

FTA and South Korean Elections

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FTA and U.S.-ROK Alliance

There were some concerns that the opposition parties' recent letter to the American president regarding the Korea US free trade agreement (the KorUS FTA) might hurt the traditional Korea-U.S. ties. The letter signed by the leaders and 96 national lawmakers of the two main opposition parties advised President Obama that they would consider to terminate the KorUS FTA "when we gain power in December, if the two governments fail to re-negotiate to address their concerns."¹

The opposition members argued that the FTA contained provisions that "are directly in conflict with article 119 of the Constitution of the Republic of Korea, which obliges the state to intervene for economic democratization." They proposed renegotiation of 10 items in the FTA, including the three most controversial areas: the ISD (the investor state dispute settlement procedure), the auto safeguard provisions, and the tariff schedule for U.S. agricultural products such as oranges, beef, and pork, while providing their technical discussions and suggested solutions for each of the issues.

The opposition is particularly adamant against the ISD clause, which, they argue, "would restrict policy options available to our governments to promote the public interest and undermine the Korean government's ability to protect public services and promote public health, food safety, and environmental protection." President Lee has promised to revisit this controversial procedure as soon as the agreement goes into effect. However, the opposition members demand that their concerns should first be addressed before the effectuation of the FTA. Otherwise, they said in their letter that they would "exercise our legislative authority to prevent the current provisions of the deal from being implemented."

Perhaps, overconfidently or imprudently, the opposition conveyed its objection to the free trade agreement to Washington under a premature assumption that it would be in power for 2013. The letter was delivered to the U.S. Embassy by the opposition parties and it was cordial in form but its main message was like a bluffing that certainly must have received the attention of the addressees, including the U.S. vice president and the Speaker of the House of Representatives.

This episode shows two things: (1) The Lee administration failed to persuade the opposition as well as the public to support the FTA. It created a worse problem by railroading the unilateral passage of the FTA ratification bill. (2) The opposition may have been determined to oppose the FTA for political gains for elections, regardless of its theoretical merits. Any government-to-government negotiation requires a degree of secrecy. However, it is arguable that some critical issues should be made subject to open

¹ The opposition leaders' letter of February 8, 2012 to President Barak Obama

discussion to gain public support before a deal is made. Political or public opposition can also be used as leverage in negotiations between the countries involved.

On the other hand, this episode raises a question for Washington: Should the United States consider an exchange of views with the Korean opposition leaders regarding important bilateral issues of mutual interest? For example, when high-level American officials visit Seoul, they can also meet with the opposition leaders or at least send their representatives to do this. There are ample cases in which U.S. officials have consulted opposition leaders in the past. When the U.S. officials were dealing with the authoritarian governments in Seoul, they made intentional efforts to assure the opposition leaders that the United States was supporting Korean democratization, while explaining the limits and sensitivity of American influence in Korea's internal affairs.

President Lee denounced the opposition leaders' hand delivery of the letter to the American Embassy as "an incident that severely damaged the national prestige as we are not in the past era of dictatorship." Park Geun-hye who is now in charge of the ruling party said, "We cannot leave the country in the hands of those who promoted the FTA when they were in power and now say they oppose the agreement, insisting upon its abrogation."

The opposition retorted by insisting that the FTA agreement negotiated under the Roh administration in 2007 was more favorable to Korea than the current version is, quickly pointing out that the FTA was ratified unilaterally by the ruling party. With this exchange of arguments, the FTA has become an instant campaign issue for the coming elections, which will choose representatives to the National Assembly.

The history of the U.S.-ROK alliance shows that the security and economic interests of the two close allies did not always agree neatly. In fact, U.S. trade negotiators seldom considered the alliance factor when they negotiated a bilateral trade agreement with South Korea. Trade negotiation is all about economic interest of each party. When Senator Obama opposed the KorUS FTA largely on the ground of a disadvantageous auto deal, he was not seen by South Koreans as anti-alliance or anti-Korean.

Similarly, the opposition members are not instigating the rekindling of anti-American sentiments by rejecting the current version of agreement. However, they are more independent minded from U.S. policy and more conscious of their national sovereignty and the economic interest of their country. An actual balance sheet of the FTA for gains and losses will not be available until after a few years of implementation, long after the elections.

This gives plenty of room to debate the pros and cons of the FTA, because the average voters generally do not know how it would impact their lives, except for the farmers who will be affected negatively. It is possible for the conservative party to portray the progressive parties' opposition as "anti-American and pro-North Korean." The conservatives believe that only North Korea and its ally China would not like to see that the FTA would bring a closer economic and security relationship between Seoul and

Washington. Many proponents of the FTA overlook a contradictory linkage between economic and security interests in this troubled era of neo-liberalism. However, it is unlikely that the FTA issue would become a dominating issue for the coming campaigns.

