을 경험한 국가에 대한 교훈을 파악하여 향후 한반도 통일 과정에서 북한의 체제전환을 유도하기 위한 함의를 찾고자 한다. 분석대상은 폴란드, 루마니아, 체코, 슬로베니아, 우크라이나, 카자흐스탄, 아일랜드, 베트남 등 체제전환 및 통합을 경험한 국가들로 연구를 진행하였다. 체제전환의 경험을 분석대상국의 입장에서 일반적 차원과 특수한 차원으로 구분하여 한반도 통일의 과정의 함의점과 교훈사항 등을 모색하였다.

연구대상 국가들은 체제전환의 과정에서 통일은 승자와 패자의 개념으로 접근해서는 안되며, 한반도 주변 강대국들과의 원만한 관계 개선으로 통일에 우호적 분위기를 형성해야 한다는 교훈을 제시하였다. 세계화 및 국제화 추세 속에서 북한 내부의 문제점을 해결하기 위해서는 북한 지역의 개혁과 개방을 통한 체제전환이 필요하다는 함의점을 도출할 수 있다.

본 연구는 한반도 통일과정에서 나타날 수 있는 다양한 체제전환의 유형을 분석하여 해당국가의 경험을 바탕으로 통일한국에 대한 중장기적 국가발전 계획을 수립하고 향후 한국의 통일외교의 방향을 모색하는데 사용할 것으로 기대한다.

주제어: 폴란드, 루마니아, 체코, 슬로베니아, 우크라이나, 카자흐스탄, 아일랜드, 베트남, 체제전환, 통합

I . INTRODUCTION

KOREA INSTITUTE FOR NATIONAL UNIFICATION



Twenty-five years have passed since the system transformation (system transition)¹⁾ initiated from Central and Eastern Europe in 1989. The transformation of the realsocialist system is the salient event of the century in the sense that it has influenced in social science, especially in the political economy, over the 20th and 21st centuries. The realsocialist system was originally an experiment precedent to the recent transformation of realsocialist system as an alternative to the liberal democratic-capitalistic system. In 1920, N. Bucharin already argued that the system transformation was ‘a process of transformation from a capitalistic society to a communist society.’²⁾ This experiment of the system transformation paradoxically became destined to return to its original attribute, without accomplishing its original utopian objective after the seventy years long of experiment.

The primary objective of the realsocialist system was to offer a permanently accepted socio-political alternative through a perfect system transformation, not only in a state but, throughout the world. However, the realsocialist system established in the former Soviet Union and, Central and Eastern Europe after the Second World War was too tenuous to realize the future

1) As a term for describing the system transformation, transformation and transition is used interchangeably. In this paper, since the meaning of both terms is similar, ‘transformation’ is to be used.

2) Prozess der Umwandlung der ‘kapitalistischen’ Gesellschaft in die ‘kommunistische’ Gesellschaft. For further, see N. Bucharin, *Ökonomik der Transformationsperiode* (Hamburg: Verlag der kommunistischen Internationale, 1922).

mythology of a laborer's heaven without discriminating the working class. A vicious circle of a riot-repression-stagnation-crisis-new riot had been rather sequentially repeated under the realsocialist system until it collapsed in 1989 and 1991. Despite a series of crisis, the realsocialist system has focused on ignoring the necessity of social change or reform arisen within the system due to the objective of retaining power of minority rulers, and possibly restraining it. It only tried to maintain the status quo, not accepting the internal and external factors of change under the cause of establishing complete system as communist community. Although there were partial attempts to change, the efforts made on fundamental reform was unsuccessful. Consequently, as Tocqueville's aphorism, "for a bad government the most dangerous moment arrives when it starts to introduce reforms seems to be fully applicable to the situation in Central Europe in 1956, and indeed, in the last three decades,"³⁾ and the realsocialist system per se, without anyone's expectation, was collapsed suddenly in 1989 and 1991. The unexpected sudden breakdown of the system was well demonstrated in a public poll conducted in East Germany four months later. To the questionnaire "Did you expect such a peaceful revolution a year ago?", only 5% of East Germans gave positive responses as "Yes." In addition, 18% of respondents said "Yes, but not as fast." Furthermore, 7% of them responded that "Revolution

3) Re-quoted from B. Geremek, "Between Hope and Despair," *Daedalus*, Vol. 119, No. 1, (Winter 1990), p. 99.

drove themselves into surprise.”⁴⁾

The reshaping phenomenon (Umgestaltung) that reversed the governing system of Central and Eastern Europe and the former Soviet Union fundamentally has raised two relevant issues in social science. The necessity to deliberate not only the origin of system change but also its consequences has come to fore due to the drastic and unexpected system transformation. Therefore, questions are brought up as to why these did not progress in the same manner it used to and why the theories and prospects of social science were in a totally vulnerable status to the collapse of the realsocialist system.

Up to the collapse of the realsocialist system, its related theories had shared one characteristic in common. That is, many of those theories did not consider their self-estimated limits. In other words, they failed to predict the possibilities that a causal relationship among the important variables could have influenced differently depending on the situation. Even if a certain variable does not make a huge change as other variables under a normal circumstance, it could bring a substantial result under a specific condition. This can be analyzed with the logic that, in the case of meteorology, a weather change in a specific region does not bring universal results as other regions. Social science did not put an emphasis on the possibility that sensitivity on one variable to the other and to the third

4) Institut für Demoskopie Allensbach, 17. Februar - 15. März 1990, Archiv Nr. 20, 4195 GEW.

variable itself could be varied. However, the unpredictability of social science should not be always evaluated in a negative way. Such an assumption of limitation on expectation from the social science theory does not necessarily mean a theoretical failure. A new prospect of recognition could rather be expanded by admitting its academic limitation.

Also, social science has been much more concerned with the external phenomenon study of the realsocialist system until its collapse.⁵⁾ They had paid attention mainly to the ‘revolution of a society and the construction of the system’ immediately after establishing the system and then moved to the ‘maintenance of the system’ later on.⁶⁾ Although there had been many relevant research methodologies regarding study of the realsocialist system, most are set up under the premise that the realsocialist political system would last for a long period even though it has many problems with its performance capability. Also, it was expected that this system would last as it was due to the monopoly of the information, violence, military, and police by the state or the communist regime.⁷⁾ This was because theories and researches on the realsocialist system and the Central and Eastern Europe overestimated its stability and self-controllability of socialism.⁸⁾ Especially, studies focused only

5) B. G. A. Almond and L. Roselle, “Model Fitting in Communism Studies,” T. F. Remington (eds.), *Politics and the Soviet System* (London: Macmillan, 1989), pp. 170-224.

6) Z. Gitelman, “Power and Authority in Eastern Europe,” C. Johnson (eds.), *Change in Communist Systems* (Stanford: Stanford UP, 1970), p. 236.

7) Klaus von Beyme, *Ökonomie und Politik im Sozialismus* (München: Piper, 1975).

8) K. von Beyme, “Das Ende des Realen Sozialismus?” H. Spatzenegger (hg.), *Das verspielte “Kapital?”* (Salzburg: Pustet, 1991), p. 60.

on the potential stability of the realsocialist system and the mature industrial society with the potential ability of pluralistic development up until the collapse of the system.⁹⁾ Consequently, social science became vulnerable to explain the collapse of the realsocialist system in Central and Eastern Europe and the former Soviet Union.

The disintegrated realsocialist system in Central and Eastern Europe and the former Soviet Union was also a part of living mechanisms (Lebenswelt) introduced to manage human societies. This living mechanism has been maintained by organically connecting different fields in a collective manner.

The Korea Institute for National Unification (KINU) continued a five-year project analyzing the costs and benefits of the unification of the Korean peninsula since 2011. Now, after three years, we decided to conduct a new research project based on learning from countries that have undergone system transformation and integration in the past. By examining each distinct case, the purpose of this research is to find implications that are meaningful to the unification of Korea.

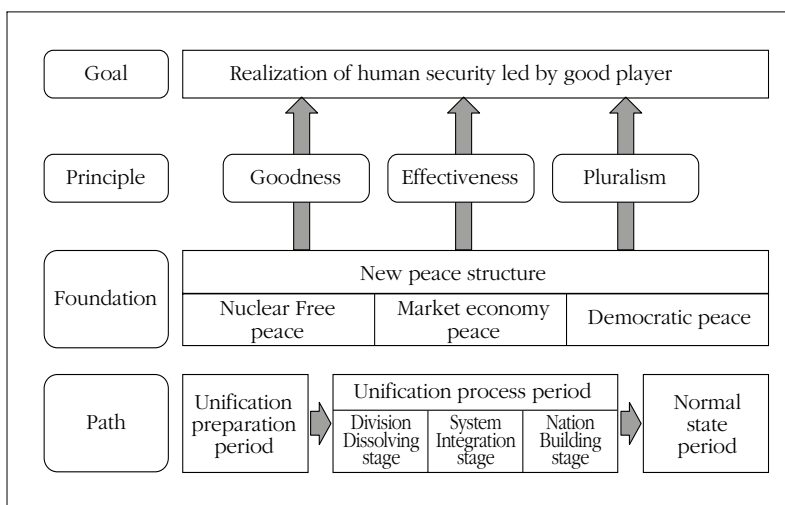
Cases in Poland, Romania, Czech, Slovenia, Ukraine, and Kazakhstan exemplify a system transformation, while Ireland and Vietnam are cases of an integration process. Scholars were asked to provide analysis reports according to each of their country's distinct history and its implications relevant to the

9) F. J. Fluron, Jr. (hg.), *Communist Studies and the Social Science: Essays on Methodology and Empirical Theory* (Chicago: Rand McNally, 1969); S. P. Huntington, *Political Order in Changing Societies* (New Haven: Yale UP, 1969).

unification of Korea.¹⁰⁾

The cases studies were conducted in accordance with the ‘Guiding Type of Unification’ concept provided by KINU.¹¹⁾

○ Figure 1 Conceptual Diagram for the Guiding Type of Unification



The primary goal of the ‘Guiding Type of Unification’ is the achievement of human security directed by leading international players who are governed by three principles: goodness, pluralism, and effectiveness. The three posts are based on a new peace structure which is composed of a nuclear-free condition, a market

10) We are very thankful to a distinguished set of foreign contributors whose insightful analysis and suggestions were extremely valuable. These individuals include Marcin Zaborowski (Poland), Florin Abraham (Romania), Damjan Prelovsek (Slovenia), John Coakley (Ireland), and Quang Minh Tran (Vietnam).

11) The following explanation on the Guiding type is summarized from Kyuryoon Kim, et al., *The Attraction of Korean Unification: Inter-Korean and International Costs and Benefits* (Seoul: Korea Institute for National Unification, 2013).

economy, and a democratic environment in the Korean peninsula. In order to understand the concept detailed above, North and South Korea must endure the following periods respectively; the unification preparation period, the unification process, and the normal state period. Subdivided stages—division resolving, system integration, and nation-building—within the unification process period are applied for cost-benefit analysis. This concept is based on the assumption that a reformative regime in the North will emerge. The process begins once the South Korean government initiates political talks with the North, and three stages of the unification process follows. The first ‘Division Resolving Stage’ marks the agreement between North and South Korea for unification. The ‘System Integration Stage’ follows as institutional and economic systems of the two entities merge together. Finally, when the two Koreas socially and psychologically integrate the ‘Nation-building Stage’ is completed.

The foreign scholars were asked to write their papers with the ‘Guiding Type of Unification’ concept in mind. The first section of their research papers provide a synopsis of system transformation or integration to describe the comprehensive process of change surrounding big episodes. Such historical events can serve as a turning point which trigger or accelerate major developments in the country’s system. During the study, we observed that some scholars tend to focus more on specific and domestic incidents rather than regional and global incidents such as the fall of the Berlin Wall or the collapse of the Soviet

Union. The explanation is followed by an analysis to provide lessons applicable to the unifying process, including the initial transformation in North Korea and its subsequent transformation in the northern part of unified Korea. On the basis of the analysis above, suggestions are offered for South Korean foreign and northern policies during the unification process. As a conclusion, some final thoughts will be provided based on their analysis and ideas to shed light on the possible scenarios of system transformation and integration on the Korean peninsula and our policies to be taken to achieve a peaceful unification such as ‘Guiding Type of Unification.’

II. CASES OF TRANSFORMATION AND INTEGRATION

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1 The Polish Case

a. Overview

Polish transformation occurred in a particular international context marked by the end of the Cold War and collapse of the Soviet Union. Under the new circumstances, the international context became permissive, which, given the domestic pressures in Poland, meant that a transition towards a western-style democracy became inevitable. However, a success of the Polish transition was by no means assured as it was occurring against a background of a complicated international environment and profound economic crisis at home. Also, as Poland was the first to embark on the post-communist transition there was no other case it could learn from. Democratic transition in Southern Europe or Latin America were of limited transferability as market economy never ceased to function in those states.

In addition, the internal and external factors of the transformation process in Poland were intensely intertwined in the way that was often inseparable. Three processes running alongside each other can be distinguished when addressing this process. Firstly, the internal domestic process of transition from

a one-party system to a multiparty democracy and the free-market economy. Secondly, taking the advantage of the evolving international environment in the way that would wean Poland off its dependence on the Soviet Union. Thirdly, establishing consensual relations with the neighboring nations in the way that would enlarge the scope of national independence and transition goals.

Some of these aspects of Polish transition and, in particular, the building of liberal democracy and free market economy whilst establishing new relations with neighbors are potentially interesting for other states that are embarking on a similar path. As the Korean unification is only a matter of time, North Korea's transition towards a market economy and liberal democracy can view the Polish example as a reference.

b. Synopsis

(1) Pre-event

Like that of Korea, Poland's strategic context was determined by the outcome of the Second World War, which profoundly changed Poland's international position and its domestic dynamics. Just like in Korea, the impact of the Second World War on Poland can be described only as catastrophic. Around six million Poles—or more than one-fifth of the entire population—lost their lives. At the beginning of the war, Poland was abandoned

by the guarantors of its security, France and the United Kingdom, and at its close the Western Allies agreed that eastern Poland would be permanently incorporated into the Soviet Union, although Warsaw would be compensated in the West, at the expense of Germany. Moreover, post-war Poland was to remain firmly within the Soviet sphere of influence. Consequently, although Poland had opposed the Nazis and its troops had fought in all major battles of the war, there was no sense of victory among the Poles when the war ended. The country was depopulated and almost all of its borders redrawn; from those areas incorporated into the Soviet Union huge numbers of refugees headed westwards. Perhaps most important, Poland was destined to become a communist dictatorship—one that was controlled by the Soviet Union and had little sovereignty in domestic affairs and none whatsoever in foreign policy.

There were altogether four periods during Poland's communist era that can be identified as distinctive with their own characteristics. The first period between 1945~1956 is referred to as Stalinist. During the entire communist history this was the most oppressive time, marked by the oppression on massive scale—political imprisonment, execution of political opponents and forced labor camps. This was essentially an attempt to remodel Poland into a Soviet republic with purely nominal sovereignty and the society refashioned into a communist utopia. This social experiment never worked not only because it run contrary to Poles' democratic aspirations

and their attachment to western civilization but also because it was irreconcilable with Polish nationalism. Following the death of Stalin and then the anti-communist riots in the city of Poznan in June 1956, the stalwart Stalinists were removed from the government.

Consequently, a second communist period followed, initially referred to as a thaw, which was characterized by a greater emphasis on Poland's national specificity whilst remaining within the Soviet-dominated block. Initially, censorship was relaxed, political prisoners were released and some nominal opposition was allowed to enter the communist-controlled parliament. The new leader, Stanislaw Gomulka, who was a nationally-minded communist, sought a greater independence from the Soviet Union but remained committed to the maintenance of one-party system and centrally-planned economy. The Gomulka period lasted until 1970 during which time much of the initial relaxation was rolled back whilst the economy remained stagnant. In December 1970, the workers of the Gdansk shipyard took to the streets in protest against poor economic conditions and high prices. The communists sent army to shoot at protesters and around 100 people were killed. However, following these riots, the Communist party decided that Gomulka was a liability and removed him from the leadership.

During the third period that lasted between 1970~1980 the communists were sensitive to the need to improve people's living

standards. This was done by borrowing heavily from the West but proved short-lived as the economy remained centrally-planned and productivity was low. The initial boom came to halt around 1975 when the creditors asked for their money back and the government had to decrease import and increase export which led to severe shortages of some basic products, such as sugar and meat that came to be rationed. In August 1980, the Gdansk shipyard workers decided to protest again, this time in the form of strike, which then spread throughout the country. The protestors were well-organized and led by a charismatic leader Lech Wałęsa. They presented the government with a number of postulates, some of them economic but also some political, the main one of which was the legalization on an independent trade union 'Solidarity.' The scale and strength of the protests was such that the communists accepted most of these demands and the first truly independent trade union in the Soviet block came into being.

What followed was the fourth and the last period in Poland's communist history, which in itself was most dramatic and varied. Between August 1980 and December 1981, Solidarity operated legally, its membership was massive, which recorded 10 million over 38 million population, and its challenge to the communists' hold on power was constantly growing. But after its initial period of disarray, the communist party appointed General Jaruzelski as its first secretary and decided on the hard line that culminated in the introduction on the martial law on the December 13,

1981. As a consequence Solidarity was de-legalized and many of its leaders, including Lech Wałęsa, were imprisoned. This approach begun to change in 1985 with the arrival of Gorbachev in the Soviet Union that prompted the Polish communist to take on a softer line, releasing remaining prisoners and introducing some nascent reforms.

However, the Poles would not be appeased with cosmetic changes and the calls for fundamental reforms grew constantly gathering strength, in no small part, due to the economic conditions that were dismal. In the late 1980s the economy was stagnant, plagued by chronic shortages of basic products, skyrocketing inflation and low productivity. Unable to control the social discontent and encouraged by Gorbachev who declared that the Soviets would not intervene in the satellite states choosing their own path, the Polish communists decided to enter into a round table talks with Solidarity.

The Round Table agreement and elections on the 4th June 1989

The round table talks were held between February and April 1989. The agreement reached at the talks conclusion envisaged a progressive democratization. The newly elected parliament would have a guaranteed majority—65% for the Communists and their allies but the remaining 35% of seats would be open to a free contest in which both the communists and solidarity could participate. In addition, a second legislative chamber—a

Senate—was introduced to which elections would be fully free and based on first-past-the post system. A post of a parliament-elected president was also introduced.

The elections were finally held on the 4th of June 1989. Even though they were not fully free, the results proved a watershed, a point from which the collapse of communism, not just in Poland but in the entire Soviet block, became inevitable. As guaranteed at the round table the communists and their allies retained 65% of seats in the parliament but they lost literally all the remaining 35% of seats for which Solidarity was allowed to compete. In the elections to the Senate, Solidarity won 99 out of 100 seats and the single seat where Solidarity did not prevail went for an unaffiliated entrepreneur. The extent of the moral defeat for the communists was such that despite their nominal majority they were unable to form a government.

In July 1989, the editor in chief of Solidarity-linked newspaper Adam Michnik proposed to break the deadlock by making the power sharing arrangement whereby General Jaruzelski would become the president but Solidarity would nominate the prime minister. This is what eventually happened and in September 1989 the parliament appointed a catholic intellectual Tadeusz Mazowiecki to serve as the first non-communist prime minister in the Soviet block.

(2) Post-event

Transformative Stage

The government of Tadeusz Mazowiecki remained in office until January 1991 when it was replaced by the liberal government of Jan Krzysztof Bielecki that lasted till December 1991. During these two years, Poland's entire international context changed beyond recognition whilst the country moved towards full democracy and market economy. However, this was by no means an assured result when Mazowiecki was taking reins in September 1989. At this point, Poland was surrounded by communists states which were anxiously viewing development in Warsaw clearly more interested in Mazowiecki's failure than his success. At the same time, the economy was nearing a total collapse with hyperinflation and the government defaulting on its foreign debts. The domestic political context was also far from stable and Mazowiecki's room for maneuver limited. Mazowiecki was, in fact, dependent on the support of the communists who continued to control the army and security services whilst Jaruzelski remained the president until the fall of 1990.

At the same time, the process that was started by Solidarity and the Gorbachev's Perestroika was gathering momentum and the change in Warsaw proved to be the first piece of the domino that started to fall across the rest of the Soviet block. Hungary soon followed in Poland's footsteps, and on the November 9,

1989, East German authorities bent under pressure and opened the Berlin wall. With this act, the unification of Germany became only a matter of time and it materialized a year on in October 1990. At this point, the entire Eastern block was on the path to transformation and with the exception of Romania the change was peaceful. Between 1990 and 1991, the Soviet Union itself started to unfold, first with the Baltic States declaring independence and then the Russian Federation reaching a deal with Ukraine and Belarus to dissolve the USSR which took place in the aftermath of the failed conservative coup in December 1991.

The evolving international context had major implications for Poland and its own domestic reforms. The power-sharing deal reached between the Communists and Solidarity at the round table started to be seen as too timid and unsatisfactory leading to the calls for ‘speeding up’ the reforms. Lech Wałęsa, the legendary leader of Solidarity, led the calls for removing the communists from the government and calling for new fully democratic elections. This led, at first, to the resignation of General Jaruzelski and presidential elections that were easily won by Lech Wałęsa in fall 1990. But it was not until the October 1991 that Poland held its first fully democratic elections in the post-war period.

In these two transition years, the governments of Mazowiecki and then Bielecki were busy changing the entire socio-economic system in Poland and building the foundation of the market

economy practically from scratch. The pre-war law regulating the system of setting up enterprises was reinstated and the property protection law came into force. The stock exchange was set up and the law for the public listing of enterprise shares was adopted. The currency was made convertible and price control mechanisms were removed. Finally, a progressive program of privatization was initiated, although, due to the strong position of trade unions in the Polish system, it was slower and more timid than other reforms.

Democratic Consolidation

The first fully democratic elections to the Parliament took place in November 1991. Ironically, even though Poland was the first to start reforms, it was the last to implement full democracy. The first democratic elections delivered a very fragmented parliament as the election were held on the basis of proportional representation with no limits. Fragmented Parliament, in which twenty-four parties were represented, resulted in unstable governments and proved unhelpful in advancing a mature political system. The first parliament lasted only 18 months during which there were three governments in power, none of which had majority. This was a very unstable period during which relations between President Wałęsa and much of the parliament grew very acrimonious, leading eventually to a rather disorderly dissolution of the Parliament.

A lesson drawn from the largely negative experience with

the 1st democratically-elected Parliament, that nearly killed democracy in Poland, was that it was necessary to tackle the fragmented nature of politics by modifying the electoral law. Just before the Parliament was dissolved major parties agreed that 5% threshold has to be introduced into the proportional representation system. Hence, only those parties that would get more than 5% votes would secure seats in the parliament.

The 2nd parliament elected in 1993 on the basis of the law with threshold provisions was more concentrated with only six parties securing seats. On the other hand, after nearly four years of transition and unstable governments, the Poles decided to vote for Social-Democratic party, which was composed almost entirely of ex-communists. In other words, ex-communists were coming back to power, this time through democratic means. Still the question that appeared on the mind of many was whether they would respect the rules of democracy which not that long ago they were denying. The social-democrats governed in coalition with the Popular Alliance, which was also a successor party of the former communist satellite. In 1995 ex-communist Aleksander Kwasniewski won also the Presidency from Lech Wałęsa.

Overall, however, the concerns that the rule of ex-communists would be dangerous for democracy proved unfounded. The steady majority that the social-democrats and their allies enjoyed in the parliament resulted in a more stable government. The two parties were also rather eager to prove their democratic

credentials. The presidential election in 1995, where Aleksander Kwasniewski was elected, proved an improvement when compared with a charismatic but also rather erratic style of Lech Wałęsa. Most importantly, towards the end of this parliament period, Poland adopted a new constitution that was a result of compromise between the parties of the government and the liberal part of the opposition. The 1997 constitution, adopted then in a referendum marked the end of the democratic consolidation process and the general agreement of the major political forces on the rules of the democratic system in Poland.

c. Analysis

(1) General Aspects

Political transformation

There were several aspects of Poland's transition from a dictatorship to democracy that would be met in many other transition cases across the globe. Clearly the most important aspect of any transition is the process of building up the momentum for change and turning it into a dominating narrative. This can happen either via revolutionary means as it did, for example, in North Africa in 2012 or via finding an agreement with the governing elite or at least some elements within the power-holding establishment. Evidence suggests that peaceful transitions are far more likely to deliver functioning

democracy.¹²⁾ It suffice to compare the results of the mostly violent Arab Spring in 2012 with those of the peaceful transformations in Central and Europe in 1989. The Polish case stands out in this context as an example of the transformation that was both peaceful and launched through the process of negotiations between the communist authorities and democratic opposition.

The round table formula that was first used in Poland in February 1989 served in some successive transformations, for example, in Ukraine in 2004 and 2014, or as a formula facilitating international negotiations, e.g. Serbia and Kosovo. However, it is applicable only when a specific set of circumstances are met, namely, when there is a willingness of both the power-holding elite and of the opposition to share power and reach a compromise. Uniquely, the Polish case did not foresee an instant but a gradual transformation, from a full dictatorship to a partial opening of the political process, for instance the elections in June 1989, to a full democracy in 1991. This was possible as during the round table talk some trust was build between the major stakeholders and retribution against the outgoing members of the communist establishment was excluded.

Like any other transition case Poland was faced with the dilemma about the need to balance out justice and pragmatism.

12) Veronique Dudouet, *Civil Resistance and Conflict Transformation: Transitions from armed to nonviolent struggle* (New York: Routledge, 2014).

On one hand, those who served communist dictatorship in the past should be punished, on the other hand, for the transformation to be peaceful ex-communists had to be convinced that they would be accommodated in the new system. Many argued that since the communists served the system that denied basic rights to the citizens, they should be excluded from the democratic political process. Eventually, however, the Solidarity leaders opted for dialogue and compromise, which proved successful in securing social peace and delivering a full democracy but saw the basis for political divisions in the years to come. The narrative that came to dominate the political narrative in the successive years was a cleavage between those that defended the round table agreement and those that contested it portraying the parties of the agreement as a clique that changed colors but continues to rule the country. In many respects that narrative remains dominant even twenty-five years on.

Economic Transformation

The economic transformation initiated by the first governments of Mazowiecki and Bielecki was unprecedented and its results for the Polish economy were seismic. Whilst transitions from a dictatorship to democracy occurred before, for example in Latin America and in Southern Europe, Poland was the first case of a transition from a communist centrally-planned state-owned economy to a market economy.

The communist system prioritized heavy industrialization

but it did not consider market needs as it was driven by the decisions of Politburo apparatchiks often with no understanding or appreciation of economy. As a result the structure of Poland's industry during the communist period was outdated and much of it proved redundant when the government intervention was replaced by market mechanism. Poland also lacked some basic market institution such as exchangeable currency, property rights, regulatory framework for setting up businesses, bankruptcy law. The existing state-owned enterprises did not have the freedom to set up prices of their products. In short the communist economy was not based on rational foundations that had to be built from scratch.

The need for reforms was then apparent and there was a prevailing consensus that market mechanisms should be introduced into the system. However, market could be introduced gradually, which some economists argued could spare the economy adjusting shocks, or the process could be rapid and radical. Poland decided on the latter approach, which was subsequently referred to as 'shock therapy.' At the beginning of 1990 the then Finance Minister Leszek Balcerowicz unveiled the program of structural reforms that were introduced over the space of 111 days. Literally overnight the businesses were given freedom to set prices and the currency was made exchangeable on the market. The over provisions, such as the setting up of stock exchange and the public listing of companies followed.

As expected, the initial outcome of the reforms was a reduction in the industrial output and GDP, however, the extend of the recession reaching 20% was far worse than it was foreseen. Many state-owned businesses were closed down and the previously unknown unemployment reached 16% within less than a year time. Still, whilst the Polish reforms were most radical in the entire region, they were also the fastest in delivering results. The recession proved short-lived and the economy started to adjust rather rapidly. Starting from 1992, growth returned to the Polish economy has not experienced a recession since. The hyperinflation was tackled and budget deficit was brought under control. However, the unemployment resulting from restructuring and growing economic disparities produced a considerable level of discontent that was to weight on the stability of the political system in the years to come.¹³⁾

Foreign Policy

Liberal-democratic political and economic transformation can be complicated by a hostile international environment. At the same time, consensus-based foreign policy and good relations with neighbors helped the reform process. They allow to focus energies on transition goals and save resources that would otherwise need to be spend on military. Seeking rapprochement with Poland's old and new neighbors was in many respects

13) Kazimierz Poznanski, *Poland's Protracted Transition: Institutional Change and Economic Growth, 1970-1994* (Cambridge Russian, Soviet and Post-Soviet Studies) (Cambridge: Cambridge University press, 1997).

inseparable from domestic transformation. Most importantly, the Polish transition would have had little chance to succeed had it not been for the unification of Germany. Establishing good relations with united Germany was essential not only for Poland's security but also to complete the goal of integration with western institutions and in particular with the EU. Since Germany also saw Poland's western integration as beneficial for its security and its economy, the interests of both Warsaw and Berlin met in promoting the enlargement of the EU.¹⁴⁾

To the East, Poland had to establish relations with the new states of Ukraine, Lithuania and Belarus as well as with the Russian Federation. Since Poland's geography changed after WWII and the Eastern provinces of Poland became parts of Ukraine, Belarus and Lithuania there was a potential for quarrelsome relations and territorial claims. This did not happen as the new Polish foreign policy came to be based on the principle of supporting the statehood and sovereignty of its eastern neighbors, which would not be reconcilable with raising territorial claims. Instead, Poland was the first state to recognize the independence of Ukraine and one of the first to recognize the independence of Lithuania. In subsequent years Poland consistently supported the pro-western orientation of Ukraine, for example by its diplomatic involvement during the crisis in 2004 and 2013~2014. Relations with Russia while complicated

14) Marcin Zaborowski, *Germany, Poland and Europe: Conflict, Cooperation and Europeanization* (Manchester: Manchester University Press, 2004).

not least because of Warsaw's pro-western orientation and its activity vis-à-vis former Soviet states, has however been mostly correct with no major bilateral dispute between them. Good relations with neighbors were helpful in securing Poland's integration into a global economic order and developing trade relations. Both aspects important in fostering Poland's transition to the free market economy.

(2) Unique Aspects

Most aspects of Poland's transformation have been general and occurring in other transition cases but some are specific to Poland or the region. Of those, perhaps the most obvious one is a relationship between domestic reforms and integration with the European Union and NATO. The driver of many, if not most, reforms in Poland has been a sense of collective identity of the Poles as a western nation that needed to do all that was necessary to join the western structures. This sentiment was shared by elites from all mainstream parties—including ex-communist—which, in practice, meant that there was a clear barometer as to the direction of reforms. As Poland set on applying for NATO and then EU membership there were clear criteria that needed to be fulfilled that have also set benchmarks for reforms.

In order to join NATO, Poland had to establish civilian and democratic control over its military and resolve disputes with

its neighbors. It was also encouraged to reform its military in the way that would make it compatible with NATO standards. In order to become a candidate for EU membership and start negotiations, Poland had to fulfill the so called Copenhagen criteria that the EU set for all potential hopefuls from CEE. The criteria included benchmarks for functioning democracy and free market economy. Once the EU considered them fulfilled and started accession negotiations, Poland was obliged to adopt a whole body of EU legislation, known as *acquis communautaire* and approximate its legal framework with that of the EU, which essentially transformed the country.

Whilst Polish politics was often unstable throughout the 1990s, the fact that the elites agreed on the goals to EU and NATO membership and the domestic implications of joining them meant that in reality despite frequent changes of government a general direction of reforms was set and constant. The same was true for other ex-communist countries where a determination to join western structures was strong—such as Slovakia, or the Baltic states. However, where the determination was weak, such as in the west Balkan states, there was no domestic consensus on the direction of reforms, which had detrimental implications on the level of stability in those countries. In North Africa, where no desire to comply with externally-determined rules existed, there was no barometer of reforms. This could have been one of the main reason for the failure of Arab Spring.

d. Implications for Korea

(1) Pre-unifying Process

It seems that Korean unification would set a path to transition more comparable to the German than Polish transition. The key difference between the German and Polish cases is the role of another state, namely the Federal Republic of Germany. Poland had to decide for itself what policy choices it wanted to make and bear the consequences of them whilst the East German authorities took one crucial decision in favor or unification and the subsequent decisions and consequences of them were mostly taken upon by the Federal Republic of Germany. Still, there were many aspects of Polish transition that may come useful for any communist state that is embarking on the path to liberal-democracy.

Perhaps the most important amongst them is the round-table formula pioneered by Poland. As it was discussed formerly, by the mid-1980s it became clear that the communist state was failing and that it had no meaningful support amongst the population. But, at the same time, the democratic opposition had no means of changing the system. For many years, North Korea has also seemed trapped in a stalemate situation. It is clear that the Pyongyang has no meaningful following in the North Korean population, but neither there seems on the horizon a credible domestic challenge.

In Poland, the communists came to understand that it was

best for them to share power, because the state was in crisis and they lost the external support from the USSR. However, the process of arriving to this conclusion took some time and the round table talks were essential in reaching an understanding between the communists and the opposition. Reaching an agreement and commencing the process of democratization in stages was possible because the communists received guarantees that they would not be prosecuted and excluded from the democratic process. The opposition had to accept that democratization would not be imminent but partial and progressive. As discussed above it took over two years between the partially free election in June 1989 and the fully democratic ones in October 1991.

This slow transition has had many critics in Poland. However, there is no doubt that it delivered a peaceful change and allowed for the launch of successful transition. This example shows that in the stalemate situation it is important to reach out to despots who may be looking for a way out but are afraid of implications of giving up power. The round table formula allows to define such an understanding.

The other aspect that is worth considering concerns economic well-being of the people. Poland rebelled in 1980 following the period of relative opening and prosperity in the 1970s. This shows that a better off population is more likely to mobilize than an impoverished one. The North Korean population is dramatically poor often lacking some basic means.

An impoverished populations tend to be apathetic and focused on their own survival. Hence, it is in the interest of South Korea that DPRK does not collapse economically and that its degree of welfare grows. On the other hand, a balance is needed here so that there is no situation in which the communists have more means to buy themselves social peace as it happened in the early 1970s in Poland.

(2) Unifying Process

The Polish example demonstrates that inclusiveness, even at the expense of social justice, is essential to a success of transition. In the North Korean case, this would be a very tall order as the criminal excesses of the current regime and human rights violations are well beyond anything that was happening in Central and Eastern Europe. However, whilst those that committed crimes should be punished, it is important to have moderate elements, if any, remain in the party leadership are given a chance to remain in politics. It is even more important that non-prominent party activists, some of whom have joined the party for opportunistic reasons, are not ostracized in the future.

Economic prosperity is essential to the success of any transition process and a lack of it can derail democratization. The Polish case demonstrates that a ‘shock therapy,’ a rapid implementation of reforms that create conditions for functioning

market economy, is the way forward. Slower reforms, that were often described as more humane, are perhaps initially less painful but then also much slower in delivering success. This was the case of Bulgaria and Romania who nearly derailed their transitions and continue to be least advanced in the region. North Korea would require some most fundamental reforms. Naturally it will be aided in this process by the prosperous South, however, it is important that a relationship of dependency is not build in this process and that the North develops market instincts on its own as much as possible.

It seems that the level of brain-washing of the North Korean population has gone further and lasted longer than it was the case in Poland and the rest of Central and Eastern Europe. But even in Poland, which had most liberal of communist regimes, it was clear that a major educational effort was needed so that people understand democratic and market mechanisms. It is typical in any post-communists society that people's expectations are directed towards the state as the guarantor of their well-being and personal safety. The notions of state budget, taxes and revenues are unknown to communist societies. All of those must be explained and re-taught so that the population acquires a degree of responsibility for their own fate.

Finally, the Polish case shows that it is important to run a consensus-based foreign policy and avoid conflicts with neighbors that may have a capacity to derail the transition

process. As far as Korean unification is concerned it is of essential importance to reassure China that the process would not be harmful to its interests. At the same time, a unified Korea must remain an ally of the U.S. for obvious reasons of its security. Hence, some careful balancing will be needed and finding a consensus that is acceptable both for China and the U.S.

e. Observation

Both Korea and Poland have had turbulent postwar history. Both were affected by the Cold War and superpowers rivalry that have had impact on their politics and people's lives. The end of the Cold War enabled Poland to launch an unprecedented transition to democracy and market economy. As Poland celebrates the quarter of the century of its transition there is little doubt that the process has been an enormous success delivering freedom and opening opportunities for its people. Since the beginning of the transition Poland's GDP more than tripled and life expectancy has grown by ten years. At the same time, North Korea has missed its opportunity and is sliding towards an ever deeper economic catastrophe marked by periodic starvation of its population.

However, the unification of Korea and the launch of transition in the North is inevitable and only a matter of time. The Polish example shows what elements need to be in place for a post-communist transition to take off. It is in fact most essential

that a right momentum is created for a change to place. In the Polish case the change in international context was vital but it was also important that an understanding was reached between the communists and the opposition. This shows that the power-holding agents, at least the moderate element within them, may be willing to accept transition as long as they are reassured that they would not be excluded from the benefits of the future system.

As argued here, there are many aspects of Polish transition that may be interesting for other countries embarking on similar effort. The round table formula that allows the government and opposition to reach a consensus is best known of them. Poland's mixed experience with building a functioning political system is another. The mistakes of the early 1990s produced a fragmented parliament and unstable government. Changing the electoral law in subsequent years allowed for the emergence of a consolidated political system. As far as economy is concerned the Polish experience suggests that a rapid and deep transition is the most effective one, however, it is not cost free and may result in a collapse of some branches of industry in the initial stages.

As Korea moves towards its unification, it is important that it looks at some other examples of post-communist transition. The Polish example is perhaps one of the most interesting ones in the group of countries that experienced communism in the past.

2 The Romanian Case

a. Overview

The situation within the Korean Peninsula after the Second World War is highly interesting from an epistemic-methodological aspect, as it is an important case for the whole international community. The shocking aspect is the relative “freezing” of the situation from the Korean Peninsula ever since 1953, regardless of the changes in the configuration of the international system: beginning with bipolarism (1947~1989/1991), then unipolarism (1991~2008/2014), and the recent tendency towards multipolarism which started with the war in Georgia and the Ukrainian crisis of 2014. This situation can be explained not only by the endurance of the three North Korean representatives of the Kim dynasty, but also by the geopolitical competition between three major powers, the United States, the USSR, or later, Russian Federation, and China.¹⁵⁾ The main premise from which we start in our analysis is that Korea’s unification can be achieved only by the convergence of domestic and international factors, mostly geopolitical.

15) Haksoon Paik, “Superpower rivalry and the victimization of Korea: the Korean War and the North Korean nuclear crisis,” Chandra Chari (eds.), *Superpower Rivalry and Conflict. The long shadow of the Cold War on the twenty-first century* (New York: Routledge, 2010), pp. 34-49.

Korea within the Great Powers' game

During the Cold War, Korea's unification was not possible because the zero-sum game between the two major powers prevailed: if the entire peninsula were communized in 1953, it would have meant an unallowable defeat for the U.S., an unacceptable outcome. Hence, the U.S. ensured the security of South Korea. If unification were done by the introduction of a capitalist system north of 38th parallel, it would have meant a loss for the USSR and China, both neighbouring states of North Korea. Preserving the status quo in the Korean Peninsula was, therefore, a mutually acceptable solution for the great powers surrounding the peninsula for the sake of the global balance of power.¹⁶⁾

North Korea was not included in the decommunization process that started in 1989 for the following reasons: ① the subject was marginal for the United States, who did not want to give Mikhail Gorbachev an impression that a new “containment” of the Soviet Union was attempted by the West/Europe on East/Asia; ② the United States did not want to deteriorate relations with China, the more so as the repression against manifestations from Tiananmen Square in June 1989 was a clear sign that, in spite of the economic and political opening under the Deng Xiaoping leadership, any challenge to the party will not be tolerated, neither in China nor within its

16) Linus Hagstrom, Marie Soderberg (eds.), *North Korea Policy: Japan and the Great Powers* (London: Routledge, 2006).

influence areas. Again, being involved in settling global issues, the great powers preferred not to open a subject they are not ready for and have no internal solution which can replace the Kim Il-sung regime.¹⁷⁾

After the end of the Cold War, the United States considered the Asia-Pacific region as the main strategic area.¹⁸⁾ Nevertheless, the American strategy was guided by two considerations: first, preserving an amiable relation with China (the main geopolitical “sponsor” of North Korea, even if not always with enthusiasm) and second, avoiding a possible nuclear military conflict with Pyongyang.

In sum, since 1953, the situation in the Korean peninsula has been a peripheral issue to the United States’ global strategy. For China, however, it is a major theme on the regional strategy, and for Russia, a matter of international prestige, but secondary on the agenda of interests. On the conditions of “internal freezing” from North Korea, established by the Kim dynasty, the great powers concluded that the status quo, one peninsula with two systems, is the only solution for peace keeping.

17) Campbell Craig, Fredrik Logevall, *America's Cold War. The Politics of Insecurity* (London: Harvard University Press, 2009), pp. 289~321; Alan P. Dobson, Steve Marsh, *US Foreign Policy since 1945. Second edition* (London: Routledge, 2007), pp. 185~206.

18) Karl K. Schonberg, *Constructing 21st Century U.S. Foreign Policy. Identity, Ideology, and America's World Role in a New Era* (New York: Palgrave Macmillan, 2009), pp. 113~152; Ralph A. Cossa, et al., *The United States and the Asia-Pacific Region: Security Strategy for the Obama Administration* (February 2009), <http://csis.org/files/media/isis/pubs/issuesinsights_v09n01.pdf> (accessed: July 18, 2014); Paul B. Stares, Joel S. Wit, *Preparing for Sudden Change in North Korea* (Special Report No. 42) (New York: Council on Foreign Relations, Brookings Press, January 2009); Suk H. Kim, Terence Roehrig, Bernhard Seliger (eds.), *The Survival of North Korea: Essays on Strategy, Economics and International Relations* (Jefferson, N.C.: McFarland & Co., 2011).

Japan, although it is a first rank actor of the international system, at least economically, acts as the U.S. lever in its relation to Korea, without having the capacity of finding a solution by itself.¹⁹⁾

Towards a new international system?

Although the central subject of this study is Romania's societal change after 1989, as a possible model for Korea's unification, the succinct presentation of recent tendencies of the international system is important for anticipating the moment when the unification would be possible.

The unipolar configuration of the world power system had its heyday from 1991 until 1999, in the context of the fall of the Soviet Union, and the U.S. domination, with China's lack of appetite for involving in global politico-military issues. During unipolarism, the United States militarily involved into sensitive files: Iraq (1991, 2003), Kosovo (1999), Afghanistan (since 2001). In spite of Russia's formal opposition, the United States intervened militarily in areas considered to be essential for its security.²⁰⁾

After Vladimir Putin's rise into power in 1999, Russia entered

19) Leszek Buszynski, *Negotiating with North Korea. The Six Party Talks and the nuclear issue* (London: Routledge, 2013).

20) John Ikenberry, Michael Mastanduno, William C. Wohlforth (eds.), *International Relations. Theory and the Consequences of Unipolarity* (Cambridge: Cambridge University Press, 2011), pp. 33~66, 282~341; Geir Lundestad (eds.), *International Relations since the end of the Cold War: New and Old Dimensions* (Oxford: Oxford University Press, 2013), pp. 290~306.

the race for regaining its state as a global actor, wishing to create a multipolar world. Although Putin's Russia had no capacity to prevent the removal of Saddam Hussein's regime of Iraq, the war in Georgia in 2008 and most of the entire unfolding crisis from Ukraine revealed the fact that Russia's nuclear power can intervene forcefully against other weaker states without fearing significant repercussions from the international community. This also shows that the international system is in a crisis of means. For instance, NATO does not have the means nor does it want to use military instruments to determine, for example, Crimea's return to Ukraine. Perhaps there is a crisis of institutions, such as the UN Security Council, which is often blocked by the disagreements among permanent members, resulting in the objection of passing resolutions. The international community is currently blocked in multiple fronts, which demands a more open perspectives on international negotiations to rebuild politico-military crisis resolution mechanisms.

China, in its turn, manifests prudence in affirming some global power ambitions by constantly refusing to be called the "G2" together with the United States. Nonetheless, its very geopolitical and economic weight, Beijing is a key-actor of the multipolar world, where it can exercise by generating solutions for problems and crises occurring in its geographical proximity.²¹⁾

21) Thomas Lum, et al., *China and the US. Comparing global influence* (New York: Nova Science Publishers, 2010); Nina Hachigian (eds.), *Debating China: the U.S.-China Relationship in Ten Conversations* (Oxford: Oxford University Press, 2014), pp. 198-220;

It is foreseeable that in the next years, there will be an increase of rivalries among great powers and implicitly an increase of international tensions, a context in which not only the “frozen conflicts” from the European Union neighbourhood, including Transnistria, Abkhazia, South Osetia, and Nagorno Karabakh but also issues from Southeast Asia and the Korean Peninsula are to be discussed.²²⁾ The process of world geopolitical reshuffle, which is in progress (as shows Ukrainian/Crimean crisis), but which lacks a calendar and precise rules, represents an opportunity for Korea’s unification, as the tolerance of Great Powers towards “pariah states” or unpredictable actors (such as Kim Jong-un) will significantly decrease, precisely in order to reach a convenient compromise for the “new international order.”

Romania—a model for the unification for the Korean Peninsula?

The unification of the Korean Peninsula is an inevitable historical process. The main question is not “if” but “when” and more importantly, “how” the unification will be done. Korea’s unification is likely to be an original process, determined by Korean psychosocial features, by the geopolitical and economic context in which unification will be achieved. Even

Mark Chi-kwan, *China and the World since 1945. An International History* (London: Routledge, 2012), pp. 123~135.

22) Robert D. Kaplan, *The Revenge of Geography: what the map tells us about coming conflicts and the battle against fate* (New York: Random House, 2013), pp. 154~187.

if Korea's unification will not entirely follow the previous case of Germany, which can be an example to some extent,²³⁾ preparing this moment can be done by learning from other significant situations. For this matter, Romania is a significant case for North Korea's transition process for the following reasons: ① the Soviet type of political system was established in both countries at the beginning of the Cold War; ② after Nicolae Ceausescu's visit to North Korea and China in 1971, a unipersonal model of dictatorship was established in Romania, inspired by Kim Il-sung (personality cult)²⁴⁾; ③ Romania and the Korean Peninsula are situated in border areas of great power structures: the Romanian state lies at the western border of Russia and North Korea lies at Russia's south eastern and China's north eastern borders.²⁵⁾ The condition of a border state (geopolitical periphery) influences the dynamics of transition towards market economy and a democratic political regime; ④ Romanian transition, with its failures and achievements, can

23) Between West Germany and East Germany there was no major military conflict, as the one in Korea, which could have been considered by one side as the nation's founding moment (as in North Korea). Germany's reunification could not be geopolitically conditioned, while in the case of Korea such requests (military neutrality) might emerge from the side of some Great Powers (China, Russia). After Germany's reunification, population ratio between East and West was 1:4, while in the case of Korea the ratio between North and South is 1:2. From this point of view, West Germans effectively achieved the "assimilation" of East Germans (which remains incomplete even today!), while in Korea the main issue will concern a "re-foundation of the Korean nation." by also assuming its communist past and inheritance.

24) Ana-Maria Catanus (eds.), *Sfarsitul perioadei liberale a regimului Ceausescu: minirevoluția culturală din 1971* (Bucharest: Institutul Național pentru Studiul Totalitarismului, 2005).

25) Charles K. Armstrong, "Sino-Korean Border Relations," Bruce A. Elleman, Stephen Kotkin, and Clive Schofield (eds.), *Beijing's Power and China's Borders Twenty Neighbours in Asia* (London: M. E. Sharp, 2013), pp. 111-126.

be a good comparative point for building a strategy for Korea's unification.

The comparison between Romania and Korea is limited by some facts: ① the Romanian nation was not divided, did not live under the "Berlin wall" or "38th parallel" syndromes. Romania is experiencing the drama of a divided nation, by the separate existence of the Republic of Moldova, former Bessarabia, where there is a majority of Romanian-speaking population. Nevertheless, the Moldovan issue does not hold a comparable importance for Romania to that of North Korea's separate existence for South Korea; ② there is a dictatorship duration difference: the communist regime in Romania lasted for two sociological generations while the North Korean dictatorship endured two generations and recently has entered its third generation. The longer time span of North Korea's dictatorial regime created deep psycho-cultural transformations, similar to those produced by communism in the Soviet Union.

b. The 1989 Romanian Revolution: A Model for Volent Power Changes

The fall of the Nicolae Ceausescu regime took place in a historical context marked by: ① the convergence between the two superpowers, the USSR and the United States of America, who were determined to end the Cold War peacefully; ② Central and Eastern European countries' desire to overcome the limits of the initial tacit agreement between Gorbachev and Reagan, regarding the controlled liberalization of the communist regimes, in order to replace “popular democracies” with real democracies.

