

Talking Points:

Korean Politics in Transition from Populist Welfare Democracy to Liberal Welfare Democracy

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I. Korean Politics after the 2012 Presidential Election.

Judging from the political development emerging after the 18th presidential election in December 2012 in which Park Geun-hye was elected as president, the overall direction of the post-election political struggles between the ruling Saenuri Party and the opposition seems to be in transition from a populist welfare democracy so characteristic of the presidential campaigns to some new type of liberal welfare democracy. During the campaigns the views of the candidates, Ms. Park and Mr. Moon Jae-in were converging on major economic, security and especially welfare issues but this convergence has begun to crack when President Park began to scale down from her over-extended campaign promises on welfare for providing a basic pension to all senior citizens along with such other benefits as free meals to school children, and medical subsidies to the critically ill. The opposition is crying wolf by attacking her turn-around as a complete “throwing away” of her campaign commitments. Even now, both the ruling party and the opposition do share their common view on the needs for expanding welfare and growth but they differ on the priority and the methods of actually realizing these two desirable goals. By and large, the opposition tends to defend a populist welfare democracy whereas President Park appears to advocate a liberal welfare democracy. By “populist welfare democracy,” I mean a type of democracy in which leaders prioritize social welfare more than economic growth even with state subsidies by mobilizing popular supports from the common people in order to accommodate their rising demands. By “liberal welfare democracy,” I mean another type of democracy in which leaders try to accomplish both social welfare and economic growth by building public supports through the constitutional process and by generating more growth through the market mechanism and trade.

1. Park was elected because a majority of the electorate and especially the old generation over the age of 50 actively supported her; she was more credible than her opponents in her economic policy for growth with welfare and her principled and firm security posture against North Korean threats.
2. In the aftermath of the 2012 presidential election, however, the same old pattern of politics has reasserted itself in the power struggles between the Democratic Party that attempted to question the very legitimacy of the election by charging that the National Intelligence Service (NIS) had meddled in the election and the Saenuri Party that continued to attack the DP by charging that former President Roh Moo-hun had abandoned or undermined the Northern Limit Line(NLL) as South Korea’s maritime boundary in his summit with Kim Jong-il in 2007 and even gone so far as to delete the transcripts of the summit right after his term ended in

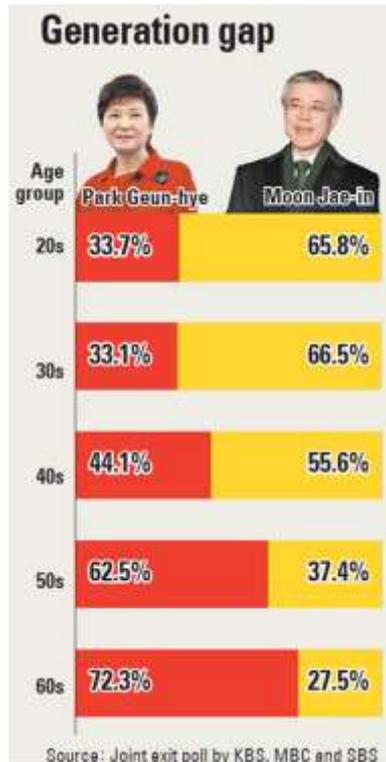
February 2008.

3. Even in the midst of these partisan confrontations some distinctive trends and issues have been discernible as important signs of political development. Among these are a political shift to the right or conservative and a possibility of a new consensus and governing coalition; a renewal of the independence of the Procurator General, the NIS and the Judiciary; and most significantly, the rise of concrete debates on the extent of social welfare in democracy.
4. The core of the political discourses from now on will focus on whether South Korea should choose a populist welfare or a liberal welfare democracy in the future.

II. **Reasons for President Park's Victory.**

The 2012 election saw the highest voter turnout since 2002, 75.9 %. Park Geun-hye won 51.6% and Moon Jae-in 48.2%. Three reasons account for Park's victory: voter trust for her economic recovery and political stability policies, a decisive support of the old generation, and voters' security concerns for the rising North Korean threats.

