

KOREA'S POLITICAL OUTLOOK

Amb. Hong-choo Hyun
Senior Partner
Kim & Chang

January 19-21, 2003

The 16th Joint Planning Meeting
Korea-U.S. / U.S.-Korea Business Councils
Mauna Lani Bay Hotel
Hawaii

Setback, Surprise and Upset

On December 19, 2002, after months of a tumultuous campaign punctuated by drama and suspense, Mr. Roh Moo Hyun, the Millennium Democratic Party candidate, emerged as the victor with 48.9% of the total of 12 million votes. The 70% voter turnout was the lowest since 1987, but Mr. Roh's election was closer to a majority than any of his three predecessors, none of whom were able to win more than 40% of the total votes.

What was remarkable throughout the campaign was Mr. Roh's ability and good fortune in overcoming numerous surprises and setbacks, including his party's defeat in both the June local government elections and August vacancy elections; corruption scandals implicating President Kim Dae-Jung's son and members of his inner circle, which eroded his party's popularity; unexpectedly strong support for the Democratic Labor Party candidate; and a very last-minute defection by Mr. Chung Mong-Joon, whose earlier show of support was credited with endowing Mr. Roh's campaign with a surge of popularity that allowed him to catch up to and surpass Mr. Lee Hoi-Chang, the Grand National Party candidate who enjoyed a comfortable lead in the polls up to a month prior to election day.

Another noteworthy aspect of this election was that the surprise admission by North Korea of its enriched uranium-based nuclear weapons program, and the ensuing fear of renewed tensions in the Korean peninsula, had no effect on the outcome of the election, despite the fact that the admission was made in October, less than two months before election day. This defied the trend of past campaigns when concerns for national security of that magnitude consistently helped garner more support for the conservative candidate.

The Revolt of Young Generations

Political analysts have identified several factors that may be attributed to Mr. Roh's victory.

First and foremost was the overwhelming support for Mr. Roh by voters in their 20s and 30s, more than 60% of whom cast their votes for him. Against expectations, voter turnout from that age group was unusually high during this election. The last minute defection by Mr. Chung, instead of undermining support for Mr. Roh, further galvanized the young voters into action with their slogan "Vote before you go watch a movie". The Internet emerged as a juggernaut in mobilizing and consolidating this young voters' movement.

Pivotal to Mr. Roh's popularity with the young voters was his success in presenting himself as a leader who would bring about changes to old politics, which had come to be synonymous with corruption, abuses of power, regionalism, and 'imperial' party leadership. On the other hand, Mr. Lee, the major opposition candidate, failed to convince young voters that he could be the badly needed agent for change in Korean politics.

Ideology was not the most determinant factor in this election; exit polls revealed that 43.7% of voters identified themselves as conservatives, while 29.4% identified themselves as liberals or progressives, and 23.8% identified themselves as moderates. The election results showed that the conservative party candidate was only successful in securing the support of the conservative voters, and that the moderates joined the liberals in their support of Mr. Roh. One analyst described the outcome of the election as not so much a victory of liberalism, but rather a failure of the conservatives, and it still remains true that conservatives make up the largest block

in the Korean electorate.

Regionalism remained a significant factor as voter support still showed a divide along traditional fault lines. Voters from President Kim's region cast more than 90% of their votes to Mr. Roh, and Metropolitan Seoul, along with the adjacent province, also went to Mr. Roh, a surprising turnaround from the vacancy elections earlier in the year which were disastrous for the MDP candidates for the National Assembly seats.

Another noteworthy aspect of this election was the strong surge of Korean nationalism. The U.S. military's handling of the accidental deaths of two middle school girls by a U.S. military vehicle in June of 2002 provoked the nationalistic pride of the Korean people and triggered massive protests. Mr. Roh was once again successful in identifying himself with the sentiments of the Korean people, one that may be more accurately characterized as "pro-Korean" rather than "anti-American" in nature, by promising that he would not merely 'kowtow' to the will of the Americans. A survey of the protesters revealed that the majority did not support the withdrawal of U.S. troops from Korea, and analysts cited the prevailing perception of U.S. foreign policy as being excessively one-sided in dealing with the outside world, as a factor that contributed to the exacerbation of these protests.