The decisive moment for political changes of the “Soviet camp” was the free elections of Poland on June 4th, 1989. The communist party suffered a massive defeat in front of candidates supported by the Solidarity trade union. This was the moment that triggered the “domino effect” that spread throughout the communist regimes, all of whom fell one by one, symbolized by the fall of the Berlin Wall on November 9th, 1989.²⁶⁾

The 1989 Romanian Revolution is sometimes regarded as a possible model for a regime change in North Korea. The

26) Ioan Scurtu, *Revoluția română din Decembrie 1989 în context internațional* (Bucharest: Editura Enciclopedică, Editura Institutului Revoluției Române din Decembrie 1989, 2006); Peter Siani-Davies, *Revoluția română din decembrie 1989* (Bucharest: Humanitas, 2006); Archie Brown, *The Rise and Fall of Communism* (New York: Harpers Collins, 2009); Stephen Kotkin, Jan T. Gross, *Uncivil Society: 1989 and the Implosion of the Communist Establishment* (New York: Modern Library, 2009); Adrian Pop, *Originile și tipologia revoluțiilor est-europene* (Bucharest: Editura Enciclopedică, 2011); Florin Abraham, *Provocări epistemologice ale totalitarismului: o metodologie a studiului regimurilor comuniste* (Bucharest: Editura Muzeului Național al Literaturii Române, 2013), pp. 110-141.

synthetic analysis of factors and actors involved in the fall of the Ceausescu regime facilitates the understanding of the political system change process (see Table 1):

Table 1 Typology of Endogenous and Exogenous Factors' Influence during the Romanian Revolution

Type of factor / actor	Activity	Factor / actor importance	Observations
Soviet Union	Abolition of the "Brezhnev Doctrine" allowed for the beginning of democratic revolutions. There are no undeniable proofs concerning the presence of "Soviet agents" for triggering protest movements in Romania (such participation can neither be excluded).	Without the decisions of Mikhail Gorbachev of 1988~1989 there would have been no guarantee that the USSR abstained from military intervention for preserving communism (the same as in 1956 in Hungary and 1968 in Czechoslovakia).	Soviet troops left Romania in 1958. Nicolae Ceausescu determined the marginalization of Soviet agents from the Army and Securitate.
United States of America (U.S.)	Prudent support for anti-communist revolutions, not to generate reactions of "hardliners" from the USSR (the military-industrial complex). Impose diplomatic, economic, and media pressure on Ceausescu regime.	No direct U.S. involvement was identified in what concerns the fall of the Ceausescu regime.	The U.S. would have agreed even with a Soviet intervention in Romania (for the removal of Nicolae Ceausescu), in the context of US intervention from Nicaragua (proposal of James Baker addressed to Eduard Shevardnadze, on December 24, 1989).

Type of factor / actor	Activity	Factor / actor importance	Observations
	for breaching human rights.		
Revolutions of Eastern Europe	Changes in the region created a powerful feeling in Romania concerning an expected fall of the Ceausescu regime. Discontent in society has amplified.	They created the perception that Romanians have to assume radical measures for changing the regime.	Revolutionary events from Poland, Hungary, East Germany or Czechoslovakia were known by means of international media (Voice of America, Radio Free Europe).
Neighbouring countries (Hungary, Yugoslavia)	They were involved in the informational war against the Ceausescu regime.	Important role in the period of boosting protests against the regime (December 15~21, 1989). Information was published (proven to be exaggerated), concerning the extent of repression against protesters from Timisoara.	Like in the case of USSR, there were uncertain information concerning the activity of Hungarian and Yugoslav agents on Romania's territory.
Romanian Communist Party (RCP)	Lacking vitality and credibility. Its leaders were paralyzed for fear of retaliation from the population. Within Romanian Communist Party (RCP), there was no alternative current to Nicolae Ceausescu. A removal of Ceausescu without violence had	Could not resist for defending the regime. RCP had the syndrome of guilt towards the Romanian nation, which it had subjected to humiliation and starvation.	Numerous party activists no longer believed in the further viability of the regime.

Type of factor / actor	Activity	Factor / actor importance	Observations
	theoretically been possible at the 14th Congress of RCP (November 20~24, 1989).		
Romanian Army	Initially, the Army answered to the commands, thus participating to repressing protesters (Timisoara, Bucharest, Cluj). In the context of large-scale protests, the Army did not want to become an instrument of massive repression, joining the protesters.	The abandonment of the Ceausescu regime by the Army was determined by the humiliations to which it had been submitted, being used as cheap labour force. The Army's leadership was divided due to rivalries between generals. Nevertheless, while the Army had been transformed into a repression instrument, generals quickly abandoned Nicolae Ceausescu.	The announcement concerning the suicidal of the Minister of Defence (General Vasile Milea) during the morning of December 22, 1989 generated discontent and fear within the Army. Fear of being punished for repression against civil population determined Army ranks to join the protesters and to refuse executing orders of shooting civilians.
Securitate	It represented the main control instrument over the society. It acted for repressing protesters but it did not play the main role in this respect.	The Securitate was under immense internal and international pressure, so that its attachment to Ceausescu became limited. Following changes from the rest of Eastern Europe, Securitate officers were aware of the inevitable character of a change.	There is no strong evidence concerning Ceausescu's betrayal by the Securitate. More likely, the Securitate gave up under internal and international pressure.

Type of factor / actor	Activity	Factor / actor importance	Observations
“Ceausescu clan” (family and close people)	Centralization of power by Ceausescu family blocked the formation of alternative power centers.	The “Ceausescu clan” and a small number of collaborators were considered the main problem of the communist regime in Romania.	In 1989, on the occasion of the 14th Congress of the Romanian Communist Party, there was a question about a dynastic type of succession, from Nicolae to his son Nicu Ceausescu. The power transfer was not accomplished. Popular hatred towards Nicolae Ceausescu reached critical levels.
Mass media	Official media was strictly controlled. Population access to uncensored information was achieved by means of radio stations from Western Europe.	After abandoning power by Ceausescu family (December 22, 1989), the television became one of the command centres of the Revolution. Thus, the population became connected to political events.	Communication block imposed by the regime, including jamming of Western radio stations, was not really efficient.
Working class	The main socio-political group, theoretically a supporter of the regime, manifested hostility towards RCP and Ceausescu family (see the 1977 and 1987 working class protests for better living conditions).	Street protests had as their main basis the industrial working class of the major towns.	It did not play any political role in the establishment of the leading bodies of the Revolution (National Salvation Front).
Dissidence	Opposition to the regime was weak.	Dissidents were not at the leadership of	A part of dissidents collaborated in various

Type of factor / actor	Activity	Factor / actor importance	Observations
	divided, and under surveillance of the Securitate.	actions for the removal of Ceausescu family. A few dissidents (Doina Cornea, Ana Blandiana) were used as political symbols during the Revolution without having a significant political influence.	manners with the Securitate, so that they were controllable through blackmail.
Protest movements	Coagulation of popular discontent in large-scale public manifestations (tens of thousands of people) was the factor that took by surprise the leadership of RCP and of the Securitate.	Massive street protests, which could not be stopped by repression, were the decisive factor for the collapse of the regime.	Nicolae Ceausescu fled Bucharest under the pressure of protestors from the city, from the threat of being lynched at the RPC headquarters (December 22, 1989).

Following the succinct analysis of the main factors and key-actors from the Romanian Revolution, one can conclude that Romania’s case cannot be a model for organizing a negotiated transition for the North Korean regime. For the “negotiated transition,” the classic example can be derived from Poland and Hungary, where communist political elites, under multiple pressures, accepted the power transition, without using forceful repressions against the society. An interesting case is Bulgaria, where the communist regime was removed by the conspiracy

of politico-military elites supported from outside (Todor Zhivkov's removal was supported by Mikhail Gorbachev).

That being said, the Romanian Revolution can be a source of some observations which may be useful in anticipating a potential political change in North Korea for the following reasons: ① repressive institutions are put into a critical situation when they have to defend a regime by using massive violence against civilians (within relatively homogeneous nations, which have overcome the stage of clan organization). If an international pressure is posed upon the leader, the collapse of the dictatorial regime becomes highly imminent; ② the single-party can quickly collapse under public pressure, if the “mandarins” no longer believe in its viability; ③ the image of an almighty leader, created by the propaganda machine is fake: by his very nature, the almighty leader is in fact isolated from society and from various power centers. The power of the leader is given by the fact that political and military elites are divided and suspicious to one another. The fall of dictators is always spectacular, because it is in contrast with the omnipotence image created by propaganda; ④ dissolution of the communist regime started not by an attack over central institutions, but by a protest in Romania's border area (Timisoara) with other countries hostile to the Ceausescu regime (Yugoslavia and Hungary). The crisis from the border region determined a (decision-making) political and military paralysis concerning the central power, which was guilty of repression against the civil population; ⑤ the main

turning event in the dissolution of the communist regime in Romania was the 14th Congress of RCP on November 20~24, 1989, after which it became obvious the fact that, in spite of changes occurring in the other countries from Eastern Europe, Nicolae Ceausescu was not inclined towards any compromise (not even towards a power transfer to his son Nicu). The discontent and hatred feeling against the Ceausescu clan (family and close people) reached very high levels. The population was ready to assume the risk of some violent confrontations against RCP, as a result of Nicolae Ceausescu's persistence into power (perceived as anachronistic and profoundly harmful); ⑥ the communist regime could not isolate Romania from an informational point of view, despite numerous measures to this end. Western radio stations and neighbouring television channels (USSR, Yugoslavia, Hungary) sent information concerning the real socio-political situation of Romania, radicalizing the state of discontent; ⑦ during the Revolution a state of contagion concerning revolutionary psychology was reached (the slogan "Today in Timisoara, tomorrow all over the country!" was used), and also concerning the spirit of sacrifice, as the population was ready to risk an open confrontation with repressive institutions for liberation from tyranny (it was often said during the Revolution: "What would Ceausescu do to us? Would he shoot us all, the 23 million Romanians? It is impossible!").

Nicolae Ceausescu's personality cult²⁷⁾ had three main

sources of inspiration: the Stalinist model, also used during the era of Gheorghiu-Dej, Ceausescu's predecessor; nationalist topics of legionnaire propaganda (the Legionnaire Movement was a Romanian political group with fascist ideology during the interwar period); the oriental style of leader glorification, borrowed from North Korea and Maoist China.

In both North Korea and Ceausescu's Romania, attempts were made for transforming and subordinating the entire political and social life to the leader.²⁸⁾ Private space was invaded by information about "the glorious achievements of the brilliant leader" and the official public space included only propaganda content. Apparently, the leader and his family were not only respected but worshiped by the people. In fact, the personality cult is a huge papier-mâché, beyond which painful realities were hidden. The seeming enthusiasm of the population concerning the leader was part of the social adaptation behavior within a state in which fear and suspicion were generalized. Individuals broadly mimicked sympathy towards the regime. Individuals consciously adopt a schizoid behaviour: obedience towards the regime in the public space and denial of its legitimacy in the private space. Romanian citizens psychologically "liberated" within the private space by listening to Western radio stations

27) Adrian Cioroianu, *Ce Ceausescu qui hante les Roumains: le mythe, les représentations et le culte du Dirigeant dans la Roumanie communiste* (Bucarest: Curtea Veche, 2005); Anneli Ute Gabanyi, *The Ceausescu Cult: propaganda and power policy in communist Romania* (Bucharest: The Romanian Cultural Foundation Pub. House, 2000).

28) Suk-Young Kim, *Illusive Utopia: Theater, Film, and Everyday Performance in North Korea* (Ann Arbor: University of Michigan Press, 2010); Andrei Lankov, *The Real North Korea. Life and Politics in the Failed Stalinist Utopia* (Oxford: Oxford University Press, 2013).

and by an abundant popular folklore (jokes, songs), which ridiculed the leader, the party-state, and the Securitate. A double, encoded and allusive language proliferated, by which people hoped to avoid possible repressive actions.

The personality cult was inefficient for maintaining the Ceausescu regime because the whole of its content was denied by the socio-political reality. It is true, though, that the seeming popularity of the leader inhibited protest attitudes among individuals but, as the Romanian Revolution shows, the personality cult collapses when alternative power groups gather against the dictator and the regime is no longer supported at international level, not even tacitly.

c. Romania's Double Transition

(1) The theory of the double transformation

The “fourth wave of democratization” brought with it the so-called topic of “double transformation.” Countries of Europe such as Spain and Portugal, or South American countries like Chile and Argentina) which overcame dictatorial regimes after the Second World War also had to essentially overcome general problems of the authoritarian past institutional management. Countries of the former Soviet bloc had the objective of simultaneously accomplishing a double transition: on the one hand, creating institutions and practices specific to liberal

democracy and, on the other hand establishing institutions and practices specific to market economy.²⁹⁾

This double transformation, generically defined as “transition” took place according to the following general parameters: ① domination of neo-liberal ideology, according to which there is a codetermination between market economy and representative democracy; ② existence of a societal quasi-consensus both concerning democratization and regarding transition to market economy. The double transformation was legitimized by the need for Euro-Atlantic integration, which belongs to NATO and the European Union; ③ external assistance of the transformation process and imposition of a conditionality regime for fulfilling assumed objectives. The main actors which influenced the transition process of Central and Eastern Europe were: the European Union, NATO, Germany, the International Monetary Fund (IMF) and the Council of Europe.

The duration of the socio-political and economic transformation of the Central European region remains a controversial subject among experts. The restrictive perspective considers that electoral democracy was reached during the second round of free elections in the mid 1990s, after democratic maturity was emphasized. A broader interpretation considers that the end of transition has an important geopolitical

29) Juan J. Linz and Alfred Stepan, *Problems of Democratic Transition and Consolidation. Southern Europe, South America and Post-Communist Europe* (Baltimore: Johns Hopkins University Press, 1996); Graeme Gill, *Democracy and Post-communism: Political Change in the Post-communist World* (London: Routledge, 2002); Richard Rose, *Understanding Post-communist Transformation: A Bottom-Up Approach* (New York: Routledge, 2009).

component, the guiding element being NATO accession in 1999 for the Czech Republic, Poland, and Hungary, and 2004 for Romania, Bulgaria, Slovakia, Slovenia, and the Baltic States. The general conclusion that can be drawn is that transition is a lengthy process marked by several difficulties and political traps.

(2) Consensualisation of Romanian society

In the first year after the dissolution of the Nicolae Ceausescu regime, the Romanian society was divided into two agenda: ① the way how the economy should be transformed, so that the extended social security from the communist period would be combined with free market economy; and ② the totalitarian past management. The first issue stated that the society should be reconciled with the totalitarian past by collective recognition, without discussing in-depth individual and collective guilt. The main argument of this stance was that Romanian society will become factionalized by obsessively discussing traumatic themes. The second politico-ideological issue, a liberal-conservative nature, states that the society should be “purified” by the mechanisms of “transitional justice.” Such justice includes, lustration, restitution of nationalized properties during the communist period, compensations to victims of the communist regime, and pro-active politics of memory.

These two major agenda were in various political forms of

the main political forces, of mass media and of opinion leaders, even since 1990, determining significant political conflicts. The key-moment for the consensualisation of Romanian society around key-objectives, namely strengthening democracy, promotion of market economy, and NATO and EU accession, was the “Snagov Conference” in 1995.³⁰⁾ Under the patronage of the president of Romania (Ion Iliescu) all parliamentary political parties, representatives of religious cults, academic environment, trade unions and syndicates joined to assume the “Snagov Pact,” by which they decided to support the main national objectives irrespective of ideological orientations. This consensualization strategy of the main actors within Romanian society was useful for reducing politico-social tensions. After the signature of the Pact there were also other political and social conflicts, but the main political actors remained moderate, by rejecting radical extremist options.

The Snagov Pact proved to be a useful tool during the transition period. At the international level, Romanian governments supported NATO and EU accession invoking the existence of a broad political support for Euro-Atlantic integration. In home affairs, governments used the idea of the

30) President Ion Iliescu wanted to apply the Spanish experience in the transition from dictatorship to democracy. To this end, the example of the Moncloa Pact (1977) was used, a pact which was signed between representatives of the government and the most significant political forces, by which political and socio-economic measures were convened, which were to be accepted by all political forces, regardless of their ideological orientation (socialist and christian democratic). Valeriu Ioan-Franc (eds.), *Din lucrarile Comisiei de la Snagov: martie-iunie 1995* (Bucharest: Centrul de Informare si Documentare Economica, 2000), p. 63.

“Snagov spirit” in order to demand the parliamentary opposition and trade unions not to support massive protest movements, which are often translated into violent manifestations that could endanger the country’s stability. Such examples are the violent protest movements of miners (1999), following which the army was used for restoring order. On that occasion, the president of Romania, Emil Constantinescu, demanded the parliamentary opposition, led at that moment by the very Ion Iliescu, to avoid any political support for the miners’ protest movements. Social democrats led by Ion Iliescu did not politically support violent protests, the only party supporting them (The Greater Romania Party, of a populist nationalistic orientation) being isolated and marginalized on the political scene.

(3) Institutional transformation

The main step for Romania’s institutional transformation was the adoption of a new constitution, because the constitution last revised in 1965 was abolished after the fall of the Communist regime. Romania did not hurry to immediately adopt a new fundamental law, but a working group made up of Romanian and foreign experts was formed, who debated constitutional themes for more than a year, in the parliament. In December 1991 the new Constitution was enforced, as a result of its validation through referendum.³¹⁾

31) Paul Blokker, *New Democracies in Crisis? A Comparative Constitutional Study of the Czech Republic, Hungary, Poland, Romania and Slovakia* (Oxon: Routledge, 2013).

The second important step for the politico-institutional transformation was the creation of a permissive legislation for political parties creation. In the beginning only 251 members were necessary to register political parties. Today 25,000 members are required as the minimum number. In order to encourage political participation among citizens, it was also important for the parliamentary political parties to have slight rents received from the state headquarters buildings, so that bureaucratic or financial obstacles cannot thwart any political activism.³²⁾

The third step was the restructuring of the executive power, meaning the creation of cabinets by reducing the number of ministries and ministers, from 40 to 20. A number of line ministries, for example, oil or mining, were cut down, attributions being taken over by synthesis ministries such as those that deal with economy. Compared to the Communist period, the influence of the prime minister expanded, becoming the main decisional factor of the executive branch. The prime minister has no longer stood as a mere administrator of the single party decisions, but he has also become a powerful actor. The head of government is accountable to the parliament, by the institution of investiture and no confidence vote.

Subsequent to the restructuring of the cabinet, decentralization of the central government was carried out, but transferring

32) Florin Abraham, *Romania de la comunism la capitalism, 1989-2004. Sistemul politic* (Bucharest: Tritonic, 2006), pp. 161~314.

numerous capacities and resources to local authorities.

The main institutional issue was to turn justice from an instrument of political power into a true power, which is more independent and impartial, in an attempt to consolidate the sophisticated architecture for mutual checks and balances within the system. One of the great mistakes of the transition period was to grant legal irrevocability to the judges, who were in office during the revolution by the president of Romania (Ion Iliescu). This meant, in fact, legalizing the introduction of very strong “virus” into a fundamental power for the democratic state. The judicial system was tampered by people who had reasonable suspicions on whether it is a docile instrument of the dictatorial regime.

(4) From centralized to market economy

The process of turning the state-controlled economy, which used to be based on centralized planning, into a free economy based on demand and supply mechanisms was not totally disinterested. Instead, there was a heated competition between the neo-conservative model, based on the idea of free markets, with a minimal intervention from the state, and the welfare state model, promoted by social democratic and progressive forces.³³⁾ Political changes that followed after the parliamentary

33) Daniel Daianu, *Incotro se îndreapta tarile postcomuniste? Curente economice in pragul secolului* (Iasi: Polirom, 2000); Vladimir Pasti, *Noul capitalism romanesc* (Iasi: Polirom, 2006).

elections have largely influenced the rhythm and directions of economic transformation. Nevertheless, there was a consensus on the need to introduce market mechanisms to the economy. Controversial issues were: ① the nature and functions of property, for example on the question of how much state property should be preserved and what are the methods of creating private property; ② the relation between state and economy on whether the state should remain as a significant owner and intervene in the economic game or, on the contrary, the state should remain only as a “spectator,” the market regulating the functioning of the economy; ③ what is more important, capital or labor, and accordingly, what should be the fiscal policies? Taxing more on labor or capital, or properties or financial assets)?

Unlike countries such as Poland, Hungary, or Czechoslovakia, Romania started the economic transition “from the left” not “from the right.” During the first six years of transition, the primary emphasis was placed on economic reformation by preserving a significant share of state property and creating a national capital, and by transferring property towards citizens and encouraging small businesses. Starting from 1997, under IMF coordination, an aggressive programme on privatization and shut down of incapable industries was put into practice. This resulted in an abrupt economic downfall, triggering hyperinflation and rapid depreciation of the national currency. With the beginning of EU accession negotiations (2000),

economic privatization continued, in the context of eliminating protectionist barriers. As the consequences of privatization, approximately 90% of the banking sector fell under the ownership of foreign capitals, the heavy industry sector was significantly reduced and privatized in favor of foreign companies, the major companies of energy sector came from overseas, and the food industry was also largely taken over by multinational companies.

One of the main problems was the need to educate the population to understand the market economic mechanisms. Individuals were mobilized for entrepreneurship, so that they can fully comprehend the merits and risks of a free market economy.

Creation of productive national capital was a major difficulty, for two main reasons. First of all, it was inconvenient to find less controversial methods for transferring capital from the state into private hands. Several methods such as division of shares, granting right to manage with purchasing priority, fiscal support programmes and so on were attempted to create national private property, but their results were limited and capital accumulation was achieved with great difficulty. Secondly, the mentality of those who wanted to become market economy agents was not oriented towards accumulation and development, but towards opulent consumption or expatriating capitals to the West.³⁴⁾

34) Nicolae Belli, *Tranzitia-mai grea decat un război. Romania: 1990-2000* (Bucharest: Expert, 2000); Andrew R. Thomas, Nicolae Pop and Constantin Bratianu, *The Changing Business Landscape of Romania: Lessons for and from Transition Economies* (New York: Springer, 2013).

Romania is a negative example in what concerns restitution of properties that were nationalized during the communist period. Initially, the general idea was to make small restitutions in kind with some symbolic compensations. However, a newly adopted legislation in 2005 provided *restitutio in integrum*. The contents of *restitutio in integrum* are as follows: ① restitution of goods in kind, including hospitals, schools, and public institutions; ② immediate awarding of financial compensations at the current market price, thus creating a real onerous “restitution Mafia”; ③ compensations by giving shares from various companies in which the state is the shareholder by the “property” fund, but have nothing to do with nationalized properties such as oil companies, electricity, postal service etc. As a consequence, the establishment of national capital with productive roles was additionally burdened, because properties were dispersed or sold to some international speculative companies at ridiculous prices. As an example of corruption, individuals were returned with larger areas of land than the entire territory of Romania.

The failure of property restitution policies had dreadful consequences in Romania’s agriculture. The initial objective of the policies was to give back a limited part of agricultural land to people. However, in 2000, the limit reached fifty hectares, and from 2005 the *restitutio in integrum* principle was applied. As a result, there was a massive re-fragmentation of land properties. Collectivist forms of land labor were abandoned and

due to the lack of agricultural capital, the share of uncultivated land grew. Moreover, property fragmentation determined the disbandment of irrigation systems, increasing the risk of desertification of some plain regions in southern Romania.

Mining industry was most severely affected by the restructuring process. There was a two thirds reduction of jobs compared to 1989, and the number of coal mines being closed substantially increased with a decrease in the energy consumption as industrial activity significantly diminished.

During the communist period, Romania was an important producer and exporter of weapons, but the transition towards market economy, reorientation towards the West, and losing markets from Africa and the Middle East determined a massive reduction of military industry production capacities.

Finally, another aching point for Romanian market economy is the weakness of regulation and control institutions. Regulation on sectors such as energy or communications was carried out and control institutions were created for competition, but their capacity was weak, inefficient, and often corrupt.

(5) The totalitarian past burden. Preparing society for democracy

The most sensitive field of Romanian transition was the totalitarian past management. If in the institutional or the economic field decisions to reform had the appearance of neutrality, discussing collaboration with the communist regime would have been reduced to the political situation of a minority of people. The first such initiative, dating from 1990, was to draw up a lustration law that would include a great deal of people from the party and Securitate apparatus (over 10,000), whose right of acceding into elected public offices was to be banned.³⁵⁾ The initiative especially concerned Ion Iliescu, the president of Romania (1990~1996; 2000~2004). The discussion about lustration extended until 2013, when the Constitutional Court declared the law project unconstitutional. The main problem of failing to use the lustration mechanism in order to create a democratic society was the important number of people that were to be temporarily eliminated from the public life, which determined their strong opposition. Anyway, in Europe, lustration mechanisms are hard to implement as a result of several decisions of the European Court of Human Rights, which did not accept introduction of collective punishments

35) Lavinia Stan, *Transitional Justice in Post-Communist Romania. The Politics of Memory* (Cambridge: Cambridge University Press, 2013); Florin Abraham, "Intre moral si legal: problema responsabilitatii din perspectiva Legii lustratiei in Romania," *Arhivele totalitarismului*, Vol. 68-69, No. 3-4 (2010), pp. 126-140; Kieran Williams and Dennis Deletant, *Security Intelligence Services in New Democracies. The Czech Republic, Slovakia and Romania* (London: Routledge, 2001), pp. 159-262.

based strictly on the criterion of belonging to a certain socio-political group.

Democratization through de-communization in Romania took forms that excluded lustration. The most important project, still ongoing, is the exposure of the Securitate as political police and the access of people to their own tracking file. To this end, in 2000, a special institution titled the National Council for the Study of Securitate Archives was created. This institution acquired over 25km of the former Securitate archives. It is important to mention the fact that not belonging and not collaborating with the Securitate became part of the integrity conditions for acceding to public offices in Romania.

In 2006, the president of Romania (Traian Basescu) officially condemned the communist regime as “illegitimate and criminal,” in an action that was considered to have a political character.

The broader spectrum of politics of memory also includes: ① material compensations for political prisoners and for victims of the 1989 Romanian Revolution; ② various youth educational programmes; ③ multiple totalitarian past research programmes.

In spite of all the efforts from public institutions and civil society to eliminate from collective memory a positive perspective over the communist past, within Romanian society (but the phenomenon is widely spread all over Eastern Europe) persists a strong feeling of nostalgia. Recent opinion polls reveal a percentage of at least 40% of respondents who appreciate positively the communist regime. In fact it is not the dictatorial

dimension of the communist regime which is appreciated, but the socio-economic benefits. People consider that “during communism there was no corruption”, “people wanting a job were immediately offered one,” and “there were no differences between rich and poor; everybody was equal.” Nostalgia towards communism was acknowledged by opinion polls from the very first years of transition, becoming increasingly spread to the extent to which socio-economic difficulties have grown. Unsurprisingly, at the 25th anniversary of the fall of communism, Nicolae Ceausescu is considered by citizens as one of the most important figures of Romania’s history.

(6) Romania’s international policy

After the fall of the Ceausescu regime, Romania’s international policy, taking place in an unstable international context, can be characterized by the word “prudence.”³⁶⁾ For decision-makers in Bucharest it was an obvious fact that the removal of the communist regime from Romania was accepted in Moscow and Washington, but it was not very clear how the new geopolitical borders would be redrawn. To this end, President Ion Iliescu did not want to antagonize the Soviet Union excessively, while it was not clear yet if NATO would extend towards the east.

36) Florin Abraham, *Transformarea României: 1989-2006. Rolul factorilor externi* (București: Institutul Național pentru Studiul Totalitarismului, 2006); Ruxandra Ivan, *La politique étrangère roumaine: 1990~2006* (Bruxelles: Editions de l’Université de Bruxelles, 2009).

Following the dissolution of the USSR, decision-makers of Romania firmly adopted an attitude of quick approaching both towards NATO and the EU. Romania was the first state that joined the “Partnership for Peace” in 1994, a program proposed by the United States for preparing East European countries’ NATO accession.

The Russian Federation often expressed opposition concerning Romania’s accession to NATO, but Romanian diplomacy rejected Moscow’s claims as unacceptable. In fact, Romania accepted the deployment on its territory of some elements from the “Theatre Missile Defence,” in spite of aggressive declaration from some Russian politicians and diplomats.

In conclusion, Romania geopolitically emancipated after the dissolution of the USSR, the situation being facilitated by the fact that Soviet troops had been withdrawn from the territory of the Romanian state as early as 1958.

d. Observation

The moment of dissolution of the North Korean totalitarian regime is difficult to foresee, as it is indissolubly linked with the political and biological existence of a person, Kim Jong-un. Three major unification scenarios can be identified: ① through the acceptance of negotiations by the current North Korean

leadership, or by a power formula related to the latter; ② implosion of the regime, followed by a quick unification; ③ North Korea's military defeat following a military conflict. Among these three main scenario categories, the Romanian Revolution is useful as heuristic element only for the alternative concerning internal collapse of the dictatorial regime.

Taking into account of the very complicated geopolitical equation in which the Korean Peninsula finds itself, the less risky scenario for South Korea is to propose in the discussions with the U.S., China, and the Russian Federation unification by: ① denuclearization of the new state; ② adoption and international recognition of a neutrality statute, implicitly including the withdrawal of the U.S. military bases from the South within a decade.³⁷⁾

Starting from the premise that Korea's unification will be achieved peacefully and the political regime will be a multi-party one, with a market economy system, we identify a set of recommendations giving a strategic character for the transition period:

- Unification must not lead to the idea of winners ("the South") and losers ("the North"), because in such a situation mutual resentments will develop, which could destabilize the Korean nation (North Koreans must not have the feeling they are losers and the South Koreans should not perceive the North

37) Charles Wolf Jr., Norman D. Levin, *Modernizing the North Korean System: Objectives, Method, and Application* (Santa Monica, C.A.: Rand Corporation, 2008), pp. 37~46.

- as an economic and political burden);
- The historical moment of unification will most probably generate the temporary consensualization of the Korean nation. But there is also the risk of a tense political situation if there is no adequate management concerning social expectations. North Korea, in particular, because socio-economic differences are not likely to be reduced in a short period of time. A solution could be the achievement of a “pact of the unified nation,” by which to assume political and social objectives with remote deadlines, for instance, a decade;
 - Following Korea’s unification, a new constitution should be drawn up, which would be approved by referendum by the new state. The new fundamental law will have to give to all Korean citizens the feeling of belonging to a moment of national re-foundation. The procedure of approval by referendum is meant to strengthen the citizens’ feeling of participation to a historical event that will remain in the nation’s collective memory;
 - There should be no quick and total privatization of industry and agriculture from the North in favour of companies from the South. The state should keep its key economic sectors in order to preserve a management oriented not only towards immediate profit but also for unemployment control. The penetration of the South Korean capital in the North’s economy must be achieved gradually in order not to be

- perceived as a form of “capitalist occupation”;
- Privatization in the North must be oriented towards creating an ever broader entrepreneurial class, which would be vitally interested in the existence of a pluralist regime;
 - After unification, there should be broad “economic alphabetization” in the North, by which citizens are prepared to understand how the market economy functions and how they can benefit of its advantages;
 - Restitution of properties confiscated at the beginning of the communist period should be achieved with certain limitations in order not to generate social inequalities and tension. Restitution in kind of dwellings and infields (up to a certain size) should be achieved immediately after unification. A limited compensation system (in terms of duration and amounts) should be built, which would create the feeling of attachment towards the unified state, but which would not generate burdensome economic costs;
 - It is recommended that collective forms of land labour be preserved, simultaneously with the recovery of the property right or even with a new allotment to peasants;
 - Within the unified state a social system should be created, which would offer a safety net for a decent living. Deepening social polarization can weaken the psycho-political foundations of the unified nation, a situation which can degenerate into political extremism;
 - Within the unified Korea there should be no general hunt

against the massive political repression apparatus, but neither should any idea be abandoned concerning holding accountable all those guilty of crimes against humanity. The simultaneous accomplishment of reconciliation of the Korean nation and punishment of those guilty of crimes against humanity is one of the most difficult tasks. An institution must be created that would investigate on the abuses of the repression apparatus members, having a double mission: producing evidence concerning crimes, which would then be submitted to trial through the justice system; ban against serving in political offices for a limited period of five to seven years for regular members of the repression apparatus;

- Conversion of the numerous North Korean military apparatus will be a difficult and expensive process. It is recommended that it is a gradual process, paying increased attention to the situation of officers. Like in Romania, during NATO accession preparation, a system of special pensions and compensations could be introduced for military personnel who are leaving the army earlier. Integration of military personnel in the civil life system must be facilitated by programmes of re-qualification for other jobs;
- Establishment of a professional justice free from influences of various groups should become a real strategic objective. While magistrates enjoy function irrevocability, our recommendation is the following: before being validated

in function, all magistrates should pass through new professional examinations and people responsible of exercising totalitarian power should not be accepted into the judicial system;

- The Workers' Party of Korea should be disbanded as a state structure, its properties being nationalized afterwards and remaining at the disposal of public administration. For the party nomenclature, (mainly members of the Central Committee) there should be a ban of acceding into elected or appointed offices for a limited period of time, which is from 5 to 7 years, as a transitional measure of de-communization. One should not make the mistake of initiating political and media campaigns against all members of the Workers' Party, because they would become hostile to the new state. Also, even against nomenclature members, measures of total exclusion from society should not be taken, but only temporary bans of access to public offices;
- A new electoral legislation should be introduced that would prevent formation of regional parties. The key condition would be that political parties should have members both from the North and the South;
- Media will play an essential role in the process of political and identity reconstruction of the Korean nation. It is essential that media does not become an instrument of some oligarchic or organized crime groups. Mass media should have fully transparent financing sources and the people

involved in criminal activities should not be either directly or by intermediaries from members of media institution boards.

The main conclusion is that the unification process will be difficult, but the political and intellectual elites of the Korean nation must look phenomenon with responsibility, emphasizing the benefits and less inherent difficulties. There is no one “manual” for the unification, but have chosen the most appropriate “chapters” in each historical experience, adapted to political culture of the Korean nation.

3

The Czech and the Slovenia Case

a. Overview

History teaches us that no transition has passed without problems. These are more or less connected to the move from a totalitarian to a democratic system. Germany was the only exception in the 20th century, when the communist German Democratic Republic (DDR) was practically “bought” by its Western neighbor thanks to its economic power. The case of the Korean peninsula might be the same because of the great economic power of the Republic of Korea, but with the difference that the extremely poor and indoctrinated North Korean people had no contact with the democratic world. This is the main difference between the case of DDR and that of North Korea. As a historian and a former diplomat, I would like to present two examples of transition which I am very familiar with. They can be interesting topics for the future unification on the Korean peninsula.

European experiences: the cases of Slovenia and the Czech Republic are interesting from the Korean perspective only in connection with the after-unification because in fact they were an opposite movement—the dissolution of two bigger states.³⁸⁾

Anyways, there are some warnings that can be of great importance for the Korean case as well. It is necessary to be aware of that to avoid in the future some possible troubles that could accompany the unification of the two Koreas. I must admit that I have a limited knowledge of the Korean mentality which can also be a factor accelerating or hindering the process of democratization.

b. Synopsis of the Czech Case

(1) Pre-event

The Czechoslovak people lived for several decades under the communist dictatorship from which they liberated themselves after the Fall of the Berlin Wall. The Czech Republic is today a member of the EU and the NATO with a very normal perspective for the future. The reasons of its destiny can be seen in the historical tradition which accompanied it on its way into the group of European democratic states.

The Czech Republic is a relatively small Central European country with about ten million inhabitants and no access to the sea. In the 19th century it was industrially the most developed part of the Habsburg Empire, with advanced machinery and

38) Because I am dealing with more or less known historical facts, I shall not quote all the literature that is easily accessible on the Internet. Therefore, only some special cases and notions will be given in footnotes. My intention was to bring the historical facts into a new context and emphasize their importance.

iron production. Being part of the Catholic community was much more important in the eastern part of the state, such as Moravia. The western, for instance, Bohemian, part was in some way always closer to the Protestant religion. Between WWI and WWII the foundation of the Czech National Church was based on this tradition. The struggle for greater independence within the Austrian monarchy was connected to the refusal of political and religious pressures from Vienna, the center of the multinational state. A typical problem for the country was the imbalance that existed between its industrial power on the one hand and its political inferiority on the other hand. As regards social and cultural development, the bourgeoisie played an important role in big cities. The Czechs had a long, prosperous history before they came under the Habsburg domination, which happened as late as the first half of the 17th century. This made the people feel proud in the time of foreign rule. The national structure of the present Czech Republic is composed of three big ethnic groups. The Czechs, the so-called Sudeten Germans, and Jews have been living together. This multinational structure of the society inspired economic and cultural progress of the Czech lands, but at the same time it caused many political problems. Between the two world wars ex-Czechoslovakia was one of the most developed and democratic states.³⁹⁾ The first president and the founder of the Czechoslovak state after the

39) Jaroslav Valenta, Emil Voráček, and Josef Harna (eds.), *Československo 1918-1938. Osudy demokracie ve střední Evropě*, Tom 1 and 2 (Praha: Historický ústav, 1999).

collapse of the Austro-Hungarian Empire in 1918, Tomáš Garrigue Masaryk (1850~1937), was reelected several times until 1935, when he abdicated. His follower was his collaborator Dr. Edvard Beneš (1884~1948), who “ruled” the state until the communist revolt in 1948.

An important milestone in the history of Czechoslovakia was the Second World War. Czechoslovakia was well decided to face the Germans and constructed a line of fortifications along the German border. But because the governments of France, Britain, and Italy accepted all of Hitler’s demands in 1938 in Munich, Czechoslovakia remained with no allies. Any revolt against the much bigger German Army would be useless. The same year the Germans established the Protectorate of Bohemia and Moravia. The National Assembly elected a new president, Emil Hacha, who became a tragic figure of Czech history because he was obligated to collaborate with the Germans to save his nation against their brutality. The Germans needed the Czech industrial potential for perfect functioning of their war machinery. The best weapons were produced in the Škoda factory in Pilsen, incorporated by the Germans into the “Reichswerke Hermann Göring,” and Baťa’s factory in Zlin produced shoes for the Wehrmacht. That is why the Czech lands had relatively better living conditions during WWII compared to the past. Effective resistance against the Germans was held by a group of pilots who moved with the Czech government to England. In 1942, President Edvard Beneš sent secretly a small group

of diversionists to Prague to kill German state protector Reinhardt Heydrich. Unfortunately, Heydrich's successor Karl Hermann Frank ordered brutal reprisals. Over 13,000 people were arrested, deported, and imprisoned. The villages of Lidice and Ležáky were burnt down and more than 1,300 people were massacred. Some days before the capitulation of Nazi Germany the vast liberation movement started but was bloodily suffocated by the German army fleeing from its formerly occupied regions in Eastern Europe. The Czechs were liberated by the American and the Russian armies, but because of the agreement in Yalta the state became a part of the Russian influence zone. Before the Communist Revolt of 1948, the Czechoslovak state enjoyed the democratic government of President Beneš for three years. At that time, the Sudeten Germans were forced to abandon the state and their property was confiscated (the so-called Beneš' Decree)—this became a political problem after the end of the communist era.⁴⁰⁾ The mixed Czech-German commission needed many years to resolve this problem which was a serious obstacle in the communication between the two states. The first attempt at liberation from the influence of Soviet Russia was under the communist politician Alexander Dubček (1921~1992). The short period of his government in 1968 called Prague Spring,

40) The most accomplished history about the Czech-German relations in English is: Zdeněk Beneš, Vaclav Kural (eds.), *Facing History. The evolution of Czech - German relations in the Czech provinces, 1848-1949* (Praha: Gallery s.r.o., 2002). For the so-called Beneš' Decree see particularly the chapters The international framework for the transfer of the Sudeten Germans, The implementation of the transfer and The transfer and its legal aspects, pp. 192-271.

came to a rush end through the aggression of the Warsaw Pact armies which occupied the Czechoslovak state. Some months later, in a protest against the Russian annexation, a student name Jan Palach set fire to himself in the center of Prague. His funeral was the last mass demonstration of the democratic movement and it was followed by the so-called and very unpleasant normalization. The year 1968 also marked the beginning of the exodus of many Czechs and Slovaks to the West European countries and the U.S. These people also played an important role after the fall of the Berlin Wall by supporting democratic changes in the Czech Republic. After the communist revolution, the Soviet Russian government installed Gustav Husak (1913~1991) as the president who was only its puppet.

Immediately after 1948, the Communist Party started repressions against its “class enemies,” including farmers, intelligentsia, and the Church. The same Bolshevik practice was followed all over Eastern Europe. Big landowners lost their land and farmers were forced to join cooperatives. At the same time, all industry owners and merchants were imprisoned after fabricated trials which enabled communists to take their property. Clerical personnel were removed from the medical and school system. Children at schools were thought the communist version of history. Politically arranged processes were organized on the Soviet example—in Czechoslovakia the most notorious one was against the Slansky group.⁴¹⁾ All political

41) The trial of anti-state conspiracy was a show trial against the leaders of the Czechoslovak

enemies were sent to jail. Their children were not allowed to study at universities. Political prisoners were sent to the terrible uranium mines in Jachymov in the northwestern part of the Czechoslovak state with extremely inhuman working conditions. Many people who returned from there later died because of cancer. No other political or social group was allowed. It was forbidden to listen to the Radio Free Europe broadcasting news from the democratic world.

With the exception of the very short period of Prague Spring in 1968 it was not easy for the Czechoslovak people to travel abroad. Everybody needed special permissions from the State Bank to buy some foreign currency, but in reality it was the local communist committee that decided which person was allowed to travel and who was not. For the safety reason, a rule was adopted—travel permission will not be offered to all family members at the same time. It was obligatory for people who got money from relatives living in capitalist countries to exchange it for coupons which could be used to buy western imported technical and other products in special stores (Tuzex). This all also supported the flourishing black market with the foreign money.

Communist Party who had declined from the Soviet Communist Party line. In 1952 they were accused of being part of the Trotskyite-Titoite-Zionist conspiracy. The General Secretary of Communist Party of Czechoslovakia Rudolf Slansky and 13 of his collaborators were executed or sentenced to long imprisonment.

(2) Post-event

The Czech Republic was born in 1993 from former Czechoslovakia. Democratic changes were introduced very fast and most radically, because the communist dictatorship was hard. This political change entered history under the name of the Velvet Revolution because it happened without any extreme violence. After the “Perestroika” introduced by Mihail Gorbačov the Czech Communist Party lost support of its Soviet friends and could not resist the democratic will of people. In 1991, the Warsaw Pact was dissolved in Prague and the Czech Republic became a member of the NATO like some other countries which had been under the Soviet rule. The former dissident Vaclav Havel (1936~2011) was elected as the new Czechoslovak president. The state completely moved away from the communist past and started political lustration. There was a bad side to it, too, because the former structures were eliminated from political life only for some time. Since they could use old connections without any problem, they quickly became industrially rich and this enabled them in a few years to reenter the political scene. Already before World War II, the pro-Soviet Communist Party had many supporters among Czech proletariat. After the fall of the Berlin Wall, the Party kept its unreformed program and entered among active political entities in the Czech parliamentary system. Its significance always rises in times of political and economic crises when it is clear that there is

too much corruption among liberal parties. The first new Prime Minister Vaclav Klaus speeded up the transition to the capitalist system by the so-called coupons privatization.⁴²⁾ This turned out to be a “wild grabbing” of properties, because the control organs were not prepared (even in the technical sense), and there was lack of legislative rules which would have created obstacles to criminal activities. Some privileged persons became quickly rich at the cost of others who were not able to adapt so fast to the new system.⁴³⁾ Many discrepancies came out since the new financial elites couldn't properly manage their quickly accumulated property. Big state enterprises went bankrupt or became property of new oligarchs. A special Czech word, “tunelovani (tunneling),” means the criminal practice of the new rich people who bought big state enterprises with high bank loans and guaranteed it with this new property. After announcing bankruptcy the money remained in their pockets and the employees were on the street. The situation of the working class was getting worse as compared to the old times when they were getting small but regular monthly payment, and suddenly many lost their job and were put out on the street without any material basis and future prospects. This was positive for the Communist Party which started getting supporters again. In spite of that,

42) This is the method where the citizens are given or they can buy inexpensively a book of vouchers that represents potential shares in any state owned company.

43) Typical is the case of Viktor Kozeny (he has Czech origin but he is citizen of Irish republic). He was the owner of so called Harvards Investment Funds (which have nothing to do with the American Harvard University) and promised to Czech people extremely high profit for their books of voucher. After he cheated the shareholders of their funds he disappeared to the Bahama Islands where he is inaccessible for the Czech law system.

there was a good percentage of democratic voters who had enough of the communist dogma, which is the reason why until now the Czech Communist Party has not been accepted as member of any political coalition.

Free travelling, flood of Western goods and the possibility of one's own opinion—these are the main outcomes of the democratic transition which put the Czech Republic again among the leading European states. Because it has not accepted the EURO but sticks to its own currency, many believe that in this way they have avoided the ups and downs of the common European currency. As mentioned above, the Czechs are proud of their democratic tradition which dates back to the time of the first democratic Czechoslovak President Tomáš Garrigue Masaryk. It was not allowed to mention tradition during the communist time. President Vaclav Havel, in spite of some controversies concerning his personality, is still regarded as the true follower of T. G. Masaryk and represents the symbol of democracy. His fame is often more influential abroad than at home. Havel came from the art scene, which is why many of his theatre friends entered politics later on. But most of them quickly understood that politics is something else than the stage. The situation in the country was step by step “cleaned up” and the Czech Republic was becoming slowly a normal European state with advantages and disadvantages of the contemporary democracy. The independence of court system essentially contributed to this as well. Also the level of corruption in the

repressive bodies of the society is not extremely high. This inspires confidence in majority of the population. If we look at the situation of mass media, after 1989 the media in Czechoslovakia was flourishing and many new free entities appeared. This also had an impact on the former communist newspaper Rude Pravo (now Pravo) which became more objective in its leftist statements. The flow of new investments and the creation of international joint ventures (among which underlined should be the cooperation of the Czech car factory Škoda with the German Volkswagen) brought the Czech Republic closer to its neighbors in Europe, and today it is the best example of a successful transition (along with Poland) among all ex-communist countries of the so-called “Eastern Block.” That’s also why the present economic depression has not so disastrous consequences in the Czech Republic as in some other European countries.

c. Analysis of the Czech Case

The biggest obstacle in transition efforts in the Czech Republic is in some way still the “socialist way of thinking” of a big part of the population, which is the result of more than half a century of indoctrination from the Communist Party. This kills individual initiatives and brings misleading sentiments of social security and justice to all. People enjoy freedom of

expression and the possibility of travelling to the West but want as well the guaranty of their salaries and social security. Both cannot be achieved simultaneously, which causes dissatisfaction among people. Indoctrination with socialist thinking will also be a big problem in the case of the future Korean unification. This must be taken seriously into account.

What is the so-called “socialist way of thinking” in reality? With this word we denote the complex way of thinking of the people living in the socialist political system with all its social and working habits. The essence is the official propaganda of “human and democratic heaven” inside of a real communist Gulag. People have to believe that the system they live in is the only one possible and the best one on our planet. The creators try in this way to destroy personal initiative of the citizens and at the same time to prevent interest to improve anything. Because of the dogma the state machinery is holy and must remain intact. Since there is no progress in such an environment, also the level of living constantly declines. After the change to democracy, as the cases of the Czech Republic and Slovenia show, this indoctrinated people are unable to adapt themselves fast to the new system. One of the corner stones of the socialist doctrine is also the persuasion that only the leaders take the responsibility for the whole nation. That is why the indoctrinated people can later hardly understand the functioning and importance of the parliamentary system. The roots of the “socialist way of thinking” are very deeply anchored in the human

brain and connected with certain nostalgia for the old times when people were also young and everybody had work. For a long time it is also active in the sub consciousness, even when people are convinced that they had left behind all the baggage of the former socialist system. Because of the complexity of this thinking, it is not easy to eliminate it. It takes a long time to educate people and change them, but you must know that you can never change the opinion of older persons, especially if they had some higher position in the old regime. Paradoxically, some older people who suffered during the communist time are not able in the long term to switch completely to the democratic way. As said before, the “socialist way of thinking” is extremely stubborn and can appear in some pervert form also many years after you think there is no more trace of it at all. Also all the advantages of democracy, such as freedom, travelling, possibility of developing personal talents, etc. do not help much if people lose their material living conditions and basis for their existence and faith in the future, especially during some economic depressions which can occur also in capitalist system.

d. Synopsis of the Slovenian Case

(1) Pre-event

The relatively small Central European country of Slovenia also lived for several decades under the communist dictatorship from which it liberated itself after the fall of the Berlin Wall. At the beginning of 1990s Slovenia seceded from former Yugoslavia.