1. Voter trust for Park's Economic recovery and political stability policies: Voters trusted Park more than Moon when she appealed for conservatives who had worked hard for industrialization and emphasized the importance of cultivating small-and medium-sized industries for growth while gradually mitigating the excessive power of the conglomerates in the name of "economic democratization," thus preempting the welfare premium of the progressives that her opponents claimed to have.
2. A decisive support of the old generation over the age of 50: The supports of those voters over the age of 50 was decisive in Park's victory as about 70 percent of those in their 50s and older chose Park while two-thirds of those in their 30 and younger supported Moon as shown in the next graph. South Korea is rapidly becoming an aged society as the people over 65 are fast rising from the current 12 %. Actually, the number of those who were over the 50s increased from 29.3% in 2002 to 40 % in 2012 while those who were in their 20's and 30's decreased from 48.3% in 2002 to 38.3% in 2012. It is in this sense that demography is destiny. Korea is heading to a "silver democracy," for from now on the outcome of election may well depend more on a silver-haired electorate.



3. Security concerns for North Korean threats: A majority of the voters and especially those who were born before the 1950 Korean War were seriously worried about the threats constantly emanating from the newly anointed young leader Kim Jong-un and his abrasive rhetoric with growing nuclear and conventional weapons capabilities. The disclosure made by a Saenuri National Assemblyman that President Roh made some remarks to Kim Jong-il in 2007 on allegedly abandoning the NLL or replacing it with a new fishery zone did have an impact on the outcome of the vote by putting Moon Jae-in and his Democratic Party on the defensive.

III. In the Aftermath of the Election: “The Conductor Changes but the Music Remains the Same.”

Even though an independent candidate Ahn Chul-soo ran as a wild card with his fresh calls for initiating “new politics” by distancing himself from old politicians, old politics has resumed itself in the aftermath of the election. Hence, I have to reiterate a quote that I used in my talk on South Korean politics last year: “The conductor changes but the music remains the same” (Robert Michels). In fact, the old battles between the ruling party and the opposition have been renewed as they continue to attack and counterattack on some unresolved issues of the presidential campaigns like the NLL and whereabouts of the summit’s transcripts and some new scandals surrounding an allegedly illegitimate son of the former Prosecutor General Chae Dong-wook. But much more serious differences surfaced on extents of basic pension to be provided to the old people over the age of 65. Interestingly enough, despite all these political brawls, the approval rates of President Park has remained high, hovering around 60% and reached as high as 70%

according to some polls.

1. The NIS' involvement in the presidential election: Even after President Park formally assumed her office on February 25, 2013, some opposition lawmakers have continued to question the very legitimacy of the election by charging that a team of INS agents allegedly flooded the Internet with several thousand political comments attacking her rivals in the December 2012 election. In April 2013 a team of prosecutors under the direction of Prosecutor General Chae Dong-wook arrested former head of the NIS Agency Won Se-hoon charging him for having ordered agents to do critical postings on the opposition in the Internet during the election. President Park denied this, saying that she had nothing to do with it, for the NIS was under former President Lee Myung-bak's authority but the opposition did not relent in its charges and sought a drastic reform of the NIS to make it truly politically neutral.
2. North Korea's escalating threats: In retaliation to the U.N. sanctions introduced after the regime conducted a nuclear weapons test in February 2013, Pyongyang went so far as to declare the end of the armistice and a state of war. The Park government made it clear that it would strike back with immediate and overwhelming force if the North does launch an attack. President Park stood firm on this posture and rallied public support behind her with a sense of resolute and calm.
3. The NIS' declassification of a transcript of the 2007 Roh-Kim summit and the National Assembly investigation. On June 20th 2013, the NIS disclosed an excerpt of the inter-Korea summit transcript which it had kept at its archives. Saenuri members opened a full offensive by seizing on former president Roh's statements in this excerpt "hinting at abandonment of the NLL and demanded full accountability. But the DP has accused the NIS of covering up its own involvement in the presidential election, contending that President Roh did not actually use the word, "abandonment" in the record. Since then, whether or not President Roh did give up this maritime line has provided over months of fodder between the ruling party and the opposition as the latter accused the agency of trying to divert public attention from the election scandals. It was against this background that representatives of the ruling party and the opposition did carry out a series of investigations in order to locate the original transcripts of the summit but at the end they were unable to find them in the National Archives Office even though former President Roh was legally obligated to deliver all the transcripts to the National Archives. The National Assembly passed by a two-thirds majority a resolution asking the Prosecutor Agency to undertake a thorough investigation to find out who were responsible for the loss of the transcripts.
4. The NIS' discovery of Representative Lee Seok-ki's conspiracy for revolts: On August 28, 2013 the NIS released a bunch of documents purporting to show that Rep. Lee of the Unified Progressive Party (UPP), a small let-wing party comprising 13 members of the

National Assembly, was plotting to sabotage communications, oil facilities and other installations as part of rebellion to overthrow the South Korean government and to mobilize underground “revolutionary organizations” to prepare for war should North Korea launch such war. This case triggered a massive political and media firestorm. North Korea angrily reacted to this by calling it a “witch hunt” targeting those espousing greater reconciliation on the Korean peninsula. When evidence of Lee’s action was provided to the National Assembly, however, it voted to approve his arrest with 258 for and 14 against, 11 absents and 6 invalid ballots among 298 members present. This turn of events has put the Democratic Party on the spot because the party had formed a coalition with the Progressive Party during the presidential campaigns.

