



Democratization

ISSN: 1351-0347 (Print) 1743-890X (Online) Journal homepage: <http://www.tandfonline.com/loi/fdem20>

Ethnic and Regional Politics after the Asian Economic Crisis: A Comparison of Malaysia and South Korea

Jungug Choi

To cite this article: Jungug Choi (2003) Ethnic and Regional Politics after the Asian Economic Crisis: A Comparison of Malaysia and South Korea, *Democratization*, 10:1, 121-134, DOI: 10.1080/714000107

To link to this article: <http://dx.doi.org/10.1080/714000107>



Published online: 06 Sep 2010.



Submit your article to this journal [↗](#)



Article views: 81



View related articles [↗](#)



Citing articles: 1 View citing articles [↗](#)

Full Terms & Conditions of access and use can be found at
<http://www.tandfonline.com/action/journalInformation?journalCode=fdem20>

Ethnic and Regional Politics after the Asian Economic Crisis: A Comparison of Malaysia and South Korea

JUNGUG CHOI

This article explores the impact of the Asian economic crisis on the Malay–Chinese and Kyongsang–Cholla regional political cleavage structures in Malaysia and Korea respectively. The weakening of previously intractable cleavages and the rise of cross-cutting cleavages have the potential to contribute to democratic consolidation, by enhancing democratic uncertainty or ‘organised uncertainty’. The analysis of post-crisis election results shows that Malaysia’s traditional ethnic linkages between political elites and voters became more flexible after the crisis and created a strong cross-cutting dimension to the political cleavage structure. In contrast South Korea’s regional cleavages remained fundamentally undisturbed and may even have been reinforced by the crisis, notwithstanding evidence of defections from regionally dominant parties.

Most academic debates on the Asian economic crisis in 1997 focus primarily on its economic origins and the regional or global economic impacts. Several years on there are still only a few systematic studies on the impact on domestic politics.¹ Even those studies deal largely with business–government relations or financial and other reform politics. In contrast, this article explores the issue of how the Asian economic crisis affected political cleavage structures. More specifically, it addresses whether and how the economic crisis transformed the Malay–Chinese ethnic cleavage in Malaysia and the Kyongsang–Cholla regional political cleavage in South Korea. These two political cleavages dominating Malaysian and Korean politics are both ascriptive in nature. The rise of less rigid political cleavages and voting behaviour have the potential to contribute to consolidating democracy by enhancing what Adam Przeworski calls ‘organized uncertainty.’²

Although the literature on ethnicity does not directly address the impact of the 1997 crisis there are two contending views about the effects of economic conditions in general on ethnic conflicts. Those who emphasize cultural factors in explaining ethnic politics argue that ethnic conflicts are

Jungug Choi is a Post-doctoral Fellow at the Center for East and Southeast Asian Studies, Lund, Sweden.

Democratization, Vol.10, No.1, Spring 2003, pp.121–134
PUBLISHED BY FRANK CASS, LONDON

not driven primarily by ethnic groups' economic conditions.³ By contrast, other scholars believe that ethnic conflicts are rooted in economic relations, especially economic inequality among contending ethnic groups.⁴ This economic interpretation of ethnic conflicts has provided theoretical grounds for affirmative action programmes in Malaysia and some other ethnically divided countries. For instance, many Malaysian scholars and politicians, including Prime Minister Mahathir, believe that the severe economic disparities between the Malay and Chinese communities are responsible for Malaysia's ethnic political conflicts. Thus, they believe that successful implementation of affirmative action programs such as the New Economic Policy (NEP) and its successor, the National Development Policy, will get rid of communal conflicts and integrate the divided communities into one Malaysian nation.⁵ Likewise, Korea's regional conflicts that emerged after its 1987 democratic transition are often attributed to the uneven economic development that greatly disadvantaged Cholla.

Even though ethnic and other ascriptive cleavages may be based primarily on cultural differences, the rise of a new crosscutting political cleavage in the wake of an economic crisis can reduce the *salience* of ascriptive conflicts by creating so-called 'psychological cross-pressures.'⁶ This is how economic crises can make the otherwise apparently rigid ascriptive cleavages less salient. A reasonable hypothesis is that ethnically or regionally attached voters who used not to care about socio-economic issues in good economic times begin to pay more attention to such issues in hard economic times.

This study first offers a brief description of political elite realignments in the two countries following the economic crisis. Subsequently, it assesses change in ethnic and regional voting behaviour and analyzes the 1999 general election results in Malaysia and the 1997 presidential and 2000 parliamentary election results in Korea. It uses aggregate-level data from the two general elections and survey data from the 1997 Korean presidential election. Finally, the study concludes with a summary of findings.

