



UNISCI Discussion Papers

THE SOUTH KOREAN GOVERNMENT AT THE BEGINNING OR 2004: PRESIDENT ROH'S CHALLENGES

AUTOR¹:

EUNSOOK YANG

UNISCI

FECHA:

Enero 2004

The situation of the South Korean government since the accession to the Presidency of Roh Moo-hyun last year is far from buoyant with a prevailing atmosphere of mistrust and conflicts. This situation affects not only the domestic arena with serious problems in the economic, social and political but also external issues as well.

On October 13, only eight months after taking office in February 2003, Roh Moo-hyun surprised the people by proposing to hold a national referendum to reaffirm the credibility of his presidency. Roh, a radical left-wing and pro-unification reformer having been elected by a narrow margin over the conservative and U.S. favored candidate Lee Heo-chang started confronting troubles immediately after his inauguration.

The main problems relate to the internal struggles of his own political party, which does not even hold a majority in the parliament, in one side and his supporters, mainly young, nationalists and militant labor unions demanding all what had been promised during the election campaign on the other side. In addition, the corruption scandal of his close aids, the unprogressing inter-Korean relations and a complicated alliance relationship with the United States all together put Roh against the corner and prompted him to announce the controversial referendum.

The principal objective of this article is to analyze the dominant characteristics of the current problems the South Korean government has to confront within the historical context of the previous administrations. Special focus on the Administration of Kim Dae-jung, Roh's predecessor, is inevitable considering the fact that quite a number of the present problems were inherited from Kim's presidency.

¹ Las opiniones expresadas en estos artículos son propias de sus autores. Estos artículos no reflejan necesariamente la opinión de UNISCI. The views expressed in these articles are those of the authors. These articles do not necessarily reflect the views of UNISCI



1. Brief Political Background of the Peninsula

The Korean peninsula was liberated on 15 August 1945 after thirty-five years of Japanese colonialism, when Japan surrendered to the Allies. It was a day of liberation for all Koreans. However, without their knowledge, the peninsula had already been divided. Four days earlier, before the independence of Korea two U.S. colonels, one of them would be the future secretary of state, Dean Rusk were given a 30 minutes task of drafting the geographical limits of a “temporary” military occupation zone of the peninsula which was going to be so divided between U.S. and the Soviet Union.² They chose the thirty-eight parallel putting the national capital on the American side. The Russians agreed, though they could have seized the entire peninsula before the Americans even arrived.³

After the W.W.II, regarding the Korean question, the Soviets and Americans had agreed in December 1945 to create a joint commission for the establishment of an interim Korean administration. They further agreed that Korea would be unified within five years. Nevertheless, as Roosevelt’s internationalism was replaced by Truman’s “policy of containment,” the emergence of the cold war was imminent, and the unification became very unlikely in Korea. The dividing line at the thirty-eight parallel was formalized in 1948 with the establishment of the Republic of Korea (R.O.K) and the Democratic People’s Republic of Korea (DPRK).

The civil war started on 25 June 1950 and ended 3 years later, on 27 July 1953 by the signing of the armistice agreement between representatives of the U.N forces and the communist forces, but never a peace treaty was signed. From that moment, the two incompatible states of the Korean peninsula choose different destinies separately with the influence of each state’s patron ally, Russia on one side and the U.S. on the other side.

2. Transformation of South Korea

South Korea has experienced one of the most remarkable transformations of any country in the world in the last five decades. From ruins after the Korean War and with insignificant natural resources, the country took a course of revolution which brought it from the level of one of the poorest countries on earth in 1960s to one of the top fifteen industrialized countries in the world by the 1980s.

From the establishment of South Korean government to the first civilian government in 1988, the South Korean transformation underwent by a series of authoritarian leaders. Syngman Rhee, the first postwar leader in the south, subordinated domestic freedoms to his goal of remaining in power and reunifying the peninsula. After students uprising ousted Rhee in April 1960, the interim government for thirteen months struggled to put democracy in South Korea before Park Chung Hee seized power in a military coup. The rapid economic development of South Korea since 1963 due largely by the country’s strategy of maximizing growth by pursuing outward-oriented, the export-centered policies. This strategy was adopted in 1962 when the first Five year Plan was launched and the consecutive Five Year Economic plans continued until the 1980s.⁴

² The Russians entered the peninsula while the U.S. was preparing the war with Japan. The U.S. did not expect that the war would end so suddenly. Then the U.S. saw the danger of an entire occupation of the Korean Peninsula by the Russians if the U.S. didn’t stop the advance of the Soviet troops.

³ The Americans offered 11,300 million dollars and economic aid if the Russians would agree with the pact.

⁴ Paul H. Clyde and Burton F. Beers (1972): *The Far East: A History of the Western Impact and the Eastern Response, 1930-1970*, New Jersey: Prentice-Hall, Inc., p.506.



