



Korea's Conservatives Strike Back

An Uncertain Revolution in Seoul

By Sung Ho Kim

The landslide election of Lee Myung-bak as South Korea's new president represented a dramatic return to power of the conservative Grand National Party. It was the largest election victory in the country's democratic era. Political scientist Sung Ho Kim examines what it heralds for the future, and finds a discomfoting degree of uncertainty.

LEE MYUNG-BAK'S LANDSLIDE victory in the December 2007 presidential election was a political revolution by local standards. Korea's "democracy after democratization" that started with direct presidential elections in 1987, has been too often seized by fragile stalemates between the right and the left over issues that range from raising the real estate tax to sending troops to Iraq. As a result, close calls have been the norm in presidential elections. In 1997, Kim Dae-jung won by less than 400,000 votes; 2002 ushered in Roh Moo-hyun by a margin of 570,000 votes.

The 2007 outcome was altogether different. Lee's 37 million votes gave him the largest victory — 5.3 million votes — in the democratic era. It also marked a stunning comeback for the conservative Grand National Party (GNP), which spent the last decade in opposition. Especially after successive defeats in the 2002 presidential and 2004 parliamentary elections, the party had been on the verge of political collapse. Seen from this perspective, Lee's break-through was a minor political revolution indeed. The next question is: Where is this revolution heading? Nobody seems to have a clear answer, not even the new president himself.

As indicated by Lee's roughly 50 percent approval rating in public opinion polls just prior to taking office — the lowest for any Korean president at the time of inauguration — an air of uncertainty prevails in Seoul. This is in part because Lee's victory had more to do with the self-destruction of his progressive opponents than with his own past record and vision of the future. In point of fact, Lee's success as a candidate cannot be accounted for without Roh's dismal failure as a president and, by extension, the shortcomings of the progressive forces that have been driving the country since 1997.

Of course, many of the charges that local conservative pundits have hurled at the Progressive

Decade, or the “Lost Decade” as they prefer to call it, are unfounded. For one, the economy during the past five years has not been in the disarray that many voters were led to believe. The average growth rate of 4.3 percent and unemployment rate of 3.6 percent were more than respectable figures for an economy of Korea’s size and maturity. For another, it is unfair to blame the North Korean nuclear mayhem squarely on the Roh government, especially given Pyongyang’s reckless brinkmanship and the inconsistency of Washington’s reaction to it. On the contrary, the hitherto rewarding six-party framework, currently in place to cope with North Korea, should be credited in large measure to the Roh government’s initiative and perseverance.

Be that as it may, there can be no denying that Roh’s failure, whether real or perceived, was the most decisive factor for Korean voters in 2007. The Roh government’s seemingly incongruous policy flip-flops, such as the Korea-US Free Trade Agreement, only worsened his lot by alienating his progressive supporters without winning over conservative detractors. Against this mounting discontent across the board, Lee was perceived to be the candidate most unlike the president he would succeed.

Indeed, their professional background can hardly be more different. To the extent that Roh’s career as a human rights lawyer and elected official was intertwined with democratization since 1987, Lee’s extensive background in business closely overlaps the rapid industrialization of the time that preceded 1987. His long and illustrious career as a construction industry executive cannot be separated from the success story of the Hyundai Group, one of the three biggest *chaebols* that spearheaded and benefited most from Korea’s “miracle on the Han river.” Coupled with his humble origins as a poor boy made good, Lee’s spectacular rise within the corporate hierarchy turned him into something of a legend among salary men and even an icon of the “Korean dream” for many. It also gave him a popular reputation for bringing the business mindset to politics and government, an image that was reinforced during his four-year term as mayor of Seoul. Among vot-

ers who have grown weary of day-to-day politics, Lee’s brief interlude in public service and electoral politics was taken as a strength rather than a weakness. As much as Roh was perceived to be politically, even ideologically, driven, Lee was seen as averse to politics, *per se*. In that sense, he represents a new trend in Korean politics — that is, depoliticization.