Post-crisis Political Elite Manoeuvres in Malaysia and South Korea

Since its independence, Malaysia has been ruled by the National Front (or, formerly, Alliance), a multi-ethnic coalition led by a Malay-dominated party, United Malays National Organization (UMNO). The ruling coalition consistently won more than 70 per cent of parliamentary seats in regular and largely free elections, with the help of strong and unwavering electoral support by the largest ethnic community, the Malays.

Nonetheless, Malaysian society has been undergoing significant transformations, which have important long-term political implications. In

particular, the proportion of the ethnic Chinese population is steadily decreasing, and Malay control of the economy has increased as a result of the NEP. The Bumiputera population, whose growth rate is twice that of the ethnic Chinese, is projected to account for about 70 per cent of the total population by 2021.⁷ Also, Malay ownership of capital has significantly increased, though it still accounts for a much smaller portion compared to that of Chinese or of foreigners. For instance, in 1970, the Bumiputera owned 2.4 per cent of the share capital in limited companies; by 1995, the Bumiputera ownership had, however, increased to 20.6 per cent.⁸ Apart from the effects of the Asian economic crisis, these economic and demographic changes would ultimately lead to a significant transformation of the National Front alliance by fuelling intra-Malay conflict and by weakening ties between Malay and Chinese elites. The demographic change would make ethnic Chinese votes less relevant to election outcomes, and the increased Malay share of the economy would enable Malay elites to depend less on the financial support from Chinese business elites. What is at issue here is whether the Asian crisis would facilitate this long-term trend by creating a cross-cutting cleavage that helps Malaysian voters detach themselves from the predominant ethnic cleavage.

In 1997, UMNO elites were divided over how to handle the looming regional economic crisis.⁹ In an attempt to forestall the crisis, Malaysia initially adopted an austerity economic package consisting of International Monetary Fund (IMF)-style policies. This policy package was coordinated by Deputy Prime Minister and Finance Minister Anwar Ibrahim. As the regional crisis worsened, however, Prime Minister Mahathir, who strongly suspected that the crisis was a collusion of rapacious international financiers, increasingly diluted and then reversed the standard deflationary measures. Consequently, by mid-1998 the policy focus shifted noticeably from austerity to boosting economic growth. This policy reversal culminated with the dramatic imposition of capital controls, and the subsequent deposition of Anwar on charges of sodomy and abuse of power.

In the following year, Anwar's followers established the National Justice Party (Parti Keadilan Nasional or Keadilan) with his wife as president. This 'mosquito party' subsequently managed to form an electoral coalition, the Alternative Front (Barisan Alternatif), with three other old opposition parties, the Islamic Party of Malaysia (PAS), the Democratic Action Party (DAP), and the Malaysian People's Party (PRM). Significantly enough, they agreed to a common manifesto and to field only one candidate to face the National Front in each electoral district, even though they would not use a common symbol, respecting each other's ideological commitments.¹⁰ The opposition front also proposed Anwar as its candidate for prime minister, although he had been sentenced to six years in prison.

South Korea was hit by the Asian currency crisis at a time when its economy had already been weakened by a series of bankruptcies of major industrial groups, or *chaebols*, including Hanbo and Kia. All these were but a part of tens of thousands of bankruptcies in 1997. The currency crisis also hit South Korea when the term of President Kim Young Sam was nearing its end and when he was considered a 'lame-duck'. Competing political groups had begun to regroup for the coming presidential election and were paying less attention to the looming regional currency crisis. Kim Jong Pil, whom Kim Young Sam had sidelined despite their earlier power-sharing agreement, deserted the governing Democratic Liberal Party and formed his own party in 1995. This was a move to prepare for the 1996 parliamentary election, with a longer-term view to playing an independent role in the 1997 presidential election. Given the solid regional divisions after the 1987 democratic transition, it was impossible for Kim Jong Pil to take executive power under the existing presidential system. The reason was that he came from one of the smallest regions. He was thus a diehard proponent of a parliamentary system, even though he had been one of the masterminds of the 1960 coup that toppled the only parliamentary system in Korea's history. After his defection from the governing party, he now turned to Kim Dae Jung's opposition camp. In return for his support for Kim Dae Jung's presidential bid, Kim Jong Pil secured an open agreement from Kim Dae Jung in November. Under this agreement, which was not related to any socio-economic issues, Kim Dae Jung promised to change the governmental system in the middle of his presidency, split cabinet portfolios equally with Kim Jong Pil's associates, and give the position of prime minister to Kim Jong Pil's party. Kim Dae Jung did not want to stand any chance of losing the coming election because this was certain to be his last presidential bid. Consequently, he reached the agreement with his old enemy during the struggle for democracy.

