

## South Korea's "Chaebol Republic": Hardline Conservatism with a Liberal Smile

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*The ever-changing political landscapes of the Korean Peninsula never fail to offer stark contrasts. To the north, a somber December is spent mourning the forefathers of the communist dynasty under the helm of a boy-king and his advisers. To the south, voters have elected the nation's first female president, the daughter of South Korea's iconic former leader, Park Chung-hee.*

While their circumstances and rise to power cannot be more dissimilar, both Kim Jong-un and Park Geun-hye both derive some degree of public support through channeling the nostalgia of their parent's legacies. In South Korea, one of the world's most rapidly ageing societies, Park relied heavily on the elderly for her support base, who associate her with the economic prosperity brought in under her father's rule, in much the same way as northerners regard the times of Kim il-Sung. As the new president prepares to take office in February 2013, many among South Korea's left leaning youth see Park Geun-hye as an enabler of status quo conservatism veiled behind a thin liberal facade.



Park is widely credited with resuscitating legitimacy back into the ruling Saenuri party, which has garnered record-setting disapproval ratings under incumbent President Lee Myung-bak. Money laundering scandals, tax evasion, and accusations of embezzlement have followed the outgoing President Lee, who has come down hard on dissenters by jailing activists and artists who have criticized his rule. Lee is most responsible for dismantling Seoul's liberal approach to North Korea as seen through the "Sunshine Policy" of previous administrations, at the cost of nearly reigniting the Korean war after a series of provocative live fire exchanges in disputed territorial waters in 2010 that saw the North shell the South's Yeonpyeong island, and the sinking of a South Korean naval vessel. Despite running on the

conservative ticket, Park has steered clear of openly advocating Lee's hardline policies toward Pyongyang in her campaign rhetoric. Although an unpredictable North Korea looms just 70km from Seoul, domestic economic issues are the most immediate focus of the South Korean voter.

*Controversial artwork by Hong Sung-dam depicting president elect Park Geun-hye giving birth to her father, the late president Park Chung-hee, signifying a revival of his conservative leadership in her administration. (right)*

### Leading a "Chaebol Republic"

An odious brand of crony-corporatism has prevailed in the South Korean economy, spearheaded by the chaebol, large-scale conglomerates like Hyundai, LG, and Samsung. While these recognizable brands have indeed brought much wealth and opportunity to the southern half of the peninsula, Koreans on the lower end of the economic food chain feel neglected by the nation's mega-corporations and the wealthy political elite behind these companies. Prior to taking office, President Lee ran the Hyundai Engineering and Construction conglomerate, and has pardoned the chairs of Samsung and Hyundai Motors from jail time over convictions of fraud. Park's opponent, the liberal Moon Jae-in of the Democratic United Party, has accused the country's conglomerate-dominated economic model of being the main contributing factor to economic inequality, in addition to crediting Park's father with developing the corporatist economic model still prevalent today.

The defeated Moon Jae-in spoke of increasing taxation on the wealthy and providing small businesses with economic protection from the chaebol. President Lee's passing of a free-trade agreement with the United States enraged many working class people and farmers who fear the flooding of Korean markets with cheap foreign agricultural products. Moon publicly voiced his disapproval of the trade regime and vowed to re-negotiate it; this position resonated well with young leftists, but popular disdain for establishment parties like Moon's Democratic United Party proved to be a major obstacle for the left. Park, on the other hand, has toed the party line of President Lee by championing economic and diplomatic ties with Washington, while resisting calls for taxing the chaebol in fear of hampering their growth. Park has played more of a centrist role than one would expect from a conservative ticket by advocating college tuition cuts, maternity assistance, free school lunches, and other social welfare programs, but has come under fire for being unable to answer basic questions about minimum wage figures during a debate, [prompting tough statements](#) from the Korean Confederation of Trade Unions:

"It is terribly discouraging when a person who wants to become president does not even know the country's minimum wage, which is a minimal right for survival and the first step toward a welfare state."

### Park's "Trustpolitik" & Inter-Korean relations

The failures of Lee Myung-bak's loathed tenure are none more apparent than in the field of inter-Korean relations. As Kim Jong-un consolidates power in Pyongyang and toys with introducing seedlings of economic reform, it is high time for a change in frequency from the Blue House in Seoul toward more amenable relations between the two Koreas. Although Park has publicly stood clear of Lee's tough stance, a closer look at her foreign policy signifies more acquiescence than divergence from the status quo. In a 2011 article published by

Park in the Council on Foreign Relations' Foreign Affairs website titled, "[A New Kind of Korea](#)," the incoming president talks of adopting a policy of "trustpolitik," aimed at developing a minimum level of trust between the two Koreas. Just as it exists under the current leadership of President Lee, the cornerstone of Park's policy revolves around Pyongyang abandoning its nuclear program and de-weaponizing, or suffering the consequences.