Slovenia with 2 million inhabitants is one of the smallest countries in Europe. Geographically it represents Europe on a small scale—it has mountains, sea and fertile land. But it has no natural resources such as oil or minerals. The only exceptions are brown coal mines of a low quality. Slovenia entered the 20th century mainly as an agricultural and industrially less developed country. For long centuries, it was one of the most conservative parts of the Habsburg Empire (Austrian) with mainly Catholic ideology. The Slovenians had never had their own state and they accepted the Habsburg ruler as their own. In Slovenia, German language was widespread among the bourgeoisie and the aristocracy, although the Slovenians had Slavic roots. In the 19th century many Slovenians took German as a symbol of “higher” culture. After the end of WWI and collapse of the Habsburg Empire, Slovenia became part of the Kingdom of Serbs, Croats and Slovenes which, after the shooting in Belgrader Parliament in 1928, with the new imposed constitution issued by King Aleksander Karađorđević a year later

was denominated as Yugoslavia. Characteristic of this state was eternal antagonism between the largest ethnical groups, the Serbs and the Croats. The Slovenes mostly took the Serbian side. From all political parties the conservative People's Party had absolute majority until World War II.

An important milestone in the history of Slovenia was World War II. In 1941 the territory was occupied and divided by the Germans (northern part) and the Italians (southern and western part). The small territory on the left side of the Mura river also went to Hungary. In Slovenia, the monopoly of fight against the Nazi occupation was "picked up" by the Communist Party of Yugoslavia which undertook revolution of the Bolshevik type in the first place. That's why the regular Yugoslav army, loyal to the king and the exile government in London, was also attacked by the communists. At the beginning, the western allies supported it but because of the communist propaganda and tendentious reports sent to London by secret communist members of British intelligence service in Egypt, the allies changed the side and started to support Tito's partisans. Before the German attack on the Soviet Union (June 22, 1941) communists were Hitler's allies and hurried especially with the liquidation of their potential political enemies from bourgeoisie and Catholic politicians. Their terror intensified during the war so much that those who were against communism started to organize themselves as "Vaškestraže"⁴⁴⁾ which later, in 1943,

44) Vaškestraže or Village guards were organized in 1942 as an anticommunist half military

after the capitulation of Italy and German occupation of entire Slovenia changed into militia (Domobranci). Wanting or not they had to cooperate with the invaders in order to get weapons and fight against communists in hope to get after the war to the allies. This divided Slovenian society into two groups and it still has fatal influence on today's development of Slovenia.

During and after WWII, the victorious Communist Party killed several tens of thousands of Slovenian patriots. Today, we can identify in Slovenia more than 600 mass graves. This is in the whole of Europe the highest blood tax which was paid by the Slovenians. In contrast to the development in Czechoslovakia, in Yugoslavia the Red Army had to leave the country which was mainly liberated by Tito's partisans. In 1948, Tito and Stalin had a big dispute and this controversy resulted in the beginning of the independence of Yugoslavia and the policy of balancing between the interests of the West and the East. This was enabled by Yugoslavia's geostrategic position—Russia's interest to get access to the Mediterranean Sea and the efforts of the U.S. to block it. In spite of that, the communist regime acted without compromise against all potential critics and enemies. Politically arranged processes were organized after Soviet examples—in Slovenia the judgments of the liberal bourgeoisie group of Eng. Črtomir Nagode⁴⁵⁾ and later a big

organization on the territory of Slovenia occupied by Italy.

45) After the WWII Eng. Nagode sought to restore the liberal party and drew attention to the violations of human rights in Slovenia. He was accused of treason and attempt to destroy the Yugoslav political system. He was arrested in 1947 with other leading members of the party and charged with being a spy and agent of the imperial powers and sentenced to death.

cleaning against pro-Russian members of the Communist Party, the so-called Dachau process.⁴⁶⁾ Here, the communists judged their own members who followed the original line of Yugo-Soviet friendship and sent them to concentration camp at Goli Island where the cruel system was even more terrible than the Nazi one. The Slovenian Communist Party began to indoctrinate people with its own interpretation of history which today's leftist Slovenian politicians still stick to.

To make clear, today's situation in Slovenia I would like to go back into history and find true reasons of how it was possible that the communists could and can cheat people? Right after WWII, the Communist Party of Slovenia started repressions against its "class enemies" (farmers, Church). The same Bolshevik practice as in Czechoslovakia was undertaken also in Slovenia. Big landowners lost their land and farmers were forced to join cooperatives. At the same time, all owners of industry and merchants were imprisoned after trials which enabled the communists to take their property. The same

46) This is the name of ten politically motivated processes between 1948 and 1949. The Yugoslav communists who after WWII returned alive from the German Concentration Camp Dachau were accused to have been collaborators of the Nazis and sentenced to the prison on the Goli Island in the Adriatic Sea. One of the reasons of prosecution was also catastrophic condition in some factories because of lack of skilled workers and uneducated communist leadership which took command after the nationalization and imprisonment of the old owners. The Communist Party didn't want to recognize that the new working class was not able to manage the factories. It accused some new directors of bad management once it accidentally found out that many of them were imprisoned during WWII in the Concentration Camp Dachau. A very stupid argument used against these people was also the fact that it was the American Army which liberated this Concentration Camp and could get access to its archives where the ex-prisoners could be registered as cooperators with the Nazis and therefore they could be blackmailed.

measures were taken against the majoritarian Catholic Church, from which many priests were taken into prison and later on forced to enter the “Cyril-Methodius Society,” controlled by the communists.⁴⁷⁾ The peak was the ignition of Bishop Anton Vovk during his visit to Novo mesto in 1952, when the communists hesitated to medically threaten him. Clerical personnel were taken from medical and school system. Children at schools were taught the communist version of history. Even today, if some historians want to find out a historical truth, they would still have problems and likely to be called revisionists. The fact that many cultural heritage sights connected to the Church and aristocracy were destroyed is also clear. It was important for the Communist Party to take out national identity from people and change them to proletariat which would depend on it.

In the 1960s, Yugoslavia underwent a step-by-step liberalization. Because there were many foreign loans which Tito received from Russia and the U.S., living standard was going up. In other words, the state lived above its real possibilities. But most of the Slovenian population is not ready to understand this today and remembers communism with nostalgia. The Communist Party allowed making wealth also by not respecting the laws. This is to keep people in check, in case they would like to liberate themselves from its “hug.”

47) The Cyril-Methodius Society was established by the Slovenian communists shortly after WWII with the goal to cut the clergy from Vatican and make possible the appointment of bishops who were loyal to the government. At the same time the communists restricted drastically the activities of the Catholic Church in public life.

Chiefs of the Slovenian communists knew that they couldn't combat forever. Their children were sent to foreign studies through scholarship programs to the U.S. and Western Europe. They also supported the anarchist group of rock musicians Laibach who under the ideas of philosopher Slavoj Žižek started a campaign against bourgeoisie culture and its values.⁴⁸⁾ After the death of President Tito, presumably in May 1980, since his precise birth nor the death date is unclear, the time of recession came. Yugoslavia had to hire foreign specialists whose role was to find out how deep in debt the country was. New loans were not realized since it came out that the geopolitical location of Yugoslavia was not anymore so important. Political leadership changed from one republican leader to another, and the first signs of collapse of the multinational state could be seen. The Serbian academy of science and art demonstrated the idea of big Serbia which should be applied everywhere where a Serb was living (the so-called Memorandum SANU, 1986). The author of this idea was writer and politician Dobrica Ćosić. This was convenient for Serbian president Slobodan Milošević who began the campaign of national hate in areas which were nationally mixed (Kosovo, Bosnia, Croatia). This movement was called "Yogurt Revolution," since the Serbs were offering yogurt to participants of propaganda meetings. Milošević needed money for military actions in Yugoslavia. He stole the money from

48) His books were translated also to Korean language and sold in ROK as example of prominent part of European philosophy but in reality they represent the hardcore variant of communist doctrine.

the National Bank of Yugoslavia which kept resources of all former federal republics. In 1991, a bloody war inside Yugoslavia started, Slovenia took part in it only at the beginning. In 10 days, around 60 people died on both sides. But the aim of the Serbian aggression was mainly in the South.

(2) Post-event

Like in Czechoslovakia also in Slovenia, the transition to the capitalist system was organized by the so-called coupons privatization with very similar results (as Poland also Slovenia engaged American economist Jeffrey Sachs as advisor). The only difference was that the communists, although they were no more officially ruling the state, still had their people on all important positions in the state administration. Supporting each other they became wealthy and they started to buy big state enterprises. Similar to the Czech Republic they also received lots of money in the form of bank loans which they guaranteed by the factories bought with the borrowed money. After financially exhausting this new property, they declared bankruptcy. The money was sent to some financial oasis outside Slovenia. As mentioned above this was allowed only to the leftish people and it has very bad consequences for the whole process of the democratization in Slovenia.

Slovenian Communists prepared themselves in the right time; many years before the Fall of the Berlin Wall they opened banks

and factories abroad through which they were moving money. It is not clear how much money is somewhere else but it is a big amount through which the communists finance even today the activities against political enemies and they secure their big positions in the industry and politics. Two years before the Fall of the Berlin Wall the Yugoslavian army with the help of Slovenian communists moved against a group of more liberal young politicians concentrated around the newspaper Mladina. They handed them some secret documents and subsequently accused them of high treason. The process against the quaternion Janez Janša, Ivan Borštner, David Tasić and Franci Zavrl, known as Process against JBTZ, provoked mass demonstrations in support of this group and meant the beginning of the independence movement. During the referendum in 1990, 88.2% of the Slovenians voted for the independence from Yugoslavia. In 1991, under the leadership of Jože Pučnik a new Union of rightest politicians called Demos was formed which won the first free elections the same year. The communists kept quiet for some time and several times changed the name of their party (Zvezakomunistov - Strankademokratičneprenove, from 1993 Združenalistasocialnedemokracije, today Socialnodemokratskastranka Slovenije or in English Social Democratic Party of Slovenia). Because Demos included politicians of different profile and without political experience, it disappeared very quickly and it was followed by many left oriented governments with support of some rightest parties.

To minimize the influence of the democratic forces the communists tried to create more regional parties which didn't play a more important role. More votes went only to the nationalistic party of Zmago Jelinčič who during the communist era cooperated with secret police and that is why he was under the communist control. Since popular speaker Ivan Kramberger represented a threat to political ambitions of Milan Kučan (ex-leader of Slovenian communists), he was killed in a staged accident.

Basic mistake of Demos was the fact that they declared themselves as non revanchist; they did not make the lustration and did not fix the state border with Croatia. This is still today the main problem between these two republics of ex-Yugoslavia. The property of former Yugoslavia is after nearly a quarter of century still not completely divided. The main Slovenian bank institution Ljubljanskabank kept the savings of its branch offices in Croatia and Bosnia and Hercegovina and blocked them. It changed its name to Nova Ljubljanskabanka (New bank of Ljubljana) in the hope that this problem would be solved with the negotiations of the succession of the former common state. This trickery was not recognized by the European Human Rights Court in Strasbourg and Slovenia still has to pay this kind of savings with interests and can't block them. The second big financial problem of today which nearly bankrupted Slovenia is the situation of the emigrants from former Yugoslav republics, who haven't applied for their Slovenian citizenship in the right

time. Many of them tried to go home first but they have returned because of the much better living conditions in Slovenia. All the leftish governments needed their votes, so they promised them to pay money with the interests compensating all the time they remained without a legal status. This decision was also confirmed by the European Human Rights Court.

The new politicians thought that they could use the methods as former Communist Party which turned out to be faux pas. The head of Demos government Lojze Peterle was the victim of this. All the important political and industrial posts were taken by the old people who were the obstacle to the democracy in Slovenia. The most dangerous person for the former communists was Janez Janša who succeeded Pučnik in the leadership of Slovenian Democratic Party. During his term as the Defense Minister the communists organized a complot against him which took away his ministerial post. This event was called “Depala vas” according to the place where it happened.⁴⁹⁾ The communists organized against him many court cases accusing him of the illegal weapons trading, but such activity has never been proved.

If we look at the situation of the media, in Slovenia there existed one democratic newspaper Slovenec (1991~1996) which was soon blocked by the communists. They made obstacles for its distribution. Even its follower had much shorter life. The

49) Depala vas was a political motivated scandal in 1994 when the military police arrested a secret double agent and police collaborator Milan Smolnikar who was presented to the public to be only a simple civilian.

radio and the television got some democratic directors but all reporters were old and any changes were impossible. The faculty of social sciences (where mainly marxistic professors were teaching) had monopoly on the supply of the journalists. The democratic forces could only print the church magazine *Družina* and the weekly *Reporter and Demokracija*—the last magazine of Janša's party. This way the left politicians can manipulate the people who have no other sources of information. Also the private commercial TV stations are more or less in the hands of the communists. The same situation is in the courts and the police where the old indoctrinated people are still functioning.

Currently there are pressures against the Catholic Church which has the majority of the believers in Slovenia. The media publishes articles against the activities of the catholic priests in the army and supports conflicts within church. A very popular accusation spreaded by the media is that the majority of the catholic priests is pedophiles, even if there is the evidence of only few such cases. With partial help of the communists the bishopric in Maribor got into financial problems, it owns to believers 800 million EUR. This fact was connected to the general economic depression and the naivety of the clerical bankers. It is one of the main arguments for the attacks on the church as the institution. The attacks come on the private schools as well, the schools which are mostly operating under the umbrella of the Catholic Church. Although Slovenia is the member of

EU and NATO, its foreign politics is more or less the same as in former Yugoslavia: to spit on the U.S., to support the friendship with Russia and the Arab states (during the communist time many Arab terrorists were trained in Yugoslavia) and to disrespect the Jewish. In 2009, Slovenia signed agreement with Russian Gazprom on the construction of South stream across its territory, something not agreed with Bruxelles.

The beginning of the world economic crisis gave a new impulse to the leftist Slovenian policy. By supporting the violent demonstrations in two biggest cities Maribor and Ljubljana the communists were trying to bring new unrest among people. This reminds us of the methods used by Hitler to get into the power. All left oriented governments in Slovenia were a puppet of ex-president and ex-communist leader Milan Kučan who united his supporters in the unofficial Forum 21. His members were the top left officials, industrial magnates and cultural activists. With the help of Kučan and Janez Zemljarič (ex-chief of the security police) and some other communists more than 55 billion EUR (as estimated) was moved to some private accounts abroad which brought Slovenia to the path of the bankruptcy. So, once the best newcomer to the European Union changed into one of the worse ones. That is why the sanitation of banks using the money of the tax payers was often times necessary. Ljubljana mayor Zoran Janković came out from Milan Kučan's group functions as a mafia man. His specialty is trading

with the municipal grounds which after moving to the new owners get a higher value as building grounds. During his mandate the debt of the municipality rose to more than 800 EUR per capita. Big drug traders such as Dragan Tosić and Mihael Karner, who are on the list of the Office of the fight against drugs in the U.S. (which looks for the narcotics dealers) can move in Slovenia freely because Slovenian court does not accept the American and Serbian evidence.

Because the economy and the morality were destroyed, the unemployment became high and many young intellectuals immigrated to other countries. In some parts of Slovenia the unemployment of the youth rose from last to this year to 100%. This was the reason that also leftist Slovenian politicians got into problems. Their recent rule has put the state into an enormous debt. The government did not want to be controlled by the European bureaucracy so instead of accepting a loan with smaller interest rate from the European bank of reconstruction and development, it used other channels with high interest rate of six or more percent. In such a manner, a big part of stolen money came back to the country. To find an excuse to the public, it was said that this will prevent lost of the sovereignty of Slovenia to the European interference. Debt per head is approximately 14,000 EUR. Slovenia, whose annual budget is approximately 9 billion EUR, must pay almost 1 billion EUR yearly just for loan interests. Therefore, the communists are afraid to leave the power and they tried to

save themselves by creating many new leftish parties which called for the democracy only from outside.

Their main enemy remains Janez Janša against whom they concentrated all their activities. In 2008, they destroyed his government through scandal Patria. During that time the Finnish made armored vehicles Patria were bought for the Slovenian army. A Slovenian company in the hands of communists had interest to take part in this deal but did not receive it. They bribed a Finnish journalist Magnus Berglund who helped to accuse Janša of taking some bribe. The following investigation showed that it was not him but another person from Croatia, but he was nevertheless judged by the court to be imprisoned and recently the Highest Court confirmed his accusations. This legal decision is very unusual because the court of justice in Finland closed the trial against the Patria firm leader with the statement that there was no bribing whatsoever. All was connected to the time of European and Slovenian parliamentary elections and the necessity to reach the effect of the discretization which was indeed realized. The accusation merely had a political significance and the verdict was soon to be annulled since the suspicion of corruption was without any evidence. But the psychological effect was reached and the leader of the main opposition party was eliminated from running for elections. Janša became the first political prisoner in the EU. The Supreme Court currently delays his final verdict because the communists are waiting until the new government is approved—it must be

decided whether he can continue his position as the parliamentary deputy. With the largest number of votes he is so far attending the parliamentary sessions from the jail (being transported for each of them from the prison).

75% of the Slovenian population has no more confidence in the court system. The leadership of the High Court and the State Attorney were nominated by one of the leftish governments; this people were not respecting the human rights during the communist period. The fact that the person nominated as former Defense Minister was somebody who was against the Slovenian independence (and independence of the Slovenian Army) looks like a joke. Tone Krkovič, the man who in reality liberated Slovenia from the Yugoslav Army, was treated as Janša—without any proof sent to the jail.

The Slovenian communist left politicians fight against the democratic changes also in another way. After the declaration of the independence of Slovenia about 80% of the archives of the State Security office were destroyed in order to prevent any compromise of their former collaborators. For example, in Germany, after the unification only 5% of the archives was destroyed. Besides that different changes of the archive laws were initiated to prevent the access to the information left. This is different in the Czech Republic where the archives of the former secret police were not destroyed and they are accessible to everyone. The important blue prints of compromising documents are still preserved in the former State archive in

Belgrade. Therefore, the Slovenian communists strive to have good relations with the leading politicians in Serbia to prevent that their archives would be opened to the public. Because during Yugoslavian time Slovenia, as the most developed among ex-republics, received many immigrants from Bosnia, Croatia and Serbia, leftist governments always preferred their culture to the Slovenian one. Two years ago, during the celebration of the Day of the Liberation, the date is uncertain, the government officials including the prime minister sang the communist songs and made fun of the European Union. Only the flags of former Yugoslavia were shown with no EU flags. European People's Party sent to Slovenia its observers who prepared a special resolution describing non democratic practices of the Slovenian leadership but the Slovenian politicians took this act as unacceptable since according to them, it was a matter of internal affairs.

One of the main arguments against the communism after WWII is the existence of the mass graves. As mentioned above, there are approximately 600 of them and almost each day new ones are being identified. At the end of WWII, people who were against communism tried to flee from the partisans to Austria but they were sent back by Englishmen, which means back to the communism that executed them. Now the communists try to minimize their guilt by accusing the military forces of the other former republics for this crime. This way, Slovenia remains the only country in the world where WWII hasn't completely

finished and the forgiveness couldn't take place. Each time when a monument for the victims is raised, the media publishes many protests. That is why Slovenia can't properly advance and stays beyond other EU members. In 2007, Slovenia accepted the European currency EURO which is the only saver against the uncontrolled inflation. Slovenia is one of the smallest members of the EU which doesn't play any important role on the political map of Europe, seldom somebody gets interested in its happenings which enable all above mentioned anomalies. That is why also some European states started to move their Embassies from Slovenia to much bigger Croatia.

e. Analysis of Slovenian Cases

Also in Slovenia the mentioned "socialist way of thinking" represents the big problem and the challenge on the way to the democracy. In the mid of July of this year there were the parliamentary elections. The leftish parties under the guidance of the communists completely defeated the right wing of parliamentarians and they got the large majority which could allow them to change the constitution. With the confession of some new minorities consisting of the emigrants coming from former Yugoslav republics, the communists can secure its parliamentary supremacy also for the long future.

How was this possible? There were many things carefully

planned by the communists many years ago. It was not only the fact that they imprisoned the leader of the biggest opposition party just three weeks before the elections but also the strong electoral campaign in which the media played a decisive role. We are the witnesses of some very efficient methods of the propaganda. Paradoxically, some specialists on the opinion making from the U.S. were hired. They were experts on the tactics how to win the elections. The most successful statement was that “all politicians are equally corrupt.” Many people standing on the political right side believed so, since there were some politicians who didn’t perform their duty. Hence, disappointed from the actual politics, the public decided not to take part in voting. This was not the case of the leftish voters who went in large numbers to the polls. Another reason was that the communists just after the Fall of the Berlin Wall infiltrated their own members into all political parties in order to wait and not to be much visible. The consequence was that the non-communist parties, with almost the same program, started to compete between themselves for the primacy and they didn’t unite themselves into one common political bloc. As mentioned above the communists also founded many different political parties which seemed to be democratic but in reality they were not. This method confuses the population and takes away many of the voters who would normally vote for the democratic parties. The communists also took advantage of the spread of the public persuasion that the moral decline

of the country must stop. For the candidate, they chose a young lawyer who had no political experience before, but was a popular lecturer of “morality.” The media catapulted him as a star and finally he won the elections with a large assault. His party has no program and no personnel structure. Anything like this is possible only in the country without democratic traditions. Most of his party members come from former leftist parties which were organized also only for the elections. His life is therefore limited to one election period. With this man many new people without any parliamentary experiences come to the parliament which means that they will be listening to the communists who made this job possible for them. The election threshold for the Slovenian parliament is as low as 4%, which allows many parties to enter. The communists insisted on this because they knew that any other voting reform would not be favorable for them. Big part of success of the leftist parties goes also to the justice which is strongly in the hands of former communist judges. These people make it possible that the journalists can write all the time during the electoral campaign about the corruption of the main opposition democratic party. To influence the public opinion is possible also with huge number of different organizations, institutions, committees and trade unions which mostly haven't big importance but they are working under the pretext of the expanding the democratic system. In all these institutions the leftist people are in the leading positions. The task of trade unions was to block all the reforms planed by

the democratic parties. The new political situation in Slovenia is not favorable to the recommendation of the EU. The extreme left party is even against the membership in this organization which suggested many necessary reforms in the social and economic politics of Slovenia. The state is still in debt with many big enterprises. Because of the populist campaign led by the communists all must remain in the hands of Slovenian people and couldn't be sold to the foreigners. As says opinion of many known economists this is clear signal that the state will be bankrupt in very near future. One of the former Yugoslav communist leaders once said that if the economic situation gets worse it is better for the communist party.

f. Implications for Korea

(1) Pre-unifying Process

As mentioned above, the situation in Europe was different and the transition to the democratic order came much unexpectedly with the decline of the Soviet Union and the consecutive Fall of the Berlin Wall. The Slovenian communists had more realistic view on the situation and were better prepared for the political change than their Czech colleagues who until the end believed into the eternal power of their Soviet allies. I do not believe that North Korea would choose an economic reform process that would be dependent on South Korea's

government without a massive pressure from the changed political situation of the neighboring countries. This can happen only when its economy completely bankrupts. In the case of Europe, this was Ronald Reagan's economical politics against the Soviets who were not able to compete with the more effective capitalist system. My personal opinion is that the process of the unification is unpredictable and nobody can say when it will happen. It can happen sooner as we think, but for this some conditions outside of the Korean Peninsula are necessary. The inner revolution in North Korea which can announce the end of the communist regime mainly depends on the political changes of the world political players, in the first line of China. Also the U.S. is not really supporting the changes on the Korean Peninsula, because they don't want to have direct contact with the communist China and the situation of tampon state in between is favorable in today's situation. The market economy will sooner or later bring China to the real capitalist world and the communist party will loose its primacy. This can be the moment that North Korea will loose its only political ally and the supporter. This would bring the country to the shortage of the elementary goods and cause a chaotic situation in the state. Now only a very limited number of persons in North Korea have access to internet, but the process of globalization started also on the other side of the South Korean border and North Koreans will slowly get more and more information about the official lies which are dispersed by the governmental media.

The militarization of North Korea and its nuclear missiles have not big importance for the future because they are serving to the principle of making pressure on the democratic states like Japan and the U.S. but in reality as South Koreans believe the war on the Korean Peninsula would bring the end for the North Korean regime and its authorities, it wouldn't cause the global conflict as Pyongyang says.

(2) Unifying Process

Both examined examples of the transition of the Czech Republic and Slovenia can be seen as a warning of difficulties and problems for the possible future Korean unification. Especially the case of Slovenia is alarming and educational. In any case it should not be underestimated that in North there are three generations living, they grew along with the communist propaganda and have no experience with the market economy in the democratic states. First effect of the unification will be a big enthusiasm on both sides but sooner or later the sobering will come. That will be caused by the dissatisfaction with the elimination of some “social privileges” of North Korean society. We should not forget the state employees, the army, the police and the party members who will loose their positions and will wait only for the right moment to come back. Experience from Europe gives the edification of the possible bigger unrest which must be suppressed by the new leadership where mainly former South Koreans soldiers

and policemen would take part. The biggest obstacle in transition effort is the above mentioned “socialist way of thinking” of big part of the population which is the result of more than a half of century of the indoctrination from the Communist Party. This kills the individual initiatives and brings misleading sentiments of the social security and the justice to all.

The integration of North Korean people will be very difficult and time consuming and financially demanding. The North Korean industry which is technologically backward and ecologically unacceptable will demand financial injections. The common industrial complex Kaesong will have to play an important role at the beginning of the restructuralization. The most important obstacles will be as mentioned above the ideas and the thinking of population. It is not exaggerated if I say that only second or third generations of North Koreans will be democratically thinking. The Czech and Slovenian experiences show that old customs of the undemocratic and corrupted leadership of the state remain hidden under the umbrella of the democracy and in the crisis time they appear again in a new and inexplicable form. It is not too much to say that the communists will try to organize themselves secretly and form parallel government like in Slovenia and they will wait for the moment of the general unsatisfaction of the population whose source will be also the massive nomination of South Koreans to the important posts in North (since there will be not enough educated and uncompromised North Korean personnel). The

transition is connected also to the psychological method of Sigmund Freud. The state must be prepared to stand the wave of the different happenings and not to be surprised. The transition is not only an economic and social problem but also a psychological matter. One of the problems which will appear with the unification is the question what to do with the large number of the monuments dedicated to the North Korean dictators and their buildings. It will be quite impossible to destroy all the legacy of the unpleasant historical period. This act will move also a lot of different sentiments. In the Czech Republic the government acted very radically and removed all the symbols of the former communist regime and renamed all the streets which were dedicated to the former communist dictators. In contrast, Slovenia is still present all the typical marks that show the continuity of the old regime.

g. Observation

There are two important things in the process of Korean unification: the lustration of the former leading elites and their isolation from their financial resources which may be hidden also in the foreign countries. It is undoubtedly that this kind of people could faster come to the important positions in the unified Korea because of their better experiences and connections. The examples of the Czech Republic and Slovenia show that the

communists can very easily (without any moral sentiments) change to be “democrats.” This would provoke a big disappointment among the “ordinary” people who have suffered under the former regime and also the disappointment with the unified state. The nostalgic remembrance of the former North Korea could be the most important obstacle on the way to the democracy. People forget very easily all the advantages of the new democratic regime and tend to look back to the old one. This situation is comparable to the lion in a cage which is set to be free but after some time returns back to the cage where he regularly gets his food. The communists will try to destroy the archives of their secret police. This must be prevented because the experiences made in former German Democratic Republic and the Czech Republic show that it is very important to make people know who was denouncing during the communist period. The result of this was not the vengeance, as it was commonly expected, but the reconciliation between the victims and their executioners. The big disappointment in Europe was also when people realized that the U.S. in reality made business with the former communists who had all connections in their hands and supported only verbally the partisans of democratic changes in the former communist countries. They realized that the logic of money is different from the bright ideas of the democracy. At last, it is important to have in mind that also the young generation in South Korea changed and its thinking is different from the ideas of people who lived through the Korean War.

4 The Ukrainian Case

a. Overview

North Korea has been accelerating its nuclear disarmament while carrying out economic construction at the same time. However, the prolonged economic downturn has been casting a dark cloud over the future of its regime and system. Under these circumstances, a peaceful South Korean-led unification followed by the North's system transformation, for instance, reformation and open-up policy, is considered the most desirable unification scenario for South Korea.

During the late 1980s and the early 90s, socialist states which went through system transformation had been the frequent subject of numerous domestic and foreign research. After the system transformation, these countries had undergone a lot of changes; the fifteen Soviet Socialist Republics declared independence from the Soviet Union, while the twelve post-Soviet states except for the Baltic States formed a loose association of states, the Commonwealth of Independent States (CIS). Nevertheless, the previous study on system transformation has been confined to the Russian Federation's system transformation as a result of the collapse of the Soviet Union.

In Ukraine, the political and economic unrest have gripped the country since the system transformation in the wake of the Orange Revolution in 2004, the Financial Crisis in 2008~2009, and the recent impeachment of the Ukrainian president in 2014. Furthermore, its relations with Russia has worsened since Russia annexed the Crimea.

Against this backdrop, this study conducts a case study in Ukraine, the former Soviet Socialist Republic, in order to suggest some implications for the Korean Peninsula. For this purpose, latter part sketches out the overview of Ukraine's system transformation before and after its declaration of independence on August 24, 1991. The transformation process is analyzed from both general and specific perspectives. Additionally, this paper classifies the implications for the Korean Peninsula into two categories: first, prior to the unification and second, on the unification process of Korea.

Ukraine is located next to the southwest border of Russia, its capital being Kiev. It is one of the largest countries in Europe, neighboring seven countries—Russia, Belarus, Poland, Slovakia, Hungary, Romania, and Moldova. Ukraine holds the major portion of the plains of Eastern Europe. It has an area of 603,628km², two times larger than the Korean Peninsula. The country is home to 45,410,071 people, which has been greatly reduced from its original population of 51,839,000 in 1990. The ethnic group distribution of Ukraine in 1989 is shown below. (See Table 2)

Table 2 Ethnic Distribution of the Ukrainian Soviet Socialist Republic

Ethnic Group	Population	Rate(%)
Ukrainian	37,400,000	72.7
Russian	11,400,000	22.1
Jew	486,000	1.0
Belarusian	440,000	0.9
Moldavian	325,000	0.6
Bulgarian	230,000	0.4
Polish	220,000	0.4
Hungarian	163,000	0.3
Romanian	135,000	0.3
Crimean Tatar	47,000	0.1

Note: In 2001, the Jewish population decreased to 104,000 and the Crimean Tatar population increased to 248,000.

Source: Volodymyr Kulyk, "Nationalisms in Ukraine, 1986-1996," Egbert Jahn (eds.), *Nationalism in Late and Post-Communist Europe*, Vol. 2 (Baden-Baden: Nomos, 2009), p. 99.

Ukraine has a very brief history of being an independent state since it had been divided for centuries. The country's national consciousness could not have been aroused because of denationalization of Ukrainian elites and suppressions from the Russian Empire after the late 18th century. Although some nationalistic movements were spurred by the Narodniks (populist intellectuals) through the late 19th to the early 20th centuries, its impact on major cities and villages of the country was insignificant. The Ukrainian People's Republic, which was declared by nationalistic parties, had failed because of the military intervention of the Bolsheviks, weak nationalistic movements through 1917~1920, and the Ukrainian leaders' indulgence to the idealism. The Bolsheviks' victory was possible

through the perfunctory approval of the Ukrainian Soviet Socialist Republic (Ukrainian SSR).⁵⁰⁾

In 1922, the Ukrainian Soviet Republic established the Soviet Union with the Russian Socialist Federative Republic, the Byelorussian Soviet Socialist Republic, and the Transcaucasian Socialist Federative Soviet Republic. After 68 years of the Soviet's rule, Ukraine proclaimed the declaration of sovereignty on July 16, 1990, in the middle of glasnost and perestroika under Mikhail Gorbachev, and the declaration of Independence on August 24, 1991, right after the failure of a coup attempt by conservative communist leaders. On December 21, the nation became one of the signatory state of the CIS. This paper describes the process of the Ukrainian system transformation with a division based on the independence of the country.

b. Synopsis

(1) Pre-event

By the suppression policy of Stalin during the late 1920s to the 1930s, Ukrainian elites' demands were disregarded, and the country's national and cultural revival was stymied. However, modernization under the Soviet Union freed Ukrainian society from its structural problems. That is to say, Ukrainian people

50) Volodymyr Kulyk, "Nationalisms in Ukraine, 1986-1996," Egbert Jahn (eds.), *Nationalism in Late and Post-Communist Europe: Nationalism in the Nation States, Vol. 2* (Baden-Baden: Nomos, 2009), p. 100.

became the majority in urban areas and took the lead in important social sectors including the Communist party's leadership. Therefore, the early national elites were capable of having leverages upon the mass and stimulating the people's awareness. It was promoted by the status of the Ukrainian SSR and inspired Ukrainian nationalism within the sovietized society. Massive resistance against the Nazi Germany and the Bolsheviks occurred in Western Ukraine during the Second World War. That was a momentous event in encouraging nationalistic sentiment among the elites.

Although the regime was politically moderate, it was ideologically Soviet-friendly, and thus, opportunities to secure national rights and political autonomy were vastly limited. However, since the Ukrainian elites in the Communist party and cultural sector had been released from Stalin's rule after his death, they have been seeking their autonomy in the realms of economy, culture, and politics. After the partial liberalization from the Soviet regime during the late 1950s to the early 1960s, the opposing side of scientists and writers (Sixtiers) appeared in the leadership of the Communist party under the rule of First Secretary Petro Shelest. Nevertheless, the Soviet Union took a resolute position on the matter; Shelest was removed from the power, and fledgling cultural revival of Ukraine was suspended. The party elites might have an intention to protect the republic's economical interests against the Soviet's measure, but they did not stand on the opposing side in the Russianization

process. Oppression on the Sixtiers turned some of its members into political opponents and suppressed resistance of others. These political opponents were the first group who brought the issue of Ukrainian sovereignty within the Soviet constitution since the 1920s.

Moscow enhanced its centralization policy to restrain Ukraine's tendency toward autonomy. However, the policy led the Ukrainian elites to move farther toward the opposing side since it made their existence as a special mediator with own legitimacy unnecessary. It was not abnormal that writers and humanists were the first group which emphasized the nationalistic slogan after the liberalization in the mid-1980s since the Russianization, migration, and retrogression of village life deprived their leverage on the mass.⁵¹⁾

On April 26, 1986, the worst nuclear power plant accident occurred from the reactor number four of Chernobyl (10 million kw). The explosion released large quantities of radioactive particles into the atmosphere. It caused enormous loss of life, property, and environment. The damage has yet to be fully recovered. It gave radioactive damages to 2,000 villages across twelve states, devastating 100 villages near the plant. The estimated loss is approximately 130 billion dollars. From that day, the area within a 30km radius has been uninhabitable. A Total number of direct and indirect Ukrainian victims were over 3 million. It also brought problems such as declining

51) *Ibid.*, pp. 101-102.

fertility, births of deformed children, growth of infant mortality rate, and increase in thyroid cancer and related diseases.⁵²⁾

This accident caused an expression of nationalistic sentiment. At that time, the Soviet government concealed the information on the catastrophe's environmental and medical aspects and its plans to increase nuclear power generation and other environmentally harmful projects in Ukraine. It was considered as a crime to Ukrainian people committed by the Soviet central government. Therefore, Ukrainian people demanded the sovereignty of Ukraine, transition of authorities from communist agencies to the parliament, and national referendum on the environmental problems. Their dissatisfaction with the environmental issues took a significant role in arousing nationalistic and political consciousness to oppose the communist regime. It has been well-known as Rukh, which means Ukrainian popular movement for perestroika. Environmental problems united the nation with the representatives of social groups against the common enemy and tragedy.⁵³⁾ Here, common enemy refers to the cause of the tragedy and political-economic system which ensures it.⁵⁴⁾

On October 27, 1989, the Ukrainian republic adopted an electoral law under the influence of Gorbachev's reform program which included a direct election by the people, participation

52) HUFIS Institute of Russian Studies, "State Information-Ukraine: the Chernobyl Nuclear Accident," <<http://www.rus.or.kr>> (accessed: May 14, 2014).

53) Almost every other Soviet republic could not avoid the ethnic conflicts.

54) Volodymyr Kulyk, "Nationalisms in Ukraine, 1986~1996," p. 102.

of non-communist candidates, and abolition of the nominating committee.

Although there was a fairly liberal election in March 1990, in order to elect representatives of the Verkhovna Rada (Supreme Council of Ukraine), it was not a perfectly free election because of the Communist party's control over the media and its enormous political funds. As a result, the Communist party won 331 seats and the Democratic Bloc had 111 seats. Democratic representatives of about 90~125 formed the People's Council in order to stand against the Communist party.⁵⁵⁾

After the declaration of the sovereignty of the First Congress of People's Deputies of Russian Soviet Federative Socialist Republic on June 12, Ukraine's new congress proclaimed its own on July 16.⁵⁶⁾ This declaration assured principles of national self determination, democracy, political and economic independence, and dominance of Ukrainian law over the Soviet law in the Ukrainian territory. The Verkhovna Rada eliminated the article 6 of 1978 Constitution which accepted the Ukrainian Communist Central Committee as the supreme body of government. It elected Leonid Kravchuk, a former member of the Ukrainian Politburo, as Chairman of the Verkhovna Rada on July 18.⁵⁷⁾

55) Wikipedia, "Ukrainian parliamentary election, 1990," <<http://en.wikipedia.org>>, pp. 1~3 (accessed: June 2, 2014).

56) Verkhovna Rada of Ukraine, "Declaration of State Sovereignty of Ukraine," <<http://web.archive.org/web/20100111101705>> (accessed: June 2, 2014).

57) Wikipedia, "Ukrainian parliamentary election, 1990," pp. 1~3 (accessed: June 3, 2014).

(2) Post-event

The Verkhovna Rada of Ukraine adopted the Act of Declaration of Independence of Ukraine⁵⁸⁾ with 321 in favor, 2 against, and 6 abstentions on August 24, directly after a failed coup attempt by the conservative communist leaders through August 19~21, 1991. On the same day, the parliament decided to create the National Guard of Ukraine and Defense Ministry, turned jurisdiction over all the armed forces located in Ukrainian soil to the parliament, and had a referendum on support for the Declaration of Independence. On August 26, the executive committee of Kiev decided to rename the Central October Revolution Square to Maidan Nezalezhnost (Independence Square) as the Central Metro Station to the Independence Station and remove all the monuments of Communist heroes, including the Lenin monument at the square.

The parliament prohibited the Ukrainian Communist Party from the political realm of Ukraine and nationalized its property on August 31 after the dissolution of the Soviet Communist Party. However, it was a mere perfunctory measure and former communist elites were continuously in control of the country.

After the Communist party was proscribed, its former members joined leftist parties or became nonpartisan representatives.⁵⁹⁾ A referendum on support for the Act of

58) Wikipedia, "Declaration of Independence of Ukraine," <<http://en.wikipedia.org>>, p. 1 (accessed: June 3, 2014).

59) Wikipedia, "Ukrainian parliamentary election, 1990," p. 3 (accessed: June 2, 2014).

Declaration of Independence and the presidential election of Ukraine were held on the first day of December. Over 90% of the votes favored the independence, which elected Kravchuk, a nonpartisan but former Ukrainian Communist party member, as the president of Ukraine with 61.6% votes of the electorate participated.

Kravchuk Administration (1991.12-1994.7): Political unrest and economic turmoil

On the political front, the top priority of independent Ukraine was the creation of a constitution. However, the constitutional enactment was deferred because of a dissension between Kravchuk and the parliament, and disagreement on the political system, and power structure among political elites within the Verkhovna Rada. Therefore, Ukraine maintained the former Soviet Ukraine's constitution of 1978 with amendments of some phrases, until it established a new constitution in 1996.⁶⁰⁾ The president and the parliament agreed to have an early general election in the middle of a political crisis, which was brought by massive resistance, strikes, and demonstrations by students and miners against an economic turmoil caused by Kravchuk's radical economic reform. The first election after the independence was held on March and April 1994. 112 seats out of 450 were remained empty since they could not satisfy

60) Jun-Mo Woo, "Ukraine's Pursuit of Nationality," Pacific Research Center and Russia Eurasia Academic Cluster of Hanyang University, *Eurasian System Transformation and Establishment of Nation* (Paju: Hanulbooks, 2012), p. 69.

the 50%-vote rule. Among 338 seats, the Communist Party of Ukraine (Komunistychna Partiya Ukrayiny) gained 86 seats, and pro-Russian leftist parties such as the Socialist Party and Peasants Party became dominant in the parliament.⁶¹⁾

Economically, Ukraine had a problem in transition from a socialist economic system to capitalist market economy. The country do not possess the resources, mechanisms, and means to contemplate and perform an economic policy as an independent state. Therefore, instead of having his own, Kravchuk followed a radical model of Russia. Economic Minister V. Lanovyi submitted a plan for an economic and market reform, which was very similar to the Russian one. The plan included stabilizing macro economy, liberalizing prices, reducing trade controls and privatizing public sector. As a result, Ukraine suffered an awful inflation of 1445%, even higher than 1354% of Russia in 1992. Furthermore, while Russians lost 13.7% of their GDP, Ukrainians lost 18.5% of it. In 1993, the situation continued to get worse, reaching 8% of Russia, and 17% of Ukraine. The worst case was, Ukrainian GDP decreased 36% in 1994. Although Kravchuk followed the Russian model, it could not exclude former communist elites and even relied on them in some degree. Especially, local communists in Eastern Ukraine and Kiev camouflaged themselves as entrepreneurs (Oligarchs) and became opposing forces of the reform, spreading bribes

61) Wikipedia, "Ukrainian parliamentary election, 1994," <<http://en.wikipedia.org>> (accessed: June 3, 2014).

and corruption especially on licensing.⁶²⁾

In security and military side, Ukraine, right after the dismantlement of the Soviet Union was the third strongest nuclear power of the world with its 780,000 troops. K. Morozov, who was appointed as the Minister of Defense on September 3, 1991, performed a crucial role in establishing the Ministry of Defense in June 1992 and devising the national security strategy of the country. He reorganized the military district of Ukraine from three to two. The branches of the army were reorganized into ground forces, navy, and air force. Additionally, the navy was downsized as Ukraine sold the Black sea fleet to Russia in return for energy.⁶³⁾ Dismantling the nuclear weapons in the nation was a matter of great importance for both Russia and the West. At the moment of independence, Ukraine had 1,272 ICBMs with strategic nuclear warheads and 2,500 tactical nuclear missiles. To pacify the concerns of the international society and to gain necessary economic support, the country abandoned nuclear weapons at the very day of the declaration of independence. Kravchuk agreed on the complete redeployment of every nuclear weapons in return for the provision of materials for nuclear power plant in the Massandra summit. In addition, Ukraine received monetary support by selling enriched-uranium from dismantled nuclear weapons to

62) Seong-Hak Yoon, "Ukrainian System Transformation and Economic Development," Kim Young-Jin (eds.), *Eurasian System Transformation and Establishment of Nation* (Paju: Hanulbooks, 2012), pp. 104-107.

63) Jun-Mo Woo, "Ukraine's Pursuit of Nationality," pp. 76-78.

the United States. On January 14, 1994, Ukraine signed a third-party agreement with America and Russia on the redeployment of nuclear weapons, economic support, and national security. Consequently, the nuclear arms began to be transported to Russia by train in March of the same year.⁶⁴⁾

From a diplomatic aspect, the CIS countries adopted the Charter of the CIS on January 22, 1993.⁶⁵⁾ Although 10 out of 12 countries of the organization ratified the charter by June 1994, Ukraine and Turkmenistan did not approve it because they considered that Russia was consolidating political, economic, and military relationship among the CIS countries, and their stance on the matter was that the organization should be remained as an economic cooperation among sovereign states. Even though Ukraine was an associate member, the country participated in every activities of the organization. Kravchuk administration supported policies on peaceful resolution of conflicts; Ukraine participated a four-party talk on the Moldovan strife, which was signed on April 17, 1992, and promoted a peaceful solution to the Georgian conflict and contributed to the UN PKO since 1992. The country became a member of the Conference on Security and Cooperation in Europe (CSCE) on January 1, 1992 and joined the North Atlantic Cooperation Council (NACC) on March 10 of the same year. It has been

64) Wikipedia, "Nuclear weapons and Ukraine," <<http://en.wikipedia.org>> (accessed: May 12, 2014); Jun-Mo Woo, "Ukraine's Pursuit of Nationality," p. 79.

65) Grotius, "Charter of the Commonwealth of Independent States," <<http://www.grotius.hu/doc/pub/TGAMKP/cis.pdf>> (accessed: May 13, 2014).

maintaining a close relationship with NATO and expressed its interest on the membership.

Ukraine was confronted by a strike of miners in the midst of chronic economic crisis. Through a compromise between the president and the parliament, it had an early presidential and a general election. As has been mentioned, pro-Russian left parties like the Communist Party of Ukraine took the majority of seats in the parliament. A non-partisan Kravchuk insisted radical economic policies and close relationship with the West, while the former Prime Minister L. Kuchma, also a non-partisan, asserted conservative economic stance and consolidating the bond with Russia. In the June and July election, Kravchuk was defeated. The election was the first among the CIS countries that a former Soviet elite president handed over the power in a democratic election. During the election, it had been proved that Ukraine was practically divided into east and west, since the Eastern area supported Kuchma, while the Western region endorsed Kravchuk.⁶⁶⁾

Kuchma Administration (1994.7-2005.1): A passive transformation to a market economy and the Orange Revolution

Although Ukraine had achieved a peaceful regime change through a democratic election, it was the only one among the

66) Wikipedia, "Ukrainian presidential election, 1994," <<http://en.wikipedia.org>> (accessed: May 16, 2014); Seong-Hak Yoon, "Ukrainian System Transformation and Economic Development," p. 107.

former Soviet countries which could not establish its own constitution. President Kuchma established a new constitution⁶⁷⁾ on June 28, 1996, a semi-presidential republican model in the mixture of presidential and parliamentary system through a year of debate with the Verkhova Rada. However, the country's party politics was in a fledgling stage, flooded with minor parties. A couple of parties such as the Communist Party of Ukraine and the Rukh Party were the ones with national-level support. Against this backdrop, the president could exercise enormous power under the constitution of 1996.⁶⁸⁾

Unlike former general elections, the election of March 29, 1998 had an equal distribution of parliamentary seats in both local and proportional part. As a result, the Communist Party of Ukraine successfully maintained the majority, taking 121 seats out of 445, with 5 seats excluded for fraudulent elections. Since President Kuchma was in a non-partisan status, 10 minor parties formed a coalition and performed the role of the ruling party.⁶⁹⁾ On October 31, 1999, the third presidential election was held with 13 candidates. In the election, Kuchma was reelected with 57.7% votes in the runoff.⁷⁰⁾

As the third president of Ukraine, Kuchma pushed a powerful reform fueled by the sweeping victory in the election. However,

67) Wikisource, "Constitution of Ukraine, 1996," <<http://en.wikisource.org>> (accessed: May 20, 2014).

68) Jun-Mo Woo, "Ukraine's Pursuit of Nationality," pp. 70~71.

69) Wikipedia, "Ukrainian parliamentary election, 1998," <<http://en.wikipedia.org>> (accessed: May 23, 2014).

70) Wikipedia, "Ukrainian presidential election, 1999," <<http://en.wikipedia.org>> (accessed: May 24, 2014).

he faced a crucial political crisis because of his dismissal of reform-minded Prime Minister V. Yushchenko and deputy prime minister for Fuel and Energy, Y. Tymoshenko in January 2001, and his involvement on the murder case of a journalist. In the general election of 2002, the Our Ukraine, a moderate conservative party which was formed by Yushchenko took 111 out of 447 seats and became a major political power of the country. Despite its loss of 55 seats, the Communist Party of Ukraine proved its leverage by getting 20.8% of approval rates, following 24.5% of the Our Ukraine.⁷¹⁾

From an economic aspect, Kuchma focused more on solving economic difficulties than striving for transition into a market economy. He pursued policies that could strengthen the national currency, by introducing a new currency.⁷²⁾ He also reorganized reckless budget spendings, and swiftly responded to the inflation. In consequence, the government deficit as a percentage of GDP, was reduced from 8.7% in 1994 to 3.2% in 1996 and the inflation plunged from 10,100% in 1993 to 10% in 1997. However, in 1998, the country faced high inflation and negative growth as Russia declared a moratorium. To deal with the crisis, Yushchenko, the governor of the National Bank of Ukraine was appointed as the prime minister. He dealt the situation through his “100-day plan”—an economic reform program with German

71) Wikipedia, “Ukrainian parliamentary election, 2002,” <<http://en.wikipedia.org>> (accessed: May 29, 2014).