After Kim Jong Pil's defection, the governing DLP ended up as a loose coalition of some former followers of Roh Tae Woo and Chun Doo Hwan, plus the Kim Young Sam supporters. Once Roh and Chun were arrested in December 1995, the DLP was renamed the New Korea Party to signal a break with them. In January 1996, Kim Young Sam brought Yi Hoi Chang, a former prime minister, into the governing party as campaign manager for the April parliamentary election, believing that Yi would boost Kim's declining reform image. Yi managed to get himself appointed as party chairman in March 1997. Subsequently, there occurred serious infighting with other allies of Kim Young Sam, including Kim's one-time hidden candidate for the governing party's presidential candidacy, Lee In Je, during the run up to the New Korea Party's nominating convention. Yi successfully won its nomination in an open contest that was held under a majority run-

off system in July 1997. Lee In Je, who was the runner-up in the contest, defected in September to run as a third-party candidate.

Economic Crisis and Ethnic Cleavage in Malaysia

In the November 29 general election of Malaysia, there was a straight fight between the governing National Front and the new opposition coalition in most of the electoral districts. The most significant difference between the 1995 and 1999 elections was that the UMNO lost 17 seats while another Malay party, PAS, made a remarkable advance in the opposition camp.¹¹ As a result, even though the National Front or BN retained a super-majority (148 of 193 seats), the UMNO's parliamentary seats were reduced to less than half of the total BN seats. This happened for the first time since the August 1974 general election, which was held one month after the birth of BN.¹² The UMNO, on its own, had 25 seats less than a simple majority in parliament, compared to eight seats less than a majority after the 1995 election. This outcome meant that the UMNO would have to rely more upon the smaller non-Malay BN component parties for any constitutional revision or simple-majority legislation in parliament. The previously almost unchecked power of the UMNO in the BN would be more limited due to this electoral shift. The decline of Malay-dominant UMNO in the government camp was contrasted to the remarkable advance of another Malay party, PAS, in the opposition camp. The PAS almost quadrupled its seats and became the leading opposition party for the first time, leaving the Chinese-oriented DAP far behind. The leading party in both the opposition and the government camps was now controlled by Malays for the first time. Thus, the political conflict among Malays would become increasingly salient for outcomes, relative to the traditional Chinese versus Malay conflict. The weakening of the traditionally intractable ethnic cleavage should contribute to democratic consolidation in Malaysia, although some observers noted that the upsurge of Islamic PAS might be dangerous for political stability.¹³

A significant change in ethnic voting behaviour underlay the shift in the balance of power among political parties. To see how the economic crisis affected ethnic voting behaviour let us see how many voters defected from the BN and voted for the opposition in each electoral district, and also how this defection was related to their ethnic identities, by consulting district-level data.¹⁴ The evidence examined here includes only peninsular Malaysia. The two island states, Sarawak and Sabah, are excluded because their ethnic compositions and political competitions are quite different from states on the peninsula. Both island states have tiny populations of ethnic Chinese and Indians. Parties other than the three peninsula parties play important roles in the two island states, and the PAS and the DAP are not significant

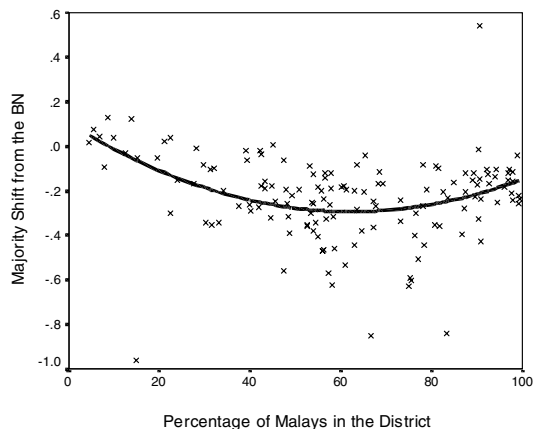
there. Additionally, the focus is on the two largest ethnic groups, Malays and ethnic Chinese, since Indian and other minor ethnic populations are not significant at the district level. In peninsular Malaysia, the percentage of Malays in the district total population is inversely related to the Chinese population in the same electoral district. Also note that the Malaysian electoral system is single-member plurality rule, as in South Korea.