THE ECONOMIC AGENDA

The new president’s entrenched mistrust of politics lurks behind his slogans, “creative pragmatism” and “harmonious liberalism,” two principles that underpin his so-called pragmatic government. According to this rhetoric, politics and government are counter-productive elements that undermine Korea’s economic performance. Factional interests dominate electoral politics, whether regional or class-based, too often fuelled by pointless and endless ideological debates. Adroitly exploiting the interest- and value-politics that are deeply fragmenting the society, the central government bureaucracy has further strengthened its already formidable grip on macroeconomic management, leaving the market unable to grow to its full potential because it is hamstrung by various industrial and financial regulations. Under the circumstances, Lee’s logic goes, Korea’s economy should be unshackled from political meddling and bureaucratic intervention through swift political reform and radical government restructuring. The entire public sector, in short, should be shaken up in order to make it possible for Korea to again enter a period of rapid economic growth. This anti-political, or rather anti-public, pragmatism is not different in essence from the main staple of all conservative reform agendas, at least since the Thatcher-Reagan era.

This agenda has a ring of timely urgency in Korea, and the voters were not entirely mistaken when they warmly embraced it in 2007. Economically, Korea’s export-oriented industry is increasingly challenged by China’s cheap labor, while it still lags behind Japan’s high-tech industry. Foreign investment has slowed down, causing much apprehension for Korea’s still-

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immature financial market. The percentage of households living in *absolute* poverty, which skyrocketed to the low teens during the financial crisis, has yet to come down to pre-1997 levels. To a considerable extent, these economic woes have to do with divisive politics and bureaucratic ineptitude, which can be seen in the steadily widening socioeconomic polarization and a rigid labor market jealously guarded by militant unions. It is no wonder that the Korean public has formed a consensus that its economic future will be heavily mortgaged by the political reform and social stability that the Lee government promises.

FOREIGN POLICY

The “MB Doctrine” (as Lee’s foreign policy is called locally) seems also motivated by ensuring a more predictable business environment for both domestic actors and foreign investors. To this end, Lee’s program stresses a three-pronged policy — that is, containing the North Korean problem, restoring traditional ties with the US (and Japan), and engaging in a proactive “resource diplomacy” on the world stage.

First, containment vis-à-vis Pyongyang is meant to stabilize the ongoing nuclear crisis that broke out again in 2006. Compared to the strategic ambiguity of Roh’s engagement policy, the MB

Doctrine puts a clear emphasis on the complete dismantling of the North’s nuclear capabilities as a precondition for further concessions to the North’s political and economic demands. It also pledges to change the course of the “Sunshine Policy,” a staple of Seoul’s liberal appeasement of Pyongyang since the Kim Dae-jung era, by using economic and humanitarian aid as leverage for changing the North’s behavior. Second, a restoration policy vis-à-vis Washington (and Tokyo) is seen as the main tool by which to redirect Seoul’s North Korea policy. This move will likely entail not only closer cooperation with the US and Japan in the East Asian context, but also a more active contribution to the US-led global security regime. Third, a kind of active engagement policy vis-à-vis the developing world, including Russia and the former Soviet republics, is the newest part of the MB Doctrine, in which securing natural resources especially in the Middle East, Central Asia, and Africa is an urgent task. This accounts in part for the new president’s commitment to expand Korea’s contribution to the UN and other world organizations.

All in all, there is an unmistakable sense that the new foreign policy seeks to undo the changes of the past ten years, reverting to a more traditional platform for Korea’s diplomacy — that is, a tense relationship with North Korea, a triangulated alliance with the US and Japan, and profit-seeking in the third world. To the extent that this policy feels familiar, it might comfort foreign and domestic investors and be conducive to a more predictable business environment.

