

# ASAN KOREA PERSPECTIVE

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## Presidential Election and National Security

Moon Jae-in emerged as the Together Democratic Party's presidential candidate with 57% of the votes, beating out Ahn Hee-jung (21.5%) and Lee Jae-myung (21.2%).<sup>1</sup> Moon's victory was widely expected given that he maintained the highest approval rating among all candidates.

Moon's biggest challenge will come from Ahn Cheol-soo, who won the People's Party's nomination on Apr 4. He commanded 75.01% of the votes, ahead of Sohn Hak-kyu (18.07%) and Park Joo-sun (6.92%).<sup>2</sup> Ahn's approval rating has soared in the past two weeks with one recent Gallup poll showing Ahn behind Moon by only 3%p.

The two conservative parties, the Righteous Party and the Freedom Korea Party, elected Yoo Seong-min and Hong Jun-pyo, respectively. Yoo (62.9%) defeated Nam Kyung-pil (37.1%)<sup>3</sup> while Hong (54.15%) was the overwhelming favorite over Kim Jin-tae (19.3%), Lee In-jae (14.9%) and Kim Gwan-yong (11.8%).<sup>4</sup>

The above four candidates will be joined by Shim Sang-jung from the Justice Party and Kim Jong-in, who recently left the TDP and announced that he will run as an independent. Many see Kim's announcement as an effort to prevent Moon from becoming the next president.<sup>5</sup>

### Presidential Candidate Approval Rating

Candidate	Party	Apr 4-6 <sup>6</sup>
Moon Jae-in	TDP	38%
Ahn Cheol-soo	PP	35%
Hong Jun-pyo	FKP	7%
Yoo Seong-min	RP	4%
Shim Sang-jung	JP	3%
Don't know/refused	-	13%

The decisive factor in this year's election will be how the conservative voters will cast their vote in May. Will they coalesce around a single candidate or will

they split their votes among two or three candidates? Which one(s)? Or will they decide to not vote at all?

With a month left until the election, candidates have begun to announce their campaign platform. See below for a snapshot of their official positions on foreign policy and national security.<sup>7</sup>

Candidate	Issue	Position
Moon Jae-in (TDP)	THAAD	The issue must be passed on to the next administration
	Kaesong Industrial Complex (KIC)	Must resume KIC
	Comfort Women Agreement	Must renegotiate
	Deployment of tactical U.S. nuclear weapons in Korea	Korean Peninsula must be free of nuclear weapons
Ahn Cheol-soo (PP)	THAAD	Must proceed as scheduled
	Kaesong Industrial Complex	Immediate resumption of KIC is impossible
	Comfort Women Agreement	Must renegotiate
	Deployment of tactical U.S. nuclear weapons in Korea	Korean Peninsula must be free of nuclear weapons
Hong Jun-pyo (FKP)	THAAD	Must proceed as scheduled
	Kaesong Industrial Complex	Must resolve North Korea's nuclear issue first
	Comfort Women Agreement	Must renegotiate
	Deployment of tactical U.S. nuclear weapons in Korea	Must consider the possibility
Yoo Seong-min (RP)	THAAD	Must proceed as scheduled
	Kaesong Industrial Complex	Immediate resumption of KIC is impossible
	Comfort Women Agreement	Must renegotiate
	Deployment of tactical U.S. nuclear weapons in Korea	Must consider the possibility
Shim Sang-jung (JP)	THAAD	Must stop immediately
	Kaesong Industrial Complex	Must resume KIC
	Comfort Women Agreement	Must renegotiate
	Deployment of tactical U.S. nuclear weapons in Korea	Korean Peninsula must be free of nuclear weapons

## Dealing with North Korea

On Apr 5, two days before the U.S.-China Summit, North Korea launched an intermediate-range ballistic missile (IRBM) known as KN-15 into the East Sea.<sup>8</sup> This was the fourth missile test in 2017. The Korean Ministry of Foreign Affairs strongly condemned the act and warned that these tests would only lead to negative consequences for North Korea.<sup>9</sup> Despite the strong rhetoric, many were expecting some kind of provocation from the North given the on-going ROK-U.S. joint military exercises and President Trump's meeting with President Xi. Apr 15 also happens to be Kim Il-sung's birthday.