Having said that, the defection rate from the BN, or more technically, the majority shift from the BN in an electoral district (Y) is calculated as follows:

$$Y = W_{99} \frac{Majority_{99}}{V_{99}} - W_{95} \frac{Majority_{95}}{V_{95}}$$

In this equation, W_{99} (or W_{95}), which stands for the district winner in 1999 (or in 1995), has a score of 1 if the BN won, and -1 if the BN lost. V_{99} (or V_{95}) denotes the district vote total in 1999 (or in 1995). $Majority_{99}$ (or $Majority_{95}$) represents the absolute value of the vote difference between district winner and runner-up in 1999 (or in 1995). The BN was either winner or runner-up. The value of this variable Y ranges from -2 to 2 . If its value is positive, the BN's weighted vote majority in 1999 increased or, alternatively, the opposition's weighted vote majority decreased. If its value is negative, the BN's weighted vote majority in 1999 decreased, or, alternatively, the opposition's weighted vote majority increased. A value of

FIGURE 1
ETHNIC IDENTITY AND MAJORITY SHIFT FROM THE NATIONAL FRONT IN THE
1999 MALAYSIAN GENERAL ELECTION ($N=144$)



*The thick line represents the quadratic regression in Table 1.

TABLE 1
QUADRATIC REGRESSION OF THE MAJORITY SHIFT FROM THE NATIONAL
FRONT (BN)

Variables	Coefficients (β)	Standard errors	<i>p</i> values
Constant	0.104669	0.067555	0.1235
<i>X</i>	-0.012769*	0.002501	0.0000
<i>X</i> ²	0.000102*	2.1354E-05	0.0000

Model: $Y_i = \beta_0 + \beta_1 X_i + \beta_2 X_i^2$, where Y_i is the majority shift from the BN in district i and X_i is the percentage of Malays in the total population of district i .

$N=144$, $F=13.29153$; p value of $F=0.0000$.

* β_1 and β_2 are significant at the 0.01 level.

0 means that the BN's weighted majority (or, alternatively, the opposition's weighted majority) neither increased nor decreased.

Figure 1 is a scatter plot of the majority shifts from the BN in all 144 districts in peninsular Malaysia according to the percentage of ethnic Malays in the district total population.¹⁵

Figure 1 shows that the BN's weighted majority decreased regardless of ethnic composition in virtually all electoral districts in peninsular Malaysia. The value of the majority shift from the BN was less than 0 in virtually all districts. This means that the election campaign effort by the BN to fan Chinese fear of ethnic conflict by recalling the 1969 communal riots and neighbouring Indonesia's anti-Chinese actions during the crisis was not as effective as the BN hoped. More importantly, the majority shift from the BN shows no linear relation to the percentage of Malays (or Chinese) in districts. Apart from a few positive shifts, the loss of the BN's weighted vote majority was greatest where the Malays and Chinese were well-mixed or where the population of Malays was neither far greater nor overwhelmingly smaller than the Chinese population. By contrast, where the Malay population was noticeably greater or smaller than the Chinese population, the loss of the BN's weighted vote majority remained smallest. In fact, a statistical test shows that a quadratic regression model proved quite significant, and its two regression coefficients were also statistically significant (Table 1).

Apart from the fact that ethnically well-mixed constituencies facilitated greater numbers of interactions between ethnic groups, the quadratic change of the BN's weighted majority can be explained by the severity of the economic crisis and how hard it hit a particular constituency. Most of the overwhelmingly Malay areas were spared from the economic crisis since their local economies were based on agriculture, which was not much exposed to international market pressures. Prime Minister Mahathir said that the rural people were not really concerned about economic recovery

because 'fortunately for us, the downturn has not affected the people in the villages because they produce their own food. They are not affected by imports.'¹⁶ The predominant Chinese areas were also less affected by the crisis since their local economies were less dependent upon external financing and forms of government support and hence more resilient. The prime minister also observed that 'while everyone was hit by the downturn, the indigenous [Malay] businessmen were hit the most badly with the big corporations they had successfully set up unable to withstand the burden of debt they carried'. He also added that 'the indigenous middle class, small compared to the non-indigenous one, practically disappeared'.¹⁷ In short, predominantly Malay or Chinese districts were less affected by the economic crisis. These areas were engaged in more rigid ethnic voting than other areas that were ethnically well-mixed and hit harder by the economic crisis. This is why the majority shift from the BN bears a quadratic relation to the district Malay population as in Figure 1. These district voting outcomes imply that Malay voters tended to detach themselves from the BN when hit the hardest by the economic crisis.