72) Ukraine had used Karbovanets (coupon), a temporary currency, and introduced Grivna, the present currency of Ukraine on September 1996.

economic consultation group. The country had maintained its 8.3% of economic growth in average during 2000 to 2004 period, supported by the recovery of competitiveness in exports along with enormous currency depreciation, international steel price increase, commissions rise from Russia for using pipelines, service trade surplus, investments influx, and consumption increase (see Table 3).⁷³⁾

Although the administration was successful in terms of economic growth, it took a passive attitude on the policies towards a market economy, taking limited steps for the privatization of state-owned land and companies. The privatization was only focused on small businesses and the government still owned major companies. Besides, privatized companies were run by former Soviet managers. Even though Ukrainian privatization resembled that of the Russian, it prohibited the sales of vouchers to other people. The parliament, which was dominated by leftist parties, objected the privatization. Local governments were against the policy since the capital from privatization went to the central government, not to the local ones. In 1997, privatization through vouchers was expired and the lands were not even used. In addition, Kuchma started to have a back-scratching alliance with the oligarchs, who accumulated enormous wealth through preferential aids and resources during the system transformation

73) Seong-Hak Yoon, "Ukrainian System Transformation and Economic Development," pp. 108-111.

for his reelection. This kind of relationship corrupted Ukraine and hindered the transition toward market economy, and had a significant influence on the Orange Revolution.⁷⁴⁾

Table 3 Ukraine's GDP and GDP Growth Rate (1990–2012)

Year	GDP (Billions \$)	GDP per Capita (\$)	GDP (Billions \$)	Growth Rate
	current price		constant price of 1990	
1990	90.2	1746	90.2	-
1991	85.2	1650	82.3	-8.8
1992	78.6	1522	74.1	-10
1993	68.9	1336	63.6	-14.2
1994	54.2	1055	49	-23
1995	48.6	950	43.1	-12
1996	44.6	877	38.7	-10.2
1997	50.2	995	37.6	-2.8
1998	41.9	838	36.8	-2.1
1999	31.6	638	36.8	0
2000	31.3	637	39	6
2001	38	782	42.5	9
2002	42.4	880	44.8	5.4
2003	50.1	1049	49.1	9.6
2004	64.9	1367	55	12
2005	86.1	1828	56.5	2.7
2006	107.8	2299	60.7	7.4
2007	142.7	3059	65.5	7.9
2008	180	3874	67	2.3
2009	117.2	2534	57.1	-14.8
2010	136.4	2962	59.5	4.2
2011	163.4	3568	62.6	5.2
2012	176.3	3872	62.7	0.16

Source: "Gross Domestic Product (GDP) in Ukraine," <<http://kushnirs.org>> (accessed: June 10, 2014).

74) *Ibid.*, pp. 111–113.

In the matter of nuclear weapons, Kuchma administration transferred every nuclear warheads to Russia, dismantled the facilities, and joined the NPT in November. Such actions were based on the agreement settled in the trilateral talks among the U.S., Russia, and Ukraine in January 1994, for economic assistance and national security. On December 5, the leaders of the aforementioned countries plus the United Kingdom signed the Budapest Memorandums on Security Assurances.⁷⁵⁾ The main contents of the memorandum is as follows: ① the preservation of Ukraine's independence, sovereignty, and borders, ② duty to abstain military or economic threats and pressure, and ③ the UN security council's immediate reaction on an invasion to Ukraine. In May 1996, every warhead was transported to Russia. On June 30, the president announced completion of dismantlement. On July, every missile silo was dissolved, which completed the denuclearization of Ukraine.⁷⁶⁾

In May 1997, Ukraine and Russia signed the Agreement on the Division of the Black Sea Fleet. The agreement concerned the Russian usage of the port of Sebastopol and the disposal of assets of the fleet in return for cash and offset counterbalance.⁷⁷⁾

Concerning the Chernobyl problem, G7 and EU executed a Memorandum of Understanding (MOU) in 1995 to shut the plant, promising the payment of the expenses for substituting

75) Wikipedia, "Nuclear weapons and Ukraine," <<http://en.wikipedia.org>> (accessed: June 11, 2014).

76) Jun-Mo Woo, "Ukraine's Pursuit of Nationality," p. 79.

77) HUFIS Institute of Russian Studies, "State Information-Ukraine: the Chernobyl Nuclear Accident," (accessed: June 11, 2014).

nuclear power plant and safety facilities on the destroyed plant. Ukraine government completely closed the plant in December 2000, 14 years after the accident.

Diplomatically, although the administration manifested pro-Russian tendency during the 1994 election, Ukraine also put emphasis on its relationship with the United States for economic support. In May 1997, the government made a Pact on the Cooperation of Friendship between Ukraine and Russia to get a confirmation on the country's independence and preservation of its territory. In February 1998, it extended the payment of gas and crude oil through the Treaty on Economic Partnership of Ukraine and Russia.⁷⁸⁾ In 2000, they declared a strategic partnership and maintained a close relationship by having seven to eight summits in a year. Kuchma started political talks with EU after the Agreement on the Partnership and Cooperation and proclaimed becoming a member of EU as one of a major state affairs in his state of the nation in June 2002. The U.S. President Clinton emphasized the development of relationship and cooperation with Ukraine when he visited the country in 1995 and 2000 to check Russia and to deal with geopolitical concerns. Thus, Kuchma contributed to the international cooperation with the U.S. by providing humanitarian assistance in the War on Terrorism and giving the approval to use Ukraine's airfield. Furthermore, he officially

78) Ukraine depends on the 60% of its energy supply from Russia (nuclear: 100%, crude oil: 70%, natural gas: 50%).

announced his intention to join NATO and put multilateral efforts to achieve it. However, since there had been no progress at all, he withdrew the goal and moved his desire for the membership of NATO to long-term agenda.⁷⁹⁾

In the fourth presidential election in 2004, moderate and pro-Russian Prime Minister V. Yanukovych defeated Yushchenko. However, the opposing party claimed that the runoff was fraudulent and held a massive outdoor assembly insisting on having a reelection. On November 27, the parliament declared that the runoff was invalid, and the Defense Minister announced that the military would remain politically neutral. A political compromise was decided on a mediating meeting among the president, candidates from both sides, and external arbitrators. The supreme court nullified the runoff, and Yushchenko was elected with 52% in the reelection on December 26. These political events from November 22 to December 26 are called “the Orange Revolution,” because orange was used in both Yushchenko’s electoral camp and the Independence Square gathering. The significance of the revolution is first, people’s refusal to transitory system and a long-term rule of Kuchma administration, and second, a sign of the settlement of democracy and the rule of law in Ukraine society.⁸⁰⁾ With a constitutional reform, the Ukrainian political system became

79) HUFs Institute of Russian Studies, “State Information-Ukraine: the Chernobyl Nuclear Accident,” <<http://www.rus.or.kr>> (accessed: June 11, 2014).

80) HUFs Institute of Russian Studies, “The Orange Revolution,” <<http://www.rus.or.kr>> (accessed: June 1, 2014).

a parliament-centered. Under the reformed constitution, the term of representatives was extended from four to five years.

After the Orange Revolution (2005.1-2014.12):

Political unrest and the loss of the Crimean Peninsula

Although Ukraine seemed to develop democracy and the rule of law after the revolution, there was continuing political unrest resulting from the ceaseless conflicts between the president and the parliament, corruption and the downfall of President Yanukovych, and the separatist movements by pro-Russian rebels in the East. Russia's absorption of the Crimean Peninsula, which was yielded to Ukraine by the Russians in 1954, in particular, cause major political upheaval.

Yushchenko, who came into office on January 23, 2005, was able to gain people's trust through massive dismissal of corrupted bureaucrats in the first 100 days of his office. The general election of 2006, which was entirely a party list proportional representative system from the constitutional reform in 2005, was free and fair.⁸¹⁾ As a result, the ruling party, the Our Ukraine bloc, was able to secure only 81 seats (14%). On the other hand, Yanukovych's moderate pro-Russian party, the Party of Regions, took 186 seats (32.1%), and Yulia Tymoshenko bloc got 129 seats (22.3%). Such results were due to the government's policies, which were far below people's expectations, while the opposing

81) Through the constitutional reform of 2005, the president's authorities like the right of recommendation and dismissal of cabinet members were transferred to the parliament.

parties abandoned undemocratic behaviors.⁸²⁾ The president appointed Yanukovich as the prime minister on August 4, but as his party began seeking more power, the president dismissed the parliament and demanded an early general election.⁸³⁾

On the September 30 election, the ruling party earned 72 seats (14.2%), while the Party of Regions took 175 seats (34.4%), and Yulia Tymoshenko's bloc got 156 seats (30.37%). The president quickly made a coalition with the Tymoshenko bloc and appointed her as the prime minister on December 18. However, as she allied with the opposing parties to weaken the authority of the president, the ruling party Our Ukraine, withdrew from the coalition and the pro-Western administration collapsed. Although the president attempted to dismiss the parliament, it was not successful because of an objection from political leaders. Yushchenko said that his strife with Tymoshenko was not from their personal disputes, but from the incompleteness of the amendment of the constitution in 2004.⁸⁴⁾ Even though he ran for the presidency in 2010, he could only have 5.5% of the vote in the first round.

At the runoff of 2010 presidential election, Yanukovich defeated Tymoshenko with 49% of the vote against 45.5% of her, and became the fourth president of Ukraine on February 25. The parliament formed a pro-Russian moderate left coalition

82) University of Sussex, "EPERN: Election Briefing No. 24. Europe and Ukrainian Parliamentary Elections of 2006," <<https://www.sussex.ac.uk>> (accessed: August 1, 2014).

83) "Ukraine president dissolves Parliament and calls for elections," *The New York Times*, April 2, 2007, <<http://www.nytimes.com>> (accessed: August 3, 2014).

84) Wikipedia, "Viktor Yushchenko," <<http://en.wikipedia.org>> (accessed: August 7, 2014).

with the Party of Regions, the Communist Party of Ukraine, and the Lytvyn Bloc on March 11. The elected president criticized the constitutional reform of 2004 and established the Constitutional Assembly of Ukraine in May 2005 as a supporting institution to amend the constitution. In the October general election, the ruling Party of Regions, had 185 seats (30%), Tymoshenko's Batkivshchyna took 101 seats (25.5%), and a moderate conservative pro-European the Ukrainian Democratic Alliance for Reform (UDAR) got 40 seats (14%).⁸⁵⁾

A series of events which brought the downfall of the president have emerged since November 2013. Ukraine and EU signed the draft of the Ukraine-European Union Association Agreement to establish a political and economic cooperation on March 30, 2012. According to the policies and legal system of the EU, the country was required to undergo economic, financial, and judicial reforms. However, the president refused to comply to the agreement and instead, asked Russia for emergency loans and closer relationships with Ukraine. However, Euromaidan, a Pro-EU Ukraine youth group, fiercely refused the president's decision. On November 30, as students' movements were blocked by the police, a massive demonstration followed. The protesters requested the sign of the agreement with EU, constitutional reform, and resignation of the president. As clashes between demonstrators and cops increased, Prime Minister M. Azarov

85) Wikipedia, "Ukrainian parliamentary election, 2012," <<http://en.wikipedia.org>> (accessed: August 10, 2014).

resigned from the office and a civil war came near at hand. Finally, the president exiled to Russia on February 21, and the parliament deprived his position. When he was in power, he was famous for a scandal on a massive corruption, his favor to people from Donbas, and his luxury mansion, which worth near 75 million USD.⁸⁶⁾

Because of the downfall, Chairman of the parliament, O. Turchynov performed as an acting president and held the presidential election on May 25. In that election, P. Poroshenko, a confectionery plant owner and the former Minister of International Affairs, Trade and Economic Development, who is also known as “the Chocolate King,” became the fifth president with the voting rate of 54%. He had gained popularity on his support to anti-government demonstrations of Euromaidan. The president sought the unity of Ukraine and put a lot of efforts in solving a separatist problem in the East and recovering the Crimean Peninsula which had been merged to Russia on March 21. Also, he demanded a general election on October 26 to reorganize the parliament, which had been the hold of power for the former president.⁸⁷⁾

Economically, Ukraine experienced a dramatic decline of GDP growth rate after the independence. However, the country grew up rapidly after 2000, reaching as high as 7.9% of growth rate in 2007. Although it had -14.8% of growth rate due to

86) Wikipedia, “Viktor Yushchenko,” pp. 3~18 (accessed: August 10, 2014).

87) Wikipedia, “Petro Poroshenko,” <<http://en.wikipedia.org>>, pp. 1~9 (accessed: August 11, 2014).

the global economic crisis, the situation got better, recording 4.2% in 2010, 5.2% in 2011, 0.2% in 2012, and 0.4% in 2013. Ukraine's GDP per capita was \$7400 in 2013, and its unemployment rate was 7.4% in 2012. Yet, since the 40% of Ukrainian economy was inherent in the shadow economy. For this reason, it is hard to understand its actual status with official statistics data only. In 2013, the country's export was 71.14 billion USD and the import was 87.21 billion USD. Natural gas from Russia was the biggest import and the major factor of structural trade deficit of the country. In 2011, foreign direct investment to Ukraine was only 44.7 billion USD. It was because of the factors such as complex laws and regulations, nonfulfillment of contracts, corruption, and inadequate protection of stockholder's right even though the parliament enacted the foreign investment law.⁸⁸⁾

In security and military aspect, as pro-Russian Yanukovich tried to cease the agreement with EU and get loans from Russia in November, 2013, there was a demonstration by pro-West opposing parties and the public. Finally, he was impeached and a transitory government of pro-West Turchynov was established on February 23, 2014. On February 27~28, in the name of protection of its people, Russia seized the Southern Crimean Peninsula, which was a strategic point and the home of the Black sea fleet. The acting president considered it as an invasion and required the withdrawal of Russian forces. The United States

⁸⁸⁾ Wikipedia, "Economy of Ukraine," <<http://en.wikipedia.org>> (accessed: August 14, 2014).

and EU strongly condemned the situation. The Autonomous Republic of Crimea, which was composed of 58% Russian, 24% Ukrainian, and 12% Tatar, determined their independence on March 11 and agreed to be incorporated to Russia with 96% in their votes of residents. Even though the United States and EU announced sanctions on Russia to support Ukraine, Russia merged the Crimean Peninsula through the federal council. Yet, the majority of nations of the world has disallowed it.⁸⁹⁾

After the impeachment of President Yanukovich on February 22, 2014, armed rebels occupied the city hall and other government institution of the Eastern Donbas area. They declared the People's Republic of Donetsk on April 7, and the People's Republic of Lugansk on April 27. The transitory government of Turchynov asked the United Nations for help, and performed a military operation to suppress the rebels. President Poroshenko continued the military operations and suggested Russia's acceptance of the result of Ukrainian presidential election, armistice to the separatist, and installation of humanitarian corridor for the residents. As casualties on both Ukraine troops and Russian civilians increased, Poroshenko and Putin sought a truce.⁹⁰⁾ As a result, OSCE, Ukraine, Russia, and pro-Russian rebels gathered at Minsk, the capital of Belarus, and reached a truce on September 5.

89) "The Crimean Peninsula-the Land of Difficulties, handed over to Russia again after 60 years," *Yonhapnews*, March 22, 2014; Wikipedia, "2014 Crimean crisis," <<http://en.wikipedia.org>> (accessed: August 15, 2014).

90) Russia Focus, "President Putin declares <a mediation plan for Ukrainian conflict>," <<http://russiafocus.co.kr>> (accessed: September 4, 2014).

In diplomatic aspect, pro-West Yushchenko joined the WTO in 2008. Ukraine had sought the membership since 1993. Taking issues with different value system and national goals, he refused the policy of making the Russian language as the second foreign language in the country and supported Ukraine's joining of NATO. In August 2008, he demanded the long delayed demarcation of borders with Russia since the war between Russia and Georgia alarmed the concerns of Ukraine. Also, he warned the Moscow's intervention to the election of 2010.⁹¹⁾ On the other hand, Yanukovych also tried to have an equilibrium policy between EU and Russia to protect its interest, although he pushed the integration to EU. He put his country in the stance of a nonaligned nation, not joining the U.S. centered NATO or Russian CSTO (Collective Security Treaty Organization).⁹²⁾ On April 21, 2010, he signed a Treaty on the Ukrainian-Russian Naval Base for Natural Gas, which involved the lease of the Crimean naval base to Russia until 2042 or 2047 in return for provision of inexpensive natural gas. However, the treaty became invalid as Russia merged the Crimean Peninsula on March 21, 2014. Poroshenko, the current president of the country, set his priority on improving its relationship with Russia and fitting to the current trend of Europe. Ukraine and EU signed the economic part of Ukraine-EU Coalition Agreement. President Poroshenko said "this day is the most historical day

91) Wikipedia, "Viktor Yushchenko," pp. 12~13 (accessed: August 10, 2014).

92) It is an intergovernmental military alliance established on October 7, 2002, by Russia, Belarus, Armenia, Kazakhstan, Tajikistan, and Kyrgyzstan.

since the independence of 1991” and considered it as “the initial step to become an EU member.”⁹³⁾ With regard to the civil war in the Eastern area, the president met President Putin at Minsk, on August 26, 2014, and made an armistice.

c. Analysis

(1) General Aspects

Politically, Ukraine’s system transformation went through three main stages as other Soviet republics followed: declaration of sovereignty, declaration of independence, and the CIS partnership. As Gorbachev sought a new union treaty in his glasnost and perestroika program, almost every republic in the Soviet announced declaration of sovereignty to gain more political and economic autonomy within the frame of the Soviet Union. But, the republics declared their independences to secede from the Soviet Union, as the coup attempt of conservative communists before the signing of the new union treaty was turned out to be a short-lived rule. So Kravchuk of Ukraine, Yeltsin of Russia, and Shushkevich of Belarus founded the CIS as a succession of the Soviet Union. Since the organization was launched officially with eleven countries in 1992, Ukraine had experienced its system transformation.

Anti-establishment movements in the Soviet era prompted

⁹³⁾ Wikipedia, “Petro Poroshenko,” p. 9 (accessed: August 21, 2014).

the beginning of Ukraine's system transformation. During the Soviet Union, there had been anti-establishment movements against Stalin even before the 1960s, and its core members were intellectuals including Stalin's daughter Svetlana Allilueva, a Nobel prize for literature winner A. Solzhenitsyn, the father of Soviet's hydrogen bomb, A. Sakharov.⁹⁴ In Ukraine, scientists and writers in the 1960s (Sixtiers) proposed a sovereignty problem under the Soviet constitution. Furthermore, people who asserted nationalistic slogans in the 1980s were authors and humanists. In this context, the process of Ukrainian system transformation is summarized as follows: anti-regime movements by intellectuals → adopting free election law → composition of democratic parliament by a free general election → declaration of sovereignty by a democratic parliament → declaration of independence.

During the system transformations of the Soviet republics, a lot of former Soviet high ranking officials abandoned their party membership and ran on the elections as non-partisans. For example, B. Yeltsin, who was Chairman of the parliament, was elected as a non-partisan in the presidential election of 1991. Kravchuk, who had been a member of the Politburo, became Chairman of the Verkhovna Rada after the declaration of sovereignty on July 16, 1990. After Ukraine announced its independence on August 24, 1991 and held the presidential

94) M. Wesley Shoemaker, *The Soviet Union and Eastern Europe 1987* (Washington, D.C.: Stryker-Post Publications, 1987), p. 46.

election on December 1, he participated as a non-partisan and became the first president. Kuchma, who had been a former communist executive and prime minister from October 1992 to September 1993, became the president of Ukraine as an independent candidate. The result seems to be driven by the possibility of defeat which was considered high in the era when someone was under the name of communist party. As there had been a severe political unrest between conservatives and progressives in Russia until the establishment of a new democratic constitution on December 12, 1993, Ukraine had the same situation, such as resistance from former communist groups. After the establishment of new constitutions, both countries could have democratic institutions.

As President Yeltsin's shock therapy approach caused the Russian economic turmoil, Ukraine suffered an one which was even harder under the radical economic reform of President Kravchuk. By utilizing exactly the same Russian Prime Minister Gaidar's model, Economic Minister Lanovy pushed ahead a market reform with plans to stabilize macro economy, liberalize price, clear trade controls and privatize public sector. In consequence, two countries experienced negative growth rates until the end of the 1990s and were altered to positive side after the rise of international steel price and increase of foreign direct investment (see Table 4).

Table 4 Comparison of the GDP Growth Rate of Russia and Ukraine (1992~2000)

(Unit %)

Year	1992	1993	1994	1995	1996	1997	1998	1999	2000
Russia	-14.5	-8.7	-12.6	-4.1	-3.6	1.4	-5.3	6.4	10.0
Ukraine	-9.7	-14.2	-22.9	-12.2	-10.0	-3.0	-1.9	-0.2	5.9

Source: "Data: GDP growth (annual %)," <<http://data.worldbank.org>> (accessed: June 10, 2014).

Amid the economic chaos of the 1990s, oligarchs emerged in the Eastern Ukraine and Kiev, as similar as the Russian case. They were former communists who became entrepreneurs. Through a back-scratching relationship with the government, they took huge state-owned corporations and spread corruption within the society. The famous Ukrainian oligarchs included R. Akhmetov, the leader of Donetsk clan, V. Pinchukand, a steel tycoon, a media tycoon, and a son-in-law of President Kuchma, V. Rabinovich, a steel conglomerate.⁹⁵⁾

During the Soviet era, nuclear weapons were deployed mostly in Russia, Belarus, Ukraine, and Kazakhstan. With the establishment of the CIS on December 21, 1991, Kravchuk signed the Agreement on Joint Measure to Nuclear Weapons with the leaders of Russia, Belarus, and Kazakhstan, for the purposes of nuclear disarmament, non-use of nuclear weapons, accordance with the NPT, and joining the IAEA. After the establishment, four countries agreed to have the Lisbon Protocol on May 23 to transfer every nuclear weapons to Russia and

95) Seong-Hak Yoon, "Ukrainian System Transformation and Economic Development," p. 113.

become non-nuclear weapon states. Although Russia had the Strategic Arms Reduction Treaty I (START I) with the United States in July 1991, Moscow could not fulfill the treaty until the three countries of the protocol transferred their nuclear weapons to Russia. This was the reason why Russia and the United States used diplomatic pressure on them to join the protocol. Even though Ukraine and Belarus objected the disarmament slightly, the four countries took their instrument of ratification, thus Russia could ratify the START I.⁹⁶⁾ Ukraine moved all of its nuclear warheads in May 1996, and President Kuchma announced the complete denuclearization on June 30. The former Soviet Republics founded their own army along with their declaration of independence. The establishment was made public in a press conference of President Yeltsin in 1991. In March 1992, Russia established the Ministry of Defense and Yeltsin became the first Minister of Defense. In May, the establishment of the Armed Forces of the Russian Federation was announced and the president became the supreme commander. Ukraine decided to have its own armed forces in company with the approval of the independence act on August 24, 1991. Through the act, the country assigned the Soviet army in Ukraine to its parliament, appointed the Minister of Defense and decided to create an army of 450,000 troops. In December, Kravchuk became Commander in Chief. Along with the beginning of the CIS in 1992, Ukraine officially established the

96) Wikipedia, "Lisbon Protocol," <<http://en.wikipedia.org>> (accessed: June 11, 2014).

Ukraine armed forces and the Ministry of Defense, and reformed the former soviet military organization and relevant branches.

President Kravchuk declared the establishment of the CIS with Yeltsin and Shushkevich on December 8, 1991, in Minsk, the capital of Belarus. On December 21, He signed an agreement on the establishment of the CIS with ten former Soviet summits. While the Soviet Union is a federation of republics, the CIS is a loose confederation of independent states.

As Yeltsin had a pro-West policy to gain economic support in parallel with a radical economic reform in 1992, Kravchuk did the same thing, except that he went back and forth between tension and cooperation policies regarding the nuclear weapons and division of the Black sea fleet issues. As the Russian president was disappointed to the West after his pro-West policy and turned to Eurasian one, Kravuchuk wanted to have a coordinative stance in developing new security order in Europe among NATO nations, Russia, and the central European countries, rather than expanding NATO.⁹⁷⁾

In August 1996, Yeltsin, who was in his second term, changed his Eurasian diplomatic policy from a defensive and passive Eurasian one to a more aggressive, active, and omnidirectional one. It was because he constructed a strategic partnership with China on April 25, 1996 and adopted the Military Doctrine of the Russian Federation in November 1993. In Ukraine, Kravchuk

97) Wikipedia, "Leonid Kravchuk," <http://en.wikipedia.org/wiki/Leonid_Kravchuk> (accessed: une 12, 2014).

and Kuchma had an East-West balance diplomacy. Ukraine formed a friendly relationship with Russia for the preservation of territory and gas. At the same time, it also participated in the U.S. War on Terrorism by sending humanitarian assistance, dispatching troops to Iraq, giving the approval for the Ukrainian airfield use, and maintaining a special partnership with the NATO.

(2) Unique Aspects

Inability and inactivity of the Ukrainian leadership, widespread rumors, and ecological problems on the Chernobyl accident on April 26, 1986 spurred an outpouring of Ukrainian nationalism to object the communist regime. This led the adoption of fairly democratic electoral law on October 27, 1989. There was the first free general election in March 1990, based on the law, and it was the first ever since 1918. The declaration of sovereignty of Ukraine was on July 16, while that of the independence was on August 24, 1991.

Ukraine was the latest country to adopt a new democratic constitution among the newly independent countries. While the others took two years, it spent four and a half year. Yeltsin suppressed the Supreme Soviet of Russia which was dominated by conservatives with force as the political situation became unstable for inadequate legal system and conflicts between conservatives and progressives. He adopted a new constitution

of presidential system and started a bicameral legislative body. However, in the case of Ukraine, because of the dissension between Kravchuk and the parliament, and disagreement on the political system and power structure among the political elites within the Verkhovna Rada, the country maintained the former Soviet Ukrainian constitution of 1978 with amendments on some phrases until it established a new constitution on June 28, 1996. It was because Ukraine could not have party politics as the political sphere of the country was flooded with lots of minor parties and factions.

Through the Orange Revolution from November 22 to December 26 of 2004, Ukraine could end the chaotic period after the independence. The political, economic, and social problems came to an end, and the country adopted democracy and rule of law. During the revolution, agreements on political reforms such as amendments on the constitution and electoral law, and neutrality of the law enforcement authority and court showed that the country was on its way of institutionally embracing democracy.

On economic side, Ukrainian privatization was similar to Russia. However, it prohibited the sales of vouchers to other people. The vouchers could be used in bidding for privatization or transferred to funds. Even if the Russian oligarchs, who had been accumulated lots of wealth under Yeltsin's rule, suffered a bitter blow from President Putin (2000~2008), the Ukrainian ones still kept great influence in the Yanukovych administration.

When Russia, Belarus, Ukraine, Kazakhstan signed the Lisbon Protocol, which stated the disarmament of every nuclear weapons or transfer of it to Russia, on May 23, 1992, there was some opposition to the abandonment of the weapons. So Kuchma, who was the prime minister at that time, said Ukraine would maintain 46 ICBMs and SS-24 for a long period in his speech at the parliament.⁹⁸⁾ However, it seems to be that his purpose was not to deny Ukraine's denuclearization, but to secure enough financial support from the west for the reformation. Consequently, Ukraine made the Budapest Memorandum on Security Assurance on the dismantlement of its nuclear weapons on December 5, 1994, in return for security, military and financial aid, and compensation from the United States and Russia. Ukraine transferred all of its nuclear weapons to Russia in the late 1996.

In this period, the Ukrainian independence divided the Black sea fleet from Russia. Although the Crimean Peninsula had belonged to Russian Republic since 1922, it was handed over to Ukraine by the Treaty of Preyaslav in favor from N. Khrushchov. With the independence of Ukraine on August 24, 1991, the Peninsula was de facto Ukrainian land under the international law. However, Russia could not let Ukraine have the control of it, since the land had the port of Sebastopol and facilities, which was home of the Black sea fleet. In May 1997, there was an Agreement on the Division of the Black Sea Fleet

98) Wikipedia, "Nuclear weapons and Ukraine," (accessed: June 12, 2014).

between prime ministers of both countries, and it divided the port of Sebastopol in a principle of half and half. As for the 50% stake of Ukraine, the country sold 31.7% of it to Russia and counterbalanced with the debt on crude oil.

Although 12 states of the CIS adopted the Charter of the CIS on January 22, 1993 and ratified it, Ukraine did not accept it. This was because Ukraine was in a passive stance claiming that the organization should remain as a cooperation of sovereign states, while Russia tried to enhance the political, economic, and military relationship among the CIS states. Ukraine has participated in all CIS activities as an associative member, though the country withdrew from it in objection to Russia's annexation of the Crimean Peninsula on March 18, 2014.⁹⁹⁾

d. Implications for Korea

Ukraine's system transformation went through three main stages, similar to those that the other Soviet republics took: declaration of sovereignty, declaration of independence, and the process of joining the CIS partnership. Considering that Ukraine could join the loose CIS after it gained independence from the Soviet Union, the unification of Korea cannot follow the same path. Nevertheless, the system transformation process in Ukraine

99) The Crimean Peninsula came under the jurisdiction of Russia by getting 95.5% of favors in the referendum on March 16, 2014. However, the U.N. General Assembly adopted a non-binding resolution to the referendum.

provides the following implications for the unification of Korea in both prior to the unification and on the unification process.

e. Observation

Ukraine declared independence in August 1991 and had followed the course of declaration of sovereignty, declaration of independence and CIS partnership. The event that caused the system transformation in Ukraine was nuclear power related issue. In the 1990s after the independence, the political instability and severe economic turmoil had caught Ukraine in the aftermath of carrying out the Russian model of economic reform.

Ukraine has failed to escaped from the political unrest and stagnant economic downturn, though it has seemingly succeeded in bouncing back from the difficulties after the Orange Revolution in 2004. The country has remained under the recession since 2012. The constant internal struggles between the president and the parliament, and President Yanukovych's corruption and downfall have seriously damaged the public trust for the politics. The enormous budget deficit due to the underground economy is further exacerbating the economic situation. Finally, Ukraine's national security has suffered harshly during the past few months by the pro-Russian separatist movements and Russia's Crimea annexation last March. In sum, both internal and external turmoils are the major causes of the Ukrainian problems.

5

The Kazakhstan Case

a. Overview

Kazakhstan has led the successful implementation of its reform and open door policy in spite of the president's long-term seizure of power and authoritarian rule.

The overview of Kazakhstan's system transformation before and after its declaration of independence on December 16, 1991 and its implications for the Korean Peninsula are demonstrated. Then observation is provided from the findings.

The Republic of Kazakhstan (henceforth Kazakhstan) is the world's ninth-largest, transcontinental country in Central Asia, with part of its territory straddling the west of the Ural River in Europe. Its territory of 2,272,300km² (12.4 times larger than the Korean Peninsula) borders with Russia, China, Kyrgyzstan, Uzbekistan, Turkmenistan, and the Caspian Sea. The population is about 17,736,896 as of 2013. Its capital was moved from Almaty to Astina in 1997, as a part of national modernization after the independence from the Soviet Union on December 16, 1991. There are more than eight ethnic groups in Kazakhstan (see Table 5).

Table 5 Ethnic Groups in Kazakhstan

Ethnic Groups	1989	Percentage	1997	Percentage
Total	16,465,000	100.0	15,861,000	100.0
Kazakh	6,534,616	39.7	8,033,000	50.7
Russian	6,227,549	37.8	5,105,000	32.2
German	957,518	5.8	303,000	1.9
Ukrainian	896,240	5.4	720,000	4.5
Uzbek	332,017	2.0	359,000	2.3
Tatar	327,982	2.0	278,000	1.8
Belarusian	182,601	1.1	147,000	0.9
Others	916,000	5.6	916,000	5.8

Source: Beate Eschment, "The Russians of Kazakhstan in search of their national identity," Egbert Jahn (eds.), *Nationalism in Late and Post-Communist Europe*, Vol. 2 (Baden-Baden: Nomos, 2009), p. 74.

Before Genghis Khan’s occupation in the 13th century, the territory of Kazakhstan had been inhabited by nomadic tribes. The nomads were able to regain its power after internal struggles among conquerors and by the 16th century the Kazakhs emerged as a distinct group. In the 18th century, however, Russians advanced into the Kazakh grasslands, absorbing Kazakhstan as a part of the Russian Empire by the mid-19th century. After the 1917 Russian Revolution and the civil war that followed, the territory of Kazakhstan was reorganized several times before becoming the Kazakh Soviet Socialist Republic in 1936.¹⁰⁰⁾ Kazakhstan declared its sovereignty as a republic within the

100) Sang-chul Kim, "The Establishment of Kazakhstan as an Independent State: focusing on its transformation process from Soviet Republics to a new Eurasian middle power," Pacific Research Center and Russia Eurasia Academic Cluster of Hanyang University, *Eurasian System Transformation and Establishment of Nation* (Paju: Hanulbooks, 2012), pp. 159~161.

Union of Soviet Socialist Republics on October 25, 1990 when the former General Secretary of the Communist Party of the Soviet Union, Mikhail Gorbachev, was implementing glasnost and perestroika. On the following year, Kazakhstan declared independence on December 16, 1991, and joined the CIS on December 21, 1991. Nursultant Nazabayev, who was named First Secretary of the Communist Party (1989~1991) and Chairman of the Supreme Soviet (head of state) of the Kazakh SSR, was elected the nation's first president following its independence from the Soviet Union, and officially remains in office until 2014.¹⁰¹⁾ In the next section, this paper will elaborate on the system transformation of Kazakhstan before and after the declaration of independence.

b. Synopsis

(1) Pre-event

During the 1930s, many renowned Kazakh writers, thinkers, poets, politicians and historians were killed on Stalin's orders. In 1936, the multiracial nation Kazakhstan became a Soviet republic. During the 1930s and 1940s, Kazakhstan had experienced population inflows of millions exiled from other parts of the Soviet Union. For instance, after the German invasion in June 1941, approximately 400,000 Volga Germans were

101) Wikipedia, "Kazakhstan," <<http://en.wikipedia.org>>, pp. 1~2 (accessed: June 2014).

transported from Ukraine to Kazakhstan. In 1947, the Semipalatinsk Test Site, the USSR's main nuclear weapon test site, was founded near the city of Semey. Since 1949, nuclear tests had been conducted in this area. In 1953, Soviet leader Nikita Khrushchev initiated the ambitious Virgin Lands Program to turn the traditional pasture lands of Kazakhstan into a major grain-producing region for the Soviet Union. The Soviet leader Leonid Brezhnev held his post in 1964 and accelerated the late modernization. In the meantime, the Soviet had continued nuclear tests, which caused severe environmental and biological damages. This eventually sparked Kazakhs' rage against Soviet system. In 1986, amidst glasnost and perestroika, young Kazakhs held massive protests in the capital Almaty against the Kremlin's decision to replace then-Soviet Kazakhstan leader Dinmukhamed Konayev with Russian Gennady Kolbin. Caught up in the groundswell of Soviet republics seeking greater autonomy after the late 1988, Kazakhstan also declared its sovereignty on October 25, 1990.¹⁰²⁾

On March 25, 1990, the Communist Party of Kazakhstan (CPK) won in a general election for the Kazakhstan Parliament, taking 342 out of 360 seats. In September 1991, the ruling Communist Party of Kazakhstan renamed itself the Socialist Party of Kazakhstan (SPK). The reformed Communist Party gained the support of the elderly and Russians. On December 1, 1991,

102) *Ibid.*, pp. 6~7 (accessed: June 2014); CIS-Legislation, "Declaration KSSR on the state sovereignty of the Kazakh Soviet Socialist Republic," <<http://cis-legislation.com>> (accessed: August 2014).

Nazarbayev was elected the nation's first president by winning 98.8% of the votes. On December 10, the Kazakh parliament renamed the Kazakh Soviet Socialist Republic to the Republic of Kazakhstan. On August 29, 1991, the Semipalatinsk nuclear-weapon test site was closed. When the Soviet Union collapsed in December 1991, Kazakhstan inherited 1,410 nuclear weapons.¹⁰³⁾

(2) Post-event

Nazarbayev's Long-term Seizure of Power and Capital Relocation

Nazarbayev was elected the first president on December 16, 1991. Since then, he has stayed in power for 23 years. In order to secure his position, Nazarbayev utilized constitutional amendment, law revision, and a nationwide plebiscite. Nevertheless, he is now facing strong anti-government protests for his power exploitation, undemocratic elections, and corruption. In 1997, he moved the capital from Almaty to Astana.

As the president of Kazakhstan, Nazarbayev has launched a series of policies to build a modern state by moving towards a market economy. He tried to take a full advantage of the nation's various ethnic groups and the largest territory of Central Asia. In 1990, under the Soviet Rule, the Communist Party of Kazakhstan won 342 of the 360 seats (95%) at a general election.

103) Wikipedia, "Kazakhstan," pp. 7-8 (accessed: June 2014).

In January 1993, the first constitution of sovereign Kazakhstan was adopted, but Kazakhstan's attempt to introduce a western-democratic model into the post-Soviet contexts was pointed out as writing an "unnatural constitution."¹⁰⁴ Consequently, President Nazarbayev dissolved the parliament on December without facing a revolt which was usual before the independence, and asked a new parliamentary election for March 7, 1994. In the election, the president's own People's Union of Kazakhstan Unity emerged as the largest party with 33 (19%) of the 177 seats, while 64 (36%) independents were also elected. The Socialist Party of Kazakhstan, the former Communist Party of Kazakhstan, won 8 (5%) seats. Final results gave a clear majority to support of the president and a total of approximately 60% of the parliament seats to ethnic Kazakhs. Polling procedures were monitored by a parliamentary delegation of the Conference on Security and Cooperation in Europe (CSCE), which called into question the free and fair nature of the vote. In March 1995, the Constitutional Court proclaimed the elections illegitimate.¹⁰⁵ According to the ruling of the Court, the president dissolved the parliament despite the opposition from the politicians.

On April 29, 1995, President Nazarbayev arranged a referendum to extend his term of office to the end of 2000.

104) Korean Embassy in Almaty, "An overview of Kazakhstan (November 2006)," <<http://kaz.mofa.go.kr>> (accessed: September 2014).

105) Inter-Parliamentary Union, "Kazakhstan Parliamentary Chamber: Supreme Kenges Elections held in 1994," <http://www.ipu.org/parline-e/reports/arc/2165_94.htm> (accessed: September 2014).

The question was approved by 91.2% of voters, with turnout reported to be 95.5%. In addition, a national referendum was held on August 30, 1995 to pass a new constitution which expanded the president's power. Among the 90% turn out of voters, 90.6% voted in favor of the new constitution. The new constitution strengthened the presidency, introduced a seven-year, two-term presidency, and established a bicameral congress. It also abolished the Constitutional Court and replaced it with the Constitutional Council.¹⁰⁶⁾ Afterwards, parliamentary elections were held on December 9 with a second round on December 23 after being independent. The result was a victory for the People's Union of Kazakhstan Unity, winning 25 (37%) of the 67 Mazhilis seats, while the Democratic Party of Kazakhstan won 12 (18%) seats. Practically, the pro-ruling parties had the majority of seats by 85%. The Senate was formed by deputies elected by two persons from each of the fourteen Oblasts (provinces) and two senators each from Astana and Almaty. The president additionally appointed seven senators. However, the opposition parties boycotted the poll, insisting that there were a series of limitations on the pre-election campaign and election frauds. Observers from the OSCE also criticized the electoral process and results, citing a number of irregularities in the figures.

Along with consolidating his authoritarian regime,

106) Inter-Parliamentary Union, "Constitution of the Republic of Kazakhstan," <ftp://ftp.fao.org/upload/eims_object/Photo_library/KazakhstanConstitution.pdf> (accessed: September 2014).

Nazarbayev suggested the move of the capital from Almaty in southeastern Kazakhstan to Astana in the north in 1994. This suggestion is analyzed as an ambitious attempt to promote industrial development and exploitation of resources in the northern part, eventually providing Kazakhs with economic opportunities, and controlling separatist movements by Russians in the north.¹⁰⁷⁾ The official shift of the capital was completed on December 10, 1997. Shortly after accomplishing his mission, the president set out the “Kazakhstan-2030” strategy which outlined a plan for the development of the nation. The 2030 strategy highlighted seven long-term priorities: ① natural security, ② political stability, ③ economic growth based on an open market economy with high levels of foreign investment and domestic savings, ④ health, education and well-being of Kazakhstani citizens, ⑤ oil and gas exports, ⑥ transport and communications infrastructure, and ⑦ a professional state.¹⁰⁸⁾

In the presidential election on January 1, 1999, Nazarbayev ran independently and won an overwhelming victory over other three parties with 81% of the votes. However, most observers viewed the election as blatantly unfair, confirming that Nazarbayev was not interested in promoting a democratic system

107) Sang-chul Kim, “The Establishment of Kazakhstan as an Independent State: focusing on its transformation process from Soviet Republics to a new Eurasian middle power,” pp. 172~175.

108) Official site of the president of the Republic of Kazakhstan, “The Strategy for development of the Republic of Kazakhstan until the year 2030,” <<http://www.akorda.kz>> (accessed: September 2014).

of the country. A few months before the house elections, Nazarbayev's party, the Party of People's Unity of Kazakhstan, was reformed into the Fatherland (Otan) Party. In the parliamentary election held on October, the new Fatherland party won 23 (30%) of the 77 seats. 23 other seats went to the independents, while the Civic Party won 13 (6%) seats. The Communist Party, practically the only opposition party, won 3 (4%) seats.¹⁰⁹⁾ This parliamentary election could not dodge criticism by the OSCE this time as well. The parliament, outnumbered by pro-ruling parties, approved the constitutional law "on the first president of the Republic of Kazakhstan" in July 2000, which gave the first president an exclusive legislative power and political status. Meanwhile, based on restrictive political party law that came into force in July 2002,¹¹⁰⁾ several opposition parties had been officially liquidated, strengthening the position of the Fatherland. In the legislative election on September 19 and October 3, 2004, the Fatherland won the majority of seats with 42 (55%). The independents won 18 (23%) seats, while the Agrarian Party gained 11 (14%) seats. However, as the Communist Party failed to obtain a single seat, news media was reprimanded for its allegedly biased reports.¹¹¹⁾

In the presidential election held on December 4, 2005, President Nazarbayev (Fatherland) was reelected with 91.2%

109) The number of representatives were 77 in total with additional 10 proportional representatives.

110) Human Rights Watch, "Pressure on Political Parties and Movements," <<http://www.hrw.org/reports/2004/kazakhstan0404/5.htm>> (accessed: September 2014).

111) Wikipedia, "Kazakhstani legislative election, 2004," <<http://en.wikipedia.org>> (accessed: September 2014).

against other four candidates. Opposition candidates were allowed some access to the mass media, but it was still restricted. Given the situation, the observers from the OSCE criticized the election by calling it unfair, though they noted some improvements.¹¹²⁾ Since 2000, the government and opposition parties had discussed constitutional revision in order to strengthen the role of the parliament. In consequence, the legislature approved constitutional changes in May 2007 which confirmed decreasing the president's term in office from seven to five years, increasing the number of deputies in the lower legislative chamber from 77 to 107 members. 98 deputies were elected by proportional representation, and 9 deputies represented the Assembly of the People of Kazakhstan.¹¹³⁾ The changes also included the expansion in the number of senators selected by the president from 7 to 15.¹¹⁴⁾ Under the amended constitution, the president dissolved the parliament and called fresh election on August 18. The Nur Otan, founded by a merger of its predecessor Fatherland with the Civic Party and the Agrarian Party on September 25, 2006, won all 98 seats with 88.4% in the August 2007 parliamentary election for the lower house. The opposition party denounced the election, and the OSCE observers said the election showed some progress, but

112) Wikipedia, "Kazakhstani presidential election, 2005," <<http://en.wikipedia.org>> (accessed: September 2014).

113) The Assembly of People of Kazakhstan is a national political body in Kazakhstan consisting of delegates of the Regional Assembly of the People.

114) Wikipedia, "2007 amendment to the Constitution of Kazakhstan," <<http://en.wikipedia.org>> (accessed: September 2014).

the disinterestedness was marred by the biased media which was in favor of the incumbent and irregularities in vote counting.¹¹⁵⁾

On November 11, the Kazakh government approved the amendments of laws on election, political parties, and the media. The three pieces of legislation were considered as a promising step forward in Kazakhstan's political liberalization and modernization. However, the act provided the president with more authority as Commander in Chief rather than being considered as an element of the separation of powers-legislation, jurisdiction and administration. In the mid-December 2010, members of the governing Nur Otan party and allied civic groups called a referendum to extend Nazarbayev's term of office until 2020. However, the Kazakhstan's Constitutional Council ruled against holding a national referendum, illustrating that it would not correspond with the constitution. In the presidential election held on April 3, 2011, Nazarbayev was reelected for a third term with 96.5% against three nominal candidates, encouraged by the nation's economic recovery. Meanwhile, the OSCE observers pointed out a lack of transparency and competition in the vote.¹¹⁶⁾ On December 14, the President Nazarbayev was rewarded with Elbasy (leader of the nation) badge at the celebratory meeting of the Senate devoted to the 20th anniversary of Kazakhstan's independence. The senate passed

115) The Central Election Commission of the Republic of Kazakhstan, "Elections of the Majilis 2007," <<http://election.kz>>; Wikipedia, "Kazakhstani legislative election, 2007," <<http://en.wikipedia.org>> (accessed: September 2014).

116) Wikipedia, "Kazakhstani presidential election, 2011," <<http://en.wikipedia.org>> (accessed: September 2014).

a resolution to award the Head of State a special badge, thus giving a historical assesment of the outstanding role of the president.¹¹⁷⁾ As a result, President Nazarbayev's status has been further reinforced. In the house election, which took place on January 15, 2012, the Nur Otan party won 83 (85%) of the 98 seats, while the Democratic party gained 8 (8%) seats and the Communist People's party obtained 7 (7%) seats. In the subsequent election, the opposition party denounced the election as fraud, while the United States and the OSCE stated that the election did not meet fundamental principles of democratic elections.¹¹⁸⁾

As discussed so far, President Nazarbayev has ruled Kazakhstan for over twenty years since the declaration of independence. During those periods, the public fear of possible confusion which can be triggered by the power transition has allowed him to consolidate his authoritarian regime. However, he has not been able to avoid criticism both at home and abroad. In particular, the Islamic radicals' movement has been raising the government's concerns, as it has fueled anti-political and anti-social sentiment in Kazakhstan. In October 2013, an array of seminars aimed at enhancing political parties for parliamentary development were held with the support of the

117) Kazinform, "President Nazarbayev awarded 'Elbasy badge' by Senate," <<http://www.inform.kz>> (December 2011) (accessed: September 2014); Sang-chul Kim, *The Establishment of Kazakhstan as an Independent State: focusing on its transformation process from Soviet Republics to a new Eurasian middle power* (Paju: Hanulbooks, 2012), p. 159.

118) Wikipedia, "Kazakhstani legislative election, 2012," <<http://en.wikipedia.org>> (accessed: September 2014).

OSCE. More than 120 political party representatives participated in the seminars to discuss organizational, legislative, financial and PR aspects of party and issues over the parties' representation in the parliament and local self-government bodies.

Rapid Economic Growth After Economic Downturn

Since the declaration of the independence on December 12, 1991, Kazakhstan had been mired in an economic slump until 1998. However, it had experienced a rapid growth with annual growth rate of 8.9~13.5% from 1999 to 2007. Such high economic growth continued seamlessly even in the 2008 global financial crisis. Kazakhstan had showed the annual growth rate of 5~5.7% until the end of 2013. However, its high dependence on export of raw materials, the lack of institutional framework and small businesses, and corruption have hindered the continuous economic growth.

Kazakhstan was in the most favorable condition for system transformation among other Central Asian countries at the time of its declaration of independence with the highest per capita income, the smaller distorted economy, and abundant natural resources including crude oil and natural gas. The only notable vulnerable point was the deeply divided ethnic groups. However, Kazakhstan had faced severe economic downturn in the 1990s provoked by a series of events such as the Russian model of radical economic reform, a sudden drop in supply of goods

from other Soviet republics, and the migration of highly educated people and skilled engineers. Furthermore, the government's price liberalization and privatization policies—aimed at speeding up the shift from the centrally planned economy to the market economic system—had ended up aggravating the economy and increasing the economic gap as they prompted hyperinflation of 1892% in 1994 and the reckless liberalization of companies. The collapse of the Soviet Union caused a slump in supply of goods by 50~60%, leading to a drop in production by 30~50%. President Nazarbayev's Kazakh-centric community building policy compelled about millions of Russians and seven hundred thousands of Germans to return to their homeland. A smaller number of Ukrainians, Belarussians, and Tartarians also migrated to other CIS countries. Most of those who left Kazakhstan were highly educated and skilled. Hence, the mass exodus resulted in a substantial population decline from 17 millions in 1991 to 15 millions after ten years.¹¹⁹⁾ Under these circumstances, the Russian financial crisis in 1998 brought about devastating economic depression in Kazakhstan. However, high global oil prices, currency depreciation, and increase in industrial production, investment, and consumption had accelerated the annual GDP growth rate in Kazakhstan by 8.9~13.5% until 2007. Kazakhstan's annual growth rate had remained as high as 5~7.5% until 2013 in spite of the global financial crisis in 2008.