Quite different from the general concept of dictators, the authoritarian leaders in South Korea played a very positive role in the economic development of the country. Especially, the Park administration took decision of taking the key role in economic development because no other South Korean institution had the capacity or resources to direct such drastic change in a short time. The resulting economic system combined elements of both state control and free enterprise.

The government guided private industry, a group of “chaebol (conglomerates)” through a series of export and production targets utilizing the control of credit, informal means of pressure and persuasion, and traditional monetary and fiscal policies.⁵

However, into the 1970s, demands for change were growing more and from below, especially industrial workers.⁶ By the late 1970s, demonstrations by students who joined labor movements and workers at factories became a serious social problem. The turmoil eventually developed into a tragedy. In the course of an argument on whether the government adopt reforms or not, President Park Chung-hee was assassinated by the director of his intelligence agency, Kim Jae-kyu in October 1979.⁷

His successor also by means of a coup d’Etat Chun Doo-hwan, lieutenant general, declared martial law to quell the unrest. In the southern city of Kwang-ju, in spite of the restrictions, the rebellious students, dissidents and the citizens in general engaged in a remarkable act of resistance to martial law, taking over the city and expelling government

forces. However, crack units of the military put down the uprising, killing over a hundred protestors.⁸

Toward the end of the 1980s, the authoritarian regime in South Korea was already on its verge of last stand. In the elections, however, opposition leaders Kim Dae Jung and Kim Young Sam could not reach a common platform and failed to present a single presidential candidate. In the end they ran separately and with the opposition vote split, the ruling party’s handpicked candidate, Roh Tae Woo, won the election in December 1987.

Kim Young Sam’s accession to the presidency in February 1993 was the second peaceful transfer of power in South Korean history. Kim’s most important achievement was assuring civilian control over the military rule. Also, he made great efforts emphasizing globalization of the country. In the course of globalization policy he instituted many of the liberalizing reforms which would later prove so damaging for South Korea in the Asian financial crisis of 1997.⁹

Assuming the presidency in December 1997, Kim Dae Jung successfully guided South Korea out of the 1997 financial crisis but had little success in reforming the economic system making more transparent or the political system less attached to his own political interests. Consequently, his main success, the “engagement policy” with the North which he was compensated by the Nobel Peace Prize brought a controversial discussion in Korean politics in

⁵ Matles Savada Andrea and Shaw William (ed) (1992): *South Korea: A Country Study*, Washington D.C: Federal Research Division, Library of Congress, p.141.

⁶ Labor movement was considered illegal in South Korea at that time.

⁷ Kim reportedly argued for compromise and reform, but Park, encouraged by his chief bodyguard, Cha Chi-shul insisted on dispatching paratroopers, if necessary to quell the demonstrations. See Fabre André (1998): *La Grande Histoire de la Corée: La Quatrième République*, Paris Favre SA, p.343-4.

⁸ Eckert Carter J. and others (1990): *Korea Old and New: Authoritarianism and Protest, 1948-1990*, Seoul: Published for the Korea Institute, Harvard Univ. by Ilchokak, p.375.

⁹ John Feffer (2003): *North Korea, South Korea: U.S. Policy at a Time of Crisis*, N.Y., Seven stories Press, p.45.



his last year in office by corruption scandals implicating his sons, his low-profile handling of North Korea and the payoff allegations involving Hyundai and the North for the inter Korean summit in June 2000.

In fact, since the inter-Korean summit, public debate over the administration's "Sunshine" policy toward the North has divided South Koreans along political, ideological, and regional lines. In other words, although Kim Dae-jung has succeeded to bring the South and the North in relations, he failed to build solid support for his engagement policy from his own people. He left a society divided, above all by generations. The old remain still very suspicious of North Korea, while many of the young who have not experienced the war see naively North Koreans as brothers viewing the U.S. as the source of stirring tension and obscuring the unification. The young and nationalists demand lesser U.S.-South Korean military ties and closer relations with the North. They also require more national pride in dealing with U.S. because they see the U.S. influence on Korean Peninsula as unjust and unfair. Against these back drops, it is not difficult to anticipate a political battle between the left and right and a generational battle in the coming administration.

The current president of South Korea, Roh Moo-hyun, a radical left-wing, self educated lawyer and pro-unification reformer backed by 62 percent of the under-30 crowds in the election represents shifting values and habits.

As he promised in the election campaign, Roh initially tried to bring balance in an increasingly polarized society and transparency to Korea's complicated and dubious economic system¹⁰ and greater participation of the citizen in the political sphere. However, those inherited and already existing problems make it hard for the present administration to accomplish its objectives.