Economic Crisis and Regional Political Cleavage in Korea

This section discusses how the economic crisis affected South Korea's rigid regional political cleavage, which had been the most important determinant of election outcomes after 1987. The voters that came from the largest and second largest regions, Kyongsang and Cholla, whose combined population accounts for somewhere between 50 and 70 per cent of the total population, tended to show strongest regional attachments in their voting after the democratic transition.¹⁸ Voters that came from Chungchong, where Kim Jong Pil came from, showed a moderate extent of regional attachment. Voters whose birthplace was Seoul, Kyonggi, Kangwon, Cheju, or North Korea were least affected by regional attachments. This analysis focuses on those who came from Cholla or Kyongsang, wherever they live.¹⁹

The rigidity and magnitude of regional voting in South Korea were not as entrenched as for ethnic voting in Malaysia. However, just before the onset of the Asian economic crisis, the apparent dominance of regional political divisions and the voting en bloc by regionally attached voters limited the degree of democratic uncertainty or 'organized uncertainty'. The rigid regional voting patterns not only kept the magnitude of democratic uncertainty at the national level quite small but also prevented a truly competitive party system from developing at the sub-national level. Despite the appearance of competitive elections at the national level, parliamentary or presidential elections were not competitive at the sub-national level. For instance, only a solid one-party system was maintained among Cholla natives.

Five days after the government in Seoul decided to resort to the IMF for an emergency rescue fund in November 1997, the formal election campaign for the presidency began. In the largely three-way election, Kim Dae Jung won with 40.3 per cent of the popular vote, trailed by Yi Hoi Chang (38.7 per cent), and Lee In Je (19.2 per cent). According to a post-election opinion survey ($n=1195$), 93 per cent of Kim Dae Jung's supporters in 1992 who were born in the southwest region, Cholla, continued to vote for him in 1997, while 69 per cent of Kim's non-Cholla supporters in 1992 voted again for him in 1997. These two rates were not significantly different from the corresponding figures of 1992, 93 per cent and 65 per cent. Meanwhile, 70 per cent of the Kyongsang region's natives who had voted for Kim Young Sam in 1992 supported his party in 1997, although the New Korea Party (NKP) tried to keep some distance from Kim during the campaign by renaming itself the Grand National Party (GNP). A total of 54 per cent of Kim's non-Kyongsang supporters in 1992 also remained loyal to the NKP or its successor, the GNP. These two rates were not significantly different from those in 1992, which were 68 and 53 per cent, respectively.²⁰ These steady voting patterns mean that the economic crisis in 1997, taken by itself, did not affect the rigidity of regional voting in Korea, although most respondents in the same survey thought that the currency crisis and attendant inflation were the most important issues in the election.

The small effect of the crisis on the rigidity of the regional political cleavage in Korea was due largely to the fact that those who had carried the strongest regional attachment, Cholla natives, were supporters of Kim Dae Jung's opposition party, which bore little responsibility for the crisis. In the above-mentioned survey, 54 per cent of respondents thought that the governing party, NKP, was responsible for the crisis, while 41 per cent said that no party was. Given this, it is not surprising that the crisis induced few of Kim Dae Jung's regional supporters to defect from him. So long as the most solid regional block (Cholla) was not dissolving, Kyongsang voters had no strong incentive to defect from their own regionally dominant party, especially when the destructive socio-economic effects of the crisis had yet to be fully felt. Yi was not a native of Kyongsang and he tried to keep some distance from Kim Young Sam, but he was still believed to lead a political party that was the most reasonable choice for those Kyongsang natives who disliked Kim Dae Jung and his party.

Yet, over the longer term, the crisis could be expected to influence voters from Cholla and Kyongsang, depending upon how Kim Dae Jung implemented the IMF programme for economic reforms, since this programme was blind to regional identities. To assess this longer-term effect, it is necessary to look at the parliamentary election in April 2000. However, some precautions are in order when reading the effect of the crisis

on regional voting from such election results. The 2000 election was held when the economy was already recovering. All major macro-economic indicators by then showed that South Korea was exiting from the crisis, except for a still high rate of unemployment. Also, immediately before the election, the government made the shocking announcement that Kim Dae Jung and Kim Jung Il would hold a North–South Korea summit. This was to be the first ever meeting between North and South Korean leaders, and the announcement was believed to favour the government in the 2000 election. Finally, in the absence of appropriate individual survey data the analysis here relies on the aggregate election outcomes. All these considerations mean that it is difficult to disentangle the effects of the economic crisis on the 2000 election from the effects of other events.