119) Yeoung-jin Kim, *System Transformation and Economic Development in Kazakhstan: System Transformation and Economic Development in Eurasia* (Paju: Hanulbooks, 2012), pp. 147~163.

Table 6 Kazakhstan GDP Annual Growth Rate

(annual %)

Year	'91	'92	'93	'94	'95	'96	'97	'98	'99	'00	'01	'02
Growth Rate	-11.0	-5.3	-9.2	-12.6	-8.2	0.5	1.7	-1.9	2.7	9.8	13.5	9.8
Year	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14
Growth Rate	9.3	9.6	9.7	10.7	8.9	3.3	1.2	7.3	7.5	5.0	6.0	-

Source: The World Bank, "GDP growth," <<http://data.worldbank.org>> (accessed: September 11, 2014).

In 2000, Kazakhstan became the first of the former Soviet republics in Central Asia to repay all of its debts to the IMF, seven years ahead of schedule. Its GDP had surged from 78 million USD in 1995 to 102.6 million USD in 2000, and reached 243.6 billion USD in 2013, establishing itself as the greatest economic power in Central Asia. Its GDP per capita increased to 14,100 USD in 2013, by 9.3 times from the early 1990s. In 2012, Kazakhstan ran a trade surplus of about 44.1 billion USD, with its exports amounted to about 86.9 billion USD and imports reached about 42.8 billion USD. Oil and oil products consisted 59% of exports.¹²⁰⁾ Kazakhstan holds about 4 billion tons of oil, making it the world's top 10 oil-producing countries. Moreover, its gas reserves amount to 2,000km³. As of the late September in 2012, its foreign investment totaled 117.7 billion USD. In this respect, Kazakhstan has been widely considered to be the best investment climate in Central Asia by the U.S. State Department.¹²¹⁾

¹²⁰⁾ Wikipedia, "Economy of Kazakhstan," <<http://en.wikipedia.org>> (accessed: September 2014).

On December 14, 2012, President Nazarbayev announced the Strategy “Kazakhstan-2050.”¹²²⁾ He declared that the main goal of the project is to enter the club of top 30 most developed countries of the world. In the Address of President of the Republic of Kazakhstan on January 17, 2014, Nazarbayev presented seven priorities for the achievement of the goal: ① strengthening the trend of the innovative industrialization, ② adoption of agricultural innovations, ③ realization of knowledge-based economy, ④ development of effective infrastructure of cities, transportation, and energy, ⑤ promoting small and medium-size businesses, ⑥ reinforcement of education aimed at developing the public’s potential power and the health care support program, and ⑦ improvement of services in the national organizations.¹²³⁾ For the stable economic development, not only the tasks mentioned above, but also intricate problems—export structure highly depend on crude oil, economic disparity between the small upper class and the large lower class, the issues over the number of illegal immigrants reaching up to half a million to a million—need to be properly resolved.

121) U.S. Department of State, “2013 Investment Climate Statement - Kazakhstan,” <<http://www.state.gov/e/eb/rls/othr/ics/2013/204668.htm>> (accessed: September 2014).

122) Official site of the president of the Republic of Kazakhstan “Address by the President of the Republic of Kazakhstan, Leader of the Nation, N. A. Nazarbayev: Strategy “Kazakhstan-2050,” <<http://www.akorda.kz>> (December 2012) (accessed: September 2014).

123) Korean Embassy in Almaty, “2014 Annual State of the Nation Address,” <<http://kaz.mofa.go.kr>> (February 2014) (accessed: September 2014).

A Model of Nuclear Disarmament

On May 2, 1992, shortly after the declaration of independence, President Nazarbayev transformed the State Committee of Defence of the Republic of Kazakhstan into the Ministry of Defense. The Kazakhstan military was formed after the collapse of the Soviet Union, from units of the 40th Army in the Soviet Turkestan Military District. Later on, Kazakhstan's National Security Committee (KNB) was established on June 13. It consisted of the Service of Internal Security, Military Counterintelligence, Border Guard, several Commando units, and Foreign Intelligence (Barlau). On July 6, 2000, the Armed Forces returned to a dual structure: general-purpose forces and air defense forces. As for the military strength, armored units had expanded from 500 in 1990 to 1,613 in 2005, considering the efficient use of vast plains in the nation. The Kazakh air force is composed mostly of soviet-era planes, including 41 MiG-29s, 44 MiG-31s, 37 Su-24s and 60 Su-27s. A small naval force is also maintained on the Caspian Sea.¹²⁴⁾

With regard to the nuclear issues, the Semipalatinsk Test Site, the Soviet Union's nuclear test site where more than 500 times of nuclear tests were conducted, caused serious damages to Kazakhstan, such as radioactive-related diseases and the decline in birth rate. In response to the problems, President Nazarbayev officially closed the Semipalatinsk nuclear test site

124) Princeton University, "Military of Kazakhstan," <<https://www.princeton.edu>>; "Kazakhstan," p. 10 (accessed: September 13, 2014).

on August 29, 1991. When the Soviet Union collapsed, Kazakhstan inherited the fourth largest nuclear arsenal in the world with 1,410 nuclear warheads. In 1994, a joint U.S.-Kazakhstan operation named Project Sapphire removed approximated 600kg of weapons-grade highly-enriched uranium to the United States. Additionally, the United States agreed to fund more than 8 million USD for the compensation and the safe and secure transportation. In an attempt to renounce nuclear weapons, the Kazakh government had transferred all of its nuclear warheads to Russia by April 1995. The dismantlement of the nuclear testing infrastructure at Semipalatinsk was also completed by July 2000. On September 8, 2006, President Nazarbayev signed the Treaty on Nuclear Weapon Free Zone in Central Asia. In December 2009, he proclaimed August 29 as the “International Day against Nuclear Tests,” marking the anniversary of the closure of the Soviet nuclear test site. Kazakhstan has now been recognized a model of transforming the benefits of renouncing nuclear weapons into human development, making President Nazarbayev a global leader with regard to the nuclear non-proliferation and international security issues.¹²⁵⁾

125) Nuclear Threat Initiative, “Kazakhstan,” <<http://www.nti.org>>; “Nursultan Nazarbayev,” <<http://en.wikipedia.org>>, pp. 6~7; Wikipedia, “Kazakhstan,” pp. 7~8 (accessed: September 14, 2014).

The Multivector Foreign Policy

Kazakhstan has adopted a multivector foreign policy aimed at cultivating good-neighbor relationships with the United States, Russia, China, and other nations since its independence in 1991. Although President Nazarbayev has held his position for more than twenty years, relatively small number of inter-ethnic conflicts have been occurred compared to other Central Asian countries. A vast amount of natural gas and crude oil are considered to have contributed to this successful government operation and the implementation of the multivector foreign policy.

In May 2003, after the U.S. invasion of Iraq, Kazakhstan assisted the U.S. government by sending military engineers, removing landmines and explosives and supplying medicine. On April 11, 2010, President Nazarbayev met his counterpart Obama at the Nuclear Security Summit in Washington D.C. and discussed strengthening the strategic partnership between the U.S. and Kazakhstan. They also pledged to intensify bilateral cooperation to promote nuclear safety and non-proliferation, regional stability in Central Asia, economic prosperity, and universal values. Since 1995, Kazakhstan has actively committed its efforts to support NATO's Partnership for Peace program. In October 2000, Kazakhstan signed the treaty to establish the Eurasian Economic Union (EEU) with leaders of Russia, Belarus, Kyrgyzstan, and Tajikistan, which targeted the creation of a free trade zone. On May 29, 2004, the leaders of Kazakhstan, Russia and Belarus signed the treaty establishing the Eurasian Economic Union

(EEC), the common market of 170 million people and a combined gross domestic product valued at 2.7 trillion USD. The treaty is scheduled to enter into force on January 1, 2015 after the ratification by the three countries' parliaments. Kazakhstan, as a member state of diverse international organizations such as UN, the OSCE, SCO, and OIC, has established stable relations with its neighboring countries. In November 2012, the 67th session of the United Nations General Assembly (UNGA) elected Kazakhstan to the UN Human Rights Council. Kazakhstan has been actively joining the UN peacekeeping operations as a part of Kazakhstan's multivector foreign policy. The goal of Kazakhstan's diplomatic policy is regarded as setting up a favorable international environment for the successful implementation of the Strategy "Kazakhstan-2050."¹²⁶⁾

c. Analysis

(1) General Aspects

On the political front, Kazakhstan's system transformation process was completed by following the typical procedure of "Declaration of Sovereignty → Declaration of Independence → CIS Partnership" like other Soviet Republics. Specifically, the declaration of sovereignty was announced on October 25, 1991

126) Embassy of the Republic of Kazakhstan, "Foreign Policy Concept," <<http://www.kazakhembus.com>>; Wikipedia, "Kazakhstan," p. 9 (accessed: September 14, 2014).

when the Soviet rule had been waning under the Gorbachev's glasnost and perestroika. In September 1991, the Communist Party of Kazakhstan was disbanded. Afterwards, in the presidential election held on December 1, the former First Secretary of the Communist Party's Nazarbayev was elected for the nation's first president. It was analogous to the presidential election in Russia which elected Yeltsin, the chairman of the Russian Supreme Soviet, as the Russian first president. These two presidents who regarded the Supreme Soviet of the Soviet Union as a major barrier to their system transformation plans dissolved the parliament using a referendum, and subsequently adopted a new constitution which considerably strengthened the presidency. In the 1990s, both Kazakhstan and Russia experienced political unrest prompted by radical economic reforms. Yet, the rapid economic growth in the 2000s has allowed the nations to ensure political stability. Presidents Nazarbayev and Putin have been maintaining their hold on power via constitutional revision and referendum underpinned by strong leadership and economic development.

On the economic front, the independent Kazakhstan had pushed forward radical economic reforms derived from Russia for a quick transition to market economy and realization of privatization. However, it ended up falling into a terrible economic slump in the 1990s as Russia had already experienced. Nevertheless, both countries had succeeded in bringing about speedy economic recovery and growth encouraged by high global

oil prices in the 2000s. In light of this favorable atmosphere, the Russian President Putin has been promoting “Russia 2020” program, which is designed to make Russia the fifth largest economy in the world by 2020. In Kazakhstan, President Nazarbayev has also been working on “Kazakhstan-2030” strategy for achieving political stability and comprehensive national development, along with the strategy “Kazakhstan-2050” which focuses on widespread economic, social, and political reforms to position the nation among the top 30 global economies. However, as Russia has struggled to cope with issues regarding income inequality, corruption, and illegal immigrants, Kazakhstan has also faced similar obstacles caused by rapid economic growth.

On the security and military front, Kazakhstan has established the new Ministry of Defense like other Soviet Republics, and reorganized the Soviet military system to form Kazakhstan military.

On the diplomatic front, Kazakhstan has shifted its courses after the successful implementation of the system transformation policy. That is to say, in the early days of dependence, Kazakhstan concentrated on maintaining close relationship with Russia, whereas its emphasis has moved on creating a peaceful international environment for continuous national development through multivector foreign policy. This approach is in some way in line with Russia’s multivector foreign policy which has been carried out since the mid-1990s.

(2) Unique Aspects

On the political front, President Nazarbayev breezed through the adoption of the new constitution by conciliating lawmakers with proper compensation which spared any arguments in the parliament, while the Russian President Yeltsin underwent even armed conflicts with the parliament over the constitutional amendments. In addition, Kazakhstan, the most multiracial nation among the Soviet republics, has not suffered from serious ethnic violence as majority Russians and Germans returned to their homelands right after the independence of the nation. This has eventually allowed Kazakhstan to develop a strong Kazakh-centered national identity. As the domestic economic situation improved, a widespread outrage against the president Nazarbayev was created by opposition lawmakers and the international community, but it did not deter him from receiving overwhelming supports from the public when it comes to conducting a referendum and constitutional reform for extending his presidential term. The transfer of capital from Almaty to Astana in December 1991 has enabled the effective suppression of separatist movements of the Russians living in northern area and greatly facilitated the exploitation of resources and economic revitalization.

On the economic front, Kazakhstan presented relatively better economic conditions compared to other Central Asian countries, especially in terms of per capita income and the size of the

distorted economy during the system transformation. However, the elimination of the subsidies from Soviet government, confusions occurred by price liberalization and privatization policies, and the brain drain of scientists and skilled engineers have deteriorated the performance of the Kazakhstan economy. Fortunately, a surge in global oil prices and discoveries of new oil fields have accelerated the economic growth since the 2000s. President Nazarbayev, who once promised uncompromising fight against corruption, has been scored by the public as he remains as one of the “ultimate oligarchs” of the post-Soviet Central Asia states. Furthermore, his family has been controlling many key enterprises and broadcasting companies.

On the security and military front, Kazakhstan officially closed the Semipalatinsk test site shortly before the declaration of independence, for the Soviet government’s nuclear tests had caused the environmental disruption and declining fertility problems. After the declaration of independence, the Kazakhstan government has collaborated with the United States on the dismantlement of Russian nuclear weapons. As a result, Kazakhstan received more than 8 million USD from the U.S. for the compensation and the transportation fee through the Project Sapphire. Additionally, Kazakhstan repatriated 1,410 nuclear warheads inventory back to Russia, which enhanced the its international status as a global model of nuclear disarmament. recently, the government proposed that it will significantly contribute to the nuclear disarmament and

nonproliferation issues, if elected to be a non-permanent member of the Security Council during 2017~2018.

On the diplomatic front, Kazakhstan has been emerging as the most attractive investment destination in Central Asia, propelled by its rich natural resources, a stable political landscape and the rapid economic growth in the 2000s. CIS countries including Russia have created Eurasian Economic Community (EEC) and Eurasian Economic Union (EEU), while the most of the western countries have been seeking ways to form a strategic partnership with Kazakhstan.

d. Implications for the Korea

Kazakhstan's system transformation passed through three main stages as other Soviet republics followed: declaration of sovereignty, declaration of independence, and CIS partnership. However, the unification process of Korea is expected to be carried out through considerably different mechanisms. Nevertheless, the system transformation process in Kazakhstan has the following significant implications for Korean Peninsula, in both prior to the unification of Korea and on the process of the unification.

e. Observation

Kazakhstan declared its independence from Soviet Union in December 1991. Like the other countries, Kazakstan, also, followed the process of declaration of sovereignty, declaration of independence and partnership with CIS. Kazakh system transformation was triggered by nuclear related matter. The country underwent political unrest and hardship in economy after executing the economic reform that emulated Russian model.

Kazakhstan's political situation had become stable affected by high global oil prices and the president Nazarbayev's authoritarian rule. In addition, the nation has maintained the annual growth rate of over 5%, while positioning itself as a global leader in nuclear non-proliferation.

6 The Irish Case

a. Overview

The unification of divided territories is a very common theme in the state-building process. One of its most common forms is the integration of a set of smaller territories within a broader political unit, as in the case of the U.S. (from 1788 onwards), Switzerland (1848), Italy (1870), Germany (1871) and the current process of the unification of the European Union. A much more distinctive challenge arises when the territories whose unification is sought had earlier been integrated, but were then partitioned. In some cases, such partition arose out of the ambitions of competing great powers, as in the partition of Poland (1772~1795). In others, there were unresolved issues arising from ideological conflict, especially that between communist and anti-communist forces: the division of Korea, China or Germany, for example. In yet others, ethnonational differences constituted at least part of the motivation—for instance, the partition of Hungary (1920), Ireland (1922) and Cyprus (1974). It is clear that such cases of partition share certain common features.

A previously unified territorial entity is divided into two or

more parts, which may be marked with borders, codified in new maps, and operationalized, for example, in demarcated lines, perhaps accompanied by fences, walls, paint or barbed wire, or punctuated with official posts where passes or passports may be demanded.¹²⁷⁾

Of particular interest here is the manner in which those affected react to partition: with relief, with indifference, with anger, or with mixed feelings. In particular, there are likely almost always to be groups who wish to reunify the territory. This essay considers one such case, Ireland, and seeks to demonstrate the extent to which it may have lessons for Korea.¹²⁸⁾

At least at first sight, Ireland offers an improbable basis for comparison with Korea. In respect of area, it is about one third the size of the latter; but as regards population it is less than one tenth the size. This makes Germany, with a population just slightly larger than that of Korea, a more obviously similar case, especially in the light of the strong ideological dimension to the relationship between the two parts of what was formerly a single state. Furthermore, partition dates from approximately the same time in the two cases, just after the second world war. Whereas in Ireland, it has been of longer duration, dating to the period after the first world war. On the other hand, there

127) Brendan O'Leary, "Analysing Partition: Definition, Classification and Explanation," *Political Geography*, Vol. 26 (2007), pp. 886-908.

128) Extensive comparisons of various kinds are available; see the wide range of publications and the *International Journal of Korean Unification Studies* on KINU's web site at <www.kinu.or.kr/eng/pub/>; Further case studies are available in Tzong-Ho Bao, (eds.), "Divided Nations: A Comparative Perspective," special issue of the *Chinese Political Science Review*, Vol. 24 (1995).

are some important similarities that would make it unwise to ignore the Irish case: the existence of pro-unity lobbies, particularly the supporters of the status quo, in both jurisdictions, the capacity of the border to shape political attitudes in the long term, and the fact that the two entities are of uneven size. The population ratio between the two parts of Korea is about two to one, whereas in Ireland, it is about three to one, and in Germany, it was about four to one.¹²⁹⁾

b. Synopsis

In many cases of partition, the new border acquires over time a life of its own: the formerly integrated population increasingly accepts division and separation as a fact of life and, if geopolitical stability persists across generations, what was once seen as an intrusive and unwanted partition line may come to be taken for granted as just another international border. There is some evidence of this kind of development in the Irish case, but the Good Friday agreement of 1998 promised to usher in a new era in all-island integration.

129) The population of the Republic of Ireland was 4.6 million and of Northern Ireland 1.8 million in 2011; the population of the Republic of Korea was 49.2 million and of the Democratic People's Republic of Korea 24.9 million in 2014; and the population of the Federal Republic of Germany was 63.3 million and of the German Democratic Republic 16.1 million in 1990.

Partition and the consolidation of the Irish border

Ireland had enjoyed at most symbolic unity before its relationship with England began in the twelfth century. A network of Gaelic statelets recognised a titular “high king,” but from 1171 onwards the English kings claimed also to rule Ireland. By the early seventeenth century nominal English rule had been transformed into effective control from London, reinforced by substantial English and Scottish settlements in the northern province of Ulster. In 1800 Ireland was further integrated in a new state, the United Kingdom (U.K.), but it continued to be administered separately from England and Scotland, with its own administrative system and corpus of laws.¹³⁰⁾

Even after 1800, Ireland’s integration in the U.K. was incomplete. The population was mainly Catholic, not Protestant, and it spoke mainly Irish (Gaelic) until the nineteenth century. A movement for the assertion of Catholic rights in the early nineteenth century was followed by one for Irish autonomy and, later, independence. But this divided public opinion, with a Protestant population in Ulster (largely descended from seventeenth-century English and Scottish settlers) strongly resisting its incorporation in a separate Irish state. As Irish nationalist demands became more insistent, the British government resorted to partition in 1921; a new self-governing region of Northern Ireland was created (comprising most of

130) For general histories of Ireland, see, for example, James Lydon, *The Making of Ireland: From Earliest Times to the Present* (London: Routledge, 1998), and Roy Foster, *Modern Ireland 1600-1972* (London: Allen Lane, 1988).

Ulster, and 65% Protestant), alongside another new region called Southern Ireland (comprising the rest of the island, and 90% Catholic). Each was given autonomy within the United Kingdom.¹³¹⁾

Southern Ireland steadily asserted its complete political independence of the U.K. In 1922, following a campaign of guerrilla warfare, it became the Irish Free State, leaving the U.K. but remaining part of the British Commonwealth; in 1937 it adopted a new constitution that marked the attainment of complete de facto independence; and in 1949 it left the Commonwealth and broke all remaining formal links with the U.K. Its value system became increasingly Gaelic and Catholic, and by 1991 its Protestant minority had dwindled to 3% and had been substantially assimilated to the dominant culture.¹³²⁾ These changes served to deepen not only the border with the U.K., but also that with Northern Ireland. Nevertheless, the main Irish political parties continued to express strong rhetorical support for Irish unity. This was articulated at its most formal in the 1937 constitution, two articles of which appeared to imply a territorial claim over Northern Ireland (the similarity with articles 3 and 4 of the Korean constitution should be noted):¹³³⁾

131) For an overview of Irish nationalism, see Richard English, *Irish Freedom: The History of Nationalism in Ireland* (London: Macmillan, 2006); on partition, Michael Laffan, *The Partition of Ireland 1911-25* (Dublin: Dublin Historical Association, 1983).

132) John Coakley, "Religion, Ethnic Identity and the Protestant minority in the Republic," William Crotty and David Schmitt, (eds.), *Ireland and the Politics of Change* (London: Addison Wesley Longman, 1998), pp. 86-106.

133) Article 3 of the constitution of the Republic of Korea provides that "The territory of the Republic of Korea shall consist of the Korean peninsula and its adjacent islands," a less ambiguous territorial claim than in Ireland's article 2; and article 4 is more directive than article 3 of the Irish constitution: "The Republic of Korea shall seek unification and shall

Article 2. The national territory consists of the whole island of Ireland, its islands and the territorial seas.

Article 3. Pending the re-integration of the national territory, and without prejudice to the right of the Parliament and Government established by this Constitution to exercise jurisdiction over the whole of that territory, the laws enacted by that Parliament shall have the like area and extent of application as the laws of Saorstát Éireann (the Irish Free State) and the like extra-territorial effect.

Irish governments, however, invested little effort in advancing the cause of Irish unity thus given solemn status in the constitution. A well-resourced North-Eastern Boundary Bureau, established by the government in 1922, compiled information and devised arguments to be used in negotiations with the British and Northern Ireland governments regarding the location of the North-South border, which had not been finally agreed. A commission representing the three governments, however, failed to recommend any major change in the border; rather than greatly reducing the size of Northern Ireland so much that its viability would be in question, it was agreed in 1925 that the line of the existing border would remain, and the North-Eastern Boundary Bureau was wound up in 1926.¹³⁴⁾ Thereafter, little

formulate and carry out a policy of peaceful unification based on the principles of freedom and democracy.” The North Korean constitution contains a similar provision in article 9: “The Democratic People’s Republic of Korea shall strive to achieve the complete victory of socialism in the northern half of Korea by strengthening the people’s power and vigorously performing the three revolutions - the ideological, technical and cultural - and reunify the country on the principle of independence, peaceful reunification and great national unity.”

official interest was shown in Northern Ireland. The next episode followed the very divisive general election of 1948, Ireland's departure from the Commonwealth and British legislation that confirmed Northern Ireland's status as part of the United Kingdom. An All-Party Anti-Partition Conference was established in 1949, but its work was largely confined to the area of propaganda, and its activities fizzled out in the 1950s.¹³⁵⁾

Parallel to these developments, the position of Northern Ireland was steadily consolidated, as it asserted its Protestant and British identity. There were, however, important respects in which the religious minority in Northern Ireland was very different from that in the South. First, it was much larger: Catholics accounted for 35% of the population of Northern Ireland when it was created, while Protestants in the South were a minority of 10%.¹³⁶⁾ Second, the rate of natural increase of Catholics in the mid-twentieth century was much higher than that of Protestants, so there was a tendency for the proportion of Catholics in both parts of the island to increase, while that of Protestants tended to fall. This was, however, offset by the tendency of the minorities in both jurisdictions to emigrate at a disproportionate rate. As a consequence of these developments, the proportion of Catholics in Northern Ireland had reached 45% by 2011. Third,

134) The Bureau published a number of pamphlets, a weekly bulletin, and a substantial book, *Handbook of the Ulster Question* (Dublin: Stationery Office, 1923).

135) The standing committee of the conference published several pamphlets and, using the name of its secretary, an important book, Frank Gallagher, *The Indivisible Island: The History of the Partition of Ireland* (London: Gollancz, 1956).

136) Based on data from the Irish census of 1911, which was used in designing the partition settlement.

the relative socio-economic status of the two minorities was fundamentally different. Protestants on the island of Ireland had been a privileged group, using conventional social indicators (they were less likely to be unemployed than Catholics, and among those employed they occupied the more prestigious positions). This meant that the southern Protestant minority was a high-status one, with a vested interest in stability, while the northern Catholic minority was a low-status one, with little commitment to the status quo. Finally, while the southern Protestant minority was reasonably well integrated in the state (with a significant number of Protestant office-holders), the northern Catholic minority was not: its leaders were largely shut out of formal decision making.

These inequalities in Northern Ireland were reinforced by the state itself, which practiced or tolerated practices of discrimination against Catholics, especially at local level, in the areas of public sector employment, housing allocation, political representation and policing. Following a civil rights campaign that began in 1968 and the outbreak of civil unrest, direct rule from London was reintroduced in 1972. Violence continued, though, as radicalized Catholics sought to secure recognition of their Irish identity (either by achievement of Irish unity, or, less ambitiously, by a restructuring of Northern Ireland to give them a greater say in government), while Protestants continued to defend Northern Ireland's British identity. By the end of the twentieth century, the number of deaths arising from the civil conflict had reached almost 3,500.

The enormous human costs associated with decades of civil unrest pushed the competing parties in the direction of a compromise. These parties included the British government, which retained overall responsibility for Northern Ireland, but which since 1972 had adopted a position of acknowledging the need for a consensual agreement that would involve the Irish government. The thinking of the Irish government, which retained an historical claim over the territory of Northern Ireland, was also evolving; a cross-party New Ireland Forum (1983~1984) signalled a more thoughtful approach to the question of Irish unity, and a similar Forum for Peace and Reconciliation (1994~1996) proposed that Irish unity could be brought about only by agreement. Most important were the political parties within Northern Ireland: the Protestant or “unionist” community, which included not only mainstream parties but also “loyalist” paramilitaries; and the Catholic or “nationalist” community, divided between a conventional political party and Sinn Féin, the political arm of the Irish Republican Army (IRA, an armed force waging a campaign against the state).¹³⁷⁾

The Good Friday agreement and the all-island dimension

A pivotal role in ending the Northern Ireland conflict and

137) John Coakley, (eds.), *Changing Shades of Orange and Green: Redefining the Union and the Nation in Contemporary Ireland* (Dublin: UCD Press, 2002).

redefining geopolitical relationships was marked by the Good Friday agreement of April 1998. Assented to by the two governments and all of the major parties and interests within Northern Ireland apart from one important unionist party, this long and complex document proposed a new blueprint for the government of Northern Ireland, redefined its relationship with the U.K. and with the Republic of Ireland, and tried to resolve a number of other pressing political, cultural, social and economic issues. These included provisions for establishing equality between the two communities, and a power-sharing government that would include all significant parties.

As far as the border between the two parts of Ireland is concerned, the 1998 agreement made some important innovations, which may be summarized as follows.

- It recognized that a majority of those living within Northern Ireland wished to remain part of the U.K., and that the border should therefore remain as long as this continued to be the case;
- It made provision for Irish unification should a majority in both parts of the island so wish;
- It proposed the establishment of a small number of cross-border bodies that would administer certain services on an all-Ireland basis;
- The Irish government agreed to drop its constitutional reference to Northern Ireland as part of the “national territory.”

Implementation took some time: the new power-sharing government and the cross-border bodies came into formal existence in December 1999, and the change in the Irish constitution took effect at the same time. Notwithstanding certain serious difficulties, the remaining major unionist party that had opposed the agreement eventually accepted its broad principles, and there has been relative stability since 2007.¹³⁸⁾ As far as the reality of the Irish border and the issue of partition is concerned, there are three respects in which the position was redefined by the 1998 agreement.

First, following a referendum in which 94% supported the proposal, the Irish constitution was amended, so that there is no longer any hint of a claim to Northern Ireland. Articles 2 and 3, as quoted above, were replaced by two articles which were not just of a more aspirational character, but which in practice guaranteed the continuation of the border unless majorities on both sides voted in favour of unity. The new articles are as follows:

Article 2. It is the entitlement and birthright of every person born in the island of Ireland, which includes its islands and seas, to be part of the Irish Nation. That is also the entitlement of all persons otherwise qualified in accordance with law to be citizens of Ireland. Furthermore, the Irish nation cherishes its special affinity with people of Irish ancestry living abroad

138) John Coakley, "Has the Northern Ireland Problem Been Solved?," *Journal of Democracy*, Vol. 19, No. 3 (2008), pp. 98-112.

who share its cultural identity and heritage.

Article 3. ① It is the firm will of the Irish Nation, in harmony and friendship, to unite all the people who share the territory of the island of Ireland, in all the diversity of their identities and traditions, recognising that a united Ireland shall be brought about only by peaceful means with the consent of a majority of the people, democratically expressed, in both jurisdictions in the island. Until then, the laws enacted by the Parliament established by this Constitution shall have the like area and extent of application as the laws enacted by the Parliament that existed immediately before the coming into operation of this Constitution.

② Institutions with executive powers and functions that are shared between those jurisdictions may be established by their respective responsible authorities for stated purposes and may exercise powers and functions in respect of all or any part of the island.

The new articles marked the end of a long-standing dispute between Ireland and the U.K., which up to that point had refused to accept each other's official name. Treaties between the two states up to then had been done "in two originals," rather than in duplicate: one version was entitled according to the Irish preference as a treaty between the governments of "Ireland" and the "United Kingdom"; the other, the British version, was between the governments of the "United Kingdom of Great Britain and Northern Ireland" and the "Republic of Ireland."

After the change to the Irish constitution, however, each state was prepared to accept the other's official name.¹³⁹⁾

Second, six North-South bodies, overseen by a small joint secretariat, came into formal existence in December 1999, and commitments were made to strengthen other forms of cooperation between Northern Ireland and the Republic. While some of the bodies (as in the area of promoting North-South trade, and marketing the island of Ireland for tourism purposes) are new, others (such as the administration of fisheries in shared coastal areas) continue existing arrangements. Overall, formal North-South cooperation has remained relatively static. A North-South forum bringing together civil society interests, envisaged (though not specifically provided for) in the agreement, never came into effective existence, and a similar North-South parliamentary forum was created only in 2012, as the North-South Inter-Parliamentary Association.

Third, while all parties acknowledged that no change should take place in the constitutional status of Northern Ireland without the consent of a majority there, and recognised that there is currently majority support for the maintenance of partition, demographic developments appeared to suggest that there was a realistic prospect of bringing partition to an end by means of a popular vote. The agreement provided that if the Secretary of State for Northern Ireland (the British minister

139) John Coakley, "Irish Republic, Eire or Ireland? The Contested Name of John Bull's Other Island," *Political Quarterly*, Vol. 80, No. 1 (2009), pp. 49-58.

with responsibility for the region) took the view that public opinion was in favour of change, a referendum would be triggered. If a majority voted for Irish unity, and if this was endorsed similarly in the Republic of Ireland, the British and Irish governments would work to bring this about. However, although it is likely that Catholics will indeed outnumber Protestants in Northern Ireland in the near future, there is overwhelming survey evidence that shows very substantial Catholic support for partition. Unless this is dislodged by some kind of external shock, then, it is likely that partition will continue to be supported by large majorities in Northern Ireland. Since there is little evidence of committed support for Irish unity among the public in the Republic of Ireland, the Irish border seems secure for the foreseeable future.¹⁴⁰⁾

c. Analysis

All instances of political unification of course contain elements that are unique, but there are always also important similarities across cases. These are reviewed here in respect of the Irish case: the extent to which it forms part of a common pattern, and its unique features.

140) John Coakley, *Public opinion and the future of Northern Ireland* (Belfast: Institute for the Study of Conflict Transformation and Social Justice, Queen's University Belfast, 2014) (working paper, April 2014), available <www.qub.ac.uk/research-centres/iscts/Research/WP-04-14/>.

(1) General Aspects

There are several respects in which the Irish case matches other instances of partition. The most obvious is the extent to which it was an externally imposed “solution”; a territory was partitioned regardless of the wishes of the inhabitants. This was obviously the case when the partition line was defined by a ceasefire line between belligerent armies (as in Korea) or by a line of demarcation between occupying forces (as in Germany). But it is easy to forget that the partition of Ireland in 1921 was not popular on any side; Sir Edward Carson, leader of the Unionist Party, advocated it primarily for tactical reasons (to undermine the prospect of Irish autonomy), ultimately seeing it as, at best, a necessary evil.¹⁴¹⁾

Second, all cases of partition illustrate the extent to which international borders may become “normalized” over time. This was a feature of the Irish border: virtually the entire populations of Northern Ireland and the Republic of Ireland have been brought up in a partitioned island, have been conditioned by life in rather different social, cultural and political systems, and show evidence of accepting current geopolitical arrangements as being of indefinite duration. Similar tendencies seem to have been emerging in Germany; the border and the Berlin wall left their mark, but unification took place after four decades, a period

141) Jeremy Smyth, “Federalism, Devolution and Partition: Sir Edward Carson and the Search for a Compromise on the Third Home Rule Bill, 1913~14,” *Irish Historical Studies*, Vol. 35, No. 140 (2007), pp. 496~518.

perhaps too short to have left a permanent imprint on public consciousness. Elsewhere, related cultural communities have been divided by long-standing political boundaries: the difference between Serbs and Croats was shaped by the border between the Ottoman and Habsburg empires, and the western border of the Russian empire cut through areas of Finnish, Estonian and Romanian culture, differentiating peoples who were identified as distinct (respectively, as Karelian, Setud and Moldovan).¹⁴²⁾

Finally, political solutions (such as partition) always produce winners and losers. Those whose material interests and cultural priorities have been damaged by the process are likely to continue to oppose it, and to support unification; but those placed in control of new states have a vested interest in the new arrangements. Partition may have inflicted political and economic damage in Ireland; but it allowed the southern Irish elites to embark, largely unopposed, on an ambitious programme of political and cultural nationalism, and it permitted their Northern Irish counterparts to carve out a culturally “Protestant” state.

It appears to be the case, then, that the Irish experience of partition resembles that in many other instances where a new international border has been solidified by the passage of time. From the perspective of the Protestant elites in Northern

142) John Coakley, *Nationalism, Ethnicity and the State: Making and Breaking Nations* (London: Sage, 2012), pp. 163~164.

Ireland, who had pushed for partition in the first place and were committed to the closest possible links with Great Britain, partition of Ireland and the conferring of home rule on Northern Ireland were not necessarily welcome initially, but the new arrangements were soon seen as providing an invaluable bulwark against the possibility of rule from Dublin. It seems clear that Catholics in Northern Ireland were initially overwhelmingly opposed to partition, and would have voted en masse for unification with the South; but party organisation among northern nationalists deviated sharply from that in the South, and as social and economic reference points diverged so too did public opinion. The fact that the post-war welfare state was much more highly developed in Northern Ireland than in the Republic coated sugar on the bitter pill of partition for northern Catholics. The Good Friday agreement of 1998, indeed, offered further incentives for Catholic elites to support the status quo. Measures to redress traditional imbalances in the civil service, the police, and the public sector generally, opened new employment and promotional opportunities for Catholics, and the devolution of government on a power-sharing basis provided for Catholic entry into the most senior political posts, giving Catholics a decisive voice in the government of Northern Ireland.¹⁴³

On the other side of the border, too, there is evidence of widespread satisfaction with the constitutional and geopolitical

143) For background, see Paul Dixon and Eamonn O’Kane, *Northern Ireland since 1969* (London: Longman, 2011); Jonathan Tonge, *Northern Ireland* (Cambridge: Polity Press, 2006).

status quo. As early as 1922, when the merits of the settlement with the British were being debated in Dublin, leading politicians focused on the Anglo-Irish relationship rather than on the North-South relationship as the primary obstacle to peace. For those opposed to the new arrangements, the central difficulty was the provision for continuing British influence in the South; the question of partition was barely mentioned. The Irish nationalist programme of extending independence, of promoting cultural gaelicisation, and, later, of achieving economic self-sufficiency could proceed much more easily in the absence of a sizeable body of northern Protestant unionists. Partition thus enhanced the freedom of action of southern elites. But as the new border sunk deeper into public consciousness, the image of the state as excluding Northern Ireland appears to have become increasingly widely accepted.

The Irish case, then, suggests that, as where international frontiers have endured over the decades and across generations elsewhere, partition is seen as possessing its own logic, borders can become “normalized,” and programmes for trans-frontier unity tend to run out of momentum in the long term.

(2) Unique Aspects

While there is no “typical” case of partition being resolved by unification, there are important unique aspects in the Irish pathway. It is true that partition sometimes occurs as part of

a decolonization process, as in India-Pakistan and Israel-Palestine, and this was an important dimension in Ireland too. But whereas in the first two of these cases the British government was partitioning territories in other continents, and the process was one to whose consequences the U.K. was largely immune, the partition of Ireland was in effect a partition of the U.K. itself.

Since one of the world's great powers was, then, not just a major participant in the partition of Ireland, but also itself a victim of this process, Irish partition was an unusual phenomenon. It resembled partition processes in certain other imperial contexts (for example, in the Austro-Hungarian and Russian empires after 1918) in that the very core of the empire was affected. But events in the United Kingdom in 1921~1922 by no means formed part of a process of imperial disintegration. On the contrary, British resolve to retain control over Ireland was shaped by the fear of a domino effect in the colonies: if the British were unable to retain control over little Ireland in its own back yard, what hope was there that it would be able to hold on, for example, to the great subcontinent of India? This consideration was an important component in explaining why partition of Ireland was seen as preferable to letting all of Ireland go. But this consideration has withered over time, and the needs of empire, so important when Irish partition was being contemplated in 1914, no longer have such relevance in 2014. Indeed, it could be argued that it is no longer in the

U.K.'s interest to maintain the partition of Ireland, and that the main obstacles to Irish unity are now to be found on the island of Ireland itself, rather than in Great Britain.

It follows from this that the process of Irish unification is unusual in that it calls for the coming together not of two independent entities, but of one such entity (the Republic of Ireland) and part of another (Northern Ireland, part of the United Kingdom). It thus calls not for an entirely new geopolitical development, but for the redrawing of the international boundary between the Republic of Ireland and the U.K., so that Northern Ireland is included on the Irish side of this border. The creation of a single Irish state would thus be less traumatic for the main interested party, the U.K., than in other instances of partition followed by the unification. If the British government, and English public opinion, are prepared to tolerate (however reluctantly) Scottish independence, they are unlikely to object deeply to parting company with a region whose people claim to be "British," but whom most British people do not so recognise, seeing the population of Northern Ireland instead as "Irish."

A final feature distinguishes Ireland from the better-known cases of recent partition: the fact that divisions are based on ethnonational tensions rather than ideological ones. In this, the Irish case resembles some of those mentioned, such as Israel-Palestine and India-Pakistan. The conflict in Northern Ireland was not between two religious groups fighting over matters of

theology; it was between two populations with different origin myths, political programmes and visions of the future. Catholics tend overwhelmingly to see themselves as the “indigenous” population, rooted originally in Gaelic culture; Protestants mainly trace their roots to Presbyterian and Anglican settlers from Scotland and England in the seventeenth century. The two communities are differentiated not just by religious labels, but by ethnonational sentiment and conflicting interpretations of how their material interests might best be accommodated.

d. Implications for Korea

Given the significant differences between Ireland and recent examples of political unification, and the very different path towards partition in Ireland by comparison with Korea, it is to be expected that the lessons that Korea will be able to draw from Ireland will be limited—but they will not be entirely insignificant. These may be looked at from the perspective of historical background and possible future developments.

Historical conditions

While the division of Korea is rooted in a global international conflict and is sustained by a profound ideological gap (at least at the formal and superficial level), the colonial heritage that was so dominant a feature of the Irish case is not altogether

absent. As a consequence of its geographical position, Korea's relationship with external powers was much more complex than that of Ireland. Initially a victim of competition between neighbouring states (including Japan and China), it later became a battleground in a broader international conflict, with Soviet, American and European involvement. Attempts to unify Korea therefore confronted a much more complex international environment, as the interests of external powers have been at stake.

On the other hand, as the Irish case shows, such interests can change and are often redefined over time. With the collapse of the Soviet Union and the rise of China as a global power, the international climate on the Korean peninsula has changed. This resembles the dramatic change in British policy towards Ireland. Once determined to retain as much influence over as much of Ireland as possible, the U.K.'s territorial ambitions have receded greatly, in part as a consequence of developments within the European Union but also in recognition of the reality of imperial decline. Retaining control over Northern Ireland is no longer a priority; keeping Scotland within the U.K. is a more relevant policy target, even if the government was actually prepared to contemplate the prospect of Scottish withdrawal from the state.

Most importantly, the end of the cold war and the emergence of a global system dominated by a single superpower has lowered the stakes in respect of the redrawing of frontiers, the recognition

of new states and the disappearance of old ones. This new reality had obvious implications for the unification of Germany; but it was also an important factor in allowing for convergence between the British and Irish governments in relation to Northern Ireland. The strategic importance of Northern Ireland to Great Britain, such as it was, has largely disappeared in this new world. This is not to say that countries in Europe no longer have strategic military or other interests; rather, these have been redefined to take account of new emerging geopolitical blocs and changing global cleavages.

Of course, it may well be the case that these considerations apply in only a limited way on the Korean peninsula, where an observer could be forgiven for believing that the ideological struggle between communism and capitalism survives in pristine form. While this may be true, though, the North-South relationship is no longer embedded in a global confrontation between two radically different social and political systems and their supporting ideologies. Nevertheless, it is likely that the legacy of this global struggle, and its articulation in the Korean peninsula, will have left a big impact on the populations of the two jurisdictions, and that this will offer a challenge to the process of integrating them in the event of Korean unity.

The path towards unity

The Irish experience—and the process of European unification within which it is embedded—suggests that there are two broad

routes towards unification, though neither is at present a realistic prospect on the Korean peninsula. The first is the “sharp shock” approach: unification takes place almost overnight, through the negotiation of terms of union, as in the case of German unification. This might follow the collapse of governmental authority in one state, or other such cataclysmic changes. The Good Friday agreement makes provision for this: Ireland may be unified by a simple decision of the people in the two jurisdictions on the island, voting in a referendum.

The second route is that of “functional cooperation.” Rather than pursuing all-or-nothing unity, practical collaboration across the border is strengthened incrementally, in part with a view to building up mutual trust, but also to demonstrate the potential material benefits of further cooperation. This is the mechanism by which the various states of Europe have been gradually brought together to the point at which the European Union is a quasi-federal entity. Provision for this, too, is made in the Good Friday agreement, which set up limited institutional cooperation across the border and sought to provide a roadmap for further cooperation, though the evidence to date suggests that bridging the cross-border gap in Ireland is proceeding at a much slower pace than trans-frontier integration in the EU.

The comparative study of processes of political unification suggests that this path has a mixed track record as a solution to problems of political division. Compatibility at the level of ideology and political culture and similarity in respect of

ethnonational identity are likely to assist the process of unification; but the long-term impact of what were once “new” state boundary lines should not be underestimated. As in the case of East and West Germany, and of Northern and Southern Ireland, there are significant differences in respect of socio-economic development between North and South Korea. But here the Irish case stands out as unusual: it was the South that was traditionally the less wealthy part, making it unattractive as a partner to those hard-nosed citizens of Northern Ireland for whom Irish unity might mean a lowering of living standards (though rapid economic growth in the South has modified this position). The much higher living standards and the more attractive lifestyles of West Germans and of South Koreans vis-à-vis their counterparts on the other side of the border were, or still are, by contrast, an important attraction for those living in the current or former communist-run regimes. But they also offer a challenge to those who would be expected to pick up the bill for unity—the populations of the more prosperous of the two integrating states. The need for account to be taken of these interests and perspectives in planning for any kind of unity process is, then, clear.

e. Observation

While there are obvious and important differences between the Irish and Korean experiences of partition and the challenges posed by the respective unification processes, there are sufficient similarities to allow us to ask whether the Irish experience suggests any lessons for Korea. Looked at from the perspective of those pursuing unity in the Republic of Korea, the Irish experience suggests that there are important lessons in respect of the preconditions for unity and of the mechanics of unity (the existence of well-developed think-tanks in Korea suggests that these “lessons” are likely to have been taken on board already, but it is worth repeating them).¹⁴⁴⁾ The first three of the points that follow refer to preconditions; the remaining three address the institutional architecture that might mark the unity process. They are put here in the form of tentative advice to policy makers.

Ensure that the international environment is favourable, or at least neutral. It is unlikely that neighbouring states, and even some distant ones such as the U.S., will be unaffected by Korean unity. A diplomatic campaign designed to ensure that such interested parties will be positively disposed, or at least not negatively disposed, would be important; and, since regimes

¹⁴⁴⁾ While Irish governments have invested modest sums in supporting the activities of the Centre for Cross-Border Studies (in Armagh, Ireland’s ancient ecclesiastical capital, now in Northern Ireland) and of the Institute for British-Irish Studies (in Dublin), this is on a tiny scale by comparison with the resources available to the Korea Institute for National Unification (KINU).

tend to have a vested interest in stability, securing the necessary level of international consensus should not be too demanding. In the Irish case, this took the form of gastronomic diplomacy, or “dining for Ireland,” as diplomats sought with notable success to persuade influential politicians in Great Britain and elsewhere of the merits of the Irish case through informal contact.

Prepare public opinion for assuming the costs of unity. Public opinion polls in the Republic of Ireland show that there is a very big difference between endorsing the general principle of Irish unity, which typically wins comfortable majorities, and supporting unity as an immediate aim, especially if respondents are asked if they would be prepared to pay higher taxes to facilitate this. This position is rejected by increasing majorities.¹⁴⁵⁾ It would be reasonable to assume similar differences of opinion in Korea, especially among younger citizens; and it would be important to ensure that the emotional attractions of unity are seen as outweighing the economic costs. Of course, the importance of public opinion may be greatly reduced by the circumstances in which a new geopolitical relationship comes about: if one regime were simply to collapse, the resulting potential for chaos might leave the leaders of the other regime with few options.

Assess the nature of elite and mass expectations in the other jurisdiction on the question of unity. Although evidence to date suggests that Korea would resemble Germany, with a huge

145) John Coakley, “Voting for Unity or Union? The Complexities of Public Opinion on the Border Issue,” *Journal of Cross-Border Studies in Ireland*, Vol. 4 (2009), pp. 79-90.

numbers of material “winners” after unity in the communist-run area and a very small number of “losers” at elite level, this should not be taken for granted. Irish policy makers are aware of the profound hostility among Protestants to the idea of Irish unity, and to growing northern Catholic sympathy with this position. Planning needs to be based on accurate assessment of the position in the other jurisdiction, and account needs to be taken of the manner in which opinion is likely to shift as concrete political and economic circumstances change.

Plan the blueprint for unity in advance, and prepare alternative scenarios. For decades, Irish policy on unity was undeveloped and rested almost entirely at the level of rhetoric; the solution envisaged seemed to be the transfer of sovereign authority over Northern Ireland from London to Dublin, with devolved institutions continuing as before in Belfast. Three alternative models were developed by the New Ireland Forum (1983~1984)—unity, federation, and joint British-Irish rule—but the solution finally agreed in 1998 fell short even the last of these. It would be important for Korean policy makers to develop and secure elite support for a similar set of models, with a preferred blueprint and fall-back plans. These would need to be costed—not just in respect of economic implications, but also political and other consequences.

Secure international support. Quite apart from the need to neutralize any external perspective that is hostile to the process of unification, external parties may play an important part in

at least two respects. First, they may act as “honest brokers,” offering an important mediating role (the contribution of the U.S. government, and specifically of presidential envoy George Mitchell, was of central importance in the negotiation of Ireland’s Good Friday agreement in 1998).¹⁴⁶⁾ Second, external parties may be prepared to underwrite a settlement financially, at least in part; a structured package of external financial assistance from the U.S., Canada, Australia and New Zealand was an important ingredient in the Irish settlement, as was the contribution of the EU.

Promote maximum contact between elites in the two jurisdictions. Enhanced contact between elites (including middle-level elites) and, where possible, structured programmes designed to bring sections of the general population together can play an important part in breaking down mistrust and building confidence. This kind of “track two diplomacy” made an important contribution in the Irish case. While inter-regime relationships may make this particularly difficult in the Korean case, and it is expensive to promote large-scale context (thus reducing its cost-effectiveness), this very low level of contact makes this instrument all the more important, if all the more challenging.

All of these points have already arisen in analysis of the Korean case. Notwithstanding the substantial differences between Korea and Ireland that have been discussed above,

¹⁴⁶⁾ George J. Mitchell, *Making Peace* (New York: George A. Knopf, 1999).

though, there are sufficient similarities to make it worth while to draw to the attention of Korean policy makers those aspects of the Irish peace process that have been interpreted as making an important contribution. The dynamics of the North-South relationship may be sharply different in the two case, but there are sufficient historical and structural similarities to make comparison rewarding.

