



The Pacific Review >

Volume 13, 2000 - [Issue 1](#)

647 Views | 17 CrossRef citations to date | 0 Altmetric

Original Articles

The failure of the weak state in economic liberalization: liberalization, democratization and the financial crisis in South Korea

Yeon-Ho Lee

Pages 115-131 | Published online: 26 Nov 2010

Cite this article <https://doi.org/10.1080/095127400363668>

Sample our
Politics & International
Relations Journals
>> [Sign in here](#) to start your access
to the latest two volumes for 14 days

References

Citations

Metrics

Reprints & Permissions

[Read this article](#)

[Share](#)

Abstract

The transformation of a state-governed development economy into a liberal one requires the state's strong capacity to manage the adjustment process. In East Asian countries, financial crises erupted in the course of their structural adjustment for economic liberalization. States of the region forfeited the capacity to oversee the market in consequence of liberal reform. The erosion of a state's capacity to govern the market involved the weakening of its capacity to adjust to changing economic milieu and to coordinate conflicts between social components. If the state is to fulfil liberalization successfully, it has to retain a regulatory system to oversee capital impairing the foundation of fair market competition. The South Korean case supports this argument. The reason the liberalization attempt failed under the Kim government is because the state failed to maintain a capacity to oversee capital in the course of

liberalization. Being more subject to social pressures, the state was unable to keep autonomy vis-a-vis capital in policy decision making, as the liberalization process was politicized. In the case of South Korea, the failure of economic liberalization was due to its poor implementation by a weakened state.

Keywords:

Deregulation Democratization The State Financial Crisis The Regulatory System

Related Research Data

[Financial Development in Korea, 1945–1978](#)

Source: Unknown Repository

[Institutions and Economic Development](#)

Source: Unknown Repository

[Political aspects of South Korean state autonomy: Regulating the chaebôl, 1980–93](#)

Source: The Pacific Review

[Institutions, Institutional Change and Economic Performance](#)

Source: Unknown Repository

[State Failure in Weak States](#)

Source: Unknown Repository

Linking provided by [ScholarSplorer](#)

Related research

People also read

Recommended articles

Cited by
17

Information for

[Authors](#)

[R&D professionals](#)

[Editors](#)

[Librarians](#)

[Societies](#)

Opportunities

[Reprints and e-prints](#)

[Advertising solutions](#)

[Accelerated publication](#)

[Corporate access solutions](#)

Open access

[Overview](#)

[Open journals](#)

[Open Select](#)

[Dove Medical Press](#)

[F1000Research](#)

Help and information

[Help and contact](#)

[Newsroom](#)

[All journals](#)

[Books](#)

Keep up to date

Register to receive personalised research and resources by email



Sign me up



Copyright © 2026 Informa UK Limited [Privacy policy](#)

[Cookies](#) [Terms & conditions](#) [Accessibility](#)

Registered in England & Wales No. 01072954
5 Howick Place | London | SW1P 1WG

 Taylor and Francis
Group