

ASAN KOREA PERSPECTIVE

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Happy Lunar New Year!

- From the Staff of the Asan Korea Perspective

Presidential Election in South Korea

The President of the Constitutional Court (CC), Park Han-chul announced that the Court must make a ruling on President Park Geun-hye's impeachment before Mar 13.¹ CC President Park's term ends on Jan 31. He will relinquish his authority to Justice Lee Jungmi, whose term expires on Mar 13. If the Court affirms the impeachment vote, the presidential election should occur within 60 days and the newly elected president will assume his/her duty without a transition period.

Likely scenario²:

- **Early March:** CC rules in favor of impeachment (if the Court rules against impeachment, President Park resumes her presidency);
- **On the day of the Court's decision:** potential presidential nominees may begin to register;
- **50 days prior to the election:** Prime Minister Hwang Kyo-ahn picks the election date;
- **24 days prior to election:** presidential candidates register;
- **Late April/May:** presidential election.

Potential presidential nominees so far

Together Democratic Party	Moon Jae-in
	Lee Jae-myung ³
	Ahn Hee-jung ⁴
	Kim Boo-kyum
New Frontier Party (Saenuri)	Lee In-jae ⁵
	Hwang Kyo-ahn
Righteous Party	Yoo Seong-min ⁶
	Nam Kyung-pil ⁷
People's Party	Ahn Cheol-soo
	Chang Sung-min ⁸
Justice Party	Shim Sang-jung ⁹
	Kang Sangku ¹⁰
Unaffiliated	Ban Ki-moon
	Sohn Hak-kyu ¹¹
	Chung Un-chan ¹²

Together Democratic Party

On Jan 26, Seoul Mayor Park Won-soon (TDP) withdrew his candidacy for the Blue House.¹³ His absence narrows down the TDP field to Moon Jae-in, Lee Jae-myung, Ahn Hee-jung, and Kim Boo-kyum. Among them, Moon is widely considered to be the favorite.

New Frontier Party (Saenuri)

So far, only Lee In-jae has announced his candidacy for the Saenuri Party. This will mark the fourth time that Lee has placed his bid for the Blue House. Another name being circulated is the Prime Minister and current acting president Hwang Kyo-ahn. In a recent poll by Gallup Korea, PM Hwang garnered an approval rating of 5%, which was sixth among all presidential hopefuls.¹⁴ When asked about his rising popularity, he stated that "this was not the time to discuss such matters."¹⁵

How do you evaluate Prime Minister Hwang Kyo-ahn's performance as acting president?¹⁶

Performing well	36%
Not performing well	48%
Neither	5%
Don't know/refused	10%

Righteous Party

Both Yoo Seong-min and Nam Kyung-pil announced their candidacy on Jan 25. Yoo stressed the importance of Korea's economic recovery.¹⁷ Nam emphasized his youth, stating that the upcoming election is "no longer a battle between conservatives and progressives but one between the old and the new."¹⁸ How the former UN Secretary General Ban Ki-moon aligns himself in this election will impact who will ultimately represent the Righteous Party.

People's Party

Ahn Cheol-soo is considered to be the leading candidate for the People's Party although there are other names being considered, including Ban Ki-

moon, Sohn Hak-kyu, and Chung Un-chan.

Others

Ban Ki-moon is expected to make an announcement regarding his political affiliation after the Lunar New Year holiday. Ban may join the Righteous Party or run as an independent. One certainty is that he considers himself a conservative.¹⁹ Sohn Hak-kyu, (former governor of Gyeonggi Province) and Chung Un-chan (former prime minister under President Lee Myung-bak) are also searching for a party platform.

Special Prosecutors on Bribery and Blacklist

On January 19, the Court rejected the Special Prosecutor's (SP) request to issue an arrest warrant for Samsung Electronics Vice Chairman Lee Jae-yong. The SP has taken some criticism for being overly ambitious. But most people have criticized this decision as another proof of the privilege that comes with the Samsung name.²⁰ The SP stated that it will continue to investigate and collect more evidence against Lee for bribery.²¹

The SP has made some progress on the investigation of a government blacklist of various artists and performers who supported the opposition parties and demonstrated against President Park after the Sewol ferry disaster.²² Kim Gi-chun (the former presidential advisor) and Cho Yun-sun (the Minister of Culture, Sports and Tourism) were arrested. Kim is accused of drafting the initial list and Minister Cho is alleged to have enforced the blacklist.²³ The SP alleges that President Park was directly involved.²⁴

With only a month left for the investigation, the SP is on full throttle to find fault in the relationship between Choi Soon-sil and Park Geun-hye. Choi was issued an arrest warrant to appear before the SP on Jan 25 after she neglected multiple subpoenas dating back to Dec 24.²⁵ The SP also expressed the desire to interview President Park in early February.²⁶

THAAD

THAAD continues to be a major issue of contention in South Korea. As the government is moving to finalize the arrangement,²⁷ there are a number of factors that could delay the process. One is the declining public support. According to the Nov 2016 poll conducted by the Asan Institute, 46.3% of South Koreans approve of THAAD while 45.7% disapprove. This is a significant drop from 73.9% in February.