First of all, when it comes to economic reform, President Roh, during the electoral campaign pledged both reform of the Chaebol-dominated economic system and 7% economic growth. However, the two goals reveal incompatible to achieve. It is because if vigorous economic growth is desired, the government needs to sustain the big business corporate management and the accounting practice it plans to reform.

As a second step, in its initial reform program, the administration took action against stock-price manipulation cases and false public disclosures by the powerful family-run chaebols in order to protect minority shareholders' rights. Also, the government stated a new taxation system that will impose taxes on inheritance and gifts. The reform is necessary because the current law has failed to prevent the illegal transfer of wealth from chaebol leaders to their children.¹¹

Nevertheless, with the economy weak and the emboldened militant labor-unionists who have launched several critical strikes for the nation's economy, the Roh administration has only pursued half way through to its pledge.¹² In addition, the new government has difficulty to pass its reform program in the parliament because the conservative opposition party controls

¹⁰ Many Korean scholars conclude that Korea's development strategy, with its emphasis on a handful of corporate empires controlled by individual families, "chaebols" ensured an unhealthy concentration of wealth, gave these wealthy few undue influence over government policy, and contributed to the structural weaknesses that made South Korea susceptible to the 1997 regional economic crisis. Attributed by David Scofield, "World Press Review-South Korea-Roh." *The Stanley Foundation*, Nov. 6, 2003, Seoul.

¹¹ The present law imposes taxes on only fourteen specified types of inheritance and gifts. See Hoon Jaung, "President Roh Moo-hyun and the New Politics of South Korea," February 2003, *Asia Society*, p.10-11.

¹² "South Korea, Roh goes it alone", *The Economist*, Oct. 4, 2003, p.42.



the majority in the National Assembly. As most reform measures require new legislation, it is a difficult task for the government to pass new reforms.¹³

Second, in question of external policy, Roh faces a complex and difficult future in trying to steer between U.S. demands and domestic expectations. For instance, despite overwhelming public opposition, including its own political base, the administration has to strongly support Bush's war in Iraq. Those internal political and ideological divisions surfaced in a National Assembly debate on a resolution authorizing the dispatch of engineering and medical troops to Iraq. The vote was 179 in favor of the dispatch and 68 against, with 9 abstentions.¹⁴

Particularly noteworthy was that almost half of the legislators of the governing MDP (Milenium Democratic Party) who were present voted against the resolution, despite a personal appeal from Roh. The president had to rely for most of his support on the conservative opposition Grand National Party, which strongly supported the measure.

The internal political conflict in the ruling MDP is not new.¹⁵ Much of the MDP's establishment, including members who were loyal to the outgoing president, Kim Dae Jung, refused to back Mr. Roh, and tried to undermine the party's support for him before the presidential election in December. Mr. Roh's supporters never forgot this. Thus, members of the pro-Roh who are backing many of the political reforms have decided to split up.

Then, thirty-eight pro-Roh members of the National Assembly have bolted from the MDP and have formed a new party, called Uri (means "our party") and the president himself responded on September 29, by leaving the party as well, but without joining the new group yet.¹⁶ Roh has said for some time that he will eventually join the party, formalizing the unofficial ties he has with it. The Uri Party is expecting the time before the parliament election on April 15.

With the internal political struggle, president Roh also faces pressures from civic groups with explosive enthusiasm for political participation, especially the young generation, well use to the modern information systems. However, South Korea's political institutions, like its political parties, have a limited capacity for accommodating the rapidly increasing demand for participation.

Apart from these problems, Roh faces a war with the press. The problem was initiated by the previous administration when Kim Dae Jung's achievement of the inter-Korean progress became target of criticism by the opposition and conservative newspapers such as Dong-A, Chung-ang, and Chosun.¹⁷

In the face of the opposition, his policies toward North Korea have put him on the defensive and he adopted an authoritarian mood. Many expected Kim to accept the cry for political reform, but surprisingly, he did not. President Kim opted for strong hand, charging the press with tax irregularities. As a result, the confrontation with the press became

¹³ "Roh Casts the die", *The Economist*, Oct 18, 2003, p.40.

¹⁴ Haksoon Paik: "Steering Between Red Lines: A south Korean View," *Arms Control Today*, May 2002. cited from Plenary Session of the 238th National Assembly of R.O.K. April 2, 2003. South Korea later decided to send additional 3000 troops to Iraq.

¹⁵ "Hegemony War in MDP victimizing South Korean Citizens" *The Dong-A Ilbo*, July 27, 2003.

¹⁶ "Roh to join Uri Party Just Before April Polls.," *The Korea Times*, January 6, 2004.