5. Chae Dong-wook’s extramarital scandal: In early September a leading newspaper the Chosun Ilbo broke out a report saying that Prosecutor General Chae Dong-wook had fathered a child out of wedlock. This has given rise to another round of shrill controversies between the opposition accusing the government of trying to force him to resign because he was directing an investigation into the NIS interference in the presidential election but the ruling party argued that it was just a matter of moral conduct of a high-level prosecutor.
6. Failure of political reconciliation between President Park and Democratic Party Chairman Kim Han-gil: Responding to Kim’s persistent requests for direct talks, President Park eventually accepted a head-on dialogue with Kim but they were unable to reconcile their differences because Park rejected Kim’s demands for apologies for the NIS interference in elections and the Chae Dong-wook scandals. Disappointed with this result, Kim set out to continue the outdoor campaigns for “restoring democracy and reforming the NIS” that he had launched against the Park government by camping out on the street in August.
7. Whereabouts of the 2007 Roh-Kim Summit: At the end of September a team of prosecutors finally found out the missing electronic document not where it should be, i.e. the National Archives but in the computer system that Roh personally used after his retirement. Moreover, they found traces of a transcript that had been deleted but then were able to recover the deleted file. They contend that this is the original draft and that another separate file they discovered in the computer was a revised one which turned out to be identical with the one kept at the NIS. Apparently, the Presidential Office under then Chief-of-staff Moon Jae-in did not return the original draft as well as a number of other documents to the National Archives in violation of the laws governing this matter. Nevertheless, Moon has accused the prosecutors of “doing politics instead of investigating.” Democratic Party Chairman Kim Han-gil, however, at last ended 45 days of his “outdoor struggles” and came back to the indoor of the National Assembly to attend its regular budgetary session even while pledging to go on his confrontation with the ruling party.

And yet by no means is it clear who ordered the deletion and the revision and why as both

sides are charging that the other side is lying. The opposition is contending that the government and the Saenuri Party are escalating the NLL, the Chae scandal and the transcript issues to cover up their conspiracies with the NIS and the Prosecutor Agency in order to distract the public's attention from their real crimes in continuously leaking out these documents. But the ruling party continue to charge that former President Roh and his staff had destroyed the nation's historical records to cover up their crimes. The truth may be in the eyes of the beholder. Legally, however, the prosecutors presented their case to the courts which in turn will try to adjudicate the truth at least legally. Even after the courts finalize their verdicts, in all probability the parties will go on to claim their own versions of the truth. From the vantage point of the common people, each person is entitled to form her or his view.

IV. Emerging Trends and Issues.

From this messy turns of Korean politics we can discern some important trends and issues that will become more significant in the long run. In the short run, it is important to note that Park's popularity has been steady with approval rates of above 56 % after right the failed talk with Kim and her backtracking from her campaign promises. The overall trend of political spectrum seems to be shifting toward the right with some signs of forming a new consensus and governing coalition as the opposition is likely to split into several groups, especially now that Ahn Chul-soo set out to launch a third party. Consequences of the current controversies centering on the proper roles of the NIS and the Prosecutor General will eventually force them to recommit themselves to implementing the principle of political neutrality and rule of law by undertaking the necessary reforms. But the debate between the ruling party and the opposition currently arising over the extent of welfare and the basic pension in particular will persist in the years to come, for they will have far-reaching effects on the daily lives of common people and the future of Korean democracy.