Election Issues and North Korea

This year's key campaign issue will be the economy – a question of who can create more jobs for the young people, control prices, provide affordable housing, and bring about a better economic wellbeing in general. Corporate reform is seen as necessary by both major competing parties, as a means to increase the shared benefits of growth and reverse the trends of polarization. Any welfare programs that are not supported by sound revenue would do more harm than good in the end.

Other issues include the ridiculous expenses of extra curriculum study to prepare for college entrance in a society where schools determine jobs that in turn determine life; equal treatment for temporary workers; and social fairness where the majority people think the system is not fair to them. Debate on the economy will focus on how to redistribute the benefits of growth, rather than growth itself, which Lee Myung-bak had run on four years ago. People no longer support the trickle effect of growth that they do not believe make a difference to their economic wellbeing.

Despite the controversy over the Lee administration's dismal record with its policy on the North, the issues of inter-Korean relations, denuclearization or the ROK-U.S. alliance, as important as they are, would unlikely become a pivotal campaign issue, unless an unexpected and unlikely, serious security crisis develops on the peninsula. However, the opposition Democratic United Party (DUP) would keep attacking the Lee administration's failure to improve relations with the North, even if the issue may not be the primary concern of the voters.

One of the reasons that the North Koreans are not responding to repeated calls by the South for official inter-Korean dialogue may not surprisingly be that the Lee government has lost the support of its own ruling party and the people. They may not wish to give any credit to the Lee administration through some cooperation. The top priority of the North is to solidify the infant leadership of Kim Jong-Un, while working on the economy. The North Koreans seem to have given up on working with the South, partly out of their bad feelings about President Lee and partly from their pragmatic assessment of the political situation of the South, which they would think is developing in favor of the advocates of engaging the North.

In the area of U.S.-DPRK relations, no dramatic breakthrough is expected to the resolution of the nuclear issue, even if the third bilateral meeting between Pyongyang and Washington may produce some progress in Beijing on February 23rd. Pyongyang is watching how the elections will play out in South Korea and the United States. The North Koreans, as well as the South Korean progressives have not been pleased with President Obama's performance on the North, yet they would prefer Obama's reelection rather than a Republican candidate's election, because they believe Obama would still be

better than Mitt Romney or another Republican to work with on the issue of the Korean peninsula.

The progressives argue that whoever wins the next presidency of the United States, his administration will have to respect and support a new South Korean administration's policy. Their rationale for this assessment includes two factors: (1) the constructive roles of the past liberal governments of South Korea in influencing U.S. decisions to move forward on the North Korean issue; and (2) the increased economic strength and the enhancing security roles of South Korea in an age of a delicate balance of influence and a growing military competition between the United States and China in the Northeast Asian region.

South Korean Election Politics

Recent polls favor the opposition DUP over the Se Nuri Party (SNP) (meaning "a new world" party). The SNP² is a new name for the ruling Grand National Party (GNP), whose public support dropped drastically because of the voters' discontent with the Lee administration and a series of unwelcomed scandals involving some members of the GNP and the administration.

The DUP gained wider support by combining the supporters of Kim Dae-jung and Roh Moo-hyun as well as labor and civil activists. In a phenomenal political event that brought in more than 600,000 voters, including those who voted by cell phone, the DUP elected Han Myung-sook as its chairwoman. She was a prime minister under the Roh Moo-hyun administration, and she was acquitted only a few months earlier from persistent bribery charges accused by the Lee government's prosecution.

After its defeat in last fall's Seoul mayoral election and the ensuing revelations of serious political scandals, the old GNP gave full authority to Park Geun-hye, a former GNP leader and a presidential candidate for the conservative camp, as the chairperson of an Emergency Measures Committee to reform the beleaguered party, choose candidates for the elections and recover their competitiveness.

The scandals included vote buying in the party chairman's selection of 2008 and computer attacks on the official website of the Election Management Office during the mayoral election for Seoul. These charges involved former GNP members and their assistants, including the speaker of the National Assembly, Park Hee-tae, and the presidential secretary for political affairs, Kim Hyo-je. Both men resigned while the cases were being investigated by the prosecutor office.

The two major parties are now in the process of selecting candidates for the general elections. The DUP is yet to negotiate unified candidacies with the United Progressive Party (UPP) to increase its chance for a greater victory. The SNP is deliberately disassociating itself from President Lee, who has become its electoral liability, its chairwoman Park said she "does not want to differentiate from the administration for the

² This is not an official acronym of the Senuri Party, and it used for convenience in this paper.

sake of differentiation.” Yet, in the SNP’s screening of the candidates, associations with President Lee are not looked upon favorably.

