

# WebMemo



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## Conservative Landslide Marks New Era in South Korea

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The landslide victory of Lee Myung-bak in South Korea's presidential race will bring about a major improvement in the country's foreign policies toward the United States and North Korea. The U.S.–South Korea relationship will be strengthened by closer views on security issues. The new, improved atmosphere between the long-time allies will serve as a firm foundation for realizing the full potential of the bilateral relationship. For its part, Washington will have to accommodate South Korea's increasing military capabilities and its desire for a mature, more equal relationship. That approach, however, would be necessary in any case and will only fortify the relationship.

On the issue of most critical importance to America, North Korea's nuclear weapons program, Lee's pragmatic demand for reciprocity in engaging Pyongyang will enhance allied leverage in the Six-Party Talks. Negotiations may slow down in the near-term as Pyongyang adjusts to a tougher perspective from Seoul, but the overall prospects for securing U.S. and Korean interests will improve.

With regard to the economy, the central issue at stake in the election, Lee Myung-bak will implement policies more favorable to free market principles. His rejection of progressive redistributionist policies will send a positive signal to foreign and domestic investors who have been confused by President Roh Moo-hyun's vacillating economic strategies. Lee is a strong proponent of the U.S.–

South Korean Free Trade Agreement and has proposed economic reforms to reduce trade barriers, lower taxes, and enhance transparency.

**Rejection of Progressive Policies.** A member of the conservative Grand National Party (GNP), Lee Myung-bak received 48.6 percent of the vote, far ahead of progressive Chung Dong-young (26.3 percent) and fellow conservative Lee Hoi-chang (15.1 percent). Although Lee Hoi-chang's candidacy threatened to derail Lee Myung-bak's victory by splitting the conservative vote, the collective 63 percent of the vote attained by conservatives reflected an electorate rebuff to the progressive movement. The populace punished the progressive candidates in retaliation for Roh's determination to bring about societal transformation rather than focusing on ensuring the country's economic recovery. The ruling progressive party had fared poorly during legislative by-elections during the past three years.

Economic issues were paramount in the voters' minds. They saw a CEO-style president like Lee Myung-bak as more likely to improve the economy, induce domestic and foreign investment, create jobs, and improve South Korean competitiveness against

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China and Japan. The public also wanted a centrist, less ideological candidate and rejected candidates at the farthest ends of the political spectrum. Lee Myung-bak had positioned himself in the middle and moved the conservative Grand National Party toward the center in order to make it more electable.

**Improving Relations with Washington.** In a December 20 phone call to President George W. Bush, Lee Myung-bak identified improved relations with the United States as a priority policy objective. He has emphasized the importance of the close military alliance with Washington in deterring the North Korean threat and maintaining peace and stability in Asia. He criticized Roh's divisive policies as needlessly straining relations with Washington.

U.S. policymakers have been suspicious of Roh since his 2002 campaign, when he asked, "What's wrong with being anti-American?" He also capitalized on a wave of anti-Americanism caused by the tragic death of two Korean schoolgirls by a U.S. armored vehicle. President Roh's proposed "balancer role" for South Korea in northeast Asia was perceived in Washington as downplaying the significance of the bilateral military alliance. The relationship was further strained by contentious negotiations over restructuring the U.S.-Korea military alliance, which includes the transfer of wartime operation control (OPCON) of South Korean troops to Seoul.

**Increasing Coordination in Six-Party Talks.** Lee Myung-bak will improve bilateral coordination between the U.S. and South Korea in the Six-Party Talks, reducing Pyongyang's ability to play the two allies against each other. A realistic policy that requires reciprocity and transparency from North Korea will also be more consistent with Six-Party Talks objectives of using coordinated multi-lateral diplomatic efforts to leverage Pyongyang's implementation of its nuclear commitments.

Inter-Korean relations could be delayed in the short-term since North Korea may respond angrily to Lee Myung-bak's imposition of conditionality in Seoul's engagement policy. In seeking to influence South Korean policy, Pyongyang could also hinder progress in the Six-Party Talks and threaten a return to brinkmanship, blaming Lee's espousal of outdated Cold War thinking. Lee should maintain resolve, however, in order for South Korea to gain

more leverage in moderating North Korean behavior, inducing economic and political reform, and ensuring Pyongyang fulfills its denuclearization pledges.

Despite 10 years of generous aid from South Korea, Pyongyang has not fundamentally reformed its economy nor, needless to say, altered its political system. North Korea's abhorrence of reform is made clear by its insistence on "enclave capitalism," whereby foreign businesses are isolated in walled-off areas to prevent the contagion of outside influence that could trigger real change. President Roh's refusal to confront North Korea over its human rights abuses, and his capitulation in agreeing to strike "reform" and "change" from the engagement lexicon, shows the extent of South Korean willingness to kowtow for the sake of its one-sided largesse to the North.

**Post-Election Volatility.** Despite his election victory, Lee Myung-bak will continue to face strong challenges from both the Left and the Right as rivals position themselves for the April 2008 National Assembly election. Though wounded by their election loss, the progressives will maintain their attacks on Lee's ethics and highlight an ongoing investigation of his involvement in a scandal surrounding a venture capital firm called BBK. Conservative Lee Hoi-chang has vowed to form a Chungcheong Province-based party to compete with the GNP. Lee Myung-bak's ability to repair the split in the conservative movement remains in doubt and could be dependent on the degree to which he incorporates former GNP Chairwoman Park Geun-hye into his administration. President Lee Myung-bak may need to shift his policies—especially on North Korea—to the right in order to gain legislative support from Lee Hoi-chang in either a formal or an informal conservative coalition.

**What the U.S. Should Do.** With the election of Lee Myung-bak, U.S. policymakers should take the following actions to help the bilateral relationship reach its full potential:

- Embrace Lee Myung-bak's efforts to repair the damage done to the bilateral alliance during the Roh administration. Although it would be counterproductive for President Lee to appeal to Washington to formally reverse the OPCON decision, the negative effects could be mitigated by careful bilateral planning in coming years.

The U.S. could announce that the planned 2012 transfer date is contingent on both a sufficient reduction in the North Korean threat and satisfactory progress in improving South Korean military capabilities, and that it is open to discussion as to the feasibility of the transfer by the currently agreed upon date.

- Seek common ground in transforming the military alliance to incorporate enhanced South Korean military capabilities while maintaining an integrated U.S. role.
- Balance its military alliances in Asia by underscoring the importance of South Korea to maintaining peace and stability in the region on an equal basis as Washington's alliance with Japan.
- Closely integrate U.S., South Korean, and Japanese initiatives toward North Korea to enhance negotiating leverage to secure Pyongyang's full denuclearization.

- Ratify the U.S.–South Korea Free Trade Agreement to serve as a powerful statement of the U.S. commitment to East Asia and the economic importance of the bilateral relationship.

**Conclusion.** The election of Lee Myung-bak is good news for the United States on the diplomatic, security, and economic fronts. The departure of Roh Moo-hyun and his anti-Americanism sets the stage for a stronger relationship between the long-time allies. Through better coordination, the U.S. and South Korea will be more effective in working toward the full denuclearization of North Korea. Lee's support for markets will help both countries reap even greater benefits through free trade. U.S. policymakers must seize this opportunity to reaffirm their commitment to the bilateral relationship and take new strides toward securing peace in Northeast Asia.

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