No Negotiations, but Flexible

Starting with the surprise admission in October 2002 by North Korea of their covert nuclear weapons program, which was in violation of the 1994 Framework Agreement, North Korea steadily raised the ante until their January 10, 2003 withdrawal from the Non-Proliferation Treaty (NPT), which is regarded as the cornerstone of international efforts to stop the spread of

nuclear weapons.

Experts warn that should North Korea cross the 'red line' by beginning the process of extracting weapons-grade plutonium from the spent nuclear fuel rods, the situation in and around the Korean peninsula could deteriorate to a dire level.

While the United States has remained firm in their 'no-negotiation' position against North Korea unless they give up their nuclear program, especially in regard to their demands for a non-aggression treaty with the U.S., recently there were indications of some flexibility in its position when the U.S. Secretary of State Colin Powell mentioned the possibility of some form of a guarantee of non-aggression, short of a formal treaty. Mr. Powell also suggested a long-term plan to establish a new framework to better contain North Korea's nuclear threat, which could take the form of a multilateral agreement among international organizations and nations with stakes in global and regional non-proliferation.

With China and Russia's show of willingness to join efforts to persuade and raise the pressure on North Korea, both the U.S. and South Korea seem to agree on the need for opening dialogues with the North at this stage, and there seems to be an understanding that a multilateral approach may have a better chance of success in dealing with this difficult issue that needs a long-term efforts before it is finally resolved.

Since no country supports the option of a war against North Korea, and considering the desperate conditions within North Korea and their urgent need for international aid, analysts agree that an acceptable agreement could eventually be reached with North Korea. North Korea may play a few more hands in their game of nuclear brinkmanship with the spent fuel rods, which are currently being stored at the Youngbyon facility, but these tactics will eventually show their limitations.

President George W. Bush must have had this scenario in mind when he recently reaffirmed a “bold initiative” to provide energy and food to North Korea in exchange for abandoning their nuclear ambition. Once again, President Bush’s strong moral instincts appear to have been tempered by the realities of international relations.

Policies of the New Administration

With little more than a month away from the February 25 inauguration, Mr. Roh and his staff in the Presidential Transition Committee have begun to receive reports from the outgoing administration, in order to formulate the policies of the new administration.

It is not yet clear just what these new policies will look like, and any speculation would be premature at this point since the transition process has just begun and the key posts in the new administration have yet to be appointed. However, the broader outlines of the basic direction of the new administration’s policies may be glimpsed through the statements made by president-elect Roh and his key advisors.

Following are some of those outlines gleaned through statements made during Mr. Roh’s meetings with opinion leaders, foreign dignitaries, business leaders and the press, since his election.

U.S.-Korea Alliance:

Mr. Roh has made it clear that he strongly supports the alliance and believes that it is integral to the security of the Korean peninsula, and that he has no intentions of changing the bilateral alliance. He stated that just as the bilateral relation has been important in the past, it

remains important now and will remain so into the future. He has expressly stated his hopes that “America will remain our ally in the years to come.”

U.S. troops in Korea:

Mr. Roh believes that U.S. troops should remain stationed in South Korea. Regarding his views in the early 1980s when he advocated the withdrawal of U.S. military forces from Korea, Mr. Roh has explained that he has since changed his view on this issue after becoming a member of the legislature and learning more about Korea’s security needs.

Regarding the controversy that was raised when Mr. Roh asked Korean generals about their plans for the withdrawal of U.S. troops during his visit to the military headquarters in Daejeon a few days after his election, Mr. Roh has since explained that his question was taken out of context by the local media, and that his question was specifically in reference to long-term contingency plans addressing possible scenarios for a draw down or withdrawal up to ten years down the line.