This said, the most notable aspect of the 2000 election was that, in Kyongsang, Yi Hoi Chang's opposition party took all seats except one independent seat.²¹ This was the first time since 1987 that one party captured the region in its entirety, and many pundits quickly concluded that regional voting was, accordingly, stronger than before. Arguably, many Kyongsang voters that previously engaged in regional voting were all the more inclined to do so after the Kim Dae Jung government's implementation of the belt-tightening IMF package. There is some truth to this argument.

But an alternative explanation for the nearly complete victory of Yi's party in Kyongsang is that voters who detached themselves from their regionally dominant party did not vote. This left only those voters whose old antipathy toward Kim Dae Jung was reinforced by his economic measures to register their anger against the Kim government at the polls. In other words, die-hard regional voters were over-represented in the election due to a lower turnout by post-crisis defectors from regional voting habits. We see this trend in the lowest national participation rate, 57.2 per cent, in parliamentary elections since 1987. Although the turnout continued to decline after 1987, widespread alienation after the economic crisis was central to a large marginal drop in turnout, 6.7 per cent.²²

The fact that defections from the regionally dominant party in Kyongsang were lower among *actual* voters than among *total registered* voters supports this alternative thesis. It is true that, in all four Kyongsang areas (Taegu, Pusan, and North and South Kyongsang), Yi's opposition party actually earned greater proportions of votes in 2000 than in 1996; hence, the economic crisis arguably reinforced old regional voting patterns. But support rates for Yi's opposition party in all four areas were also much greater among *actual* voters than among *total registered* voters. The marginal increases in the party's support rate among *actual* voters were 38 per cent in Taegu, 18 per cent in North Kyongsang, 5 per cent in Pusan, and 4 per cent in South Kyongsang. By contrast, the marginal increases among

total registered voters were 19, 9, 0, and 0 per cent in the four areas, respectively.²³ This means that defectors from Yi's opposition party were under-represented in the final election results because of their lower turnout rates. The same tendency can also be observed in Cholla where the average defection rate for Kim's governing party was lower among *actual* voters than among *total registered* voters. The party's average support rate in the region dropped by 6 per cent among *actual* voters, but it decreased by 8 per cent among *total registered* voters. In other words, defectors from the regionally dominant party in Cholla were also under-represented in the election outcomes because they simply did not turn out.²⁴

Previously regional, but now disaffected voters simply abstained because there was no serious policy-related partisanship between the established parties in their region. Even after the economic crisis, Korean political elites did not actively campaign for support from regional constituencies of their opponents. Instead, they worked hard to consolidate their own pre-crisis regional constituencies. For instance, Kim Dae Jung's party spent more money in Cholla, but not in Kyongsang, than did the opposition party. Although the governing elite group expected some of its traditional regional supporters to defect, the magnitude of this defection was not expected to be large enough to threaten majority status in safe regional districts. Nonetheless, they spent more money on their safe havens during the election campaign than did the opposition elite. This was also true of Yi's opposition party in its safe districts. In sum, competing political elites still did not try all that hard to appeal to the pre-crisis regional constituencies of opposing parties.²⁵

In short, the economic crisis did not demolish Korea's regional voting cleavage. It seemed to reinforce the antipathy in Kyongsang toward Kim Dae Jung and his political party, because it was the Kim government that implemented the painful IMF programme, notwithstanding its small degree of responsibility for the crisis. However, the 2000 parliamentary election results also showed that many voters who previously engaged in regional voting were disenchanted and began to detach themselves from their regionally dominant party. Although they were not very large in numbers, they may well constitute a new pool of voters to whom policy-oriented political elites can appeal effectively. For the moment, these people simply do not vote.

Post-crisis Malaysia and Korea: Towards More Pluralist Democratic Society?

The latent conflict between the Malaysian prime minister and his former deputy, Anwar, in the governing elite camp intensified because of their policy disagreements about how to cope with the economic crisis.

Subsequently, the Anwar group was expelled from the governing elite and came to align itself with established opposition groups in the form of a loose election coalition that called for major reforms. Yet, unlike other reform movements, the primary beneficiary of this reform movement was not those who initiated it, Anwar and his allies, but another Malay-dominated and more radical Islamic party, PAS, which became the leading opposition party in parliament for the first time after the 1999 election. Consequently, two Malay parties now dominate the Malaysian political landscape. The upsurge of Malay–Malay conflicts will contribute to lessening the salience of inter-ethnic elite and mass conflicts. Malay voters showed that they are willing to desert the UMNO or BN during a crisis, regardless of their ethnic identity. Their voting behaviour has been shown to be quite flexible, and a cross-cutting political cleavage that is neutral to Malay and Chinese ethnic identities has emerged in post-crisis Malaysia.

