

## South Korea's presidential election Potential for a new EU role in the Korean Peninsula

### SUMMARY

South Korea has been shaken by a succession of corruption scandals involving politicians, judges, senior officials, businessmen and even academics. Impeachment of the country's first female president, the conservative Park Guen-hye, was confirmed by the Constitutional Court, and snap Presidential elections take place on 9 May 2017.

Moon Jae-in, a liberal politician and a leading Minjoo (Democratic Party) personality, leads the polls and is the prospective next President of South Korea. Whoever will run the country is expected to launch an era of political and constitutional reform, as well as reducing the power of the *chaebol*, business conglomerates which enjoy outsize influence and impunity. Moon and the Minjoo are critical of deployment of the US-developed anti-missile shield, Terminal High-Altitude Area Defense (THAAD). A new direction to relations with North Korea is also expected, with a shift from military deterrence to an engagement attitude.

This new course could favour stability in the region, paving the way for a new role for the European Union, which could offer its experience in dialogue and integration to engage in a possible future denuclearisation of the Korean Peninsula.



### In this briefing:

- Background: from scandal to elections
- Outlook for South Korean politics, business and foreign relations
- Upgrading the EU role in the region

## Background: from scandal to elections

### A shaken political and business environment

From autumn 2015 to early 2017, South Korea was shaken by a succession of [corruption scandals](#), involving politicians, judges, senior officials, businessmen and academics. The country's first female president, Park Guen-hye, accused of sharing national secrets with her confidant Choi Soon-sil, daughter of Park's late mentor, who has no official government position, was arrested on 31 October 2016. The charge against the President was for conspiring to force large financial donations from major companies to two foundations set up by Choi. At the end of November 2016, hundreds of thousands of Koreans [demonstrated](#) against Park – whose approval rate had already fallen below 5% – demanding her resignation. Park's image, already handicapped by her uncommunicative style, was previously weakened by the 2014 MV Sewol ferry tragedy<sup>1</sup> and by her failure to return Korea's economy to a long-term upward trend, despite a [package](#) of stimulus measures in early 2016.

Meanwhile, another political scandal broke: the Ministry of Culture set up a '[blacklist](#)' of more than 9 000 artists excluded from receiving public funding. Consequently, on 21 January 2017, Cho Yoon-Sun became the first sitting minister to be arrested. The scandal did not spare the business world: Lee Jae-yong, Vice-President of Samsung – heir and de facto boss of one of the biggest electronics companies in the world, allegedly controlling one third of the country's economy – was [arrested](#) on 17 February 2017 and later [indicted](#) on charges of bribery, embezzlement and hiding assets overseas. Prosecutors claim Samsung paid KRW43 billion (€35.7 million) bribes to the two foundations set up by Choi, in return for political support for a merger of two of its affiliates.

Map – Central eastern Asia



Source: EPRS.

### The impeachment

On 9 December 2016, the Kuk Hoe (National Assembly) adopted an [impeachment motion](#) against President Park by a majority of 234 to 56 votes. Following the vote, the Constitutional Court was charged with reviewing the impeachment resolution, and given six months to confirm or to reject it. Park denied all 13 charges against her and indicated that she would not accept the court ruling, while her supporters staged violent protests. The Constitutional Court's eight judges unanimously upheld Park's impeachment on 10 March 2017 – in a move unprecedented in South Korean history. Presidential elections had then to be held within 60 days. Despite Park supporters' violent protests, [86 %](#) of the population supported Park's removal. Prime Minister Hwang Kyo-ahn became acting President, and on 31 March 2017, former President Park was [arrested](#).

### An election with a clear favourite

Korea's presidential elections will take place on 9 May 2017, with a single round system on a first-past-the-post basis. The President – elected for a single five-year term – has the power to appoint the Prime Minister, with the consent of the unicameral 300-seat Kuk Hoe. [Moon Jae-in](#), a liberal former human rights lawyer and previously leader of the dominant political force, the Democratic Party ([the Minjoo](#)), currently in opposition, is

the favoured candidate in the presidential elections, leading the polls with [38 %](#) of voting intentions. Former UN Secretary-General, Ban Ki Moon, was running second, with [13.1 %](#), when he suddenly announced he would not run for the Presidency on 1 February 2017, as did acting-President Hwang Kyo-ahn on 15 March 2017. The conservative field has no strong candidate and Park's ruling party, renamed Liberty Party of Korea (formerly: Saenuri Party) on 13 February 2017 in the wake of the scandals, appears in disgrace.

Moon, who lost the 2012 presidential race to Park, is considered to take a milder approach towards North Korea. Moon has already declared that deployment of THAAD (see below) should be frozen until the next President is elected and should follow a [democratic process](#); and that the country should be able to say 'no' to its US ally when necessary. He also promised to tackle youth unemployment and create 1.3 million jobs.

