South Korea in 2012
An Election Year under Rebalancing Challenges

ABSTRACT
An election year in South Korea witnessed a rise in deep discontent and distrust with the current political system that failed to address a growing demand for rebalancing in both domestic and foreign policies. Conservative successes led by Park Geun-hye in two elections demonstrate that South Korean voters do not support the opposition’s promise for radical reform. But the most significant message of the 2012 elections was that existing party politics could not be sustained without some fundamental political reforms, expressed by the “Ahn syndrome” yearning for new politics.

KEYWORDS: presidential election, rebalancing, reform, Ahn syndrome, middle-power diplomacy

SOUTH KOREA (OR ROK, REPUBLIC OF KOREA) is facing rebalancing challenges. The recent global recession and the accompanying decline in demand have demonstrated the need for South Korea to rebalance its export-oriented growth strategy. Limits to exports led to a sluggish economy: the 2012 gross domestic product (GDP) growth rate fell to 2.1% for the first time since the 2008 global financial crisis. Rising income inequality, amid the moderate growth rate, became a salient political issue. There was an increasing demand for a new balance between growth and redistribution; the chaebols (big business conglomerates) were severely criticized as the culprits for imbalanced growth.

South Korea’s foreign policy also needs rebalancing. As China becomes a critical player on the regional and international scene, there is a growing
need for Seoul to rebalance its U.S.-centered foreign policy toward Asian countries and regional multilateralism. There is wide support for the notion that Korea needs to play a proactive global role commensurate with its material capability. Middle-power diplomacy, discussed below, has emerged as a strategic concept that guides South Korea’s new policy line.

All these challenges converged in the political season of 2012. It was a year when the presidential election held every five years coincided with the general election held every four years. In the two elections, the South Korean public expressed widespread disappointment with the existing political and economic arrangements, asking for a sweeping change. The winner, Park Geun-hye and her Saenuri (New Frontier) Party, will need to address the rebalancing challenges following her February 25, 2013, inauguration.

TWO ELECTIONS AND THE AHN CHEOL SOO SYNDROME

South Korea’s two national elections in 2012 were the general (parliamentary) election in April and the presidential election in December. Before the general election, the ruling Grand National Party was widely expected to lose, in part because the election was poorly timed for the party. It was held in the last year of the Lee Myung-bak administration, and many voters were disappointed with him. President Lee, limited to one five-year term, was massively unpopular. His approval ratings hovered at around 20%. Corruption scandals broke out in which some of his close aides and one of his brothers were implicated. These further undermined the popularity of the president, and cast a gloomy electoral outlook for the governing Grand National Party.

The most important issues before the elections were employment and welfare. Most people were discontented with their economic and living conditions. President Lee was accused of favoring chaebols at the cost of small businesses, and of exacerbating income disparity. Young people were frustrated by grim prospects in the job market. Middle-aged people were worried about the high costs of child education, housing, and pensions. Economic reforms in favor of greater regulation of chaebols and enhanced welfare provision were widely regarded as an urgent issue.

Against all odds, the ruling party won a majority of seats. Park Geun-hye’s presence contributed immensely to the surprising electoral victory. Her party secured 152 seats out of 300, the major opposition liberal Democratic United
Party (DUP) won 127 seats, and a leftist labor party, the United Progressive Party (UPP), took 13. When she took over the party leadership in December 2011, she not only re-branded the party as the Saenuri Party but also reshaped it in her mold. She deliberately kept her party distant from President Lee, seeking to dilute his image within the party. She succeeded in gathering many party sympathizers around her. One of the major reasons for the electoral victory is that she was able to change the meaning of the election among traditional party supporters from a “retrospective” election to a “prospective” election.

Park was a presidential hopeful among conservatives well before the party primary on August 20, 2012. Despite deep dissatisfaction with Lee, many conservative voters were worried that a Saenuri loss would harm her chances of winning the presidential election in December. Another significant factor was that Park seized the issues of welfare and “economic democratization” in advance, otherwise regarded as the opposition’s best weapon. With this unanticipated electoral victory, she bolstered her position as a prospective presidential nominee and was selected as a formal party candidate.

The 2012 presidential election was a three-way competition at the outset. Park Geun-hye represented the ruling Saenuri Party. A former human-rights lawyer, Moon Jae-in, was selected as the DUP candidate. Independent Ahn Cheol-soo emerged with the so-called Ahn Cheol-soo syndrome. Ahn was a software entrepreneur and medical doctor before entering politics. The “fresh” image of this political neophyte appealed to young voters in their 20s and those disaffected with the major parties. Ahn also attracted non-partisan independents and floating voters. He played a “politics of anti-politics,” exploiting widespread sentiment against established party politics. Because Moon and Ahn were progressive, they agreed to field a single candidate between them in an effort to defeat Park. However, facing pressure not to split liberal votes, Ahn decided unilaterally to step down in favor of Moon in late November.