Many politicians and pundits share the view the general elections would determine the outcome of the presidential election in December. Park Geun-hye said the SNP would dissociate from and rise above the mistakes of its past. She hopes “candidates who are ready to work for the country’s future would be chosen, instead of those who fight over the past.” The SNP focuses on new policy platforms rejecting some of the Lee administrations policies. President Lee has become a complete lame duck, whom no ruling party member seems willing to protect. If the opposition gains the control of the National Assembly in April, the Lee administration would fall to a care-taker government for the remaining nine months, unable to initiate any new programs, until it turns the reigns over to the next administration.

These days the traditional conservatives especially those in their 60s and above are disturbed if not annoyed by the SNP’s platform that excludes the value of conservative ideology but advocates increased welfare programs, in competition with the opposition progressives to make a populist appeal for votes. Only two years ago, the conservative party criticized the progressive opposition party as “an irresponsible populist who seeks political interests, without thinking about the financial burden to the country.”

The opposition parties have developed a better networking with SNS (social network service) users of Twitter and Smart Phones to communicate with the younger generations in their 20s, 30s and 40s, who constitute more than 50% of all the eligible voters. The big three conservative newspaper organizations – Chosun, Joongang and Donga -- are now armed with television broadcast capabilities, which were made possible by the government’s communications policy of strengthening the conservative press to deny media access to progressive, leftist political challenges. However, they do not seem to be working very well to influence the voters to support the conservative ruling party.

Clearly, the voters do not want the continuation of President Lee’s same policy or his style of governance. Some maintain that the Lee administration did many good things, including a fast recovery from the 2008 financial crisis, albeit it only failed to communicate with the people and neglected the complaints of the people’s deteriorating wellbeing. Others believe that the Lee administration is “a total failure,” as charged by DUP leader Han. The decline of support for the Lee government, whose prosecutors are blamed by many progressives for the tragic suicide of former President Roh Moo-hyun, brought back Roh’s supporters who had disappeared as “a defeated group” after Lee won the presidency in 2007. In some electoral districts, candidates are waging a re-match between the legacies of Roh and Lee.

Capturing this opportunity, the progressive forces are committed to replace the regime and to promote “peace, democracy and welfare” under a progressive regime. Professor Emeritus Paik Nak-chung of Seoul National University, a leading progressive intellectual advocate, introduced the concept of “the 2013 regime.” By this concept, he insists that Korea must make “historic advances” through achieving a regime change and concluding

a peace agreement on the Korean peninsula, while addressing the domestic issues of elevating the level of democracy, resolving the problem of polarization and building an echo-friendly welfare model.

At this point, the chances for the SNP's success in the elections are slimmer than that for Obama's reelection. However, it is still premature to say which of the two competing parties will win a majority of seats in the next National Assembly, not to mention which party, or a third person with no party affiliation at least for now, might capture the next presidency. What's more, there is no certainty either that the party that wins in the general elections will also win in the presidential election, which will be held eight months afterwards.

Less than two months before the general election, it may be safe to say that the opposition would probably become the majority party, but only with a smaller margin over the second party than what the margin is in the current Assembly. If the SNP loses in the elections in April and December, it would probably be because of the perceived failures of the Lee administration, inasmuch as Lee Myung-bak's election to president in 2007 and the GNP's victory in the ensuing general election were attributed to the perceived failures of Roh Moo-hyun.

Granted that legislative support is critical to a successful presidency, people do not always vote for the efficiency or effectiveness of the government. People vote for the candidates they like and for what they think will be good to them. It is easier to vote against what they don't like than for what they like. Intentionally or unintentionally, the people often create a divided government. Will there be another divided government for 2013?

A New Era of Hope for a Better Life in Peace

Whichever party becomes the majority party and whoever is elected the next president, South Korea will inherit the legacies of the Lee administration that will end in February 2013. Nevertheless, they will be much better prepared than their predecessors were to deal with a range of daunting tasks including a fair and sustainable welfare program, a continuing transformation of the political system, an improved level of social justice, and a more constructive policy on North Korea. They will benefit from an assessment of the successes and failures of the previous administrations. What worked well during a past administration should be studied for further development and application. What did not work in the past can be put on the shelf.

In a presidential system with two major parties, like Korea and the United States have, a new incoming administration may be tempted to discard or reverse its immediate predecessor's policies. This happened to North Korea policy, for example, when George W. Bush succeeded Bill Clinton in Washington and when Lee Myung-bak replaced Roh Moo-hyun. The reversals of the North Korea policies brought about more tension and less security, and an increased demand of more investment in the military, at a time when

more of the scarce resources should be allocated for improvement of the livelihood of the people.

The next administration will have to define its international role and opt for a delicate balance in the rapidly changing security and economic environment. Any constructive adjustment to the ROK-U.S. alliance is contingent upon the restoration of trust and cooperation between Seoul and Pyongyang and a fundamental change in the policy of the North Korean leadership. As long as South Korea pursues peaceful unification, it will have to work with North Korea, as well as the United States and China. Smart and diligent, the Korean people can achieve further prosperity and more freedom and peace, if they elect the right leader in December 2013.