## Outlook for South Korean politics, business and foreign relations

### National politics

The scandal and subsequent impeachment may push the Kuk Hoe to speed up long-stalled constitutional reforms that would dilute the power of the 'imperial presidency', named after the constitution of the Korean Sixth Republic of 1987. Some presidential powers should be devolved to the Prime Minister or to the National Assembly. [Analysts](#) argue in favour of [removing](#) some important bodies, such as the prosecution, tax service, antitrust and financial watchdogs, from the President's control.

### Economy and business

Many Koreans believe that the latest developments should bring an end to the era of *chaebol* (business conglomerates) enjoying [outsized influence](#) and impunity. The *chaebol* were considered the engines of the economy of a dynamic country, but public opinion today is not eager to forgive their excesses of power and profit, as Korea's economic growth is lagging behind. Presidency candidates have already vowed to end presidential [pardons](#) of *chaebol* chiefs, a common practice of suspending sentences for convicted executives in South Korea, which guarantees *de facto* immunity and maintains collusion between the executive and the business world. A new executive is expected to raise [corporate tax](#) (currently at 22 %), to finance welfare spending plans and to revive an economy that has [slowed](#) in recent years. Household debt is extraordinarily high, [household consumption](#) is decreasing, and youth unemployment ([10.4 %](#) in February 2017) has recently led to government measures to address the problems.

### Balance of powers in a precarious regional environment

After years of a hard-line stance towards North Korea, its leader Kim Jong-un's regime is more confrontational than ever. Acquisition of [nuclear and ballistic capacities](#) enables the country not only to threaten South Korea and Japan, but also to directly threaten United States territory. Meanwhile, the USA is speeding up the deployment of [THAAD](#), a US-developed anti-missile shield aimed at protecting itself and its regional allies from North Korean missile attacks, in order to present the future South Korean leadership with a *fait accompli*. However, Beijing considers that the THAAD system goes far beyond the required defence against North Korean aggression: analysts [suggest](#) that its X-band AN/TPY-2 radar unit could compromise the possibility of a Chinese second strike should conflict arise. China has not approved official sanctions against South Korea; however, it has begun to put [hostile initiatives](#) in place against Seoul's business interests.

Some of Minjoo's leading members have already demanded that THAAD deployment be approved by the Kuk Hoe. As to relations with North Korea, Seoul could now shift from

military deterrence to playing the [engagement](#) card with Pyongyang. This may include restoration of the [inter-Korea telephone hotline](#), the reopening of the [Kaesong Industrial Complex](#), and Seoul's new approach for dialogue with Pyongyang which could lead to bilateral summits and even to revival of the '[six-party talks](#)' interrupted in 2009. This new approach towards North Korea may cause some [friction](#) with South Korean ally the USA, however. United States President Donald Trump warned of the possibility that the USA will [act unilaterally](#) against North Korea. However, in case of a pre-emptive US strike, Pyongyang may retaliate against the South – Seoul is a mere 40 kilometres from the heavily militarised border.

### Upgrading the EU role in the region

The EU has a policy of '[critical engagement](#)' towards North Korea. The Union recognises the relevance of the region's stability and growth as vital to its own interests, and the need for denuclearisation of the Korean Peninsula since the 1990s, when the EU became a member of the Korean Peninsula Energy Development Organization ([KEDO](#)). The EU was not involved in the [six-party talks](#), however it has provided indirect support through [statements](#), including within the ASEAN Regional Forum framework. The EU participates as a [dialogue partner](#) in the Northeast Asia Peace and Cooperation Initiative ([NAPCI](#)), launched by former President Park in 2014 and aiming at building an infrastructure of trust between countries and promoting regional order based on cooperation.

The EU's 2016 [global strategy](#) underlines the connection between European prosperity and Asian security, and recommends deepening economic diplomacy and scaling-up the EU's security role in Asia. Analysts [argue](#) that the EU, with 26 of 28 Member States having diplomatic relations with North Korea, could contribute to breaking the diplomatic stalemate that prevents the international community from solving the issue of Pyongyang's continued development of nuclear and missile programmes. It is true that the EU is not within range of Pyongyang's ballistic missiles. However, should Seoul start a new era of relations with the North, this could pave the way for the Union, with its normative power approach to dealing with regional conflicts through dialogue and integration, to consider supporting this engagement, playing a role of mediator in the current situation of crisis.

### Endnote

<sup>1</sup> On 16 April 2014, a Hanjin Shipping ferry carrying 476 people, including 325 high school students, sank a few kilometres off the Korean coast, killing 304 passengers and crew. Some media reported [rumours](#) that, during the first [seven hours](#) following the tragedy, President Park's whereabouts were unknown.

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