As such, however, Lee’s foreign policy vision promises both too little *and* too much. It promises too much because so much has changed in the foreign policy environment in recent years that going back to the Cold-War-era formula is all but impossible. At the same time, it offers too little by way of explaining how this neo-traditional platform will work in a completely new international environment. For instance, containing Pyongyang might be achieved within the regional alliance framework, but securing resources in Russia or the Middle East might be adversely affected if the burden of the alliance reaches be-

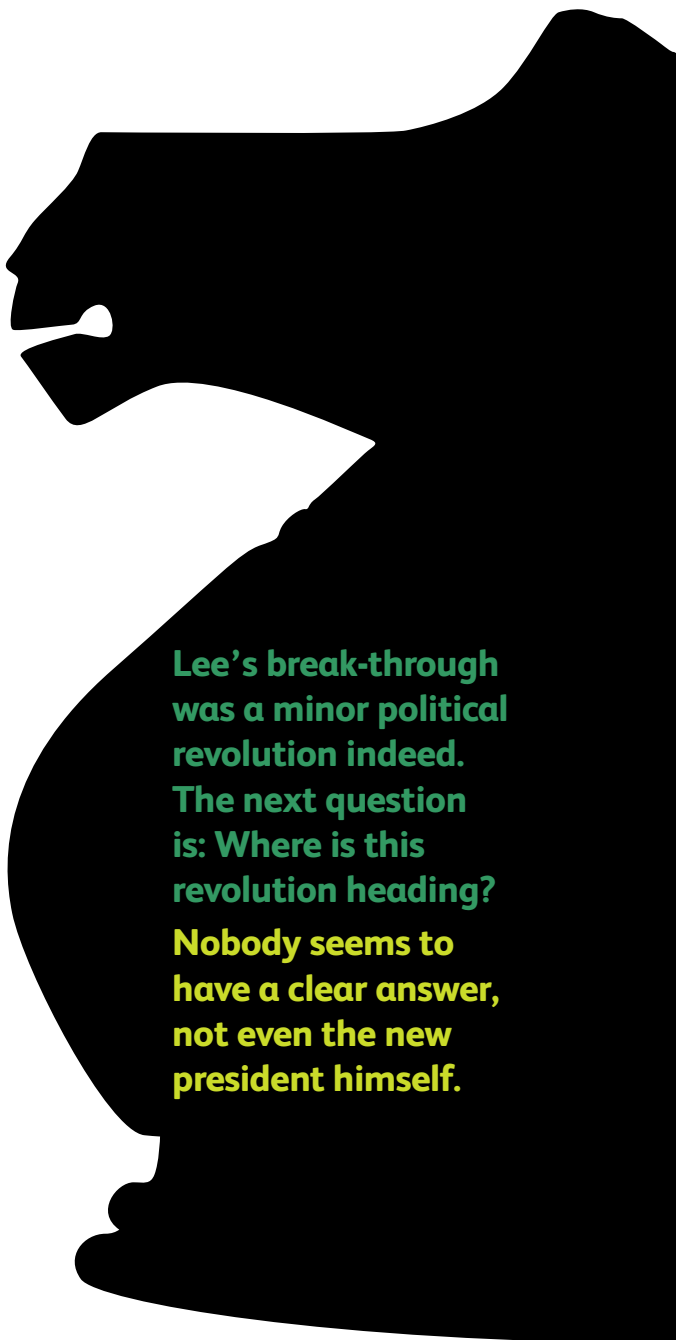
yond the confines of East Asia. In other words, the MB Doctrine is in need of a more coherent foreign policy vision based on an earnest confrontation with the changes of the past decade and a forward-looking, even bold, imagining of Korea's place in the emerging global order.

BACKWARD VISION

Vision is a problem not only in foreign policy; it is no less wanting in the one area in which the new president has the greatest confidence — the economy. As the “economy president,” Lee marketed himself during the campaign with a promise of 7 percent annual growth and a per capita income of \$40,000 (currently \$20,000) as the policy goals that define “MB-nomics.” This ambitious goal is to be achieved mostly via government restructuring and market deregulation, which will jump-start Korea's growth engine. In short, MB-nomics promises the return of the rapid-growth economy, or a “new developmentalism,” while doing away with the paternalistic guidance of the state that made it possible a generation before.