Both Park Geun-hye and Moon Jae-in had weaknesses. Park is the eldest daughter of military strongman Park Chung-hee, which is a great political asset but also her biggest stumbling block. Her father steered rapid economic growth during the 1960s and 1970s but brutally suppressed dissidents and abused human rights as well. His legacy hounded his daughter, and she did not readily overcome it. Moon, for his part, had been a chief of staff for a former president, the late Roh Moo-hyun. Because of Roh’s controversial
leadership and poor governing performance, Moon also needed to differentiate himself from Roh.

While the influence of such past history lingered, the two candidates converged to a point where a consensus was built over economic, social, and foreign policies. Both promised to regulate chaebol dominance, expand the welfare state, and reverse President Lee’s unpopular hardline policy toward North Korea.

The presidential election was held on December, 19, 2012. The turnout rate was 75.8%, the highest since 1997, showing the voters’ keen interest in close competition. Park was elected with 51.6% of the vote while Moon won 48%. Park is the first female president in South Korean political history. This election was another battle of the generations. Candidate choices by generation varied distinctively. Voters in their 50s and older overwhelmingly supported Park, whereas young voters in their 20s and 30s favored Moon. It is noteworthy that demographic change affected the election: voters above 50 outnumbered young voters for the first time in a presidential election. Park also won more votes in metropolitan areas surrounding the capital city, Seoul, where voters had traditionally favored liberal candidates. Moon fared better only in Seoul and the two Cholla Provinces, a traditional liberal stronghold. Moon could not completely overcome a negative memory of the Roh Moo-hyun government and restore public confidence. Moon also failed to attract disaffected voters who once favored Ahn, whose withdrawal came too late. Worse, Ahn did not wholeheartedly throw his support to Moon.

Conservative successes in two elections demonstrate that South Korean voters do not support the opposition’s promise for radical reform. Nevertheless, one of the most significant messages of the 2012 elections was that existing party politics could not be sustained without some fundamental political reforms. A survey result shows that 90.5% of respondents say that the current political system does not properly respond to the people’s voices.¹ Above all, the “Ahn syndrome” yearning for new politics highlighted the deep distrust and discontent with the existing major parties. Despite Park’s victory, the electoral result confirms that South Korean voters are more or less evenly divided. After the election, Park pledged national harmony and reconciliation. She will confront difficult challenges to resolve divisions between generations, classes, and regions.

¹. This survey was conducted by the Institute of Korean Political Studies, Seoul National University, during October 17 and 20, 2012. The sample size is 1,026.
FOREIGN RELATIONS

The restoration of the ROK-U.S. alliance was the central goal of the Lee Myung-bak government’s foreign policy, which had been damaged by the preceding Roh Moo-hyun government’s pro-North Korean, pro-Chinese policies. Lee worked hard to improve the bilateral relationship by strengthening the alliance on the one hand and by concluding a free trade agreement (FTA) with Washington. In 2009, the Lee government celebrated “a comprehensive strategic alliance of bilateral, regional, and global scope, based on common values and mutual trust.” The government renegotiated and concluded the Korea-U.S. FTA in 2011, the ratification of which had waited more than four years. In return, the government was awarded a prestigious “two-plus-two” (foreign and defense ministers) forum with the U.S. In June 2012, Defense Minister Kim Kwan-jin expressed a commitment to make the alliance “the best alliance in the world.”

The brilliant performance in alliance cohesion did not improve South Korea’s strategic reality, however. With the U.S. “strategic patience” approach, South Korea has continued isolating North Korea successfully, but it failed to prevent the latter from developing nuclear capability. North Korean shelling of South Korea’s Yeonpyeong Island and China’s cautious approach to Pyongyang have dismayed many South Korean policymakers and pushed them to rethink the whole U.S.-centered national security strategy.

Beginning in 2012, the Ministry of Foreign Affairs and Trade prepared three key priorities: (1) cope with unstable situations in the Korean Peninsula after the death of Kim Jong-il by deepening cooperative networks with major powers; (2) contribute to global co-prosperity and take leadership in dealing with new global issues; and (3) upgrade diplomatic tools including public diplomacy by working closely with the people. Seoul’s top priority, dealing with the new North Korean government, proved most difficult. The new leadership in Pyongyang emerged rather quickly: Kim Jong-un’s succession officially took place only four months after the death of his father, Kim Jong-il. In February, officials held high-level talks with the U.S. in Beijing,


resulting in the so-called 2.29 Agreement, under which the U.S. would give food aid to North Korea if the country denuclearized. However, the deal was nullified following North Korea’s long-range rocket launch in April that proved a failure. Nonetheless, it was reported that the two countries were conducting communications through channels in New York or elsewhere. South Korea was isolated from the whole process, and the comprehensive strategic alliance did not work. Finally in December, Pyongyang made another rocket launch. This time, it was a success, boosting the credentials of Kim Jong-un’s leadership.