Meanwhile, even though the longer-term effects of the economic crisis are still unclear, the regional linkages between the political elites and voters were not fundamentally disrupted in South Korea. In the 1997 presidential election, which was held immediately after the onset of the currency crisis, Cholla and Kyongsang natives largely upheld their old regional voting patterns. Survey data show that their voting patterns observed in the 1997 election were not significantly different from those in the 1992 presidential election. This was due largely to the fact that those who had carried the strongest regional attachment, Cholla natives, were supporters of Kim Dae Jung's opposition party, which bore little responsibility for the crisis. So long as the most solid regional lock, Cholla, was not dissolving, Kyongsang voters had no strong incentive to defect from their own regionally dominant party, especially when the destructive socio-economic effects of the crisis had yet to be fully felt.

The 2000 Korean parliamentary election outcomes were mixed. On the one hand, they showed that many Kyongsang voters rather reinforced their old antipathy toward Kim Dae Jung and his political party, because it was the Kim government that implemented, though it did not initiate, the painful IMF programme. On the other hand, even though they were not large in numbers, a significant number of voters who previously engaged in regional voting were disenchanted and began to detach themselves from their regionally dominant parties. The belt-tightening IMF programme, which was blind to regional identities, led some previously regional voters to defect from their regionally dominant parties in both Kyongsang and Cholla. Yet, previously regional, but now disaffected voters simply abstained in the election, given no serious policy-related partisanship between the established parties in their region.

In short, in Malaysia, the previously rigid ethnic voting patterns among Chinese and Malays became more fluid, which could help move Malaysia's

semi-democracy towards a more pluralist democracy. In South Korea, by contrast, the rigid linkages between political elites and voters, based on regional ties, were not fundamentally disrupted, notwithstanding the existence of some defections from regionally dominant parties. This implies that post-crisis Korea has not yet become a completely pluralist democracy in which democratic uncertainty is quite high.

ACKNOWLEDGEMENTS

This article draws on the author's doctorate, 'Economic crisis, elite co-operation and democratic stability: Asia in the late 1990s', awarded by the University of Texas at Austin. The author thanks John Higley, Tse-min Lin, Patricia Maclachlan, Doh C. Shin, and anonymous referees for their helpful comments.

NOTES

1. Stephan Haggard, *The Political Economy of the Asian Financial Crisis* (Washington, DC: Institute for International Economics, 2000); T.J. Pempel (ed.), *The Politics of the Asian Economic Crisis* (Ithaca, NY: Cornell University Press, 1999); and Jongryn Mo and Chung-in Moon, 'Korea after the Crash,' *Journal of Democracy*, Vol.10, No.3 (1999), pp.150–64.
2. Adam Przeworski, *Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America* (Cambridge: Cambridge University Press, 1991), p.13.
3. Among others, Walker Connor, *Ethnonationalism: The Quest for Understanding* (Princeton, NJ: Princeton University Press, 1994). Many scholars hold that ascriptive ethnic cleavages are virtually intractable due to their cultural origins. For instance, Horowitz concludes that 'the whole structure of ethnic politics conspires to make the problem of conflict intractable' even though 'it is not absolutely so'; Donald L. Horowitz, *Ethnic Groups in Conflict* (Berkeley, CA: University of California Press, 1985), p.566.
4. For instance, Michael Hechter, 'Rational Choice Theory and the Study of Race and Ethnic Relations', in John Rex and David Mason (eds), *Theories of Race and Ethnic Relations* (Cambridge: Cambridge University Press, 1986); and Goh Ban Lee, 'Restructuring Society in Malaysia: Its Impacts on Employment and Investment,' in S.W.R. De A. Smarasinghe and Reed Coughlan (eds), *Economic Dimensions of Ethnic Conflict: International Perspectives* (New York: St Martin's Press, 1991). See also Barry R. Weingast, 'Constructing Trust: The Political and Economic Roots of Ethnic and Regional Conflict', in Karol Soltan, Eric M. Uslaner and Virginia Haufler (eds), *Institutions and Social Order* (Ann Arbor, MI: The University of Michigan Press, 1998).
5. The Malaysian government announced a new economic development guideline, the NDP, in mid-1991, after the two NEP decades. For details, see Edmund Terence Gomez and K.S. Jomo, *Malaysia's Political Economy: Politics, Patronage and Profits* (Cambridge: Cambridge University Press, 1997), ch. 6.
6. Douglas W. Rae and Michael Taylor, *The Analysis of Political Cleavages* (New Haven, CT: Yale University Press, 1970), pp.106–108. See also Tse-min Lin and Baohui Zhang, 'Crosscutting Issues and the Consolidation of Democracy in Taiwan', *Democratization*, Vol.5, No.4 (1998), pp.118–43; and Tse-min Lin, Yun-han Chu, and Melvin Hinich, 'Conflict Displacement and Regime Transition in Taiwan: A Spatial Analysis', *World Politics*, Vol.48, No.4(1996), pp.453–81.
7. Richard Leete, *Malaysia's Demographic Transition: Rapid Development, Culture, and Politics* (Kuala Lumpur: Oxford University Press, 1996), p.185. Ethnic groups in Malaysia are often classified into Bumiputera, Chinese, Indian, and others. The category of Bumiputera includes Malays and other native groups, but the group is mostly Malay.
8. Gomez and Jomo, p.168.