Anti-American Sentiments:

Mr. Roh has repeatedly pointed out that the protestors’ demands for a revision of the Status of Forces Agreement (SOFA) with the U.S. military are not necessarily an expression of “anti-American” sentiments, but that rather, the subject of the protests was the perceived injustice and unfairness in the handling of the case involving the accidental deaths of the two middle-school girls by a U.S. military vehicle. Mr. Roh has also pointed out that most of the people who attended the nation-wide candlelight vigils do not want the U.S. armed forces to pull out from South Korea but want a revision to the SOFA under the premise of the continued presence of

American soldiers in Korea. During his election campaign, Mr. Roh publicly asked for restraint from the protestors and he has stated his belief that he is the only political leader who could have asked that of the crowd of protestors without fear of rebuke.

North Korea's Nuclear Threat:

The president-elect has stated that a North Korea armed with nuclear weapons is unacceptable and that he would not tolerate the North's possession of any nuclear weapons.

He has stated his belief that dialogue and negotiation is the best method for dealing with not only this issue, but with North Korea as a whole, and that while there is always the temptation to resort to a "stick" approach in dealing with such a difficult adversary, choosing such an option would leave little room for turning back in the event of failure. Assuming that North Korea is not suicidal, however difficult they may be to understand, the president-elect believes that the only pragmatic option is a "carrot" approach.

Mr. Roh believes that, although the Korean people intensely desire the reunification of the divided Korean peninsula, reunification must wait for as long as may be necessary in order for it to be achieved without sacrificing peace.

Mr. Roh firmly believes that the North's nuclear issues should be resolved by peaceful means, through close cooperation with the United States, with the active participation of South Korea.

National Security and Defense:

Mr. Roh has affirmed his belief that any national security policy needs to be backed by strong defense capabilities in order for it to have any credibility. The new administration does

not seem to have any intention to cut the defense budget, and the president-elect has stated no intention to procure funds for social welfare programs by making cuts to the defense budget.

Under the new administration, the external intelligence capabilities of the National Intelligence Service will be strengthened, while its domestic political surveillance activities will be shut down. The National Security Council's role will be enhanced and even with the streamlining of the presidential staff, the National Security Advisor position is to be maintained.

Challenges Ahead

Upon his inauguration to the presidency of the Republic of Korea on February 25, 2003, Mr. Roh will face daunting challenges both at home and abroad.

The nuclear extortion by North Korea has to be successfully countered, and the U.S.-Korea alliance is in urgent need of reinforcement. Skillful diplomacy will be needed in order to secure cooperation from nations surrounding the Korean peninsula such as Japan, China and Russia, in order to build the international pressure necessary for persuading North Korea to abandon its nuclear weapons program, and bringing the country out of its self-imposed predicament.

The new president will have to assuage the concerns of the business community and reassure foreign business leaders by showing them a strong vision of Korea's economic future. He will have to present a credible plan for defusing tensions in the Korean peninsula, as well as realistic economic policy directions to sooth nervous investors and the general public. He has already embarked on efforts along these lines by meeting with members of the American Chamber of Commerce in Korea on January 17, where he affirmed his belief that the Korean

economy should be “dove-tailed into the global standard”, and underlined his support for foreign investment by stating his belief that “Companies that operate here with foreign capital investment are not foreign companies but Korean companies in that they provide jobs, create economic value and pay Korean taxes.”

Domestically, Mr. Roh must work to heal the wounds left from the election campaigns and build a national consensus for political and economic reform. Mr. Roh’s pledge to support a policy of engagement with the North gives him the added task of addressing the concerns of the conservative population who are still doubtful of the prospects of success in dealing with the erratic belligerence of North Korea.

Economic reform and restructuring should continue while the new government implements new policies designed to deliver on Mr. Roh’s campaign pledges for better social welfare and fair distribution of wealth. The high expectations of the voters including those of laborers who supported Mr. Roh will have to be tempered with the realities of the challenges that lie ahead.

Another important challenge before the president-elect is to secure a majority in the legislature in the April 2004 National Assembly elections for the successful implementation of his programs and the effectiveness of his administration.

None of these challenges will come easy, and a fair share of setbacks and trials and errors attendant to every transition in administration is to be expected.

During the next five years of his presidency, by securing a strong mandate for change from the Korean people, Mr. Roh should be able to succeed in leading the country into a higher level of stability and prosperity with a new style of administration and political reform commensurate with Korea’s pride and maturity.