Speaking of the growth rate alone, however, many economists agree that the growth potential per annum cannot exceed five to six percent at the present stage of the economy's maturity. According to this assessment, short-term growth at the suggested level is possible but not before introducing inflation-inducing policies that will be harmful to Korea's long-term growth prospects. It is precisely the temptation to introduce those kind of policies that will test the true character of MB-nomics. Throw in the current instability in global financial markets and the foreseeable pressure to lower interest rates, and we seem to have just the right formula for resorting to reflationary measures that might create a tricky bubble effect in the market.

In point of fact, Lee's campaign has already made a seemingly unflinching commitment to a gigantic construction project — the proposal to build an inland canal bisecting the peninsular from south to north and linking the biggest commercial seaport of Busan to Seoul. It is not too difficult to imagine a short-term growth spurt as a result of the nation-wide craze for land-develop-



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ment that this project will generate, regardless of its long-term viability or environmental impact.

Another temptation might come from a hasty privatization of Korea's arguably inefficient regime of public enterprises that run the gamut from railways and utilities management to tobacco and ginseng sales. Lower interest rates would certainly aid big corporations, including both domestic *chaebols* and foreign investors, wanting to devour these targets as the domestic market will likely see some boost effect despite the slowing-down of the world economy. After



One might suspect an ulterior motive behind Lee holding fast to the canal project despite widespread skepticism. It makes more sense as a *political* project, according to this suspicion, since it will give Lee a chance to build up his own constituency, composed mostly of land-development interests in the local provinces. Whether this conspiracy theory has a basis in fact is a moot point; however, what is more noteworthy is in what it does *not* say. That is, that the new president belongs to a makeshift minority within the conservative political establishment, thus in need of his own power base.

LEE'S SHAKY BASE

The new president's own regional background notwithstanding, Gyeongsang Province, the traditional bastion of Korea's political conservatism, can hardly be called Lee's backyard. Park Geun-hye, the late President Park Chung-hee's daughter and bitter Lee opponent during the Grand National Party primary, seems to have a much larger following there. Still bleeding from her very close primary loss, Park and her considerable entourage within the GNP seem poised to wage political battle against the new president at the slightest provocation. Ideologically, too, Lee's so-called "New Right" platform can be outflanked by the "Old Right" represented by conservative warhorse Lee Hoi-chang, who ran for president as an independent conservative in 2007, harvesting a respectable 15% of the final tally. Having also run for president as the GNP candidate in 1997 and 2002, he is known to have some lingering influence within the party that will only increase if and when the new president's wheel of political fortune turns. For its part, the GNP seems to have embraced Lee for a largely pragmatic, rather than principled, reason; he was simply the most likely candidate to take back the presidential office after ten years.

In short, the new president has a less than firm footing both within his own party and in the larger conservative establishment. Under the circumstances, he is hard-pressed to expand his own power base, which will require imaginative political engineering that might have to go

all, Dubai and Singapore, where construction work and extensive privatization have allegedly been the main impetus to recent growth, are the two most frequently mentioned models for the Korean economy's future. But Korean society is simply too big, populous and multilayered to permit such myopic benchmarking. Here too, MB-nomics is promising too little (by comparing Korea to a handful of maritime city-states) and too much (by suggesting overly ambitious goals). What is lacking is a more imaginative and realistic vision for Korea's economic future.

beyond traditional conservative politics, possibly ushering in a period of fundamental political realignment as a by-product. The canal project might contribute to the expansion of the new political constituency that the president needs. But it will not be enough.

In the post-1987 terrain of Korean democracy, any talk of political realignment and reform has to address three tectonic plates — region, class, and nation. At least since the early 1970's, Korean politics has revolved around the bitter rivalry between the conservative Gyeongsang and comparatively liberal Jolla regions. Politically outnumbered and socio-economically underdeveloped, the latter was always in the opposition until its favorite son Kim Dae-jung captured the Blue House in 1997. Despite initial efforts to go beyond regional polarities, even Roh Moo-hyun had to rely on regional political support from the Jolla provinces. The conservative-liberal or right-left fault lines in Korean politics more or less overlap with this regional cleavage.