7

The Vietnamese Case

a. Overview

Vietnam was unique in that it obtained political unification by the use of military force. However, after the collapse of the Saigon regime in 1975, the tasks of unifying the whole country in the fields of economics, society, culture remains unresolved. Although after having carried out two consecutive 5-year plans (1976~1980) and (1981~1985), by the end of 1985, Vietnam seemed to be comprehensively integrated in political, economic, and cultural aspects, the development of Vietnam was far below what the Government and the people expected, especially from economic aspects. After its unification, Vietnam used to make mistakes in leading the country to a planned economy with red tape and budget subsidies, which made the country stagnant for a long time. The attempt to integrate the South Vietnam economy into the socialist economic model, which had been built in the North for years, failed, resulting in a severe economic crisis of the country in the early 1980s, placing the country on a danger of collapse.

Since 1986, recognizing these mistakes, which had hindered the development of the country for a decade, Vietnam has started

to undertake the economic renovation (namely Doi Moi) to develop the whole economy oriented towards a market economy, helping the country achieve strong growth and development. This economic renovation has been very successfully undertaken, making a reasonable transformation of the Vietnamese economy from a Centrally Planned economic model into a market oriented one, comprehensively opening the country and deeply integrating into the international economic system. From a country haunted by continual famines and having to import rice annually, Vietnam was able to export rice in 1989, and has become one of the leading rice exporting country in the world. Vietnam began to further open its market and strengthened relations with other countries.

This paper will discuss about Vietnam before and after the fall of Saigon in April 1975; the internal integration process of the two regions of Vietnam after 1975 in terms of political, economic, and cultural aspects; the process of economic transformation in Vietnam under the Doi Moi policies after 1986; the process of international integration since 1995; and implications for Korea, drawn from the Vietnamese experience, to prepare for the unification and the process.

b. Synopsis

(1) Pre-event

After the end of the Second World War, the French soon returned to renew their control over Vietnam. France immediately began appointing members of the Vietnamese upper class from the South who found communism unacceptable. Fighting began in Vietnam in early 1946. Later that year, the French regained some power in the North but promised to set a date for the end of colonization.

However, once in power, the French showed no signs of negotiating further for an end to colonial rule, and fighting between French and Vietnamese troops began in earnest in December 1946. Then the battle of Dien Bien Phu in 1954 resulted in the surrender of the French and marked the end of both their participation in the war and of their colonial period. By the Geneva Agreement in 1954, Vietnam was temporarily divided into two regions at the 17th parallel.

In the North, on October 10, 1954, the French withdrew from Hanoi, the Vietnamese troops entered to takeover. On May 16 to 22, 1955, the last French troops withdrew from Hai Phong and Cat Ba Island. North Vietnam was completely liberated. After the French war ended, the People Democratic National Revolution basically completed, the North Vietnamese Government decided to switch to building socialism. Before beginning the task of building socialism, the North must undergo

the French struggle for strictly enforce the Geneva Agreement, take over new areas liberated, complete land reform, heal wounds of war, and build the socialist economy.

In the South, on June 25, 1954 the United States has forced the French put Ngo Dinh Diem as the prime minister of South Vietnam. Ngo Dinh Diem's government, with the help and guidance of the United States, tried to sabotage the Geneva Agreement, refused to negotiate with the Government of the Democratic Republic of Vietnam for the organization of a general election, which was set for a period of two years under the terms of the Agreement, in both regions to unify the country. By a series of acts contrary to the Agreement, Ngo Dinh Diem held separate a election, deposed Bao Dai to become the president (May 10, 1955), promulgated a constitution of the so-called "Republic of Vietnam" (May 10, 1956), undermined the unity of Vietnam. Along with help from the U.S. in the form of "aid," South Vietnam was building military bases, and developing the economy as an America's neocolonial.

South Vietnam went through many political changes despite its short durance. Initially, the nation was a republic with former Emperor Bao Dai as the Head of State. He was unpopular however, largely because monarchical leaders were considered collaborators during French rule and because he had spent his reign absent in France. In 1955, Prime Minister Ngo Dinh Diem rigged a referendum, which ended with a 98% vote in favor of deposing Bao Dai. In Saigon, Diem was credited with 133%

of the vote and he went on to proclaim himself the president of the newly formed Republic of Vietnam. Despite the achievements in political, economic, and social change in the first five years, Diem quickly became a dictatorial leader. With the support of the United States government and the CIA, Vietnam army officers led by General Duong Van Minh staged a coup and killed him in 1963. The military held a brief interim military government until General Nguyen Khanh deposed Minh in a January 1964 coup. Until late 1965, multiple coups and changes of government occurred, with some civilians being allowed to give a semblance of civil rule overseen by a military junta.

In 1965, the feuding civilian government voluntarily resigned and handed power back to the nation's military, in the hope this would bring stability and unity to the nation. An elected constituent assembly including presents of all the branches of the military decided to switch the nation's system of government to a parliamentary system with a strong president. There was a bicameral National Assembly consisting of a Senate and a House of Representative, which came into being in 1967. Military rule initially failed to provide much stability however, as internal conflicts and political inexperience caused various factions of the army to launch coups and counter-coups against one another, making leadership very tumultuous. The situation within the ranks of the military stabilized in mid-1965 when the Vietnam Air Force chief Nguyen Cao Ky became the prime minister, with

General Nguyen Van Thieu as the figurehead chief of State. As the prime minister, Ky consolidated control of the South Vietnamese Government and ruled the country with an iron fist.¹⁴⁷⁾

In 1967, South Vietnam held its first elections under the new system. Following the elections, however, it switched back to a presidential system. The military nominated Nguyen Van Thieu as their candidate, and he was elected with a plurality of the popular vote. Thieu quickly consolidated power much to the dismay of those who hoped for an era of more political openness. He was re-elected unopposed in 1971, receiving a suspiciously high 94% of the vote. Thieu ruled until the final days of the war, resigning in April 1975. Duong Van Minh was South Vietnam's last president and unconditionally surrendered to the Communist forces a few days after assuming office.

Economically, South Vietnam maintained a free market economy and ties to the west. The economy was greatly assisted by American aid and the presence of large numbers of Americans in the country between 1961 and 1973.

The Vietnam war

The division of Vietnam into a communist North, led by President Ho Chi Minh, and the non-communist South, led by Ngo Dinh Diem, created a divided stage in Vietnam's history. Diem, a Catholic, disliked the communists and rejected Ho Chi

¹⁴⁷⁾ David Farber, *The Sixties Chronicle* (M.A.: Legacy Publishing, 2004), p. 273.

Minh's vision of one socialist republic of Vietnam. Thus, the conflict turned into a civil war.

As the civil war began the government in the South became more repressive, canceling a promised election and forcing a large portion of the rural population of the South to relocate in its "strategic hamlet" program. This program entailed moving people from their home villages into heavily fortified pre-fabricated villages in an attempt to isolate the populace from infiltration by the Viet Minh. This program backfired, greatly increasing anti-government sentiment amongst peasants. Meanwhile, a loosely organized force of communist insurgents managed to infiltrate the urban population of South Vietnam. Communist insurgency, coupled with an extremely corrupt and unpopular government, led to a coup in 1963 which resulted in the assassination of Ngo Dinh Diem. Meanwhile, the U.S. President John F. Kennedy sent American military advisors to work with the South Vietnamese army. The Americans too found those in power in the South to be generally ineffective and corrupt but turned a blind eye as coup after coup was staged.

The American participation in the war escalated and by 1964 there were 200,000 American military personnel in South Vietnam and they had changed from being "advisors" to being full participants in the war in South Vietnam. In addition, in the same year, President Lyndon B. Johnson began to wage an undeclared war against the North Vietnamese, further escalating the number of U.S. military personnel in South

Vietnam to wartime high of over 500,000 in 1968. The major turning point in the war was the Tet Offensive of 1968.

Shattering the serenity of a holiday morning, the attack on the U.S. and the Army of the Republic of Vietnam (ARVN) military installations as well as on nearly every South Vietnamese city, came as a complete surprise and shocked the Americans. Even the American Embassy in the heart of Saigon was attacked by snipers. This Communist offensive was, for the most part, beaten back within a few days, but from that point, it was clear that the Americans could not win in South Vietnam. In America, anti-war sentiment reached an all time high as Americans and the U.S. Government, began to scramble for ways to reach an agreeable solution to its embroilment in the Vietnam conflict. Within months of the Tet Offensive, President Johnson halted bombing of North Vietnam and began to negotiate with the North Vietnamese Government.

In November of 1968, Richard Nixon was elected the president of the U.S. inheriting a nation that was impatient to see American involvement in Vietnam come to a close. Nixon began a policy of “Vietnamization” which entailed the withdrawal of the U.S. troops and “handing over the reigns” to the South Vietnamese military. With this program, Nixon reasoned that the South Vietnamese could take over where the U.S. left off, using the superior firepower and technology of the U.S. to win the war. With the Secretary of State, Henry Kissinger, Nixon also opened up clandestine channels of communication with

the North Vietnamese. In theory, Nixon's ideas may have seemed to be an answer to the problem; however, in reality, they were not effective. The U.S. involvement, though scaled down, was still significant.

To curtail Communist use of eastern Cambodia as part of the Ho Chi Minh Trail, the U.S. staged a coup and invaded the country in early 1970. This plan backfired, dragging neutral Cambodia into the Vietnam conflict. Public sentiment in the U.S. was critical of the U.S. invasion of Cambodia. This sentiment crested with the shooting deaths of four student protesters at Kent State University in May 1970. In the wake of this event, Nixon announced that all American military personnel would be withdrawn from Vietnam by June 30, 1973. The fighting raged on throughout 1971 and 1972, while Kissinger and the North Vietnamese tried to negotiate a settlement in Paris. Finally, after the Christmas bombings of Hanoi and Haiphong in December 1972, an agreement was reached in January 1973, that called for a ceasefire and withdrawal of American forces within sixty days. Both sides signed, but no one stopped fighting. Both sides felt that ignoring the ceasefire was justified because they were defending their respective territories. Amid this rapidly deteriorating situation, the U.S. finally withdrew in 1973.

With the withdrawal of the Americans, South Vietnam's economy went into a tailspin and inflation ran rampant. In 1974, Saigon was the most expensive city in the world due to the heavy demand and limited supply of almost all goods.

Throughout 1974, the situation in South Vietnam deteriorated even further and the North Vietnamese began to assess their strategy for the next year, settling on surprise attacks on provincial capitals. By the end of March 1975, Hue and Da Nang had been lost to the advancing North. As the Communists advanced, populations of entire cities panicked and many fled South. On April 30, 1975, the North Vietnamese forces marched into Saigon and took over the city, thus ending the civil war, opening a new stage in Vietnam's history, the stage of a united country to go to socialism.

(2) Post-event

With the collapse of the Saigon regime in April 1975, the war against the U.S. in Vietnam had fully ended with a victory. It was a historical victory which was the most glorious and illustrious event for the people of Vietnam. A flourishing era of Vietnam's revolution has been opened: the nation, once achieving independence and unification, becoming a socialist. However, the building of socialism was a very difficult task to be carried out in the context of the country having undergone through years of constant war with very serious consequences.

Although the country was unified in political term, it was facing a number of challenges, particularly in the economic aspect. On the one hand, these challenges include a miserable and backward economic situation, the result of a prolonged

30-year war that requires time and resources to repair. On the other, several historical upheaval had taken place, especially the border wars with Cambodia and China in the 1970s making the high spend on maintaining military forces, and the collapse of the Soviet Union and the socialist Eastern European countries in the 1980s, on which Vietnam relied heavily. These events have had important consequences for the economic and social life of humankind in general and have left a profound imprint on the process of Vietnamese economic development in particular.

After the war, the North and South were unified as one state: the Socialist Republic of Vietnam. In 1978, Vietnamese government issued new currency of Vietnam Dong (VND), unified financial market of the North and the South. Socialist planned economy played a dominant role in the economy. The Vietnamese government launched Five-Year Plans in agriculture and industry aiming at recovering after the war and building socialist nation. The Government held a decisive part in the national economy. Family economy and collective economy were encouraged while capitalist economy was restrained. Foreign trade and assistance were mainly depended on Soviet Union and its socialist allies. Unfortunately, the economy still dominated by small-scale production, low labor productivity and lacked of modern technology. Vietnam's economy at that time faced an unexpected situation of stagnation and hyperinflation.

During the war, the people from the North had to do two

important tasks at the same time. First, to build socialism and second, to fight against two destructive bombing wars of the U.S. Therefore, the “production process was delayed for the huge 5-year plans.”¹⁴⁸⁾ Northern economy, mostly composed of small producers with backward agricultural management mechanism ossified by bureaucracy, that governs the region by the laws of war, was dreadfully distorted and uneconomic. After 1975, when the war ended, the economic management mechanism more clearly revealed its shortcomings. Production relations had the signs of crisis. Therefore, to correct the economic management mechanism in accordance with the law of movement is very difficult. On the social aspect, the prolonged war had caused major losses to the labor force, leaving the country with severe and prolonged consequences.

For the South, by the neocolonial policy, elements of capitalism have strongly penetrated into commercial and finance industry, and to some extent in agriculture. The economy in the occupied areas had developed, though not completely, towards capitalism. However, Southern economic activities were mostly performed by small producers, suffered from structural imbalance, and heavily relied upon external aid. Hence, with the Americans’ withdrawal and cut in aid, Southern economy was in crisis immediately. The mission to restore and develop an economy which carries such a high dependency becomes

148) Nguyen Quang Ngoc, “Chapter XIII - Vietnam since 1975 up to now,” *Vietnam Historical Process* (Hanoi: Education Publishing House, 2006), pp. 365-379.

extremely difficult. That is not to mention the difficulty in areas ravaged by war, destroyed by toxic chemicals. After the liberation, the South also had the complexity in terms of social aspects. The war and urbanization process forced by the U.S. has caused disturbance in the distribution of the labor force. Rural agricultural areas fell short of labor. Metropolitan areas, population density was too crowded, not commensurate with the economic development.

After the war, the masses excited, quickly embarked on the construction of the new regime, but also there existed a part of the population, especially those who have been involved in the military apparatus of the old Saigon administration, seemed not to be harmony with the new regime. Even there were a number of people taking advantage of the new State's difficulties to provoke, entice the masses, coupling with the external reactionary forces, causing disorder in the country.

The consequences left by the U.S. new colonialism were also very heavy such as drug abuse, hoodlums, vagrants, prostitutes ... ; the number of unemployment people; particularly, the number of illiteracy people made a large percentage of the population. In short, Vietnam after 1975 faced with a lot of difficulties and complexities, which both the leaders and people had not imagined previously.

c. An Analysis of the Integration Process in Vietnam

The Period of Socialist Construction (1975~1986): The Attempts to Integrate the Two Parts of Vietnam, North and South, in terms of Political, Economic, and Social Aspects

Stabilizing political, economic, and social situation in the South the first year after the unification

The war, which climaxed with the unification of North Vietnam and South Vietnam in 1975, left not only a legacy of heavy war damage and an extremely impoverished economy, but also institutional structures that were to have a profound influence on economic policy. In the first years after the war, the government should have focused on economic recovery, the improvement of labor skills, and agricultural and consumer goods production, all of which were seriously deficient.¹⁴⁹⁾ To stabilize the situation in the South right after the collapse of the Saigon regime, especially in new liberated areas, the local revolutionary administrations and mass organizations were established quickly. These institutions and organizations were assigned the duty to take control in all of the liberated areas. Thanks to the timely and proactive actions, the new local administrations had absorbed the military bases, manufacturing

149) Bui Tat Thang, "After the War: 25 Years of Economic Development in Vietnam," *NIRA Review*, Vol. 7, No. 2 (Spring 2000), pp. 22~25.

facilities, administration, culture, all of which were almost intact in their conditions. The preexistence of resources contributed to the creation of initial material bases for the core of economic recovery.

In political and social aspects, the revolutionary government had the right policy for those who have been involved in the apparatus of the old government, the army of the former regime to be assured they would participate in building a new life; determined to punish the opposing elements, the speculation and market manipulation bourgeoisies, who had negative impacts on production and people's lives; enabling the victims gathered in the strategic hamlets or city evacuated during the war to return to their old locality to do business; arranged jobs for thousands of unemployed people; and organized for people going to build new economic zones in order to redistribute the workforce. Thus, the issue of political security and social order were maintained, all activities of the people back to normal quickly.

In economic aspect, the revolutionary government had taken measures to encourage the development of production. The production facilities of the reactionaries, comprador, who fled abroad, have been moved to areas managed by the State. After a short period of time, the basis of industrial production, the industry's state and private were all created favorable conditions to return to work. The difficulties of raw materials, fuel and spare parts to be overcome gradually. In 1976, nearly 400 large

and small enterprises in Saigon had been back in operation.¹⁵⁰⁾

The revolutionary government was also paying attention to the restoration of agricultural production. The government confiscated the land that has reactionary elements to redistribute for farmers, stimulated peasants to form labor exchange groups, helped farmers to remove landmines and construct irrigation systems. Thanks to these policies, agriculture production had soon been restored, partially provided essential foods for peasants.

In cultural, educational, and health aspects, the activities of the government were conducted urgently. Radio, television, newspapers were timely used for providing information and propaganda activities. At the same time, the negative cultural activities like superstition, prostitution, and drug smuggling were prohibited. A new cultural life was gradually built. School systems were gradually reopened. Local authorities launched a movement for popular education. Schools, which offer supplementary knowledge, were opened everywhere. The health sector was stepping up in construction and operation. Many mobile medical teams were dispatched to villages for vaccination and health care for people. Preventive hygiene, physical activity, sport had also been paying attention to launch as mass movements.

The above-mentioned activities of the revolutionary government in the first year after liberation had brought

150) Ngyen, *op. cit.*

confidence to people, especially in new liberated areas. The results of such measures, though still very limited but worked greatly in stabilizing the situation in politics, economy, culture and society. People, especially people in new liberated areas were reassuring their confidence in the new regime. Social stability and public trust were considered to be the basic conditions to carry out the building of socialism in the whole country.

Completing Political Unification: The Establishment of the United Vietnamese Government (Political Integration)

After the great victory in the spring of 1975, Vietnam was unified in terms of territory but in each region there still existed different state organizations. Meanwhile, the will of the people was not only the unity of the territory but also the unity in all aspects. On the other hand, the building of socialism in the country could only be done effectively when the country was unified in terms of the State. This was considered to be the legal basis for us to unify the country in the economic and social aspects, and an effective tool for implementing tasks of socialist construction in the whole country.

To prepare for that great work, from February 1976, a propaganda to mobilize people towards a general election to be carried out in all provinces. On April 25, 1976 people across the whole country engaged in the General Election to vote for members of the united National Assembly. This was the second

general election to be held in the country, after the first held on January 1, 1946. More than 23 million voters (98.8% of the total number of voters) to participate in the election and vote for 492 elected delegates. The results of this general election were a decisively significant victory on the way to complete the unification on the State level.

On June 24, 1976, the National Assembly of a united Vietnam, known as the 6th National Assembly with regards to the continuation of the previous five National Assembly terms, met in Hanoi the first time. The National Assembly decided to rename the united country from the Democratic Republic of Vietnam to the Socialist Republic of Vietnam. It also approved the domestic policy, foreign policy, elected the highest authorized organs of the State, promulgated principles to build the apparatus of government at all levels, decided the national flag, national anthem, and elected the Constitution Preparing Committee.

With the results of the first session of the 6th National Assembly, the unification of Vietnam in terms of State had been completed successfully, meeting the aspirations of the masses and the requirements of the indispensable development way of Vietnam, making up the basic political conditions to promote the comprehensive strength of the country, concentrating on the construction and defense of the united country, opening up great possibilities to make ties with other countries in the world.

The initial success of the integration of the country in the political aspect, right in the first year of peace, had enabled the whole country to enter the 5-year plan implementation phase (1976~1980) on a national scale and, therefore, to integrate the two regions, North and South, in terms of economic and social aspects.

The initially socialist economic transformation and consolidation: Concentrating the power of the country to carry out the first 5-year plan 1976~1980 of a united Vietnam (Economic, social and cultural integration)

On the basis of the common policy and the way of economic construction, the 4th National Congress of the Vietnam Communist Party (VCP) determined the direction for the development of Vietnam. That was to reorganize the economy and build initially the socialist production relation in order to lay the groundwork for the country's industrialization. The first five years after the unification aimed at obtaining two basic and urgent objectives: to construct the material and technical basis for socialism, and to build a new economic structure of the whole country and improve the living conditions of working people.

In order to perform the tasks and obtain objectives mentioned above, in the 5-year plan (1976~1980), Vietnam conducted a consolidation of socialist production relations in the North,

a socialist transformation in the South, and a common economic model throughout the country.

In the North, many state establishments were recovered and broaden. Some more industrial facilities were built. The Co-operative Movement in agriculture became vibrant. The model of agricultural collectivization was pushed to the highest level.

In the Southern part of areas, which were previously occupied by the old regime and were influenced by the new colonial policy of the United States, the economy had developed towards capitalism much earlier. The main task there was to carry out socialist transformation in order to integrate the South economy into the unified economic model of the whole country. The objects of the socialist transformation were the private sector and the individual sector.

In industry, the state nationalized and turned into state enterprises all of the public-management enterprises and the comprador bourgeoisie enterprises, which their owners fled abroad. By the end of 1976, the comprador and big bourgeoisie had been eliminated. For medium and small bourgeois, the Government policy was to transform them by way of the establishment of public-private partnership enterprises. Small producers were organized into handicraft cooperatives.

In commerce, the Government policy was to immediately eliminate the commercial capitalists, move the majority of small traders to production. In early 1978, a campaign to attack on commercial bourgeois had been carried out. Thousands of

commercial private business establishments were transferred to state-owned commercial units to be administered and used. By the end of 1978, about 90,000 small traders were moved to production and about other 15,000 ones were employed in the socialist commerce sector.¹⁵¹⁾ At the same time, with the process of socialist transformation of private commercial businesses, state-owned trading system and trading cooperatives were formed and gradually dominate the market.

By mid-1979, Vietnam had completed the basic transformation of capitalist enterprises in industry, commerce, transport, construction and important services in the South into the state-owned enterprises, or public-private businesses.

In agriculture, from late 1978 to late 1980, the Cooperative Movement was pushed up in the southern provinces. By May 7, 1980, the whole region had built 1,518 cooperatives and 9,350 manufacturing corporations, attracted 35.6% of all households into the path of collective business.¹⁵²⁾

Through socialist transformation, the private sector and individual sector, which were developed in the old economic system, was limited or eliminated. The state economic sector and the collective economic sector gradually expanded and became the two main sectors of the economy. Then, the South economy had, to a large extent, integrated into the economic model of the North in particular and of the socialist system in general.

151) Ngyen. *op. cit.*

152) *Ibid.*

At the same time with strengthening the productive relations in the North and socialist transformation in the South, the Vietnamese government also paid much attention to increase state's investment and develop the productive forces. Thanks to this policies, the material and technical bases of the national economy as a whole had increased substantially.

In the agricultural sector, about 50 thousand hectares of land, which were abandoned during the war, had been restored, 70 thousand hectares had been reclaimed, and 86 thousand hectares had been irrigated, and the land areas, which was cultivated by machine, reached 25% of the total cultivated area.

In the industrial sector, the transportation industry had been recovered rapidly with the new construction or restoration of over 1,700km of the new North-South railway line, more than 3,800km of roads, and more than 30,000m of bridges.¹⁵³⁾ These developments of the transportation system through out the country had created more favorable condition for the process of integration of both regions in Vietnam in many other aspects like culture, education, health care and others.

In general, the centrally planned Vietnamese economy was not much different from the Soviet Union's model in terms of its internal mechanisms, and has been poor in its development level. Economic policy prioritized heavy industry and focused on the "revolution of the relations of production" by extending the model of the centrally planned mechanism in the north

¹⁵³⁾ *Ibid.*

to the whole country. This principally entailed the nationalization and centralization of the entire economy. People's personal interests were not protected, and the momentum of economic development was eliminated. As a consequence, although some industrial facilities were built, especially in electric power, cement production and other sectors, the economy stagnated. In the period from 1976 to 1980, for instance, average GNP was half the rate of population growth and national income grew at about one-fifth.

Most economic targets set in the first five year plan (1976~1980) of the united country by the Fourth Congress of the Vietnamese Communist Party (VCP) were not met, and some economic indicators barely reached a third of their stated targets. From 1981 to 1985, the economic growth rate was slightly higher, but because of the serious national recession from 1976 to 1980, the overall economic situation hardly changed.

At this stage, Vietnam was a backward agricultural economy with 80% of the population and 70% of the labor force living, working, and depending on agriculture or related sectors. However, despite the large population of agricultural laborers, annual agricultural production was not enough to feed the people and the average food per capita (measured in rice) reached only 300kg per year. The country suffered from persistent outbreaks of famine even though the government imported thousands of tons of food annually. Because consumption was greater than national income, there was a marked dependency

on various kinds of foreign aid, and the country ran up significant debts that, by the early 1980s, equaled the annual national income. Furthermore, with little potential for foreign trade, there was usually a deficit in the trade balance. From 1976 to 1985, export turnover could compensate for only a third of the import turnover and gross foreign trade turnover was very low, averaging only 1.7 billion USD per year. The quality of life was poor and getting worse. Daily necessities such as food, consumer goods, transport, and health and education facilities were seriously deficient. Meanwhile, rampant inflation reduced the value of salaries and real incomes. Overspending of the state budget increased sharply and went from 25% to 45% of revenues in the years after unification.¹⁵⁴⁾

Beside economic integration, during the first 5-year plan (1976~1980), integration in culture, education, and health care of the southern provinces into the whole country systems had also obtained considerable results.

To achieve the objective of improving the cultural life of the people, the government had increased investment in the field of culture, education, and health care. School systems, hospitals, cultural institutions were continued to restore and construct. In the southern provinces, the construction of the school system from the grassroots level, especially in rural areas, were particularly concerned with the supplementation of additional teachers and unification of the training programs.

154) Bui, *op. cit.*, p. 23.

In January 1979, the Politburo issued the Resolution 14 on education reform in order to build and develop the national education system in the unified country. The contents of education reform were implemented mainly in next 5-year plans.

In the academic year 1979~1980, the final year of the 5-year plan (1976~1980), there were nearly 1.5 million kindergarten students, 11.7 million high school students at all levels, over 130,000 professional high school students, 150,000 of college students. Thus, the number of people who go to school in the whole country by the year 1979~1980 was approximately equal to one third of the population, an increase of 2 million people compared with the academic year 1976~1977.¹⁵⁵⁾ The movement for popular education continued to grow in new liberated areas of the South, attracting more participants. The percentage of illiterate people decreased substantially.

The network of hospitals, clinics, health centers, maternity homes, and nursing facility had been expanded. Health care situation was improved remarkably in the new liberated areas. The cultural activities, arts, sports had more progresses, became a countrywide mass movement in localities, factories and schools.

In short, by the end of the first 5-year plan (1976~1980), Vietnam had achieved a number of important achievements in its integration process in terms of political, economic, and cultural and social aspects. It can be said that, by the early

155) Nguyen, *op. cit.*

of the 1980s, Vietnam had been unified comprehensively. However, beside such achievements in integration, the country's economic achievements were still far below the requirements set out in this 5-year plan, there were even many inconsistencies, hindering the development of the productive forces. These shortcomings had led to the severe situation of economic crisis in the first half of the 1980s.

This was because of the fact that, in the first 5-year plan 1976~1980, although Vietnam conducted successfully the transformation in the productive relations, this was not in parallel with the development of the productive forces. By the end of the plan, the socialist production relations with two forms of ownership, the state-owned and the collective-owned. However, this advanced development of the relations of production was not appropriate with the nature and level of development of the productive forces. In the State economic sector, although much investment fund was injected, it was not used efficient. In the collective sector, such a situation occurred as well.

In the North, the greater the scale of agricultural cooperatives the lower the efficiency. In the South, the cooperatives and producer groups were established massively but as they also operated inefficiently, farmers did not have incentive to join. Such situation plus production mistakes in circulation, distribution, financial markets, and monetary instability caused a severe inflation. The life of the people faced many difficulties. The country fell into an economic and social crisis.

The implementation of the second 5-year plan (1981~1985)

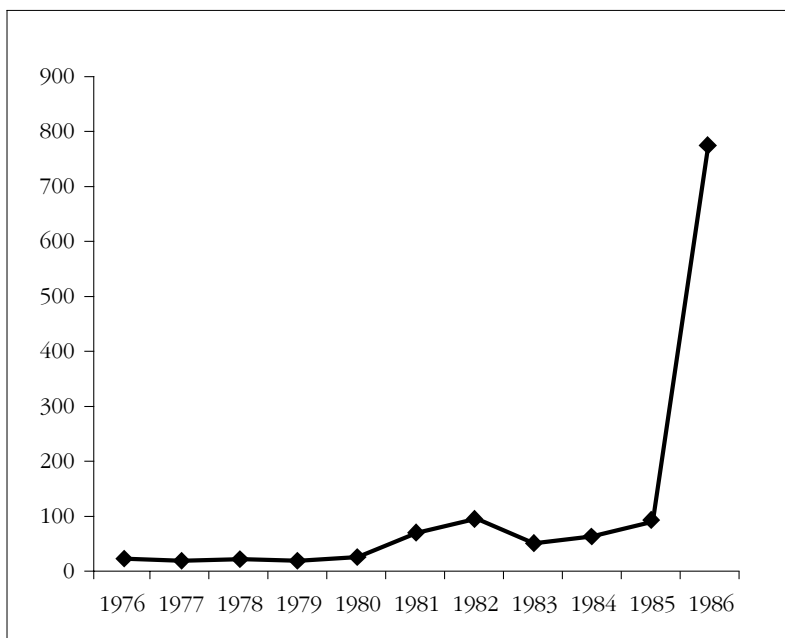
The internal integration process was completed; however, the country's economy was in a much deeper recession

Recognizing the mistakes of the first 5-year plan 1976~1980, the Vietnamese Government had some adjustments in its second 5-year plan (1981~1985). In March 1982, the 5th National Congress of the Vietnam Communist Party assigned major policies in the first half of the 1980s with the aims to continue to build material and technical bases of socialism, to boost agricultural production, consumption and export, and to increase additional technical equipment for other industries to prepare for the development of more powerful heavy industry in the next period. At the same time, the Government also implemented various measures to complete the socialist transformation in the South and to continue perfecting the socialist production relations in the North so as to strengthen the socialist production relations in the whole country.

With the implementation of the second 5-year plan (1981~1985), the social economic integration process of the two regions, North and South Vietnam, was further stimulated. It can be said that by 1985, this process had been totally completed. However, due to the application of an economic model, which was not suitable to mobilize all available factors of the country into production, the Vietnamese economy went into a much more severe recession. Due to the frequent replacement and

devaluation of money, and because of the shortage of goods, there was no trust in the national currency. The change of conditions in the distribution of goods was aggravating political tension: broad strata live with insecurity; real wages were undergoing a substantial decrease. Living standards had not become stable; differences in the living standards of various social groups were greatly sharpening; the living standards of the strata of urban residents, employees, and workers were plummeting. Wages constitute less than 50% of personal incomes. In the ten years (1976~1986), the rate of inflation in Vietnam had been approximately 100% per annum, but in the early 1980s it has multiplied. Inflation soared up with a rate of more than 700% per year in 1986. The country was in a cliff of collapse.

Figure 2 Inflation Rate in Vietnam (1976~1986)



In short, in the 10-year period after the war the centrally planned development of the Vietnamese economy fell far short of expectations. Although some achievements in political, economic, social and cultural integration and partial reforms were accomplished, generally the country failed to develop in any meaningful way. Basically, the level of industrialization remained the same despite ten years of intense efforts to promote heavy industrial development. These raw facts demonstrate that a comprehensive reform of the economy, which would enable it to escape from stagnation and crisis, was long overdue by the mid-1980s.

The Period of System Transformation (1986~1995)

The implementation of Renovation (Doi Moi) policies towards an open market economy oriented to Socialism

An Overview on Economic Renovation: Doi Moi

After some initially successful experiments and following the promotion of reforms in some socialist countries, the Sixth Congress of the Vietnamese Communist Party (December 1986) strictly self-criticized its mistakes in the past years, assessing carefully its achievements, analyzing mistakes and drawbacks, setting forth all-round renovation policy, which is well-known as the Doi Moi policy. This marked a significant turning point in the transformation of the Vietnamese economy into an open, market-oriented, and globally integrated model. Beside state and collective sectors in the economy, private and foreign sectors have been recognized. However, of course, state sector plays dominant role in the economy. In Doi Moi, the Vietnamese government has implemented a transition from planned economy to market economy under the control of government. The Vietnamese government also issued many policies to open domestic market, expand and enhance commercial relationship with other countries as well as promote foreign investment.

The aims of these reforms fundamentally were to eliminate the state subsidized mechanism; to diversify the ownership of publicly owned assets; to encourage and stimulate the development of private organizations, individuals, and economic

sectors; to make the best use of potential resources for the development of production and commodity exchange; to enact policies for the integration of Vietnam into the world and regional economies; to speed up foreign trade activities and encourage foreign direct investment (FDI); to combine administrative reform with the renovation of economic policy; to strengthen state management and macro regulation; and to combine economic growth with general social development to stabilize politics and “maintain socialist targets.” The transformation from a planned to a market economy in Vietnam was therefore very different from what took place in the Soviet Union and the socialist countries of Eastern Europe. In Vietnam, an emphasis on social and political stability went hand in hand with macro-economic stabilization and control of state resources. These issues became very important factors in the creation of a favorable environment for the transformation and development of the market economy in Vietnam.

With top priority being given to economic reform for creating a multi-sector market economy regulated by the Government, at the same time consolidating legal environment and renovating Party’s and State’s structure. Since then the Vietnamese economy became opened and transformed from a centrally planned economy heavily based on imports to a market-oriented one. The self-determination of financing was introduced. All aimed at budget balancing and promoting exports.

In June 1991, the 7th Congress of the Vietnam Communist

Party reaffirmed its determination to pursue the renovation process overcoming difficulties and challenges, stabilizing political situation, pushing back unfairness and negative activities, directing the country out of crisis. The Congress also set forth the foreign policy of multilateralization and diversification the guideline “Vietnam Wants to be Friend with all other Countries in the International Community for Peace, Independence and Development.”

Major Achievements of Doi Moi

With the implementation of Doi Moi policies, Vietnam step by step surpassed many difficulties, hindrances, and achieved great results. During the 1991~1998 period, the average economic growth rate (presented by the increase rate in GDP) reached 8%. In 1999 the economy was seriously affected by the economic crisis in the region and natural calamities; its GDP growth was only 4.5%. However, economic performance is inspiring in 2000 with GDP growth of 6.7%. By September 2000, Foreign Direct Investment (FDI) reached 36 billion USD with 2,500 projects; inflation decreased from 67.1% (in 1991) to 6% (in 2000), living standards of the majority were improved. The cultural and intellectual standard got further increased.

In other fields, Vietnam had also made a lot of progresses in education, health care, culture and art, sports, family planning, public media, and other social activities. The political situation, independence and sovereignty of the nation, national security

and defense have been maintained stable, thus actively facilitating the “Doi Moi” process. The political system from central to local level was consolidated; the State’s rule and law had been firmly constructed and increasingly made perfect. The foreign policy of independence and sovereignty multilateralization and diversification had brought about great results. Now, Vietnam has established diplomatic relations with about 170 countries, trade relations with 165 countries, and attracting foreign investment from more than 70 countries and territories.

If we look at the system transformation in Vietnam in the 10 years, after the Doi Moi was implemented, in more details, it can be divided into two short periods:

From 1986 to 1991, the most decisive shift to a market economy took place. The government administered a series of market-oriented shock treatments to the economy, liberalizing the price of consumer goods, eliminating the state subsidy for goods, formulating and implementing the policy of the positive effective interest rate, floating the exchange rate, and selling off state-owned enterprises. Nevertheless, the growth rate during this early period of Doi Moi was still low with an average GDP growth rate of 4.5%, of which sector I (Agriculture, Forestry and Fishery) was 2.7%; sector II (Industry and Construction) 5.7%; and sector III (Services) 6.4%. During the same period the population growth rate was 2.09%, or 2.2 times lower than the GDP growth rate, and inflation was still high at 260.2%.¹⁵⁶⁾

From 1992 to 1995, the economic situation clearly began to show the benefits of the reform of economic policy. GDP increased annually by an average of 8.9%, of which sector I increased by 4.8%, sector II by 13.9%, and sector III by 9.1%. Meanwhile, the average population growth rate was 2.15%, or 4.2 times smaller than the growth of GDP, and inflation averaged 10.9%. In short, this was a period of stable growth across all sectors of the economy, comparable with the high growth rate of East Asian NIEs (Hong Kong, South Korea, and Singapore) in the take-off period of the 1970s and 1980s, and China and other dynamic Asian economies in the 1980s and 1990s. In addition to the domestic economic development, the Vietnamese economy has also gradually and deeply integrated into the regional and international economic system. This in turns helps to improve the domestic economic situation.

The Period of Speeding up International Integration (since 1996 to now): The continuation of Renovation process to further open up the economy and deeper integrate into the world economy

Vietnam began to liberalize international trading activities in the late 1980s and early 1990s, from a position as one of the poorest economies in the world. The full impact of these reforms, however, was limited by the incomplete nature of the reforms, and by the lack of access to the U.S. market, the

156) Bui, *op. cit.*

traditional engine of growth for export-led economies in East Asia. As a legacy of the U.S.-Vietnam War, conditions in Vietnam and the timing of reforms were a decade or more behind those of its East Asian neighbors. Political relations with the U.S. were not normalized until 1994 (and thus relations with the multilateral donors as well) and economic relations were not normalized until the U.S.-Vietnam Bilateral Trade Agreement (BTA) came into effect on December 10, 2001. Economic reforms in Vietnam broadly, and efforts to integrate into global markets more specifically, accelerated around 2000, with systematic reforms related to implementing the BTA and preparing for an expected 2005 accession to the WTO providing critical benchmarks, focus and incentives for conforming to international standards and best practice. From roughly 2003 to 2006, almost every law affecting commercial activity in Vietnam will have been rewritten to support a market economy and to conform more closely to international standards. As well, market access for most goods, services and investment will be substantially liberalized and bound from future discretion by the BTA and WTO agreements. As a result, Vietnam will have to manage the relatively early stages of its industrialization process with limited access to the typical industrial policy instruments employed by other developing countries in earlier decades. This section reviews Vietnam's efforts to integrate into the world economy as a key element of its broader economic development strategy and transition to a market-oriented economy.

International Trade Reform

From the late 1980s to around 2000, Vietnam steadily liberalized its trade and investment regime from a system largely inward looking and reliant on trade with European socialist economies to an outward looking system with exports to a wide range of economies, except for the United States.

Before 1989, state-owned enterprises (SOEs) had a monopoly on international trade. In 1989, this monopoly was broken, but the ability of non-SOEs to engage in trade was severely restricted because export and import licenses were required and conditions for obtaining such licenses were onerous (including requiring a contract to export or import in advance, having minimum working capital, and having appropriate “skills”). Since 1998, the licensing requirements for exporting and importing have been largely abolished. Although some restrictions on the products permitted to be traded remain, they are being progressively loosened. In 2001, all legal entities (companies and individuals) were permitted to export most goods without license.

Over this period, quantitative barriers to trade were employed in a number of sectors. The number of commodities under quantitative restriction doubled in 1999, mainly as a temporary measure to reduce demand on foreign exchange reserves in the wake of the Asian financial crisis. From 2000 to 2002, however, the use of quantitative restrictions diminished considerably. By the end of 2002, only two commodities, petroleum products

and sugar, will remain under quota.

The average tariff level in the 1990s was a relatively moderate 12~16% level, and it actually increased over time. Over this period, the tariff structure was repeatedly revised and many rates increased to compensate for the loosening of the quota system.

The tariff schedule in Vietnam is one that cascades, with nominal tariffs in agriculture averaging only 6.2% as compared to the average in manufacturing of 21.9%. Consequently, the effective tariff rate in manufacturing (77.8%) is almost four times the nominal rate, suggesting a significant bias in favor of import-competing industries, typically dominated by SOEs.¹⁵⁷⁾ Trade policy in the 1990s not only served to protect domestic firms, largely SOEs, from import competition, it also served to promote exports.

In response to these reforms, international trade became the most dynamic component of the Vietnamese economy. Except for two years of unusually low growth rates, Vietnam has increased the value of its exports by an average of 20~30% a year.¹⁵⁸⁾ In the larger context, Vietnam has grown its economy

157) It is important to note that smuggling of many goods into Vietnam, particularly from China, has been and is endemic. In practice, Vietnamese firms often must compete directly with smuggled goods, creating a quite tough competitive environment and diminishing the actual impact of protective policies.

158) The collapse of export growth in 1998 is widely attributed to the Asian financial crisis, since Asian countries are an important destination of Vietnam's exports. However, the compression of imports, which began in 1997, no doubt contributed to the decline in export growth in 1998, since about 40% of inputs in industrial production are imported. The decline in export growth in 2001 is also attributable to the slowdown in the world economy and its deleterious effect on the prices of Vietnam's key primary commodity

roughly by an average of 7% a year over the 1990s and first four years of the 2000s.

Foreign Direct Investment Reform

Regarding investment policy, Vietnam promulgated its first Foreign Investment Law in 1987 following the decision taken at the Sixth Party Congress in December 1986 to abandon central planning in favor of a “market economy with a Socialist orientation.” Having been created under Doi Moi, the Foreign Investment Law was considerably more market oriented than the existing domestic commercial law, which was established earlier during the era of central planning and consequently borrowed heavily from the Soviet model. Recognizing that Vietnam would have to compete with other countries in the region for foreign investment, the 1987 law established a remarkably liberal regime for foreign direct investment in Vietnam.¹⁵⁹⁾ Since 1987 the Foreign Investment Law has been revised on several occasions, most recently in 2000, in each instance moving the law closer into conformity with the principle of national treatment.

The Foreign Investment Law of Vietnam governs a wide range of issues, including the forms of direct capital investment, procedures for licensing foreign investment, management of foreign-invested enterprises, capital contribution, personnel

exports—rice, coffee and petroleum.

159) Alan Gutterman, (eds.), *Commercial Laws of East Asia* (Hong Kong: Sweet & Maxwell Asia, 1997), p. 25.

matters, taxation, accounting, foreign exchange and liquidation.¹⁶⁰⁾ As in most other Asian countries, foreign investment is prohibited where it is deemed to have adverse effects on national defense, culture and historical heritage, or the natural environment. Otherwise foreign investment is permitted in most sectors, although it must be approved and licensed by the authorities. In the case of “sensitive projects,” approval is required by the prime minister himself. Amendments to the law in 2000 allowed for some “less sensitive” projects to be implemented without the licensing scrutiny of the Ministry of Planning and Investment, with such projects being limited mainly to export-oriented investments.

The existing Law on Foreign Investment requires a minimum foreign participation of 30% in joint ventures, but does allow 100% foreign ownership, except for sectors where FDI is limited to the joint venture form.¹⁶¹⁾ Foreign investors in Vietnam receive a number of special incentives, such as customs duty exemptions in export processing zones and various tax exemptions.¹⁶²⁾ In addition, as in other countries in the region, the law provides an explicit pledge against expropriation or nationalization and guarantees the right to repatriate capital and profits.¹⁶³⁾ In the

160) Pham Duy Nghia, *Vietnam Business Law in Transition* (Hanoi: The Gioi Publisher, 2002), p. 266.

161) In practice, a number of foreign-invested firms have 100% foreign ownership. Note that the BTA requires that Vietnam reduce the number of sectors where U.S. ownership is limited, particularly for a number of service sectors.

162) For a useful summary of incentives for FDI; See Ministry of Planning and Investment, *Vietnam: Destination for Foreign Investment: A guide for business and investment in Viet Nam* (Hanoi: Ministry of Planning and Investment, 2002).

mid 1990s, Vietnam attracted large inflows of foreign capital, relative to the size of the economy, equivalent to 11.2% of GDP in 1995, mostly in the form of FDI.

A second notable trend in FDI is its growing export orientation. This highly favorable trend reflects several notable features of Vietnam's international economic relations: first, the dominance of other Asian developing countries as investors in Vietnam, investing increasingly in labor-intensive manufacturing, and secondly, the heavy reliance of Vietnam on Asian countries as both a destination of exports and the source of imports.

Accession to the U.S. Market and International Trade Agreements

Vietnam's export-led growth strategy was severely restrained by the lack of access to the U.S. market, which has been a key engine of export growth for developing and developed economies in East Asia. Recognizing the importance of gaining access to the U.S. market, the Vietnamese government agreed to start negotiation of the U.S.-Vietnam Bilateral Trade Agreement in 1995, just one year after Vietnam and the U.S. normalized political relations and the trade embargo was withdrawn. While the BTA was being negotiated from 1995 through 1999, the Asian crisis that hit the region and the Communist Party of Vietnam slowed economic reforms.

163) Again, these provisions are to be strengthened with the implementation of the BTA.

The technical negotiation of the BTA was completed in 1999. The final approval of the BTA then took two years. First, political leadership in Vietnam took a year to build consensus that Vietnam was prepared to implement fully such a comprehensive trade agreement that would require changes in literally hundreds of laws and regulations, and open many sectors to competition with U.S. firms, especially services sectors and some goods sectors protected from foreign investment. The BTA was approved by the U.S. Congress in the summer of 2001, the Vietnamese National Assembly then approved the BTA in November, 2001. The BTA then came into force on December 10, 2001.

A key strategic element of the BTA for Vietnam was that it would be a “stepping stone” for accession to the World Trade Organization, a process that Vietnam started in 1995 along with the BTA negotiations with the expectation that Vietnam would accede to the WTO while BTA implementation was taking place.

With the signed BTA, the U.S. extended the most favored nations (MFN) or normal trade relations (NTR) status to Vietnam. This was the most important change in policy associated with the BTA. On the day that the BTA came into force, December 10, 2001, the U.S. lowered tariffs from its general tariff schedule that averaged around 45% per tariff line to the MFN levels that averaged around four%. This opened the U.S. market fully for Vietnamese exports.

Another interesting aspect of the BTA was that Vietnam

requested and the U.S. agreed to provide technical assistance to support the Vietnamese government in their implementation of the many technical and often quite new issues in the BTA.

The BTA, which had an amazingly deep impact not only on traditional trade policy issues, but also on many fundamental rule of law and governance, provided a critical benchmark and focus for moldering Vietnam's economic and legal institutions to support a market economy and international integration.

Given the political legitimacy need to provide jobs and support broad based increases in prosperity, Vietnam accelerated the introduction of a number of other reforms from around 2000. On the trade side, Vietnam committed to implement the ASEAN Free Trade Agreement (AFTA), which in fact had a substantially greater impact on reducing tariffs for goods and injecting competition in the goods sector than did the BTA. By the end of 2006, Vietnam has committed to implement fully its AFTA commitments.

As noted above, Vietnam also accelerated its negotiations to accede to the WTO. Successful implementation of the BTA provided considerable credibility to move the accession process forward more quickly than many expected.¹⁶⁴⁾ The WTO involved first “multilateralizing” the far-reaching BTA commitments, both

164) Note that the U.S. had always seen the WTO accession negotiations as a chance to push for additional reforms beyond the BTA, both in terms of substance, e.g. across the board reductions in tariffs, and as a chance to negotiate an acceleration of the phase in agreed to in the BTA. Note also that in the implementation of the BTA, especially for the changes in laws and administrative procedures to conform to international best practice, the U.S. supported policy changes on an MFN basis, not just on a bilateral basis.

in terms of market access that was negotiated in bilateral and in terms of conformance with WTO rules and procedures, which were negotiated in the Working Party venue. As well, the WTO was BTA plus in several important areas, including tariffs, agriculture, subsidies, several services such as transportation and maritime. The WTO accession protocol is likely to have less stringent obligations on investment than does the BTA.

In 2003 and 2004, two additional bilateral agreements were negotiated, one a textiles and services agreement with the European Union and the other an investment agreement with Japan. In both cases, Vietnam received some benefits for essentially providing BTA treatment to European banks and Japanese investors.

A number of important complementary reforms were initiated over the last five years that were aimed to improve the governance and institutional environment for the development of the private sector and a market economy. Possibly most dramatically, the Enterprise Law in 2000 streamlined the registration procedures for private firms that have led to the establishment of more than 80,000 new private firms over the last four years.

By the end of 2006, Vietnam had fully revised and modernized almost every law affecting commercial activity in Vietnam in line with the needs for supporting a domestic market economy with a growing private sector and for conforming to international standards.