Park is setting herself up to fail, and having herself visited Pyongyang to negotiate with Kim Jong il, one would assume she would be less naïve on the issue of Pyongyang's nuclear program and the importance it holds to North Koreans. After the death of Kim il-Sung in 1994, his son oversaw general economic mismanagement and a series of natural disasters that led to widespread starvation. To legitimize his tenure, Kim Jong-il introduced Songun politics, a military-first policy aimed at appeasing the military and building up national defenses. The attainment of a "nuclear deterrent" has been trumpeted as a major accomplishment in domestic North Korean propaganda, despite very little concrete evidence known about these weapons, their capability, or the status of Pyongyang's nuclear program.

It is unrealistic to expect Pyongyang to give up its nuclear program, primarily because achieving the status of a nuclear state (despite whether or not they actually have achieved that status) is Kim Jong-il's main "accomplishment." The upper echelons of leadership in the Korean Workers' Party surely hold dear the lessons of Gaddafi after dismantling Libya's nuclear program. Pyongyang continues to pursue provocative missile tests and belligerent rhetoric because they view this as a means of ensuring their security, the fact that the Pyongyang power-dynasty has moved into a third generation is proof enough that this policy has worked for them. Park has spoke of taking a middle-of-the-road approach, and buttressed an inter-Korean dialogue with Kim Jong-un. These are goals that represent a more practical shift, but if Park's policy rests solely on being open to Pyongyang only if they disarm, the incoming administration will find itself mired in President Lee's legacy of tension. In line with the militarism of her conservative party, [Park has spoken of plans](#) to create an East Asian military alliance and appears willing to continue the hardline against Pyongyang:

"Asian states must slow down their accelerating arms buildup, reduce military tensions, and establish a cooperative security regime that would complement existing bilateral agreements and help resolve persistent tensions in the region."

"South Korea must first demonstrate, through a robust and credible deterrent posture, that it will no longer tolerate North Korea's increasingly violent provocations. It must show Pyongyang that the North will pay a heavy price for its military and nuclear threats. This approach is not new, but in order to change the current situation, it must be enforced more vigorously than in the past."

In contrast to Park, Moon Jae-in's Democratic United Party has touted a return to the "Sunshine Policy," and has advocated restarting unconditional aid to Pyongyang. The conservative political elite in Seoul fails to realize that relations with North Korea can more effectively be cooled not by pursuing hardline policies and provocative military drills, but by bolstering inter-Korean economic ties, tourism, and exchange. Kim Jong-un can only begin to dismantle the military-first policy by offering some alternative whereby he maintains his

legitimacy – that could potentially be by increasing economic opportunity, raising standards of living, and developing North Korea’s economy. Seoul would be in a much better position to negotiate if they had a hand in mutually beneficial economic development with the North. Park’s ambitions of creating a “cooperative security regime” with Asian states (presuming North Korea is excluded) will certainly not help convince Pyongyang to disarm. An “Asian NATO” is counterproductive and would only make Pyongyang more unpredictable – as long as Seoul’s ballistic missiles are capable of hitting any part of North Korea, expecting Pyongyang to commit political suicide by disarming is simply not realistic.

## Conclusions

The incoming South Korean administration has lots of problems on its hands; managing an ageing population with some of the world’s lowest birth rates, tackling increasing prostitution rates, high suicide rates and other social ills, and coping with an economic slowdown in China, the nation’s biggest export market. South Korea’s economic development has lifted millions out of poverty and into the economic space of high-income earners in the span of a few decades. It would be foolish for Park to pursue the foreign policy of her predecessor and risk bringing about a reignited Korean war and all that would come with it; enormous civilian casualty rates, an unprecedented refugee crisis, and a major handicap on the South Korean economy.

All signs point to Park Geun-hye continuing along the same economic trajectory as the incumbent President Lee, perhaps with a greater emphasis on social welfare programs. The next five years will be critical for inter-Korean relations. In attempting to emerge from her father’s shadow, one would hope that she could address the faults in the economic system her father helped create by reducing the income disparity, and also learn from his mistakes by allowing free and open political dissent and total freedom of expression.

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