In addition to regional differences, the ideological divide involves very different approaches to social justice and national unification. The conservative camp tends to advocate a hard-line, more confrontational approach to Pyongyang, while promising rapid economic growth as the ultimate solution to the twin problems of relative poverty and class inequality. In stark contrast, the liberal camp pushes more active social welfare policies, while adopting a soft approach — the “Sunshine policy” — toward the national unification issue. This ideological impasse is set in place by interlocking with the traditional regional rivalry. A genuine political revolution would have to find a way to shake up and realign these tectonic plates that have undergirded Korean politics since 1987.

NOT A NEW ERA YET

Except for a deep aversion to politics as usual, however, the new president does not seem to have a clear understanding of what it takes to reform domestic politics, nor does he have an articulate vision and coherent strategy. Turning a mostly blind eye to the three intractable tectonic



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plates, the Lee government believes a strong economy will magically cause any problems that may ensue to vanish. Thus, for instance, a concentrated investment in infrastructure is expected to alleviate the still pervasive sense of political alienation in the Jolla provinces, as economic growth would produce a “larger pie” in which even the growing number of underprivileged class can partake. The vision of \$40,000 per capita income might have won the presidential office, but Pyongyang will not be so easily swayed by the lure of the \$3,000 per capita income that his campaign also promised in return for complying with Seoul’s future demands. Granted that

politics is not a solution but a problem in Korea, reform will not be achieved with a simplistic aversion to politics.

In some quarters, much euphoria has followed the election of the new president. A new “2008 Regime” has arrived that will go beyond the authoritarian “1962 Regime” of Park Chung-hee (during which time Korea’s rapid industrialization took off) and the “1987 Regime” (the present democratic age). The hope is for the best of all worlds in an almost dialectical synthesis. Unspoken in this wishful mindset is the expectation that, like the “1955 Regime” that still frames Japanese politics, Korean politics may also run along an essentially conservative track from this point forward with a hegemonic conservative party perennially in the driver’s seat and progressive parties in the minority as loud but inconsequential detractors.

I doubt the wisdom of this epochal consciousness. The so-called one-point-five (instead of two) party politics in Japan was a product of the unique historical circumstances that could obtain only during times of economic super-growth and Cold War geopolitics. Neither of these conditions is available in present-day Korea.

In a similar vein, some fevered local observers have likened Lee’s leadership to that of former US President Franklin Delano Roosevelt. For, although having come from the establishment as Lee did, FDR inaugurated a historic New Deal regime that lasted for more than forty years. Like Lee, economic recovery was FDR’s primary goal, which was pursued without a preconceived ideology or entrenched policy stance. FDR represented the kind of pragmatic, even opportunistic, leadership that Lee is so proud of. This analogy holds more or less true, except on one crucial point — FDR was a consummate politician who loved politics and lived for it. The New Deal economic recovery was possible because of the New Deal political realignment that FDR so adroitly orchestrated and which profoundly changed the nature of regional and class politics of the time.

Such political skill is no less needed in Korea, where a pervasive ideological divide might be even more deeply entrenched than in the

Depression-era United States. Nonetheless, the supposed “2008 Regime” being hailed by some in Korea is neither blessed with the historical circumstances that gave birth to Japan’s “1955 Regime,” nor equipped with the kind of skillful *political* leadership that made the New Deal last as long as it did. Insofar as a blind aversion to politics continues, it will be a long time before the post-1987 Regime comes along.

Unleashing market forces alone would not, by itself, commence a new era in history. Korea’s new conservative government has not yet articulated a coherent vision across different policy areas, nor has Lee demonstrated a sophisticated political mind that can oversee this conservative turn in Korean politics. An ill-managed conservative administration might have to confront an invigorated progressive opposition in due course, which will likely be as fierce as the conservative one that shipwrecked the previous liberal government. Should it happen, the coming five years might seem like a repetition of the preceding five, except with the right on the receiving end of the anger this time. It seems unlikely that history will remember 2008 as having opened a new chapter in Korean politics.

So the air of uncertainty continues even after the new president was sworn in. In 2007, a minor political revolution took place in Korea. Now it is in power and nobody knows for sure where it is going. That includes, many fear, President Lee Myung-bak himself.

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