A key political economic point is that this massive reform movement is being driven in parallel and largely toward achieving mutual objectives with regard to the domestic political process and the meeting of international standards. The Vietnamese government is working to modernize its economic governance system, and it sees international standards as providing an important benchmark and focus for these reforms. In this regard, Vietnam's development strategy is incorporating many of the international best practices included in the international trade agreements that it has or will sign.

d. Implications for Korea

From Vietnam's unification experiences, we can indicate some implications for the Korea peninsula in the pre-unifying process and the unifying process.

(1) Pre-unifying Process

First of all, Vietnam obtained unification by military forces. It was a very painful unification. The cost we had to pay for this was not only extremely high in terms of both human lives and materials, but also long overdue as the consequences of the war have still remained until now. The loss of large numbers of men in the Vietnam war still influences demographic figures of Vietnam today. As of the mid 2000s, there were only 97.6

men for every 100 women, one of the lowest ratios in Southeast Asia. One of the serious consequences of the war still remained in Vietnam is the Orange Agent, which is still affecting the life of a big number of Vietnamese children. Vietnam developed very little during the war years; industry was nearly non-existent in both North and South and both countries were dependent on foreign donor countries. Worse, the country's critical agricultural infrastructure had been badly damaged. After the war, the South had roughly 20,000 bomb craters, 10 million refugees, 362,000 war invalids, 1,000,000 widows, 880,000 orphans, 250,000 drug addicts, 300,000 prostitutes and 3 million unemployed.¹⁶⁵⁾

Therefore, in my opinion, it is better for the two Koreas to avoid such kind of unification by all means. The unification in the Korean peninsula, though it is long, should be a peaceful unification like what happened between West and East Germany. At present, the two Koreas still remain technically at war. Their three-year-war ended in 1953 in a truce—not a peace treaty. Confrontation continues between the two Koreas divided by 155-mile-long demilitarized zone. In order to obtain peaceful unification, the two Koreas should first try their best efforts to normalize their relationship so as to set the background for peaceful unification. Turning the armistice be into a peace treaty is an important task in the Peninsula. Substantial initiatives

165) Fact and Detail, "Vietnam After the War," <http://factsanddetails.com/southeast-asia/Vietnam/sub5_9a/entry-3369.html>.

should be proposed and due consideration by both sides to reach a meaningful reconciliation and peace that journeys toward unification of the two Koreas.

The willingness of North and South Korea for a moderate approach or dialogue would reduce mutual hostility and distrust in the Korean peninsula. Dialogue-based peninsular trust-building might reduce deadlock and tension. Progress is underway but has not concluded. Restart for reconciliation, non-aggression and bilateral exchanges should be initiated. The first and foremost thing is that both countries need to trust each other and need a mechanism for peace enforcement. The Unification of the two Koreas should be the topmost priority of both governments. Improvement of pragmatic ties between the two countries might gain unification and peace.

Secondly, as the two countries, North Korea and South Korea, though they have the identities in nation, history, and culture, there are still existed many differences, particularly in economic aspect. In order to prepare for a peaceful unification process, which incurs much less cost, both countries should pay attention to narrow the different gap between them. The economic model of North Korea now is still somewhat like that of Vietnam before 1986, while South Korean economy is a full developed market one. Experiences from Vietnam have shown that transforming from a centrally planned economy into a market oriented one has brought Vietnam from a backward less-developed country, which was in a serious economic crisis, into a middle income

country with many big achievements. North Korea should refer to Vietnam's experiences so as to reform its economy towards an economic model relevance to that of South Korea so that when the unification process takes place, the economic integration will be carried out much easier and less costlier. South Korea should by all means help North Korea in this process.

For North Korea, the continuation of economic reforms, which has been started since early 2000 but with very little results, is a crucial task for the new young leader, Kim Jong-un. The institutional reform in agriculture, light industries, and foreign economic sector should be strongly pushed up. The development of free economic zones, industrial clusters, export processing zones, attracting foreign ODA and FDI, and stimulating international trade in North Korea, like what Vietnam have done and been doing, should be considered essential measures for the development of an efficient open market economy for North Korea.

South Korea, with its ample of capital and advanced technologies, and accumulated experiences in economic development for many decades, can and should help North Korea to reform its economy. South Korea should help North Korea to set up multi-farming complexes that support agriculture, livestock and forestry in areas in the North suffering from backward production and deforestation. To help make life less uncomfortable for ordinary North Koreans, South Korea should

invest in infrastructure-building projects where possible, such as in transportation and telecommunication. This would help to combine South Korean capital and technology with North Korean resources and labor in an efficient production process creating much more products for the North in particular and for the Korean peninsula as a whole in general.

Thirdly, in my opinion, to prepare for unification, there will be more works to do in North Korea than in South Korea. The North Korean Government, a part from accelerating internal economic reform, must also take appropriate measures to integrate the country into the regional and international economic system. This is because of the fact that

① Internationalization and globalization is an objective development trend of the era and, after all, is decided by the constant development of production forces. International integration is a subjective behavior of countries and nations towards this objective trend. Through international integration practice and theory in the world, major characteristics can be seen: international integration originates from the needs for development of the international community and requires joint efforts and policies to address the global challenges posed to each country and to all humankind. This process is overwhelming and widespread; bilateral and multilateral; regional, inter-regional, and global. International integration began from economics and has spread to other areas of social life. International integration is an actual process of building and

applying common laws and standards in international relations. International integration is an uninterrupted development of relations between countries from a lower to a higher level, with diversified forms, which suits the interests and specific conditions of each country and region. Almost all countries, small and large, rich and poor alike, have to integrate themselves to seize development opportunities, while staying aware of the numerous challenges to be overcome during the international integration process. North Korea is not an exception.

② North Korea is a part of the world and, sooner or later, will connect with the world's evolution. In-depth understanding of the world situation is an indispensable condition for defining national tasks. From Vietnam's experiences, throughout the renewal period from the 6th to the 11th National Party Congress, despite rapid and complicated global and regional developments and tumults, the VCP closely followed the situation, grasped arising issues, and developed its own point of view on major trends in the global political arena and in international integration:

- The 6th Congress of the VCP for the first time confirmed “the scientific-technological revolution is a prominent characteristic of the era” and predicted the “increasingly important” role of the struggle in economics and global politics. Thus, the expansion of economic relations beyond the socialist countries was based on the guideline: “We need to make full use of new advantages in economic and scientific-technological cooperation to assume a wider role in the

assignment and cooperation in the Council for Mutual Economic Assistance, while expanding relations with other countries.”

- The 7th National Party Congress of Vietnam set the guideline of “diversification and multilateralization of relations with all countries and economic organizations based on the principle of respecting independence, sovereignty, equality, and mutual benefit” and “creating a favorable environment and conditions for foreigners to enter Vietnam for investment and business cooperation.”
- At the 8th National Party Congress, the term “integration” was mentioned for the first time in Party documents: “Building an open economy which integrates into the region and the world.”
- At its 9th Congress, the Party set the guideline of “proactive international and regional integration in line with maximizing inner strength, improving the effectiveness of international cooperation, and ensuring independence, self-reliance and a socialist orientation.”
- The 10th National Party Congress for the first time raised the issue of international cooperation (integration) in other areas: “Proactively and actively integrating into the global economy, while expanding international cooperation in other areas”; and
- The 11th National Party Congress developed and confirmed the view “Proactive and active international integration.”

The VCP realizes that international integration is a process which Vietnam has participated in to attain a certain position and role in the international community. It is a process of both cooperation and struggle to attain its national interests in multifaceted, diversified, multilateral, and bilateral relations with various actors in the international community.

This process includes: economic integration—joining the regional and global economies based on competitive advantages, and the utilization of internal and external resources for fast and sustainable development; political integration—joining regional and global political life and establishing a position and voice in regional and global matters; socio-cultural integration—upholding the nation’s cultural and spiritual values, absorbing advanced cultural values, and contributing to the socio-cultural development of the region and the world. Integration follows a comprehensive strategy in which the roadmap and degree of integration for each area matches the capacity of the country in that area. It is, therefore, from Vietnam’s experiences, we may suggest that, as a part of the international economy as a whole, North Korea should, the sooner the better, consider suitable ways to integrate into the world economic system.

③ By integrating into the world economy, North Korea can address the core issue of making full use of external resources to serve national industrialization and modernization, and contributing to the shared issues of the region and the world. Over the past more than two decades, Vietnam, with

its potential and wisdom, has entered the playing field of economic globalization, gained experience, gotten more familiar with the rules of the game, and identified opportunities and challenges. It's now time for North Korea to seize the opportunities and overcome the challenges of proactive international integration. By persisting in a foreign policy of independence, self-reliance, peace, cooperation, and development under the motto "Vietnam is a reliable friend and a responsible member of the international community," we have recorded major achievements while realizing certain limitations and weaknesses that need to be addressed.

Vietnam has got out of political and economic isolation expanded its relations with other countries, including the superpowers, especially with the U.S., and other major world politico-economic centers, basically broadening its international integration and deepening its relations bilaterally and multilaterally. Vietnam has created and maintained an environment favorable for national construction and defense, and transformed its thinking about economic development in both public and private sectors.

Meanwhile, the market economy has been refined and large investment sources from outside have been utilized, international cooperative economic relations have been significantly expanded, contributing to economic restructuring and opening up long-term prospects for the country. International relations have been promoted in security-defense,

science-technology, culture, society, and education-training. Security-defense cooperation has been implemented in accordance with detailed roadmaps with appropriate partners, agenda and steps to make practical contributions to the task of national defense. In the area of culture-society and education-training, the expanded cooperation has helped in hunger eradication, poverty reduction, settlement of social security issues, and improvement of people's cultural and spiritual lives, while promoting cultural understanding through exchanges between Vietnam and other nations. There is an increasingly active participation of economic sectors and social strata from central to local levels in the international integration process. Large cities and important economic centers have made substantial leaps forward in integration and are providing strong growth momentum for the national economy. Vietnam's position has been enhanced regionally and globally, creating a new image of the country as economically successful and an active and responsible partner in international integration.

These achievements have helped Vietnam learn valuable lessons about the timely transformation of its thinking about many things: the country's development strategy in the context of international integration; proactively following situations, thinking independently, predicting, and making timely strategic decisions; maximizing internal resources while attracting and effectively utilizing external resources; harmoniously dealing with the relationship between independence and self-reliance

and international integration to realize the fundamental goals of the revolution while pursuing security and development goals; dealing wisely and flexibly with the two-sided issue of cooperation and struggle during international integration. Should any of these positive impacts of Vietnam's international integration help North Korea to realize and follow, it is our honor.

④ We are witnessing rapid and complicated changes across continents, particularly a shifting of the world's strategic and economic focus to the Asia-Pacific region together with a trade liberalization trend and a process of economic alignment and cooperation on various levels: greater region, region, sub-region, and development triangle or quadrangle. Countries and territories which integrated into the world early have become "dragons" or "emerging economies." East Asia is looking to build an economic block somewhat like the EU or NAFTA—with economic and trade barriers reduced or removed and alignment increasing. Each country in East Asia should play a certain role in regional issues. North Korea should not be an exception. In this context, it's imperative for North Korea to identify its optimal position. From Vietnam's experience, it can be seen that Vietnam's achievements of the renewal process, an open foreign policy, and international economic integration have created the internal and external strength for Vietnam to enter a new development period. Advantages and disadvantages, opportunities and challenges, intertwine and impact security

and development. During its international integration process, Vietnam's unswerving policy is to ensure the united leadership of the Party and the concentrated management of the State, and to uphold the people's spirit of mastery and creativity. The external activities of the Party, State diplomacy, and people-to-people diplomacy are closely connected. Political, economic and cultural diplomacy, together with defense and security, safeguard independence, sovereignty, territorial integrity, and national interests for peace, friendship, cooperation, and development.

Finally, before the unification to be taken place, we think that North Korea, with the collaboration of South Korea, should do the following:

- Actively and rapidly reforming the economy to meet international standards. Open up its economy to international trade and accept foreign direct investment from any sources.
- Try to normalize its relations with other countries, particularly South Korea and the United States.
- Making contributions and playing a certain role in the process of international integration, particularly the East Asia economic integration.
- Strictly abiding by international commitments to which North Korea will be a signatory; proactively and actively building and adhering to international laws when engaged in regional or global activities; proactively proposing initiatives and mechanisms for cooperation based on the principle of

mutual benefit; consolidating and enhancing the role of the community regionally and globally; making an active contribution to the struggle for peace, national independence, democracy, and social progress in the world.

(2) Unifying process

If the preparations for unification mentioned above are to be done effectively and timely, when the unification process is actually taken place, it will be much easier for the two regions, North and South Korea, to comprehensively integrate into a unified country. Therefore, it can be said that, the unification in the Korean peninsula, though it is prolonged, is much less cost and simpler than that of Vietnam.

However, there is one matter from Vietnam's experiences in its initial integration process, which the united Korean government should refer to, that is the matter of fled people. In the initial stage of unification in Vietnam, there were a number of people had left the country. Many of them are talented persons. The reasons for them to leave the country might be many. But one of the main reasons was that they were not trusted and not satisfied with the new life. If they were to be mobilized and used for the new system, they would not left the country, and therefore, would make significant contributions for the development of their own country rather than to live abroad. More than a million people, accounting for 5% of the population

in the South Vietnam at that time, has left the country, most by boat. Therefore, it is my hope that the united Korea would have avoided the similar situation.

e. Observation

Since the end of the Second War World, Vietnam has undergone remarkable changes. After the defeat of Japan in 1945, France, the old colonial power, tried to reclaim its colonies in Indochina—for example, Vietnam, Cambodia, and Laos. But France faced opposition from the Viet Minh (Vietnamese League for Independence). The Viet Minh fought a guerilla war against both the Japanese and the Vichy French forces and established the Democratic Republic of Vietnam on September 2, 1945. However, instead of supporting the Democratic Republic of Vietnam, the West recognized French claims. The first Indo-China War was fought with the French from 1946 to 1954. With the Dien Bien Phu battle, the French surrendered the Viet Minh and withdraw from Vietnam. With the Geneva Agreement, Vietnam was set to temporarily divided into two regions from the 17th parallel to have a two year period preparing for a general election to unify the country in 1956. Nevertheless, with the support from the United States, Ngo Dinh Diem held a separate election in the South and declared to establish the Republic of South Vietnam. Vietnam was, therefore, to be divided by

two regions until 1975. The situation eventually resulted in the Second Indo-China War, known as the “Vietnam War.” With the victory of the Ho Chi Minh campaign led by the Vietnam Communist Party in April 1975, Vietnam was united in terms of territory by military forces.

After 1975, the integration between the North and the South of Vietnam had been carried out in political aspect by organizing a general election through out the country to vote for members of the united National Assembly. The first session of the united National Assembly approved the establishment of the Government of the united Vietnam. Then, the integration in economic, cultural, and social aspects had also been pushed up and achieved full results by implementing the two consecutive 5-year plans (1976~1980 and 1981~1985). By the end of 1985, Vietnam was comprehensively integrated. However, the attempts to integrate the South capitalist economic model, with the North socialist economic model so as to build socialism in the whole country resulted in the severe economic situation in Vietnam in the 10-year period after unification.

Since 1986, by undertaking the renowned economic reform namely Doi Moi, Vietnam has achieved crucial results. As a result of decades of war and international isolation, Vietnam stands among the poorest nations on earth in terms of standard of living. After more than ten years of economic liberalization, a policy officially endorsed at Vietnam’s Sixth Party Congress in 1986, have brought considerable benefits to the country and

its population. The transition began in agriculture in 1981, when cooperatives were allowed to contract production to households. The full reform program, “Doi Moi” (renovation), was initiated in 1986. It continued decollectivization, removed price controls, legalized markets and private enterprise, but had its full effect only after the collapse of the Soviet Union and the CMEA trading bloc in 1989. Once Vietnam began trading in the global market it quickly became a major exporter of rice and other agricultural products. Trade also stimulated rapid growth in the industrial and service sectors, which both exceeded agriculture in shares of GDP by the late 1990s. Trade agreements have proven to be an important catalyst for the ambitious development of a set of institutions, laws and policies to support a market-based economy that is increasingly integrated into the world market.

It is our hope that, from Vietnam’s integration experiences, the implications for Korean unification indicated in this paper can be useful references for both the North and the South Korean governments to have effective measures for the unification in the Korean peninsula in the near future to be a much less costly process.

III. ANALYSIS OF TRANSFORMATION AND INTEGRATION PROCESS

KOREA INSTITUTE FOR NATIONAL UNIFICATION



1 Theoretical Types

a. The Interpretation of the System Transformation

The system transformation/transition is defined ‘political, economic, and socio-cultural structure (or order) of a regime is fundamentally replaced.’ First of all, regarding this concept, according to Talcott Parsons’s point of view, ‘a phenomenon of development from traditional society to modern society’ can be considered as a system transformation as well. Every society is divided or classified into the sub-systems such as economy, politics, society, culture, and so forth. At the same time, if the mechanism for these sub-systems, more specifically bureaucracy, power structure, legal system, democratic rights of association, free election and so on, to be change evolutionarily is not formed, the society or the system will be led to the damage of its legitimacy. In case of failure for social factors to be differentiated or evolved, maintenance of legitimacy will be difficult, and especially dictatorship, not equipped with these mechanisms, will collapse. Secondly, modernization theory of S. M. Lipset is also related to the system transformation. That is, the establishment of democracy in one society or the state is

associated with the establishment of the prosperous middle-class. He tried to find correlation between the net domestic production and the degree of democratization. In other words, it leads to a continuous process of economic development → improvement of the educational level → development of rational and tolerant concept and behavior of citizens → democratization of the middle-class → emergence of civic organization participating the politics. Therefore, Lipset concluded that the positive economic development induces authoritarian government to change its system.

The system transformation is a concept that studies a process of changes of the state or society towards the direction of, not only, democratization but also de-democratization and de-politicization.¹⁶⁶⁾ This term can be applied to the states especially where they belong to ‘the third wave of democratization’ in the process of transformation from dictatorship to democracy. In a broad sense, the states which have completed the system transformation to democracy since 1974 fall into this category.¹⁶⁷⁾ In a narrow sense, this has been established as an academic concept as the third democratization of Southern Europe, particularly the transformation (transition) from the dictatorship of Spain’s Franco to the democratic system in Spain. The sub-systems related to the system transformation are as follows;

166) Jens Borchert, *Die konservative Transformation des Wohlfahrtsstaates: Grossbritannien, Kanada, die USA und Deutschland im Vergleich* (Frankfurt a. Main/New York: Campus 1995).

167) For example, the right-wing dictatorship of Southern Europe (Portugal, Greece, Spain), capitalist dictatorship system of East Asia (Philippines, Taiwan, Korea, Thailand), and Realsocialist states in Central and Eastern Europe.

transformation of government (Regierungswechsel), transformation of administration (Regimewechsel), system replacement (Systemwechsel), system reform (Systemwandel), and its transition.

The causes for the system transformation can be divided diversely: ① a legitimacy crisis due to the economic inefficiency—a legitimacy of a totalitarianism system can be determined by the economic situation or its economic capability. If economic system keeps on being managed inefficiently, the government will fall into a legitimacy crisis, thus providing a reason for the system transformation. (e.g. the failure of perestroika in the former Soviet Union (the failure of economic modernization), the case of East Germany); ② A legitimacy crisis due to the economic efficiency—according to the modernization theory, as the state develops economically, this leads to the change of its social structure. That is, while agriculture declines, the field of service increases, and the influence of the reactionary latifundist is lost, the well-educated citizen class appears as an important social power. They gradually require their participation in political system, and this might be an essential factor that leads to the system transformation; ③ A legitimacy crisis due to the critical incident—for instance, a legitimacy of one system might be lost due to the critical incident such as the death of a dictator or a political scandal. Corruption and violation of human rights are also able to cause an anti-establishment movement, therefore the government is forced

out to the pressure of the system transformation. (e.g. the death of Stalin or Gongadze scandal that ended Leonid Kuchma's administration in Ukraine¹⁶⁸); ④ Defeat in war—the system transformation can arise if a state is defeated or surrenders in a war. However, it needs to be separated that whether the cause for the system transformation in an occupied state is from the demand/lead of the occupation forces and defeat of the occupation forces. (e.g. the case of Netherlands or Norway after the end of German occupation during the Second World War); ⑤ Suspension of external support—in case where a government is supported by external support from a dominant player, if the support measure is ceased, it directly leads to the system transformation (e.g. Gorbachev and Brezhnev—division and the system transformation of Baltic states due to the abolishment of doctrine, the possibility of the system transformation if China suspends its support for North Korea in the future); ⑥ A domino effect—a sequential collapse of the transformation of the Realsocialist system simultaneously in Central and Eastern Europe would be the case.

With these diverse causes, if one system enters into the transformation phase, then the progress would be as follows:

① the end of existing system/government including de-differentiation; ② institutionalization of a new system; ③ re-differentiation and consolidation of the new system. It should

168) Kyiv Post, "Kuchma maintaining Gongadze scandal a political fabrication," <<http://www.kyivpost.com/content/ukraine/kuchma-maintaining-gongadze-scandal-a-political-2-6533.html>> (accessed: October 1, 2010).

be born in mind that the phases might appear simultaneously or most of them would be repeated rather than progressing separately.

The core factor of the transformation of the realsocialist system is the transformation to democracy and democratization. That is, it aims at liberal democracy socially and politically, and market economy system economically. To understand the case of the system transformation in 1989/1991, the four democratization processes that Europe has experienced need to be considered:¹⁶⁹⁾ ① After the First World War, Germany, Austria, and Finland experienced the system transformation from a constitutional monarchy to a republic. As the first wave of democratization, a high degree of a constitutional state was established and the right for universal suffrage was granted (e.g. Germany, 1981). Russia, the Ottoman Empire, Austro-Hungarian Empire, and other multiracial nations became extinct, and the newborn states adopted a democratic constitution. However, with the exception of Czechoslovakia, all the states developed into authoritarian governing system. As for the case of Central and Eastern Europe, most of them went through a period of transformation to the People's democracy (Volksdemokratie) from 1944 to 1948, and then transformation from a rightist dictatorship to a leftist dictatorship was forced from the outside.

② The second wave of democratization, appeared as fascist

169) Kyu Young Lee, *op. cit.*, pp. 217-218.

force, was defeated in the Second World War. Therefore, democracy was reintroduced as the victor nations forced Germany and Japan to be democratized. However, both nations succeeded in establishing the federal system and the monarchical state respectively, accepting the principles of democracy, which is unintended consequence by the United States.

③ The third democratization or the system transformation in Southern Europe and Latin America in the mid-70s was not as powerful as the two previous cases, and foreign incidents were also not relevant to the result of warfare. Instead, democratization of nations in these regions started mainly from the domestic political situation and relation of dynamics among political powers. The foreign factors are only considered as moderating variables. This democratization shows how the phased system reform (Systemwandel) changes into the system replacement (Systemwechsel) with new quality. First, among OECD states, Greece, Portugal and Spain returned to democracy, and Argentina, Bolivia, Brazil, Chile, Peru, and other authoritarian governments collapsed.¹⁷⁰⁾ In this case, they have something in common in the sense that they went through, not only political development, but also, the transformation from an authoritarian governing system to a pluralist democracy. In

170) T. L. Karl, "Dilemmas of Democratization in Latin America," *Comparative Politics*, Vol. 23, No. 1 (October 1990), pp. 1~22; T. L. Karl and Ph. C. Schmitter, "Modes of transition in Latin America, Southern and Eastern Europe," *International Social Science Journal*, No. 128 (May 1991), pp. 269~284; Klaus von Beyme and Dieter Nohlen, "Systemwechsel," D. Nohlen (hg.), *Wörterbuch Staat und Politik* (Bonn: Bundeszentrale für politische Bildung, 1991), pp. 690~700.

addition to that, economic, social, and political starting points are completely different from the previous cases. Therefore, the system transformation in Southern Europe and Latin America is limited to, mainly, political-institutional dimension.

④ The fourth wave of democratization in Central and Eastern Europe appeared when the Soviet Union, as the central force within the Soviet bloc, was weakened and the domestic force of the satellite states retroacted to this. The transformation of the realsocialist system is mostly able to be understood as an extension of the third wave of democratization. However, it is based upon the premise, which is the system transformation model, that has more complicated and diverse development process—as it will appear hereafter. It also includes the limited system transformation of Southern Europe and socio-economic dimension of the system transformation of the latter.

b. The Characteristics of the System Transformation ①: Revolution and Reform¹⁷¹⁾

In every system organized by the people, change is inevitable due to various reasons (changes in organizers and external environment that is different from when it is organized). At the same time, for the system to remain as its original purpose

171) Kyu Young Lee, *op. cit.*, pp. 213-216.

of establishment, paradoxically it should include mechanism, factors, and functions for accepting changes or the ability to induce changes.¹⁷²⁾ If one system goes through a change (transformation or transition), the existing system changes its form and contents that have been maintained until then. To explain this change, the concept of ‘revolution’ and ‘reform’ is mainly used in social science. The standard to differentiate these two concepts is the speed of progress and the changing grade of the attribute of the system. However, these analytical terms lost their effective values since these concepts have been abused excessively and thoughtlessly to explain the transformational phenomenon.¹⁷³⁾ There has been a dominant tendency of explaining or analyzing the system change in Central and Eastern Europe and the former Soviet Union as ‘revolution’ or ‘reform’ without any accurate definition of the concepts. This originated with the lack of understanding of the essence and attribute of the realsocialist transformation.

Originally, when the concept of ‘revolution’ is used as a political-social term, in some cases, it refers to a radical and fundamental change in political and social structure as a whole, including the system of cultural norm. According to S. P.

172) The system transformation in 1989 was an incident that highlights the exactness of E. Burke's thesis: "A nation lack of means for the change also lacks of means for maintaining itself. If there's no such means, the nation will be in danger of even losing the Constitution that is desired to be remained sacredly the most." C. Böhret, "Reform," A. Görlitz and R. Prätorius (hg.), *Handbuch Politikwissenschaft* (Hamburg: Rowohlt, 1987), p. 432.

173) Kyu Young Lee, *Zivilgesellschaft als Ansatzpunkt für den Umbruch der Sozialistischen Systeme in Osteuropa: Das Beispiel Polen?* (Frankfurt/M.: P. Lang, 1994), p. 26, *et seq.*

Huntington, “A revolution is a rapid, fundamental, and violent domestic change in the dominant values and myths of a society, in its political institutions, social structure, leadership, and government activities and policies.”¹⁷⁴⁾ A political essence of revolution means a rapid expansion of new political awareness and a prompt mobilization of a new power group in a new policy that the existing political institutions are not able to adapt promptly. However, when relating the transformation of the realsocialist system to the concept of revolution, there has been a phenomenon that it is separated from the common factors¹⁷⁵⁾ which has been recognized as revolution so far, regarding not only the speed of its changes but also the scale of it. Furthermore, at an early phase of the transformation of the realsocialist system, a phenomena accompanied by violence, that is closely associated with revolution, is quite rare except Romania, and it shows it as a new aspect of revolution by adding adjectives such as ‘peaceful’, ‘gradual’, ‘gentle’, ‘agreed’, or even ‘constitutional’ before the concept of existing ‘revolution.’ In addition, the relationship between revolution and modern society can be metaphorically referred to as oil and water. Therefore, it is understood that a collapsed region of the realsocialist system,

174) S. P. Huntington, *Political Order in Changing Societies* (New Haven: Yale Univ. Press, 1969), p. 264.

175) A few common points which belong to a typical revolution can be made: ① disintegration of class occupied by the leadership and political power and fundamental change in terms of ruling class composition through a systematical disintegration of privilege for the existing upper class; ② abrogation of existing governance or authoritative relationship for lower privileged class; ③ a complete revolution of politics, economy and culture and social structure; ④ establishment of new Constitutional order and new legal system for stabilizing set revolutionary goal etc.

would be making an effort to be ‘re-modernized.’¹⁷⁶⁾ That is, it tried to replace the effect of de-modernization of the realsocialist system through the re-introduction of market mechanism and reestablishment of legal guarantee. Meanwhile, it is quite impractical to relate the transformation of the realsocialist system to the existing Marxist revolution theory. The transformation of the realsocialist system is neither the result of class struggle nor the conflicting result of the relationship between productive capacity and production. The realsocialist system is also for the industrialization—even though it is less modernized and its speed of progress is gradual—and it shows a hierarchy and the aspect of structural differentiation similar to social structure development of western states in a certain degree. It is just that its progress was delayed compared to the history of development in the West. Therefore, the collapse of the realsocialist system, and the phenomena at an early stage of the system transformation could be viewed as a sort of ‘a typical communist revolution’ that has happened in most states with the economic standard of pre-capitalism or quasi-capitalism at most. However, a typical Marxist concept of revolution is also not suitable for explaining the transformation of the realsocialist system.

The term, ‘reform,’ is also a political concept that needs a poly-semantic and careful interpretation as revolution. The use

176) Kyu Young Lee, *op. cit.*, p. 35, *et seq.*; I. Srubar, “War der reale Sozialismus modern?,” *Kölner Zeitschrift für Soziologie und Sozialpsychologie*, Vol. 43, No. 3 (1991), pp. 415-432.

of this concept has various purposes as well. It is common to simply define every change as reform. This term marks the situation ranging from a trivial modification of economic policy to a fundamental change of political and economic system. This concept of 'reform' finally acquired its political meaning after the French Revolution.¹⁷⁷⁾ From then on, 'reform' was attributed to a relative concept (Gegenbegriff) against revolution and it has become its own purpose or means for preventing the revolution as a political measure of adaptation. Similar to 'revolution', 'reform' also refers to a clear change of the existing state. M. Greiffenhagen defines reform as 'gradual, gentle, continuous, or evolutionary change unlike revolution.'¹⁷⁸⁾ Therefore, revolution, fundamentally, can always be regarded only as a partial change. It cannot help being a partial change in a fundamental manner. At the same time, it tries to avoid a rapid severance of the foundation with existing state, tradition and legitimacy under any circumstances.¹⁷⁹⁾ Reform, however, secures continuum of the existing order and puts an emphasis on stability. In other words, reform aims towards being fundamental in general, relatively continuous, temporally anticipant, and at the same time changes in content of organization and process. However, two issues are brought up when applying this concept to analyze the transformation of

177) Kyu Young Lee, *op. cit.*, p. 36, *et seq.*

178) M. Greiffenhagen, "Überlegungen zum Reformbegriff," M. Greiffenhagen (eds.), *Zur Theorie der Reform* (Heidelberg: Juristischer Verlag, 1978), pp. 7-8.

179) *Ibid.*, p. 10.

the realsocialist system, which are reform ‘within the system’ and reform ‘of the system.’ Regarding reform, the changes that are completely revolutionary and overthrow the system are excluded. Therefore, the latter reform ‘of the system’ is brought up in a different level. Reform ‘within the system’ generally refers to a reform from the top down (led by authorities within political parties-nations). On the other hand, there was a tendency that reform ‘of the system’ itself was neglected by the pressure of demand for reform from reform communists, which is brought up by the group itself, and by the pressure (demand) for reform from the governance class from the bottom and from the sides.

Reform had been understood only as ‘perfection (Vervollkommnung)’ of the system right before the system collapsed. Regarding the concept of reform, a dialectical aspect of transformation through continuous pressure on reform from the bottom, shown in Central and Eastern European states, was not recognized. Reform thesis was not able to anticipate the dialectical change in social changes of human being and the system as a temporal dimension. Therefore, there exists a temporal gap between the start of reform and its final outcome. In this sense, if the transformation of the realsocialist system is discussed as reform, it falls into one of these three dimensions; ‘polity’, ‘politics’ and ‘policy’: ① organizational reform that abolishes the existing system or establishes the new one within an institutional, normative framework granted by a society; ②

reform that newly distributes the power of authority through the process of forming a political consensus and the process of conflicts; ③ ‘policy’ reform that newly distributes the resources through the national or binding decision.

It is restrictive to understand the transformation of the realsocialist system in terms of ‘revolution’ and ‘reform.’ These two concepts set a standard of judgment based on the severance and continuity of the existing system. Consequently, the transformation of the realsocialist system was in the midst of progress, revolutionarily incomplete, and the subject or substance became extinct. In a temporal sense, as for the former case, collapse or extinction of the existing system is magnified, and as for the latter, it is significantly difficult to measure the end point of the system transformation. Therefore, it is necessary to have new concepts or a framework to complement these limited explanatory concept and the temporal, consequential dimension of the system transformation. It should be understood as ‘the system reform’ and ‘the system replacement’ considering a temporal continuity and the outcome of changes, rather than accepting it as an aspect of changes such as ‘revolution’ and ‘reform.’

c. The Characteristics of the System Transformation ②: System Reform and System Replacement¹⁸⁰⁾

Both ‘systems reform (Systemwandel)’ and ‘system replacement (Systemwandel)’ are applied under the premise of the system change. System reform is defined as ‘a certain system or an incident continues in phases in a temporal dimension and its external structure and internal attributes are changed.’ Change is essential to maintain and conserve the political structure of the realsocialist system. Most researchers in Central and Eastern Europe have recognized, until the early 1989, that the realsocialist system is in political and economic danger due to the increase in foreign debt, loss of legitimacy, the reduction of supports from the Soviet Union, and the maladies of centrally planned economy, and yet they still thought the realsocialist system would hold its control over society. Discussion on the potential for change of the realsocialist system was centered only on potential for change of the governmental technique, rather than the change in attribute of the political system or new type of the power system. This is because it has experienced changes (Wandlungen) only in external governing type several times as attribute of the system maintained. The authorities within the system excluded the core structure of the system from consideration even when overcoming a crisis. They tried

180) Kyu Young Lee, *op. cit.*, pp. 216-221.

to overcome the crisis only through the change of some of the political power, modification of political line of command economy and the ease of cultural policy based on the same existing legitimacy. The system replacement had been excluded all the time as an alternative for improving the realsocialist system and a research subject for overcoming the crisis, and it was not subject to be discussed at all. As a result, only sustainability of the realsocialist system was overestimated, and its potential to change was underestimated excessively. Therefore, as the realsocialist system lost its power and monopolistic control over the three fields, politics, economy, and ideology of a party-state, it has experienced fundamental system change since 1989.

Regarding the system replacement, a standard analysis for the system transformation or democratization in Southern Europe and Latin America, described in the above, cannot be applied to the realsocialist system. As for the case of the realsocialist system, the basic assumptions that put an emphasis on functionalistic stance are able to be applied very restrictively.¹⁸¹⁾

① The realsocialist system is a socially, psychologically, and compulsively controlled society. Therefore, the diversity of conditions and the room for application are much less probable compared to the case of developing states where the modernization theory is applied. ② The type of economic

181) K. Montgomery and Th. F. Remington, "Regime Transition and the 1990 Soviet Republican Elections," *The Journal of Communist Studies and Studies and Transition Politics*, Vol. 10, No. 1 (1994), pp. 55~56; K. von Beyme and D. Nohlen, *op. cit.* p. 696.

development level is not much related to the repression within the realsocialist system. There is an absence of significant difference between the cases of poor states such as Balkan states and Romania, and developed states such as Czechoslovakia and East Germany in terms of the degree of repression. ③ Even a historical fact of experience of democracy cannot fully explain the exact time of resistance against bureaucratic socialism. For example, Czechoslovakia was considered more democratic than the Weimar Republic during both World War I and World War II. However, the ‘Prague’s Autumn’ came true after the anti-establishment group of East Germany already require democratization.

Economic variables and political acts were not in a direct relationship in Central and Eastern European blocs. The 1989 incident was not a typical form that had been portrayed by the realsocialist states previously. The collapse of the realsocialist system in Central and Eastern Europe was terminated, not only in East Germany, the most developed state but also accompanied by bloodshed in Romania, the least developed one. The fact that all Central and Eastern European states were swept away by the wave of liberalization at the same time is phenomenal despite their huge development gap. Furthermore, the fluctuation phenomenon cannot be fully explained by a simple imitation or diffusion process. Meanwhile, a replacement case prior to the transformation of the realsocialist system showed similar aspect to the system reform. For instance, in the case

where the behind forces were balanced internally such as the Spanish military, the system replacement progressed in order without tolerating the huge gap of changes. However, the system replacement progressed chaotically when the military gave up being political outcome by itself and became the agent of setting up the left wing model for new democracy.¹⁸²⁾ At least the theory of system replacement discussed prior to 1989 was formed based on the examples that most of the transformation process was completed without any influence from the externals. The system replacement in Southern Europe and Latin America didn't have a big burden on establishing a new system. In an extreme sense, fascist dictators did not even have to take stocks and banks into consideration. Establishing the institutional foundation for the market economy would be enough. In comparison to the case of Southern Europe and Latin America, the system replacement in Central and Eastern Europe assumes a new aspect.

Within the realsocialist system, the concept of 'the system replacement' was brought up after the termination of perestroika.¹⁸³⁾ In the phase of perestroika, the dichotomy of 'reform' and 'revolution' was a major logic of change. Perestroika was seen as a classical attempt to reform from the top. The reform was considered as associated with 'eclectic,' de-ideological, and de-dogmatic attributes of the agent. Gorbachev

182) K. von Beyme, *op. cit.*, p. 42.

183) *Ibid.*, p. 50.

called perestroika as the second revolution, but, this was nothing more than rhetorical figures representing its own initiatives of the Soviet Union. Therefore, the system replacement after perestroika has broader category of transformation than the concept of revolution or reform. The initial target of system replacement was, none other than the collapse of the former system. That is, the former system collapsed without preparation for a new system as an alternative. Not only did the realsocialist system itself collapse all of a sudden, but also an anticipated alternative system was not prepared. Indeterminately, liberal democracy and market economy system were the only imaginative alternatives. After the collapse, implementation had begun. In this sense, the study on the transformation of the realsocialist system should be analyzed as a kind of 'stage theory' which combines two concepts, the system replacement and the system reform. That is, the transformation of the realsocialist system needs to be classified and discussed as the progress up to the collapse of the realsocialist system and the current period, and development prospect of transformation with alternatives of liberal democracy and market economy system in the future.¹⁸⁴⁾ In other words, an analysis on the system transformation is tried based on the stage theory (discontinuity), at the same time, its attribute (simultaneity) that each stages progress together at once should not be ignored. The

184) J. Linz and A. Stepan (eds.), *The Breakdown of Democratic Regime* (Baltimore: J. Hopkins Univ. Press, 1978); G. O'Donnell, et al., (eds.), *Transitions Authoritarian Rule - Prospects for Democracy* (Baltimore: Baltimore Univ. Press, 1986).

transformation of the realsocialist system can be understood in two dimensions. First is a liberalization phase in the aspect of a single line in some way. This includes the time of the collapse of the former system. This phase means liberation from the former system, and it is terminated as the existing realsocialist system collapsed. The second is a democratization phase. That is, it is a phase of replacement and establishment of the new system. In this phase, new constitution and election system are adopted, the process of democratization takes root in the society, and democratic mechanism starts to operate. Economically comprehensive changes, such as the establishment of banks, de-monopolization, and the legal establishment of private property rights and so forth, falls into this phase. The third is the consolidation phase. This is the phase where the development prospect of liberal democracy and market economic system is discussed. De-realsocialism and the system transformation are considered completed when political stability and economic leap phenomenon are accompanied, and stable civil society is established and starts to operate.

d. Classification of the Types of System Transformation

(1) Differentiation in the Actor-centered Classification

In general, the system transformation starts from the dissolution or collapse of the existing regime. It is not a simple task to decide the exact moment of transformation from the disorganization or collapse of the existing government. However, by empirically analyzing it focusing on the actors, the conditions and the processes can be set up as follows: ① the ruling class in the existing system is divided into ‘a hard liner’ and ‘a moderate’ under the premise of a myriads of external pressures and conditions, ② Based on this, the general public starts to recognize a part, or all transformation that has started or the reformation action, and the counterforce is formed over this in earnest partially, or wholly, ③ A coalition form is organized among the counter forces and ‘moderates’ within the existing regime to promote a kind of new system, ④ and then it would be the time when the political pacts are established among ‘hardliners’ within the existing system and ‘moderates’-counterforces to solve the issues or to promote a new institutionalization. As mentioned in the above, the type of transformation can be classified into three different types focusing on the ruling class and the counterforce (see Table 7).

Table 7 Types of the System Transformation Based on Actors

Type of transformation	Progress Process	Example
Guided Transition (gelenkte Transition): transformation(Huntington), reforma (Linz)	Former political leaders take the lead in the system replacement and continue to control over the process	Chile, Taiwan
Forced Transition(gezwungene Transition): replacement(Huntington), ruptura (Linz)	Counter forces disrupt the existing ruling elites and properly decide the process after the system replacement	Portugal, East Germany
Negotiated Transition(ausgehandelte Transition): transplacement(Huntington), ruptforma (Linz)	The existing ruling powers and counter forces negotiate the system transformation and co-lead the post process	Spain, Poland

(2) Differentiation in the Process of System Transformation and the Outcome-centered Classification

With the analysis based on the actual process and the outcome of the system transformation—even though it might be partially overlapped with the actor-centered classification—this can be classified as follows: ① gradual-evolutionary type—this is a type where the system transformation develops through the evolutionary process, and especially the first wave of democratization falls into this category. For instance, citizens are entitled to vote and other political rights are granted by not in a revolutionary but gradual way; ② the system transformation type forced from the bottom—the general public extensively goes on an anti-establishment movement, and if

the existing ruling class is not capable of suppress this, the ruling elites lose a part of, or all of their power that has been dominated by them until then; ③ the system transformation type led by the elites—this is a type where, in some cases, political power of the elites is carried over to a new system as the existing ruling elites take initiative to take lead in the system transformation (e.g. the cases of the Weimar Republic in 1918, perestroika, and South Africa in 1990); ④ the system transformation through a negotiation—this is a type where the ruling class and counter forces establish a new political governance form through a kind of political pacts, however, all related participants should make a decision and act reasonably (e.g. Poland in 1988); ⑤ collapse of the existing system—this type could appear when defeated in war. Or the regime would collapse in case where new elites who are able to pro actively change or stabilize the existing system are not organized. (e.g. East Germany in 1989, the Soviet Union in 1991); ⑥ establishment of a new state—as the federal states or the empire collapsed, the states composing of this establishes a new state. (e.g. establishment of a new state after the disintegration and split of the Soviet Union—White Russia, Ukraine, and Baltic states).

2

Distinctive Features

The transformation towards liberal democracy and market economic system in the realsocialism pans out differently from states to states (see Table 8). The types of the system transformation are supposedly different because every state has its distinct historical, political, economic and social conditions and backgrounds. In the first phase of liberalization in Central and Eastern Europe, Poland and Hungary gradually progressed, and Bulgaria, Czechoslovakia, Estonia, Lithuania, Romania and East Germany were comparatively radical, especially Bulgaria and Romania experienced a coup. In addition, there is a precondition that needs to be noticed regarding the second phase of democratization. De-realsocialism does not automatically mean the establishment of liberal democracy and market economy system and reestablishment and completion of civil society. It is just a transformation process that is in the middle of progress by adopting the elements of system theory that showed a relative dominance in the competition between the market economy system and the realsocialist system as an alternative. The system transformation process was expected to be accomplished readily and rapidly as well. Especially in the case of East Germany, it was also expected to end by simply

transferring the West. However, empirically speaking, it is hard to say at the moment of 25 years after the German unification that it reached to the level of internal integration or perfection (Vervollkommnung), in a realistic sense despite its external accomplishment. Not to mention the case of the realsocialist states. As for the third phase of consolidation, completion of civil society plays an important part. In this phase, the evaluation that the completeness and satisfaction of civil society in the consolidation phase is quite low needs to be kept in mind, even if Polish civil society, the most representative case, took initiative to require changes.¹⁸⁵⁾

Table 8 Characteristics and Contents by the Phase of the Transformation of the Realsocialist System

Type	Phase 1: 1~5 years	Phase 2: 3~10 years	Phase 3: 5~15 years
Political object Economic object	Transformation Stabilization	Stabilization from transformation Transformation from stabilization	Consolidation Continuous leap
Political	Basic democracy; Free press; End of one-party state; Nascent democratic union for the change	New Constitution and election law; De-centralized municipal government; Stable democratic union = The new political elite	Formation of stable democratic party; Start of democratic culture
Legal-regulative	Elimination of arbitrary state control	Fully equipped legal-regulative system for property-management	Emergence of independence of judiciary and legal culture

185) Stephan Raabe, "Transformation und Zivilgesellschaft in Polen: Die Kirche als "Verbündete" der Zivilgesellschaft," *Rapporte der Konrad-Adenauer-Stiftung*, Nr. 9 (2008), p. 4.

Type	Phase 1: 1~5 years	Phase 2: 3~10 years	Phase 3: 5~15 years
Economic	Abolishment of price control and subsidy; End of collectivization; Arbitrary privatization	Banking system; Privatization of the small, mid-sized; De-monopolization; Emergence of new economic class	Extensive privatization; Appearance of a lobbying activity; Corporate culture
Western aid	Currency stabilization; Urgent loan and aid	Loan for social overhead facilities; Support for technology and management; Allowance of preferential trade	Major foreign investment; Join of major western organization (EC, NATO)

Source: Z. Brzezinski, "The Great Transformation," *The National Interest*, No. 33 (1993), p. 4.

a. The Political Transformation System

The political transformation system commences from a new constitutional enactment process immediately after the collapse of the existing realsocialist system. The main contents are the reintroduction of the system and institutions by establishing a new practice governed by law to ensure fundamental rights efficiently which had been ignored under the governance of the realsocialism; such as replacing the counter-existing elites through election, establishing a multiparty system of parliamentary democracy, reintroducing regulations on the private property system, and so forth.¹⁸⁶⁾

¹⁸⁶⁾ Kyu Young Lee, *op. cit.*, pp. 226-233.

(1) The Rule of Law

The rule of law is a mechanism where the officials act and are restricted in accordance with the constitution or legal standard. On the other hand, the realsocialist system was not governed by the rule of law but by the party-state. There is no legal restriction on the governing act by the party-state. Law had served as a governmental tool for the party state¹⁸⁷⁾ rather than restricting its power, and a communist party played a leading role based on the law under the realsocialist system. Even though there is a legal clause, “the one shall not be accused nor detained except by law”,¹⁸⁸⁾ ‘telephone justice’¹⁸⁹⁾ was dominant in reality.

The first objective after the collapse of the system was to establish a transparent, consistent, and trustful legal system. This was so because it was a precondition for stabilizing not only a political aspect but also an economic activity. An absence of legitimate legal system leads to the insecure public sector and it becomes harder to predict the future. If prediction is impossible, the irrational decisions might be made both individually and collectively. Legislative action, which is necessary to remodel the existing state legislative system and

187) M. Geistlinger, “Recht,” K. Ziemer (hg.), *Sozialistische Systeme*, 2. Aufl. (München: Piper, 1989), pp. 361-366; V. Chirkin, et al., *Fundamentals of the Socialist Theory of the State and Law* (Moscow: Progress Publishers, 1987) for self-recognition on Realsocialist nation/law

188) Article 4 of “Constitution of Czechoslovakia” in 1960; section 1 of article 87 “Constitution of Poland.”

189) Telephone justice means judges and bailiffs follow the instruction ordered by officials via phone.

approach to the legal practice of Western Europe, was taken to establish the rule of law.¹⁹⁰⁾ Experts of the Constitution from Western Europe and the United States were invited to give advice on that.¹⁹¹⁾ It was specified that the individual freedom and restriction on human in an individual sense are possible only when it is 'defined in the law.' Therefore, in the case with regards to the Constitution of Czechoslovakia, Romania and Hungary, a legal provision was enacted to those who claimed their rights were violated by public activity could file a law suit to the court or appeal to the council. An ombudsman system was also established in Poland.¹⁹²⁾ However, there is a significant contrast between the legal provision and implementation application of the law in practice. This represents the fact that the principle of the rule of law cannot be settled easily. In other words, it is a common phenomenon to disregard the law, and trust in law and order is significantly low compared to Western Europe.¹⁹³⁾ Since the law is considered to be unfairly applied,

190) Some nations started to modify the Constitution as their own devices for the Realsocialist system itself even before the revolution. In case of Poland, Polish Workers' Party politicians demanded this, and in Czechoslovakia, the Realsocialist government has already decided re-amendment of the Constitution in 1988.

191) The elites in Central-Eastern Europe still tried to solve the Constitutional issues by using the concept of Marxism and Leninism. Legal experts in the West helped think outside the box, providing experience and knowledge on the Western Constitution and legal system (e.g. Administrative acts that could violate individual rights are subject to be judicial judgment, inhibit the possibility that can limit the rights voluntarily, and suggest the introduction of Freedom of Information Act, and enforcement of Economic, social rights).

192) H. Schwartz, "Constitutional Developments in East Central Europe," *Journal of International Affairs*, Vol. 45, No. 1 (1991), pp. 79-80.