Do you approve or disapprove the deployment of THAAD on the Korean Peninsula?²⁸

	Feb 2016	Sept 2016	Nov 2016
Approve	73.9%	59.8%	46.3%
Disapprove	20.7%	31.7%	45.7%
Don't know/refused	5.4%	8.5%	8.0%

Another factor is timing. There is intense debate among presidential candidates regarding the THAAD. Candidates Moon Jae-in and Ahn Cheol-soo admitted that reneging the agreement on THAAD will be difficult. Moon has urged the current government to pass the decision on to the next administration, however. Ban Ki-moon and Yoo Seong-min voiced their support for THAAD. Lee Jae-myung has been most vocally opposed.

Candidates' positions on THAAD²⁹

Moon Jae-in	- Will not be easy to renege on the agreement. - Must be a national debate on the issue and the debate must take place during the next administration
Ban Ki-moon	- Two Koreas are still technically at war and, therefore, THAAD is a necessity
Ahn Cheol-soo	- Will be difficult to renege on the agreement
Ahn Hee-jung	- Must respect the agreement between South Korea and the U.S.
Yoo Seong-min	- THAAD is a necessity to protect Korean lives
Lee Jae-myung	- When Korea perfects its own missile defense system, THAAD must be rolled back

Lastly, there is concern about China. According to the latest report, there is some delay over the land-swap deal between the Korean government and Lotte Group. Many suspect that Lotte is having second thoughts due to pressure from Beijing.³⁰ The Korean government is currently considering whether to file a complaint with the World Trade Organization (WTO).³¹

Growing Anti-conglomerate Sentiment

With the recent political scandal in Seoul, there is growing demand for corporate governance reform in South Korea. Most presidential candidates have

voiced their approval for such measures as raising the corporate tax and prohibiting corporate influence over subsidiary companies.³² Some have even suggested breaking the conglomerates apart or to outlaw generational succession in top management positions.³³

With growing anti-conglomerate sentiment, the likelihood of a revised business reform bill passing the National Assembly floor is also increasing. A bill was previously introduced to limit the large shareholder's influence in management. Companies are bracing for impact but some critics are pointing out that such laws would make Korean conglomerates vulnerable to foreign hedge funds.³⁴

Party approval ratings³⁵

	Jan 17-19 (± from previous week)
New Frontier Party (Saenuri)	12% (-)
Righteous Party	9% (+2)
Together Democratic Party	37% (-4)
People's Party	11% (+1)
Justice	3% (-)
Don't know/refused	28% (+1)

1 "'목요일 선고-수요일 선거' 관행 따르면 4월 26일 대선유력," *동아일보*, 2017년 1월 26일.

2 Ibid.

3 "이재명 대선 출마선언 ... '박근혜 이재용 사면 결코 없을 것'," *중앙일보*, 2017년 1월 23일.

4 "안희정 '젊은 대통령과 함께 세상을 바꾸자' 대선 출마 선언," *경향신문*, 2017년 1월 22일.

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12 "'모든 준비 끝났다' 정운찬도 출마선언," *한겨레*, 2017년 1월 19일.

13 "'박원순 대선불출마 선언, 네티즌 '남은 임기 서울시 잘 이끌어주세요'," *조선일보*, 2017년 1월 26일.

14 See Asan Korea Perspective Vol 2. No. 2.

15 "'지금은 아니다' ... 黃대행, 대선출마에 묘한 여운," *조선일보*, 2017년 1월 24일.

16 Gallup Korea, date: Jan 17-19; sample size: 1,012; margin of error: ±3.1 at the 95% confidence level.

17 "유승민 '대선 후보 가운데 제가 유일한 경제전문가'," *중앙일보*, 2017년 1월 25일.

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32 "'권력 앞에 굴복, 정의는 어디에'...대선주자 '재벌개혁' 목청," *경향신문*, 2017년 1월 19일.

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35 Gallup Korea, date: Jan 17-19; sample size: 1,012; margin of error: ± 3.1 at the 95% confidence level.