The comprehensive alliance with the U.S. has helped serve South Korea’s other goal, undertaking a more active role in emerging global and regional issues. With President Barack Obama’s support, the Lee government hosted a nuclear security summit in March, gathering in Seoul some 50 leaders from around the world. They met under the banner of “Global Korea,” which aims to increase its influence, contribution, and status on a global scale. Further, South Korea has played a more active role on the global scene, independent of American support, by taking a proactive approach to development cooperation and climate change. It hosted the secretariat of the Global Climate Fund in Songdo. South Korea’s election as a non-permanent member of the U.N. Security Council in October is viewed as reflecting the international community’s evaluation of the country’s role so far, and expectation for expanded contributions.

All this resonates with the rise of a new South Korean foreign policy discourse that centers on the concept of jung-gyun-guk (middle power) as a useful way of defining the role of Korea in a changing world.4 This claim emerged against the backdrop of the so-called “small country mentality” in existing South Korean foreign policy, in which a nation singlemindedly pursues its own security through excessive alliance with a great power. More important, the conceptualization of middle-power diplomacy reflects the changing international environment, where power appears to be shifting from the U.S. to rising powers including China and India. This creates a fluid international space where middle powers such as South Korea may find room (or a niche) to play a meaningful role in ways that help coordination among

traditional great powers, emerging powers, and rising non-state actors. South Korean activism on a global scale rides on such a conceptualization.

But the tension in East Asia, driven by the logic of the power transition from the U.S. to China, makes it increasingly difficult for South Korea to pursue its own goals. The fate of the Korean Peninsula, located on the fault line drawn by two great powers, has again tumbled into the realm of great-power politics. This has increased the need for South Korea to work as a middle power in order to assuage rivalries between the great powers. Given that any premature attempt to mediate between great powers is perceived by Washington as weakening the alliance, and that Seoul has not earned trust and respect from Beijing, the Lee government’s middle-power activism increasingly focused on a regional role.\(^5\) By April, the Lee government decided to launch FTA negotiations with China in order to improve that strained relationship. At the fifth trilateral summit meeting in May, the Lee government agreed on launching negotiations for a trilateral FTA (China-Japan-Korea) within a year, albeit hesitantly because the preferred option was negotiating two bilateral FTAs, one with China and one with Japan. These diplomatic efforts were in line with South Korea’s aspiration for initiating trilateral cooperation as a core venue for regional cooperation in Asia.

By the end of August, South Korea’s pursuit of “middlepowermanship” in the China-Japan-Korea triangle as well as in East Asia was thwarted by an unexpected confrontation with Japan. It began with the General Security of Military Information Agreement (GSOMIA) scandal in July. The Lee government, widely regarded as pro-Japanese, had long prepared GSOMIA, which was aimed at formalizing a long-standing commitment to share intelligence and security information on North Korea’s nuclear and missile programs. But Korean officials cancelled the signing at the last minute because of public uproar driven by Tokyo’s unwillingness to apologize for the use of Korean women as sex slaves for Japanese soldiers during the colonial war. Japan’s intransigence on the comfort women issue loomed large for South Korea ever since President Lee spoke at length to Prime Minister Noda Yoshihiko during a summit talk at Kyoto in December 2011, trying to persuade him of the need to resolve it. Lee’s surprise visit to the disputed Dokdo islets (known in Japan as Takeshima) on August 12 is

\(^5\) Lee, “South Korea as New Middle Power,” p. 16.
viewed in part as the only Korean card left to make a political statement to Tokyo.  

Because Dokdo is a symbol of national independence from Japanese colonialism and the attendant emotional trauma, Japanese territorial claims may be seen to imply denial of this independence. In this sense, Dokdo issues can be associated with the comfort women issue, thereby explaining Lee’s visit to Dokdo. Tokyo was incensed by the visit, coupled with Lee’s subsequent remark that the emperor should apologize if he wants to visit Korea. Tokyo was considering filing a complaint with the International Court of Justice. It was also considering suspending a currency swap contract with South Korea that expanded the amount from US$13 billion to $70 billion in an attempt to stabilize the foreign exchange market.

The diplomatic strain with Japan represents a strategic loss for South Korea, as its aspiration for middle-power brokerage in East Asia shattered. It also marks a setback for the U.S. as it attempts to coordinate its “pivot to Asia” strategy. Unfortunately, South Korea’s strenuous search for a new identity as a middle power was marred by domestic politics and the high tide of nationalism in Japan and Korea. The daunting task of recovering South Korea’s relationship with Japan, along with economic and political rebalancing, will be passed on to Park’s new government.