9. Prime Minister Mahathir perceived the crisis as a serious threat to his lifetime-long goal, raising up the economic status of Bumiputeras, while Deputy Prime Minister Anwar viewed it as an opportunity to review the current policies and to eliminate corruption and collusion between policy-makers and economic actors in the government-sponsored economic growth.
10. The common manifesto included, among others, income tax cuts, poverty eradication, assistance of small and medium size businesses as well as introduction of a two-term limit to the prime minister, menteri besar (chief minister in a state without sultan) and chief minister.
11. The complete election results were: of the total 193 contested seats, the National Front won 148 with 57 per cent of the popular vote; the DAP, 10 with 13 per cent; the PAS, 27 with 15 per cent; the Keadilan, 5 with 12 per cent; the PRM 0 with 1 per cent; and other parties, 3 with 3 per cent. The turnout was 72 per cent.
12. NST Research and Information Services, *Elections in Malaysia: A Handbook of Facts and Figures on the Elections: 1955–1995* (Kuala Lumpur: The New Straits Times Press, 1999), chs 4 and 11. The UMNO's shares in the total BN seats in parliament were 45 per cent in 1974, 53 per cent in 1978, 53 per cent in 1982, 56 per cent in 1986, 56 per cent in 1990, 55 per cent in 1995, and 49 per cent in 1999.
13. John Funston, 'Malaysia's Election: Malay Winds of Change?' in *Trends in Malaysia: Election Assessment*, Trends in Southeast Asia No.1 (Singapore: Institute of Southeast Asian Studies, 2000).
14. The data here come from 'Results' in *New Straits Times*, 1 December 1999; *Bernama* at <<http://bernama.spr.gov.my/>>. Survey data are unavailable in Malaysia. The district-level data set, on which this study relies, is the best possible published data. It would be better to see how many Malays defected from the UMNO, but the UMNO fields candidates only in the name of the BN.
15. If the percentage of ethnic Chinese is used, we get a mirror image of the figure, given the small population of Indian and other minor ethnic groups at the district level.
16. *Utusan Express*, 3 September 1999.
17. *Utusan Express*, 6 October 1999.
18. The population distribution of voters according to their birthplaces is unknown in Korea. The figures here are only estimates from national election surveys.
19. In the case of aggregate data from the 2000 parliamentary election, regional voters refer to current Kyongsang and Cholla residents.
20. Institute for Korean Election Studies, *Korean Election Study, 1997: the Fifteenth Presidential Election* (in Korean), codebook (Seoul, 1998). The same institute undertook a similar survey with the 1992 presidential election.
21. The election results were as follows: 112 seats for Yi Hoi Chang's party, 96 for Kim Dae Jung's party, and 12 for Kim Jong Phil's party in addition to 7 seats for others, excluding the 46 bonus seats at the national level.
22. The turnouts in parliamentary elections were 75.8 per cent in 1988, 71.9 per cent in 1992, 63.9 per cent in 1996, and 57.2 per cent in 2000.
23. Data are from the Korean National Election Commission, <<http://www.nec.go.kr>>.
24. Note that the support rate for Kim's governing party dropped in its stronghold after the economic crisis; by contrast, Yi's opposition party (GNP) gained more votes in its own stronghold after the crisis.
25. Political parties' campaigning spending data are on the Internet bulletin board of the National Election Commission, <<http://www.nec.go.kr>>.

Manuscript accepted for publication February 2002.