1. The rise and the fall of Park's popularity: Park's approval rates have stayed at 56% right after her failed talk with Kim, falling from the 67 % before the event according to a Gallup poll (October 4, 2013) and now they are rising again to over 60%. Reasons for approval was her steady and firm stand on security issues in the face of the North Korean threats (17 %), her personal conviction (16%), her hard work (12%) and her diplomatic successes in her summits with Obama and Xi Jinping (9 %). Negative ratings derived from her failure to keep promises on welfare and consultation, lack of communication and poor personnel appointments in that order. Approval ratings for the existing political parties as of October 4 were 43% for the Saenuri Party, 21% for the Democratic Party, 1% for United Progressive Party, 1% for the Justice Party and 33 % no party. Evidently, Park is still more credible and likable than his opponents.
2. A shift to the right and possibilities of a consensus and governing coalition: Should President Park and her party sustain their support basis on a steady route, there is reason to believe that their political unity could pave the way to the formation of a new consensus and

governing coalition that includes the middle class and the young generation, given the likelihood that the opposition will be further fragmented especially with the advent of Ahn Chul-soo's new party. The opposition's drive for reigniting nationwide "candle light" demonstrations has fallen far short of expectations. The discrediting, if not demise, of the extreme leftist parties can reinforce such shift to a right and center party. Further facilitating this trend is North Korea's naked interferences in South Korean domestic politics, for it has backfired and served instead to strengthen the conservative government and the ruling party.

3. Consolidation of an independent judiciary and rule of law: The inability of the political parties and factions to peacefully settle their political conflicts has led to the enhanced roles of the judiciary. It is also true that the partisan confrontations have resulted in a politicization of the Prosecutor General and the courts. But some consequences of their activities will have positive effects of institutionalizing their independence and rule of law in the long run as they make further progress to enforce their political neutrality by all means. On the other hand, as a result of the Internet and SNS the public also have come to have better informed and balanced opinion on divisive issues although their sensibilities to the importance of privacy still remains less than mature. Such liberalizing trends will serve to deepen democratic norms and civic culture in Korean society.
4. Park's scaling-down of the basic pension and the resulting debates on welfare and growth: Faced with the harsh reality of economic growth and limited fiscal resources, President Park announced scaled-down versions of the social welfare spending which was supposed to cover all Koreans aged 65 or older that she had pledged during the presidential campaign. She has introduced a new basic pension, which would provide 100,000-200,000 won to the poorest 70 percent of people over 65, depending on their subscription period of the national pension. Park expressed her deep apologies for not keeping her promises. In protest to this idea of linking the basic pension to the national pension, Minister of Welfare Chin Young tended his resignation. This has provided the opposition with a new opportunity to attack President Park; the Democratic Party has accused her of having broken her promises made during the election, notwithstanding the fact that its candidate Moon promised far greater amount of basic pension. More important than this political fighting, however, is the prospect that this debate is going to raise truly difficult issues on the future of welfare democracy in South Korea.

V. Wither South Korea? Populist Welfare or Liberal Welfare Democracy.

In conclusion, the emerging issues on welfare and growth will determine the future of Korean democracy between populist or and liberal versions. Empirically, we can find the populist version in most of south American and south European states that have experienced defaults and heavy sovereign national debts as vividly shown in Argentine and Greece. Two contemporary successful examples of the liberal version would be Germany and Sweden. President Park's attempts to accomplish social welfare along with economic growth approximate a liberal welfare

democracy in that she advocates a “creative economy” that focuses on science and innovation and seeks to transit to a service economy that can increase jobs in an aging society. She will face many challenges in meeting social welfare spending needs for a rapidly aging population while reducing the deficits. By contrast, the opposition’s idea of providing universal welfare to the poor by taxing more the conglomerates and the rich sounds like a populist welfare democracy. In any case, it is incumbent upon the opposition to offer a coherent and better alternative to what the Park government has been trying to achieve thus far.

South Korea has to find “a Korean-style welfare” in the face of globalization and information by maintaining some balance between welfare and growth. This is easier said than done. As German chancellor Angela Merkel pointed out, in order to survive globalization Korea needs to invest more in research and education to generate more growth. It is almost impossible to sustain adequate welfare without taxation. Hence, the choice of welfare is more **political** than economic. A welfare democracy is sustainable only if the social consensus is achieved through some kind of national compact. A liberal approach puts more emphasis on building consensus through the constitutional process and market mechanism but a populist approach puts more emphasis on mobilizing mass support through protest movements and taxes in order to satisfy the demands of the masses. Debates between these two appear differently in different contexts. I have read that a best example similar to this has been shown by the so-called Sen-Bhagwati debate on Indian development in which Amartya Sen emphasizes welfare through education and health care whereas Jagdish Bhagwati champions growth through trade and manufacturing. In somewhat different context, this intellectual exercise offers much implication for the question, **wither Korea?**