¹⁷ They attacked the Kim's low profile handling of North Korea on the grounds that its engagement policy lacked principles for reciprocity, transparency, and verification. Also, they called on to overhaul and depoliticize his engagement policy with North Korea in his favor. See Byung-Hoon Suh: "Kim Dae-Jung's Engagement Policy and the South-South Conflict in South Korea: Implications for U.S. Policy," *Asia Society*, Summer 2001, p.8-10. See also, Norman Levin and Yong-sup Han (2002): *Sunshine in Korea*, Arlington VA, Rand, p.71-75.



inevitable: the three newspapers mentioned above adopted an anti government line while the “Hankyoreh Shinmun” stayed pro government paper and “Hankook Ilbo” remained neutral. Due to this sharp division of the newspapers, the public opinion became increasingly polarized regarding the “engagement policy” with North Korea.

Consequently, as President Roh follows the “Sunshine” and “engagement” policy of President Kim, the three major newspapers continue to criticize the present government. Roh’s decreasing popularity, which has plunged at the beginning of his presidency from over 80% to below 30%, is due in large part to the critical local media.¹⁸

There are several external constraints for the Roh administration in dealing with the North Korean issue. As long as the deep rooted mistrust between the U.S. and DPRK continues, dealing with the North Korean program becomes even more complicated and slow in progress.¹⁹ The biggest foreign-policy challenge facing Roh is how to resolve the North Korea’s nuclear threats and Bush’s firm response concerning the North. Mr. Roh has tried to accommodate both sides: Roh asks Bush to take a softer line toward the North while he wants to re-establish dialogue and rejoin a further step toward inter Korean relations. However, the Iraq question made all the problems more complicated.

Before sending 675 military engineers and medical personnel to Iraq, against Korean public opinion protests, Roh has explicitly linked the two issues, saying that he wants to see more progress on North Korea talks with the U.S. before agreeing to send troops to Iraq. Talks between the North and the U.S. did not progress much. The North Korean regime on the other hand threatens Roh’s administration saying that it will become even more uncooperative if South Korea sends troops to Iraq leaving the future inter Korean talks obscure.²⁰

Looking ahead, in the short run North-South relations will remain hostage to the nuclear issue and thus to the U.S.-DPRK relationship. In other words, despite Roh’s best intentions and continuing engagement policy with the North, for the time being inter-Korean ties look grim and look set to be a dependent variable beyond Seoul’s control whose outcome is impossible to predict.²¹ It is so even with the seemingly comprehensive attitude of the North allowing the unofficial U.S. nuclear technicians to the polemical nuclear site of Yongbyon on January 2004.

Now serving in a very hard situation both internally and externally, Roh called for a national referendum in last October. His intention was to purge the corruption from the political scene and to pursue political reforms.²² He said that if he loses the referendum, he will resign on or around February 15th, so that a fresh presidential vote can be held at the same time as parliamentary elections, already scheduled for April 15th. If, on the other hand, he wins public support, he promises to overhaul the cabinet and the presidential office in order to start anew with a fresh public mandate.

The nation’s largest opposition party, the GNP, says Mr. Roh is simply trying to cover up the corruption scandal of his close aides. The party had initially welcomed the call for a vote

¹⁸ “Roh casts the die”, *The Economist*, October 18th 2003, p.40.

¹⁹ *Arms Control Today*, op., cit. P.7.

²⁰ “Japan, South Korea and Iraq: Helping hands,” *The Economist*, October 11th, 2003, p.44.

²¹ Aidan Foster-Carter: “North Korea-South Korea Relations: A Bumpy Road Ahead?” *Pacific Forum CSIS*, 1st Quarter 2003, p.6

²² In Korea there is a strong tie between the chaebols and the politicians. Just before the call for the referendum several close aides of Roh were prosecuted for receiving illegal financial aid from chaebols. See Yahoo! News, <http://www.csis.org/pacfor/pac0306.htm> “South Korea Upholds Officials’ Convictions,” Nov. 29, 2003, p.1-2. See also, Yahoo! News, “Roh Backer in Counter-Fast Over South Korean Crisis,” Nov.27, 2003, p.1-3.



but had a change of heart when half a dozen polls conducted showed that a majority of voters plan to stand behind the president.

The rival political parties have joined the criticism to block Mr. Roh from launching the national referendum, saying that the ruling camp is trying to employ blackmail tactics. There are legal complications as well. Experts disagree over whether the South Korean Constitution-which states that the president may call a referendum only over significant matters of national interest, such as diplomacy, security and unification-allows a vote of confidence on the presidency. The president, however, argues that the term "significant" should be interpreted pretty broadly.

In the face of difficulty to hold a referendum, where Roh tries to put most of his effort now is in wining public confidence through the general election on April. If the same strategy of presidential election campaign works again, Roh, with irresistible grass-roots support, could throw his backing to Uri, allowing it to win a majority in the elections. Roh could then pass new, controversial legislation. If the contrary happens, president Roh will have even harder time to govern with the nation divided and the path ahead unclear.