193) F. Plasser and P. A. Ulram, "Zwischen Desillusionierung und Konsolidierung. Demokratie und Politikverständnis in Ungarn, der CSFR und Polen," P. Gerlich, et al., (hg.), *Regimewechsel* (Wien: Böhlau, 1992), pp. 9-77.

resolutions are sought outside the legal boundaries. Furthermore, where public service is not understood as an ideal, where bureaucrats are under-paid, corruption is all but automatic, and both parties in a bureaucratic transaction expect this to happen.¹⁹⁴⁾ There is still a strong tendency that legitimacy or the principle of law are only a hypothetical existence rather than internalized norm to the individuals even in the era of de-realsocialism.

(2) Protection of Basic Human Rights

A provision for civil right and freedom was also stipulated in the Constitution of the realsocialism, however, it was undervalued or ignored in reality. The new Constitution established a new provision for the protection of human rights with a practical security measure which is not just a declaratory dimension, regarding the protection of human rights. It made an attempt to transform into the new legal system by stipulating the provision for human rights in the Constitution. A concept of natural law that puts basic human rights before the law was introduced in the new legal system. In declaratory dimension, introduction to the practical provision for human rights protection is internally due to the background for a certain breakaway from the legal system of realsocialism, and externally it also considered the fact that human rights is worldwide concern

194) G. Schöpflin, "Postcommunism: The Problems of Democratic Construction," *Daedalus*. Vol. 123, No. 3 (1994), p. 132.

and supports from neighboring western nations.¹⁹⁵⁾ Nevertheless, this measure did not necessarily mean ‘softness’ of the nation.

The independent action of the judiciary for independence was taken regarding the protection of fundamental rights, and the power and role of procurator who used to do a great execution under the realsocialist system were drastically reduced. At the same time, inherent rights of human, nonaggression and inalienability of basic rights, and a provision for the human dignity were added in the preamble to the Constitution. This idea of natural law or a human rights provision appears to be similar to the United States Bill of Rights (1971).¹⁹⁶⁾ In the United States, ① the fundamental provisions are relatively simple and metaphorical and focus on governmental restriction, and ② they take a passive stand in the sense that it is applied only when governmental activity is wrong, however, the active concept of rights appeared in Central and Eastern Europe. For example, the fourth chapter of the Constitution in Czechoslovakia stipulates ‘economic, social and cultural right’ and it requires government to promote policy aggressively.¹⁹⁷⁾ In addition, Central and Eastern Europe established a new aggressive

195) Human right issue is absolutely necessary for Central and Eastern Europe states to join the European Union, thus it was necessary to show specific actions that they protect and trust rights and freedoms of their citizens.

196) H. Schwartz, *op. cit.*, p. 82, *et seq.*

197) For example, career options, the right of economic activity, the right to establish labor union and the right to strike, the right of legitimate reward for the labor, the right for material security for the old ages, the right of health, the right of basic education, the right for healthy environment and society etc.

provisions such as healthy environmental rights or the choice of employment, where as in the United States, the checks can be established only if the action of the government is viewed “wrong.” These rights would lead to the expansion of government expenditure, and it is hard to compel judicially because it is a legal provision. On the other hand, some of the rights which do not require government budget or the categorical legislation (e.g. organization of labor union, right to strike, right of education etc.) can be compelled judicially. In addition to that, the Constitutional Court was newly established as a measure of protecting human rights as it was affected by the West and American Constitutional system.

(3) The Constitutional System Issue

The Constitutional system in the process of the system transformation has been the most controversial issue. Democratization or democratic transformation is paradoxically more difficult under the circumstance where de-realsocialist states are experiencing political, economic and social confusion and instability. This is because democratic transformation requires leadership and an ability to stabilize new economy and polity by overcoming political and economic crisis. At the same time, the power should be centered on new political parties and political powers to overcome the crisis in good order. However, power concentration phenomenon might have a

negative effect on consolidating new democracy on the process of the system transformation, and authoritarian governing behavior considered as usual under the realsocialist system in some cases could be revived. An issue of making a choice and decision of the constitutional system was considered important in many different ways. There only existed a uniform governing phenomenon of the communist party under the realsocialist system, and they controlled the three powers of legislative, executive and judiciary. The theory of law under the realsocialism only allowed a functional division, rejecting division of powers. With this tradition, it was difficult for most nations to choose a political structure and system due to their lack of plural political experiences. Regardless of this situation, a consensus on recognition of the necessity of institutional device for pluralist democracy and separation of the three powers of legislative, executive and judiciary as the western model was formed. Therefore, the decision on the constitutional system was made to establish a multiparty parliamentary democracy by depriving the existing communists of their vested rights and plural groups · political parties competing freely.

A new democratic constitutional system is characterized by the matter of introducing plurality elections and proportional representation, on the other hand by the matter of a choice of parliamentary form and presidential form.¹⁹⁸⁾ The system

198) Klaus von Beyme, "Institutionenbildung und Demokratisierung," *Systemwechsel in Osteuropa*, pp. 229~277; A. Lijphart, "Constitutional Choices for New Democracies," *Journal of Democracy*, Vol. 2, No. 1 (1991), pp. 72~84; A. Lijphart, "Democratization

of plurality elections is mostly adapted in the nation with the two-party system, or majoritarian democracy, and the domination of administration over the council. Also, it means Westminster model where political power concentrates on a ruling party.¹⁹⁹⁾ The proportional representation system is a type which is mainly adopted when the power relationship between the executive and the legislative is relatively equal and it is a model of consensus democracy.²⁰⁰⁾

The most preferred regarding the constitutional system in Central and Eastern Europe and Russia was the British parliamentary model and the French Fifth Republic model. In case of the former, a modified form in a German way, that is Chancellor Democracy (Kanzlerdemokratie) with constructive no-confidence vote (Mißtrauenvotum), was also an object of concern.²⁰¹⁾ That is because this system not only was equipped with stable democracy, the concept of Westminster model, and retrieval factor but had broader applicability compared to the traditional British model. On the other hand, internal tradition which has been established in Germany was not transplanted in the process of adopting the system. Therefore, in some cases,

and Constitutional Choices in Czecho-Slovakia, Hungary, and Poland 1989-1991," *WZB: FS III 92-203* (Berlin: 1992): J. J. Linz, "The Perils of Presidentialism," *Journal of Democracy*, Vol. 1, No. 4 (1990), pp. 84-91; A. Stepan & C. Skach, "Constitutional Frameworks and Democratic Consolidation: Parliamentarism vs. Presidentialism." *World Politics*, Vol. 46, No. 1 (1993), pp. 1-22.

199) A. Lijphart (1991), *op. cit.*, p. 73.

200) *Ibid.*

201) Kyu Young Lee, "German Parliamentarism and Its Institutional Stability," Ho-Sung Park, et al., *Controversy over the Government System in Korea II* (Seoul: Poulbit, 2000), pp. 243-280.

the prime minister acted as a powerful president as a phenomenon that power centered more on the prime minister than administration or government stood out.²⁰²⁾ Nevertheless, the logic of foundation of democracy being weak is evidence that desirable development of the constitutional system embeds dangerous element, and it could be developed into a type of the presidential system of Latin America, if the crisis is not properly overcome.

Regarding the constitutional system, Central and Eastern Europe, and Russia were in need of 'a new type of democracy' rather than 'a completely new democracy.' It is important to have democracy that is based on a national consensus and political rights for representational democracy, and that is suitable for crisis management with efficient mechanism for conflict resolution. Under this premise, it needs to be reminded that socio-political pluralism of Central and Eastern European states almost collapsed at the early stage of the system transformation under the multiparty system.²⁰³⁾

202) This semi-parliament and 'the presidential system' in practice appeared in Poland and Czechoslovakia. Even if the democratic parliament system emerged, there were situations where it was difficult to clearly differentiate, in terms of constitutional government, 'revolutionary aristocracy' by V. Havel who was a new philosopher and also a 'king' in Czech and between the President L. Wałęsa who insisted absolute power and the first parliament that was elected antidemocratically in 1989 in Poland.

203) For instance, it took almost eight years for Poland to establish a new Constitution for constructing the democratic order. After experiencing severe conflicts for establishment of new Constitution between president and parliament, 'Small Constitution' (Die kleine Verfassung), which defined the separation of powers and the boundary of authority, was established as of 23rd of November, 1992. After that, a democratic constitution was adopted through a referendum in May 25th, 1997. In addition, regarding parliamentarism and the political party system, the number of political parties reached to 209 in 1993. Most parties were regional specific interest groups, improvised affinity groups, or 'living room parties'. Twenty parties entered the National Assembly in the first free assembly

b. The Economic Transformation System

The transformation of the realsocialist system means an introduction of the market economy system and, simultaneously, an establishment functional market economy system that can dynamically promote economic growth exceeding mere economic liberalization and enhance the national competitiveness. This starts primarily from the political decision, abolishing the centrally planned economy system. At the same time, introduction to market economy system is a measure accompanied to realize liberal democracy.

(1) Types Economic Transformation System

While human society once experienced the transformation from capitalism to socialism in the 20th century, there was no precedent of a reverse transformation. The case of transformation from the realsocialism to market economy does not have any historical experience and academic theory. The transformation of economic system is also very different from the history and tradition across states, and of course it was affected by the Council for Mutual Economic Assistance during the period of the Cold War, however, there is a difference in

election held in 1991, without acknowledging the 'regulations' (Sperrklauseln). A vulnerability of the political system led to the vulnerability of the government. There were 10 Polish prime ministers in 8 years. However, after introducing 'regulations' to the election law, the political system could be stabilized: Manfred Spieker, "Mittel- und Osteuropa im Aufbruch: Eine Zwischenbilanz," *Kirche und Gesellschaft*, Nr. 250 (1998), pp. 4-5.

the level of economic development and industrial structure. Types of the realsocialism showed distinction by nations due to these two factors. Eventually, it is difficult for the transformation of each nation to progress in a consistent form under the different political, economic, social and external starting condition.

The key issues to be considered in order to determine the real-socialist economic transformation strategies are as follows; ① system reform: this is a major factor that includes legal system, property rights, contract law, the company law and so on, ② domestic price liberalization, ③ stabilization of finance/budget, ④ restructuring of the domestic finance system, ⑤ privatization, ⑥ reform of the trade system and ⑦ liberalization of capital movement and etc.²⁰⁴⁾ As a strategy to address this issue, a general strategy of shock therapy or gradualism is chosen based on the judgment of the issue of the speed of transformation and sequencing by nations. Ultimately, the choice between one or the other depends on the political decision of an individual nation. To categorize it by some nations, Russia, Poland, and Czech Republic chose shock therapy, Hungary and Slovakia selected gradualism.

204) Seok Kyo, Ahn, "Transformation of Economic System—Notes on Some Controversial Issues," *Economy research*, Vol. 26, No. 1 (2005), pp. 179~191; P. Marer, "Models of Successful Market Economies," P. Marer and S. Zecchini (eds.), *The Transition to a Market Economy, Vol. 1, The Broad Issues* (Paris: OECD, 1991); Joachim Ahrens, "The Transition to a Market Economy: Are There Useful Lessons from History?" Alfred Schipke and Alan M. Taylor (eds.), *The Economics of Transformation: Theory and Practice in the New Market Economies* (New York: Springer-verlag, 1994).

(a) Shock Therapy

Shock Therapy is also referred to as the ‘big bang’ where it is regarded as an alternative to lead the revolution that was initiated in the early stages of the transformation in the economic liberalization. That is, all the necessary transformational measures to the introduction of market economy system should be instantly and simultaneously carried out where the strategy is to complete the transformation in the shortest possible period of time. The argument in which the transformation of the economic system should be carried out quickly and simultaneously is as follows:

- Due to the mutual dependency of the cabinet division in the economic sector, the transformation should be simultaneously carried out as it may lead to dysfunctional market reforms should it be carried out step by step. Partial transformational measures may hinder the system transformation itself. Only instant action with limited principles and institution (for example, legal infrastructure, private property system, free market and price liberalization, competition through decentralization, market intervention by the government through macroeconomic measures, system of post-realsocialism,
- The effectiveness of the market economy should be secured. In order to rapidly improve the national living standards, radical transformation is inevitable and simultaneously social cost should be endured. In addition, social distress

and social unrest are inexorable while social resistance with regards to the transformation also cannot be avoided. In the long run, incomplete market economy system leads to social tension and economic crisis.

- Since there is high political support by the citizens in the early stages of the system transformation, there is a need to prevent the adverse effect of the transformation by carrying out the transformation instantaneously in the initial stage. As the overall outline may be commoving, minimum special measures should not be delayed. It is expected to fail when there is the possibility and time for the opposition party to rally against the process of the transformation is acceded.
- The weak and infant government may 'easily' dismantle the huge bureaucracy that is supported by the centrally planned economy if the market itself it left independently to control the economy. To elaborate, the forces of democracy can be regarded as a means to swiftly neutralize the existing ruling forces. Since the newly infant government certainly lacks the management skill of the administration or organization compared to the existing ruling forces. It is likely for the existing forces to interfere with the transformation process or re-unite. Therefore, in order to rapidly disintegrate the power of the existing ruling forces, rapid liberalization or privatization policy is conformed to such political purpose.

- Above all, consecutive, partial and gradual transformational approach is realistically impossible. Under the previous real socialisms system, several reformation attempts have failed due to partial reformation. Necessary actions should be taken only with absolute minimum scope for the market economy to operate. Partial transformation only conceives dubious trust of the newly incongruent and uncertain policy and paradoxically increases the transformational costs.

Based on this logic, the shock therapy instantly and simultaneously promoted all issues related to the transformation of the economic system. Simultaneous promotion of the discussed issues refers to the 3 measures including the stabilization, liberalization and privatization, including the construction of the market system, of the economy have been instantly carried out at the same time. In relation to the stabilization process, currency retrenchment, fiscal austerity to reduce the state budget deficit, wage suppression, fiscal balance, stability measures of inflation, foreign exchange balance should be carried out. That is, all economic actors should be liberated from the control of the central government and institutions who were responsible for the control within the existing economic system, for example, program authorities, materials distribution organizations, national trade management organizations, etc., should be dismantled. Privatization should be regarded as a method to complete the legal and institutional framework. In general, temporary inflation is inevitable due to the instant

liberalization of price but excess demand of currency can be prevented, thus, impeding subsequent inflation. At the same time, active trade liberalization should be enforced to partially complement 'external competition' among the market competition in the domestic market. With regards to the property ownership, the means to swiftly transform state ownership to private ownership can only construct instant market economy system. Swift private ownership alone can minimize the social distress and inevitable chaos in the mid-stage of transformation.

(b) Gradualism

Poland implemented the sudden shock therapy on January 1, 1990. There was a general consensus towards radical transformation of the economic system among the economists at the time. However, this consensus to adopt shock therapy collapsed in 1992 in Middle and Eastern Europe, and later, the previously discussed issues through shock therapy as initially planned were not executed. On the other hand, China's economic implementation and performance caught their interest which partially influenced the establishment of different strategy. Generally, the basic position of the gradualists is defined by the following: that is, transformational change should be carried out in a broad socio-cultural context. In order to implement a new system, the existing social community and their interests should be considered. In other words, the development of policy or system, or the process of execution should guarantee their participation.

The trust and support of the system transformation can only be securely developed when the participation of the parties involved and social community is assured in the actual process of executing through democratic process of discussion and process of opinion acceptance with regards to the various alternatives and possibilities. The required actions toward the process of transformation involve issues that should be rapidly advance, for example, economic stabilization. On the contrary, issues that needs time, for example, privatization or introducing various systems. It can be a challenge to destroy the old system or policy and substitute it with a new system or policy as intended by the parties involved. Furthermore, even though it is an old system and policy, it is economically undesirable for a sudden destruction measures.

The premise of gradual economic transformation is to build functional conditions for the market to properly operate, then, implement market liberalization under a long period of time. In principle, swift economic transformation is desirable. However, the transformation from a realsocialist character of the centrally planned economy to a market economy system takes a long time due to the change of institutional, social and behavioral conditions. Economic system transformation should take place in the following steps: ① preliminary stage in which the plan for reform and the public standard of the policy is presented, ② key stage involving reform policies are functioned and implemented, and ③ adaptation stage where the economic agents have adapted to the new economic conditions.

Under such opinion, the arguments for a moderate economic system transformation are as follows:

- It is impossible for the instant abolishment or collapse of the realsocialist economic system. There should be a positive consideration in utilizing the existing system, under the transformation period, which can be very helpful.
- It is also well worth considering to keep the economic structure in the transformation state where the national sector and the private sector coexist as a dual economic structure. In this case, a positive recommendation is made towards the implementation of a system that requires to the newly formed private sector while allow temporary maintenance of the economic sectors in which the government had been managing.
- It is desirable for a gradual privatization of the state-run firms under the logic of the market once the private sector and the market scheme have developed and stabilized to a certain point.
- Primordially, the necessity of simultaneous transformation of the shock therapy encounters a limit. Although it is possible for instant transformation measures such as the price liberalization, processes such as privatization takes time. Therefore, even though both parties fall under the same category of implementing market economy system theoretically, it is difficult to reach a balance in the actual implementation process.

- Due to the psychological resistance and hindrance of the shock therapy, it is likely for social costs to occur. In this case, the public's patience is bound to be extremely limited. In addition, under the realsocialist system, the public is rather more familiar with the concept of equality and distribution, or, state paternalism. Therefore, when introducing the market economy system, the ambiance to accept the inevitable phenomenon of economic inequality should be established. As such, first of all, competition and monitoring system should be provided to prevent 'profiteering.' Secondly, an institutionalized social security system should be approved. For these conditions to be established, the state should intervene in the economic sector to some extent in the long term and, eventually, the transformation of the economy system would gradually progress.

(2) The Main Measures of the Economic Transformation

- ① Price Liberalization: Under realsocialist planned economic system, the price of goods depends on the political motives or core policies. For example, in the case of housings and basic food supplies, the prices are set at the lowest price. Followed by the market economy scheme, in the process of transformation, the linkage between prices and

politics motives should be abolished when determining the price. In order to actively operate the market, the price should be based on the principle of supply and demand, and, simultaneously, the potential of the market also plays an important role. The resulting measures to price liberalization generally lead to a substantial increase of price. In such case, it generally leads to a sharp hyperinflation at the initial stage in the process of the transformation where at worse, the ratio of the inflation rate hits massive inflation, sometimes to several hundred% depending on the state (for example: 585% in Poland (1990), 334% in Bulgaria (1991), Romania: 210 % (1992)).

- ② Economic decentralization: In order for firms to acquire constant profit, the price of their goods should be decided autonomously in the market. For this reason, considering the supply and demand, firms should free from any intervention with regards to their planning process and economic independence should be strengthened accordingly.
- ③ Stabilization: Since Inflation is inevitable according to the measures of price liberalization, transformation states have to seriously consider the issue of decline in the external value of their domestic currency. As declined value of the currency leads to the imbalance of monetary policy, corresponding states have to resolve the problem through, for example, the establishment of independent central bank or organization of monetary committee.

Another problem of stabilization is the rapid rise in foreign debt of the state. This is caused by the decreased tax revenues arose from the confusion by the process of transformation and in turn, an increase in the financial size of the state's expenditure.

- ④ Privatization: The system and practice where the state exclusively intervened in the economic system should be abolished so that the self-regulating market can allocate competition. For this operation, the constant pioneering of private companies should be allowed and strongly encouraged. Primarily, most state-run firms undergo the process of privatization. At the same time, the method of privatization proceeds in various ways: for example, sales of most (foreign) investment shares, equity instruments issued to the public ('coupon-privatization': in the case of the Czech Republic, most fall under this category), sales of shares to the former board of management and etc.
- ⑤ Liberalization of foreign trade: Most importantly, the practice of monopolizing foreign trade within the state should be abolished. Other than the measures of liberalization of foreign trade, the distribution of capital should be alleviated, including the elimination of the customs regulation. Along with the implementation to currency conversion at any time, foreign direct investment should be permitted.

⑥ Deregulation and securing competition policies: Under the realsocialist economic system, fixed price, state-driven premeditated planning action, and regulations that interfere with the autonomous market driven form of goods, services, labor and capital are scattered. Any regulations that interrupt promoting competitive market or market economy mechanisms should be eliminated. Only then the forming of a new type of monopoly can be prevented. Furthermore, the existing economic system had ensured stable employed and heavily regulated the labor market. Therefore, under the realsocialist planned economic system, employment was never a key issue to be addressed. However, the dismantlement of stable employment and deregulation of the labor market created a new economic environment where issues of low employment and unemployment are emerging as a serious problem. Therefore the institution or mechanism responsible for the labor policies that coexist with the market should address the problems.

(3) The Economic Transformation System and its Political Effects

The majority of states in Central and Eastern Europe faced a major crisis in the 1990s in the whole economic system transformation, as the size and degree exceeded the initiated

expectation. The socialist like state-run companies in the past could not be revived due the poor production compared to the number of personal and ridiculously low level of technical skills. Due to the socialist logic of the market, the living standard was astonishingly low, it was only inevitable for the environment and labor ethics to collapse. However, the economic transformation led to high hopes to live plentiful in just a few years and same life like the West. According to Adam Michnik, “Polish laborers wish to earn as much as the Americans, have a secured social security as the Swedish, and only work as much in the present moment.”²⁰⁵⁾ In the transformation process, without considering the strategy of shock therapy and gradualism, the real national product, industrial production, and the real wage decreased substantially, and in turn, prices and unemployment rate exponentially increased. Furthermore, inflation rose at a dramatic rate.

Due to the difficulties of economic transformation in the transformation states, the post-communist regime once again gained power within the next 3 to 4 year since the collapse of the system. The post-communist regime promoted stronger social security measures than earlier end or the complete transformation process. In addition, rather than blaming it on the prolonged decades of realsocialist system, the regime blamed first democratic government on the causes of the problem that arose from the transformation process.²⁰⁶⁾ By 1994, the economic difficulties

205) A. Michnik, *Der lange Abschied vom Kommunismus* (Hamburg: Rowohlt, 1992), p. 68.

that appeared due to the economic transformation process began to resolve gradually. Since then, with the exception of Bulgaria and Albania, the Central European states began to improve economically. In other words, there were continued growth, low unemployment, limit of inflation rate and stabilization of each state's national budget. Nevertheless, there was an absence to positively evaluate the economic status of the post-communist regime. The regime constrained further economic transformation by delaying the privatization of the state-run firms and were not keen on the fulfilling the promise made towards the intended social outcomes. As a result, this led to the third transformation (*drifte Wende*) in the fall of 1996. Post-communist regime withdrew to Lithuania, Romania, Bulgaria and Poland. It was only in Hungary and Slovakia in which the regime regained power in 1998. In Central Europe the development and the process of economic transformation was slow but stable where the Czech Republic, Poland and Hungary, the first transformation states in 1995/1996, became members of Organization for Economic Cooperation and Development (OECD).

206) Manfred Spieker, *op. cit.*, p. 7.

c. The Socio-cultural Transformation: A Completion of Civil Society

Compared to political and economic transformations, socio-cultural transformation is essentially more strenuous. In order to succeed in socio-cultural transformation, not only political and economic condition but also appropriate methods of realistic action, expectation, and concept of the society that is legally challenging should be accompanied and developed. Although policy makers can create the conditions to build a civil society based on basic and fundamental human rights, and civil enactment, educational policy and social policy, it is not possible for them to create or manage the civil society itself. Civil society is a contradicting concept of a nation where it define as a “sector of community, outside the direct control of the state, organized under the agreement between private or voluntary individuals and groups on private, economic, cultural and political interaction.”²⁰⁷⁾ Therefore, even in the case of the transformation states, the matter of building (or rebuilding) a civil society depends primarily on the individual’s political culture, value and, most importantly, clearing away the remnants of the past communist education. For decades, under the realsocialist system, despite the status of being control as subjects (Untertand) and either explicitly or silently brainwashed, it is important to question the possibility of transforming into a

207) D. Held, *Political Theory and Modern State* (Stanford: Stanford UP, 1989), p. 181.

political active citizen who is willing to voluntarily, boldly take risks and actively contribute to the society. This last socio-cultural transformation, which is the completion of civil society, becomes the key to determine the success of the realsocialist transformation.

The introduction of the market economy automatically leads to the creation of social classes within a state. Under the realsocialist system, theoretically, there were only two types of social classes (bourgeoisie vs. proletariat). However, in reality, there exist only two classes: in every economic, social and political privileged class, known as the Nomenklatura and the powerless majority, known as the Masse. The former was a winner and the latter was a loser. The fundamental starting point of the realsocialist transformation was the elimination of the Nomenklatura. However, in the process of transformation, paradoxically, considerable number of the former Nomenklatura belonged to the category of the winners. Through methods such as the information preferential approach, they have had accumulated enormous amount of wealth purchasing the state-run firms in the process of privatization. As a result, despite their age, similar to the situation in the Czech Republic where it was possible to continue employment, a one-third of the former Nomenklatura were able to successfully transform into the economic sector: they comprise nearly 40% of the newly formed economic elites.²⁰⁸) On the other hand, people such as

208) Ilja Srubar, *Elitenwandel in der Tschechischen Republik* (Bonn: APuZ, 1998), p. 27.

pensioners (with the exception of East Germany), farmer and subjects of the socio-cultural transformation were classified as losers. Although, the transformation states built a social security system and poverty relief institutions, in reality, the salvation status was often below the minimum cost of living. Unemployment benefits were extremely low with very limited time period. The unemployment benefits remedy was an absurd measure to relief the losers from poverty. As a result, issues such as the disposal of social security, new form of unemployment and the consequent instable living standard, and the increase in crime rate were raised in the process of socio-cultural transformation. At the same time, since the collapse of the system, the mentioned social issues affected the young population leading to a decrease of birth rate in all transformation states.²⁰⁹⁾

In the economic and social sectors, despite the declining influence of the state and newly acquired social autonomy, there were still high expectations of the people for the state in all transformation states. This was due to the result of socialization and communist method of education that lasted for decades. The citizens had anticipated that the state should control prices, subsidize various industries, and bear responsibility to housing and economic welfare. Such expectation of welfare and notion of equity remained even after the collapse of the system. That

209) In the case of East Germany, between 1989 to 1993, the birth rate substantially dropped by 70% leading to dramatic change in living sentiments, aspirations and concerns.

is, “as a result in socialist enslavement of society, the society itself became the state.”²¹⁰⁾ As a result, there was a loss of citizenship.²¹¹⁾ Although Poland was a nation of greater importance of liberalist tradition and the Catholic Church, it was not an exception.²¹²⁾ Despite significant time pass since the unification, the expectation of the East Europeans towards the states was clearly higher than that of the West Europeans.²¹³⁾

In order for transformation states to triumph the rebuilding of civil society, these states have to overcome ‘Etatismus’ that is commonly rampant. Instead, the citizens should voluntarily and independently form a civil group to participate in the formation of social and political opinion. The labor union created by the Communist party and the ‘Popular Front’ connected to public institutions are disposed as with the system. However, most important, a newly formed amalgam between the state and the people, that is, there is still a lack of needing and understanding of non-governmental organizations. Such organization should actively participate through the process of formation of political opinion that was accumulated from economic, political, social and cultural interest.

210) “Die sozialistische Indienstnahme der Gesellschaft durch den Staat hat zu einer verstaatlichten Gesellschaft geführt,” Manfred Spieker.

211) Karl-Heinz Ducke, “Ermutigung zu persönlicher Initiative,” Bund katholischer Unternehmen (hg.), *Wege aus der Krise in den Neuen Bundesländern* (Trier: Bund katolischer Unternehmer, 1991), p. 33, *et seq.*, pp. 31~40.

212) Tadeusz Szawiel, “Sozialethische Einstellungen unter polnischen Katholiken,” Manfred Spieker (hg.), *Nach der Wende: Kirche und Gesellschaft in Polen und in Ostdeutschland* (Paderborn: Ferdinand Schöningh, 1995), p. 300, *et seq.*, pp. 287~318.

213) Manfred Spieker, *op. cit.*, p. 10.

IV. CONCLUSION

KOREA INSTITUTE FOR NATIONAL UNIFICATION



Korea's unification process is expected to be carried out through considerably different mechanisms. Nevertheless, the system transformation and integration process in cases above-mentioned have the following significant implications for Korean peninsula, in both prior to the unification of Korea and on the process of the unification.

Lessons for prior to the unification of Korea are as follows.

Firstly, if a democratic general or presidential election is held in North Korea as a part of system transformation effort, the South Korean government has to persuade the advocates of reform and open-door policy into standing as an independent—not representing the Worker's Party—and gaining the majority of parliamentary seats or joining negotiations for the unification. The reason behind this is that the North Korean citizens are not likely to vote for those who run for the election under the Worker's Party.

Secondly, South Korea needs to urge the North to undertake a gradual economic reform rather than a radical one when those who favor the reform and open-door policy seize the power of the country. As the radical economic reform had caused economic crisis in some cases, the hasty moves toward the reform may result in fueling the anti-unification sentiment among the North Koreans.

Thirdly, an international agreement on the disarmament of weapons of mass destruction including nuclear and biochemical weapons is integral along with North Korea's compliance with

the IAEA nuclear safeguards and its remaining in the NPT. If necessary, signing a Korean version of the Budapest memorandum for security assurance is required in a bid to support the North Korean regime and to provide economic support.

Lastly, South Korea has to sustain and strengthen the U.S.-Korea alliance to deter North Korea's provocations, along with seeking closer cooperations with surrounding nations for more precise understanding of the situations in North Korea.

Lessons for the unification process are as follows.

The first priority in the course of unification ought to be to pursue a balanced diplomacy which focuses on maintaining close cooperations with China, Japan, and Russia, while strengthening the U.S.-Korea alliance. South Korea must strengthen its diplomatic efforts by executing multivector foreign policy, maintaining the U.S.-Korea alliance and actively participating in international organizations, regional organizations, and peacekeeping operations. As the world's great powers still adhere to their existing diplomatic policies to maximize their own national interests in the international community.

Secondly, education program to inform North Korean residents of the general principles of democracy including the idea of liberal democracy, party system, constitution, and election law must be provided.

Thirdly, the massive exodus of from Eastern European Countries' skilled engineers had put their own nation into

difficult circumstances in the early phases of its system transformation. Against this backdrop, South Korea has to take measures to control the migration of highly educated people and well-trained experts from North Korea to China, Russia, or any other countries after the unification.

Finally, it is advisable for the South Korean government to propose a long-term national development plan in order to help its citizens overcome various obstacles that may be faced along the unification process.

In conclusion, experiences from the countries that had undergone system transformation and integration give the following lessons: the restriction on migration of the North Korean intellectuals, prompt adoption of democratic constitution, gradual reform process for transition to market economy, the dismantlement of North Korea's nuclear facilities, and negotiations with neighboring countries over the transfer of nuclear weapons. As for the unification process, the implications for the unified Korea can be summarized as follows: the immediate integration of the two military systems, the completion of nuclear disarmament in North Korea, the establishment of a long-term national development plan for both citizens, the consideration of possible transfer of capital, and the execution of multivector foreign policy.

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연구총서

2012-01	미국의 對韓 핵우산정책에 관한 연구	전성훈	14,000원
2012-02	북한부패와 인권의 상관성	김수암 외	11,000원
2012-03	보호책임(R2P) 이행에 관한 연구	이규창 외	11,000원
2012-04	EC/EU사례분석을 통한 남북 및 동북아공동체 추진방안: 유럽공동체 형성기를 중심으로	손기웅 외	14,000원
2012-05	김정은체제의 권력엘리트 연구	이교덕 외	13,000원
2012-06	독재정권의 성격과 정치변동: 북한 관련 시사점	박형중 외	11,000원
2012-07	북방삼각관계 변화와 지속: 북한의 균형화 전략을 중심으로	허문영, 유동원, 심승우	10,000원
2012-08	북한 핵문제의 전망과 대응책: 정책결정모델(Decision Making Model)을 이용한 전략 분석	홍우택	8,000원
2012-09	중국의 한반도 관련 정책연구기관 및 전문가 현황분석	전병곤, 양갑용	6,000원
2012-10	2000년대 대북정책 평가와 정책대안: '동시병행 선순환 모델'의 원칙과 과제	박종철 외	12,500원
2012-11	리더십교체기의 동북아 4국의 국내정치 및 대외정책 변화와 한국의 통일외교 전략	배정호 외	11,500원
2012-12	김정은 정권의 정책전망: 정권 초기의 권력구조와 리더십에 대한 분석을 중심으로	최진욱, 한기범, 장용석	7,500원
2012-13	신정부 '국가전략 DMZ 평화적 이용'	손기웅 외	8,000원
2013-01	남북러 가스관과 동북아 에너지 협력의 지정학	이기현 외	6,000원
2013-02	한국의 FTA전략과 한반도	김규륜 외	8,500원
2013-03	김정은 체제의 변화 전망과 우리의 대책	박종철 외	10,000원
2013-04	EC/EU사례분석을 통한 남북 및 동북아공동체 추진방안 - EC기 분석을 중심으로 -	손기웅 외	12,000원
2013-05	오바마·시진핑 시대의 동북아 국가들의 국내정치 및 대외정책과 한국의 대북 및 통일외교	배정호 외	11,000원
2013-06	북한사회 위기구조와 사회변동전망: 비교사회론적 관점	조한범, 황선영	6,000원
2013-07	인도적 지원을 통한 북한 취약계층 인권 증진 방안 연구	이규창 외	12,500원
2013-08	새로운 세대의 탄생: 북한 청소년의 세대경험과 특성	조정아 외	15,000원
2013-09	북한의 핵·미사일 대응책 연구	홍우택	6,000원
2013-10	북한에서 국가재정의 분열과 조세 및 재정체계	박형중, 최사현	7,000원
2013-11	북한경제의 비공식(시장)부문 실태 분석: 기업활동을 중심으로	임강택	11,000원
2014-01	북·중 간 인적 교류 및 네트워크 연구	이교덕 외	7,500원
2014-02	북한변화 촉진 및 남북친화성 증대: 이론발굴과 적용모색	박형중, 박영자	7,500원
2014-03	북한 비공식 경제 성장요인 연구	김석진, 양문수	9,000원
2014-04	신동북아질서 시대의 중장기 통일전략	성기영 외	7,000원
2014-05	'행복한 통일'로 가는 남북 및 동북아공동체 형성을 위한 통합정책: EC/EU 사례 분석을 통한 남북 및 동북아공동체 추진방안	손기웅 외	6,000원

2014-06	탈북청소년의 경제 경험과 정체성 재구성	조정아, 홍민, 이희영, 이항규, 조영주	14,000원
2014-07	한국의 대북 인권정책 연구	한동호	6,000원
2014-08	법치지원과 인권 증진: 이론과 실제	이금순, 도경옥	8,000원
2014-09	신뢰정책의 과제와 추진전략	박영호, 정성철 외	11,000원
2014-10	대미(對美)·대중(對中) 조화외교: 국내 및 해외 사례연구	김규륜 외	10,500원
2014-11	북한의 핵전략과 한국의 대응전략	정영태, 홍우택 외	12,000원
2014-12	중국의 주변외교 전략 연구: 중국의 대북정책 결정에 대한 함의	이기현, 김애경, 이영학	7,000원

학술회의총서

2012-01	The Outlook for the North Korean Situation & Prospects for U.S.-ROK Cooperation After the Death of Kim Jong-il		6,000원
2012-02	김정은 체제의 북한 인권문제와 국제협력		19,000원
2012-03	해외 이주·난민 지원제도의 시사점		12,000원
2013-01	유엔 인권메커니즘과 북한인권 증진방안		20,000원
2013-02	한반도신뢰프로세스 추진전략		19,000원

협동연구총서

2012-11-01	북한 경제발전을 위한 국제협력 프로그램 실행방안(총괄보고서)	임강택 외	11,000원
2012-11-02	북한 부패실태와 반부패 전략: 국제협력의 모색	박형중 외	10,000원
2012-11-03	북한 경제발전을 위한 국제협력체계 구축 및 개발지원전략 수립 방안	장형수 외	8,000원
2012-11-04	북한의 역량발전을 위한 국제협력 방안	이종무 외	8,000원
2012-11-05	북한의 인프라 개발을 위한 국제사회 협력 프로그램 추진방안	이상준 외	8,000원
2012-12-01	한반도 통일 공공외교 추진전략(I) - 공공외교의 이론적 조명과 한반도 주변4국의 對한국 통일 공공외교(총괄보고서)	황병덕 외	13,500원
2012-12-02	공공외교의 이론적 조명과 주변4국의 한반도통일 공공외교 분석틀	김규륜 외	8,500원
2012-12-03	미국의 對한국 통일 공공외교 실태	박영호 외	9,500원
2012-12-04	중국의 對한국 통일 공공외교 실태	이교덕 외	7,500원
2012-12-05	일본의 對한국 통일 공공외교 실태	이진원 외	8,000원
2012-12-06	러시아의 對한국 통일 공공외교 실태	여인근 외	7,500원
2013-26-01	한반도 통일 공공외교 추진전략(II) - 한국의 주변4국 통일공공외교의 실태 연구(총괄보고서)	황병덕 외	14,000원
2013-26-02	한국의 對미국 통일 공공외교 실태	박영호 외	8,000원
2013-26-03	한국의 對중국 통일 공공외교 실태	전병근 외	7,500원
2013-26-04	한국의 對일본 통일 공공외교 실태	이기태 외	8,000원
2013-26-05	한국의 對러시아 통일 공공외교 실태	조한범 외	6,000원

논총

통일정책연구, 제21권 1호 (2012)	10,000원
<i>International Journal of Korean Unification Studies, Vol. 21, No. 1 (2012)</i>	10,000원
통일정책연구, 제21권 2호 (2012)	10,000원
<i>International Journal of Korean Unification Studies, Vol. 21, No. 2 (2012)</i>	10,000원
통일정책연구, 제22권 1호 (2013)	10,000원
<i>International Journal of Korean Unification Studies, Vol. 22, No. 1 (2013)</i>	10,000원
통일정책연구, 제22권 2호 (2013)	10,000원
<i>International Journal of Korean Unification Studies, Vol. 22, No. 2 (2013)</i>	10,000원
통일정책연구, 제23권 1호 (2014)	10,000원
<i>International Journal of Korean Unification Studies, Vol. 23, No. 1 (2014)</i>	10,000원
통일정책연구, 제23권 2호 (2014)	10,000원
<i>International Journal of Korean Unification Studies, Vol. 23, No. 2 (2014)</i>	10,000원

북한인권백서

북한인권백서 2012	김수암 외	19,500원
<i>White Paper on Human Rights in North Korea 2012</i>	손기웅 외	23,500원
북한인권백서 2013	조정현 외	24,000원
<i>White Paper on Human Rights in North Korea 2013</i>	조정현 외	23,000원
북한인권백서 2014	한동호 외	24,000원
<i>White Paper on Human Rights in North Korea 2014</i>	한동호 외	23,000원

기타

2012	탈북자 관련 국제조약 및 법령	이규창 외	19,500원
2012	북한인권 이해의 새로운 지평	북한인권연구센터 편	20,500원
2012	알기쉬운 통일교육: 해외한인용	허문영 외	30,000원
2012	통일대비를 위한 대북통일정책 모색(통일대계연구 12-01)	박형중 외	15,000원
2012	통일한국에 대한 국제적 우려해소와 편약: 지역 및 주변국 차원 (통일대계연구 12-02)	박종철 외	14,000원
2012	Korean Unification and a New East Asian Order (Grand Plan for Korean Unification 12-03)	최진욱 편저	6,000원
2012	Korean Peninsula Division/Unification: From the International Perspective Kim Kyuryoon, Park Jae-Jeok		13,000원
2012	중국의 국내정치 및 대외정책과 주요 국가들의 대중국 전략	배정호, 구재희 편	22,000원
2012	China's Domestic Politics and Foreign Policies and Major Countries' Strategies toward China	Bae Jung-Ho, Ku Jae H.	22,500원
2012	통일 비용·편익의 분석모형 구축(통일 비용·편익 종합연구 2012-1)	김규륜 외	11,500원

2012	'선도형 통일'의 경로와 과제(통일 비용·편익 종합연구 2012-2)	김규륜 외	9,000원
2013	유엔 인권메커니즘과 북한인권	북한인권사회연구센터 편	18,000원
2013	중국 시진핑 지도부의 구성 및 특징 연구 (중국 지도부의 리더십 분석과 한중정책협력방안 2013)	전병곤 외	9,000원
2013	통일 이후 통합을 위한 갈등해소 방안: 사례연구 및 분야별 갈등해소의 기본방향	박종철 외	13,000원
2013	한반도 통일에 대한 동북아 4국의 인식 (통일외교 컨텐츠 생산(1))	배정호 외	16,500원
2013	알기 쉬운 통일교육III: 북한이탈주민용	조정아 외	11,000원
2013	알기 쉬운 통일교육III: 북한이탈주민용 수업지침서	조정아 외	6,000원
2013	민주화 및 양질의 거버넌스 수립: 북한 변화와 통일을 위한 시사점 (통일대계연구 13-01)	박형중 외	13,500원
2013	시장화 및 빈곤감소형 경제질서 수립: 북한 변화와 통일을 위한 시사점 (통일대계연구 13-02)	임강택 외	12,500원
2014	The Trust-building Process and Korean Unification (통일대계연구 13-03)	최진욱 편저	8,000원
2013	통일대계연구: 4년 연구 종합논의 (통일대계연구 13-04)	박형중 외	8,000원
2013	정치·사회·경제 분야 통일 비용·편익 연구 (통일 비용·편익 종합연구 2013-1)	조한범 외	17,500원
2013	The Attraction of Korean Unification: Inter-Korean and International Costs and Benefits (통일 비용·편익 종합연구 2013-2)	김규륜 외	15,500원
2013	한반도 통일의 미래와 주변 4국의 기대 (통일 비용·편익 종합연구 2013-3)	김규륜 외	10,500원
2013	전환기 중국의 정치경제 (통일대비 중국에 대한 종합적 전략 연구: 통일시대 한중관계 전망 2013-1)	배정호 외	15,500원
2013	China's Internal and External Relations and Lessons for Korea and Asia (통일대비 중국에 대한 종합적 전략 연구: 통일시대 한중관계 전망 2013-2)	Bae Jung-Ho, Ku Jae H.	17,500원
2013	중국의 대내외 관계와 한국의 전략적 교훈 (통일대비 중국에 대한 종합적 전략 연구: 통일시대 한중관계 전망 2013-3)	배정호, 구재희 편	16,500원
2014	중국 권력엘리트와 한중교류 네트워크 분석 및 DB화 (중국 지도부의 리더십 분석과 한중 정책협력방안2014)	전병곤, 홍우택, 신중호 외	9,000원
2014	북한의 시장화와 인권의 상관성 (「북한인권정책연구」 2014)	북한인권연구센터	11,000원
2014	동북아 4국의 대외전략 및 대북전략과 한국의 통일외교 전략	배정호, 봉영식, 한석희 외	9,500원
2014	2014 통일에측시계	박영호, 김형기 편	9,500원
2014	통일한국의 국가상과 한중협력 (통일대비 중국에 대한 종합적 전략 연구 2014-01)	배정호 외	15,500원
2014	China's Strategic Environment and External Relations in the Transition Period		

	(A Comprehensive Strategic Study on China in Preparation for Korean Unification 2014-02)	Bae, Jung-Ho et al.	18,000원
2014	Global Expectations for Korean Unification (Research on Unification Costs and Benefits 2014-01)	Kyuryoon Kim et al.	19,000원
2014	Lessons of Transformation for Korean Unification (Research on Unification Costs and Benefits 2014-02)	Kyuryoon Kim et al.	15,500원
2014	한반도 통일의 효과 (통일 비용·편익 종합연구 2014-3)	김규륜 외	14,500원
2014	2014 남북통합에 대한 국민의식조사 박종철, 허문영, 송영훈, 김갑식, 이상신, 조원빈		12,000원

연례정세보고서

2012	통일환경 및 남북한 관계 전망: 2012~2013	7,000원
2013	통일환경 및 남북한 관계 전망: 2013~2014	7,000원

KINU 정책연구시리즈

비매품

2012-01	통일재원 마련 및 통일의지 결집 관련 국민의 인식	김규륜, 김형기
2012-02	2012년 상반기, 북한 정책동향 분석: 북한 매체의 논조를 중심으로	박형중 외
2012-03	러시아의 극동개발과 북한 노동자	이영형
2012-04	오바마 2기 행정부의 대 한반도 정책 전망	김장호 외
2012-04(E)	The Second Term Obama Administration's Policy towards the Korean Peninsula	Jangho kim
2012-05	중국 18차 당대회 분석과 대내외정책 전망	이기현 외
2013-01	북한 지하자원을 활용한 DMZ/접경지역 남북 산업단지 조성방안	손기용 외
2013-02	박근혜정부의 대북정책 추진 방향	최진욱 외
2013-03	박근혜정부의 통일외교안보 비전과 추진 과제	최진욱 외
2013-04	유엔조사위원회(COI) 운영 사례 연구	김수암 외
2013-05	Trustpolitik: 박근혜정부의 국가안보전략 - 이론과 실제 탐색연구 -	박형중 외
2013-06	서독의 대동독 인권정책	안지호 외
2013-07	2013년 북한 정책 논조 분석과 평가	박형중 외
2013-09	김정은 정권의 대남 긴장조성: 2013년과 향후 전망	박영자 외
2013-10	국내불안과 대외도발: 북한에 대한 적용 가능성 탐색	정성철
2013-11	2013년 북한 핵프로그램 및 능력 평가	김동수 외
2013-14	유라시아이니셔티브의 구현을 위한 한러 협력 방안	조한범 외
2014-01	농업분야의 지속가능한 대북지원 및 남북 협력방안 모색	임강택, 권태진

북한인권: 국제사회 동향과 북한의 대응

비매품

2012	북한인권: 국제사회 동향과 북한의 대응, 제7권 1호	손기웅 외
2012	북한인권: 국제사회 동향과 북한의 대응, 제7권 2호	손기웅 외
2013	북한인권: 국제사회 동향과 북한의 대응, 제8권 1호	이금순 외
2013	북한인권: 국제사회 동향과 북한의 대응, 제8권 2호	이금순 외
2014	북한인권: 국제사회 동향과 북한의 대응, 제9권 1호	이금순 외

Study Series

비매품

2012-01	Study of Disciplinary Problems in the North Korean Army	Lee Kyo Duk, Chung Kyu Sup
2012-02	The Quality of Life of North Korean: Current Status and Understanding	Kim Soo Am et al.
2012-03	Basic Reading on Korean Unification	Huh Moon Young et al.
2013-01	Study on the Power Elite of the Kim Jong Un Regim	Lee Kyo Duk et al.
2013-02	Relations between Corruption and Human Rights in North Korea	Kim Soo Am et al.
2013-03	Easing International Concerns over a Unified Korea and Regional Benefits of Korean Unification	Park Jong Chul et al.
2013-04	'Peaceful Utilization of the DMZ' as a National Strategy	Son Gi Woong et al.
2014-01	Korea's FTA Strategy and the Korean Peninsula	Kim, Kyuroon et al.
2014-02	The Perceptions of Northeast Asia's Four States on Korean Unification	Bae, Jung-Ho et al.
2014-03	The Emergence of a New Generation: The Generational Experience and Characteristics of Young North Koreans	Cho, Jeong-ah et al.
2014-04	Geopolitics of the Russo-Korean Gas Pipeline Project and Energy Cooperation in Northeast Asia	Lee, Kihyun et al.
2014-05	Fiscal Segmentation and Economic Changes in North Korea	Park Hyeong Jung, Choi Sahyun

기타

비매품

2014	북핵일지 1955~2014	조민, 김진하
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■■ 통일연구원 定期會員 가입 안내

통일연구원은 민족공동체 실현을 위한 국민 역량을 축적하고 통일환경 변화에 적극적 주도적으로 대응할 수 있도록 통일문제에 관한 제반 사항을 전문적, 체계적으로 연구하고 있습니다. 본원의 연구성과에 관심이 있는 분들에게 보다 많은 정보와 자료를 제공하고자 연간 회원제를 운영하고 있습니다.

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- 나) 일반회원: 학계나 사회기관소속 연구 종사자
- 다) 기관회원: 학술 및 연구단체 또는 도서관

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- 가) 「회원 가입신청서」 작성
- 나) 신한은행 140-002-389681(예금주: 통일연구원)으로 계좌입금
- 다) 연회비: 학생회원 7만원, 일반회원 10만원, 기관회원 20만원

3. 회원 특전

- 가) 연구원이 주최하는 국제 및 국내학술회의 등 각종 연구행사에 초청
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- 다) 도서관에 소장된 도서 및 자료의 열람, 복사이용
- 라) 구간자료 20% 할인된 가격에 구입

4. 회원가입 문의

- 가) 주소: (142-728) 서울시 강북구 4.19로 123(수유동) 통일연구원 통일학술정보센터 출판자료팀 도서회원 담당자(books@kinu.or.kr)
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- 다) 홈페이지: <http://www.kinu.or.kr>

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Research on Unification Costs and Benefits 2014-2

Lessons of Transformation for Korean Unification