## Presidential Election and the Economy

President Park's impeachment has elevated the issue of economic reform to the national stage. Presidential candidates have pledged to toughen corporate regulations in different ways (see below).<sup>10</sup> The business community is concerned that these moves would jeopardize growth, which has slowed in recent months.<sup>11</sup>

Candidate	Issue	Position
Moon Jae-in (TDP)	Employment	- Will create 810 thousand jobs in public sector, including 174 thousand government jobs - Will reduce working hours to create 50 thousand jobs in the private sector
	Corporate Governance Reform	- Reform four biggest Chaebols - Oppose generous pardons for convicted business leaders
	Corporate Tax Rate Hike	- Support increased real corporate tax rate
Ahn Cheol-soo (PP)	Employment	- Encourage SME-friendly business environment and spur private sector jobs - Will allocate KRW 3 trillion to SMEs
	Corporate Governance Reform	- Support general corporate governance reform of Chaebol - Oppose pardons for convicted business leaders
	Corporate Tax Rate Hike	- Support increased real corporate tax rate
Hong Jun-pyo (FKP)	Employment	- Reduce government jobs - Create investment friendly environment to encourage private sector job growth
	Corporate Governance Reform	- Oppose hostile perception of Chaebol - Support strict punishment on crimes
	Corporate Tax Rate Hike	- Not announced yet

Yoo Seong-min (RP)	Employment	- Create more than 2 million jobs by encouraging new start-ups and SMEs - Cap the number of contract employees in corporations
	Corporate Governance Reform	- Support Chaebol reform to level playing fields - Oppose granting pardons for convicted business leaders
	Corporate Tax Rate Hike	- Support increasing the top tax rate to 25%
Shim Sang-jung (JP)	Employment	- Create 500 thousand jobs in public sector - Reduce work hours and create 300 thousands job in private sector - Make 80% of employers as regular
	Corporate Governance Reform	- Divide conglomerates into several independent corporations to eliminate owner family's excessive influence - Ban inheritance to third generations of Chaebols - Oppose pardons for convicted business leaders
	Corporate Tax Rate Hike	Support increasing the nominal rate

## Park Geun-hye and Corruption

Former President Park Geun-hye was arrested on March 30. She is facing 13 criminal charges, including corruption. Park has denied these charges but she is likely to remain incarcerated and questioned until April 19th.<sup>12</sup>

The prosecutors are also investigating Lotte and SK.<sup>13</sup> These cases are different from that of Samsung in that there were no fund transfers to Choi's foundations. SK reportedly negotiated the amount but failed to make the transfer. Lotte was reported to have donated KRW 7 billion but the money was returned before Seoul Central Prosecutors' investigation began last September. The case against these two companies are weaker than that of Samsung.<sup>14</sup>

## Party Approval Rating

Date	Mar 28-30 <sup>15</sup>	Apr 4-6 <sup>16</sup>
TDP	45%	40%
FKP	9%	8%
PP	16%	22%
RP	5%	4%
JP	3%	4%
Don't know/refused	22%	22%

Will you vote in the upcoming presidential election?<sup>17</sup>

Will vote	87%
Likely to vote	7%
Unlikely to vote	1%
Will not vote	3%
Don't know/refused	2%

- 1 “문재인, 민주당 대선후보 확정 ... 경선 누적 득표율 57%,” *한겨레*, 2017년 4월 3일.
- 2 “국민의당 대선후보에 안철수 ... 대선 대진표 확정,” *한겨레*, 2017년 4월 4일.
- 3 “유승민, 바른정당 대선후보 확정,” *경향신문*, 2017년 3월 28일.
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- 6 Gallup Korea, date: Apr 4-6; sample size 1,005; margin of error: ±3.1 at the 95% confidence level.
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- 15 Gallup Korea, date: Mar 28-30; sample size 1,010; margin of error: ±3.1 at the 95% confidence level.
- 16 Gallup Korea, date: Apr 4-6; sample size 1,005; margin of error: ±3.1 at the 95% confidence level.
- 17 Gallup Korea, date: Apr 4-6; sample size 1,005; margin of error: ±3.1 at the 95% confidence level.

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