The People Power Revolution that toppled former South Korean President Park Geun-hye was historic and unprecedented. Among other things, it represented a visceral call by the public for clean government and an accountable democracy. The tasks now facing newly elected President Moon Jae-in are daunting and urgent.

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**The Challenge of Social Integration in South Korea**

**By Sang-young Rhyu**

The massive political crisis that ended in the removal from office of President Park Geun-hye exposed deep fissures in South Korean society. The election of President Moon Jae-in offers a chance for a reset of social integration, something he has called for.

But South Korea is deeply divided due to the pace of its development, income inequality and generational conflict. It will take wisdom and creativity within a fractured political system to restore a sense of national harmony, writes Sang-young Rhyu.

ON THE EVENING of May 9, shortly after his presidential election victory, Moon Jae-in declared his support for social integration before a crowd gathered at Seoul’s Gwanghwamun Plaza, the site of numerous candlelight demonstrations during the political turmoil that led to the removal of former president Park Geun-hye.

“I will be an integrating president, serving even those who do not support me,” the president-elect said. But finding the path to restoring social integration in South Korea’s fractured society will pose a tough challenge for the new administration. To find the way forward, an objective analysis should focus on how deep the conflicts and fissures extend, when they began and where the most important causes of conflict lie. Moreover, there is a need for philosophical and policy debates on what to integrate, what reforms are needed and to what extent social integration is even possible.

From the first candlelight vigils calling for the impeachment of Park in October 2016 to the May presidential election, complaints and conflicts that had been accumulating over the years were expressed in that compressed period. Consequently, collective concern and political debates have developed to link these Agora politics to policies. Beyond the conflict, confrontation and division, various voices emerged to call for renewed social integration, trust and the recovery of democracy, but no magical cure is on the horizon. Will South Korea be able to conjure up the Wisdom of Solomon to achieve social integration?

Within Korean society, strife and confrontation are structured and multi-layered in nature. They have been accumulating historically, and at critical junctures, these tensions have been given stronger expression. Although there have been catastrophic explosions, South Korean society has withdrawn from the edge of chaos and restored balance and peace. Such political strife, it is true, must have economic roots just as ideological strife and conflicts have historical origins, but they have been amplified as private interests drive political struggles. These events accurately reflect the unequal distribution of wealth and power and, depending on the role of politics, can either be resolved or exacerbated. Because such social strife and confrontations are related to all aspects of politics, ideology, economy, society and culture, they cannot be easily separated. Although the public anger that led to the Park impeachment was a political phenomenon, it was a moment in history when South Korea’s economic and social conflicts were intensively expressed.

**DEMOCRATIC CONSOLIDATION**

But how conflicted is South Korea in reality? And how severe is it in comparison to other countries? Until recently, South Korea was notorious for its severe regional conflicts. Voting behavior and political rifts based on regional affiliations — Yeongnam (Gyeongsang Province), Honam (Jeolla Province), Chungcheong Province, and so on — have long hindered rational democratic consolidation. However, in 2003, the support given to Yeongnam native, President Roh Moo-hyun, by voters in Honam offered an opportunity to ease South Korea’s regional conflict. In subsequent general and presidential elections, regionalism was greatly weakened.

According to the vote ratios obtained by politicians with different regional bases, it would not be hyperbole to say that regionalism has completely dissipated. The Honam-based political party located in Yeongnam and the Yeongnam-based political party located in Honam recorded very high rates of voter support. Even in the May 9 presidential election, regional voting trends were extremely weak.

This was the result of the rationalization of voting behavior and the consolidation of democracy in South Korea. Rather than divisions based on regional sentiments, rational political choices in favor of democracy were seen in the most recent election season. Although the five major presidential candidates fiercely attacked their opponents during the campaign debates, such displays reflected fairly pluralistic political competition rather than conflict, and can therefore be seen as an indication of political health. Instead of strife and conflict, this competition may have been a means to further democratic consolidation and social integration.

Moreover, this election has shown that ideological conflict and color politics remain, but that their actual impact was modest. Some political factions opposed to the Park impeachment attacked the factions favoring it, accusing them of being leftists and pro-North Korea; however, these accusations were not examples of rational, right-and-left ideological confrontations. Although past authoritarian regimes promoted ideological confrontation to maintain dictatorial power, the period in which political forces can exploit ideological conflict in domestic politics has passed in South Korea. In fact, in this presidential election, the Liberty Korea Party’s candidate, Jun-pyo Hong, used old-fashioned color rhetoric throughout his campaign but ultimately hit a ceiling in the number of votes he could attract. The result has been that many voters now identify the true face of irrational conservative forces in South Korea, revealing the extent to which Korean civil society has matured and democracy consolidated.

Since its democratic transition in 1987, South
Korea has undergone a gradual democratic consolidation. Although it suffered from the 1997-98 financial crisis and the 2016 democratic crisis, conditions for social integration in South Korea were favorable compared to other countries because it had neither fundamentalist-religious conflicts nor ethnic tensions. While provocative political rhetoric surfaces at every major political event, political and ideological confrontations are in fact rapidly fading just as their political influence is weakening. Some vested interests may still indulge in the rhetoric of the authoritarian era, but during the last election, these conflicts were anachronistic. Still, such deep-rooted evils used by some vested interests can hinder true reform and social integration.

ECONOMIC DIVISIONS ON THE RISE

On the other hand, economic conflicts and social cleavages have been expanding since the 1997-98 financial crisis. Prior to that period, South Korea was seen as a model of success with regards to growth and equity. However, the pressures of globalization and the power of market forces have widened the gap between the rich and the poor and deepened social conflicts. The strategy to overcome the economic crisis using neo-liberal external pressure resulted in uneven cost-sharing and sacrifice, thus widening social inequality. As the economic basis for maintaining social integration and harmony was rapidly dismantled, the middle class also sharply contracted in size. After the economic crisis and as South Korea transitioned from high-growth to low-growth, economic conflict and social cleavages became more pronounced.

The exacerbation of inequalities since the 1997-98 crisis can be confirmed through several indices. Income inequality according to the Gini coefficient was 0.302 in South Korea as of 2013, which was not so bad as it placed Korea 17th among 30 OECD countries. South Korea exhibited less severe inequality, for example, than Ireland (0.309), Canada (0.322), Japan (0.33) and the United States (0.396). However, inequality is greater when assets are considered, and the relative deprivation felt by South Koreans is steadily increasing. Although the recorded youth unemployment rate in 2016 was 9.8 percent, three times the average unemployment rate, the real youth unemployment rate is said to be almost 30 percent. As of 2016, the proportion of irregular workers has increased to 42.5 percent, and their average monthly salary is only 53.5 percent of salaries received by full-time regular workers. The proportion of non-regular workers is also higher at lower education levels, and the difference in salaries between full-time and part-time workers is larger in small- and medium-sized enterprises, indicating that the problem of irregular workers is directly related to the imbalance between Korea's chaebol (large conglomerates) and SMEs. Although the concentration of economic power among the four or five largest conglomerates is intensifying, the proportion of employment accounted for by large conglomerates is only 10 percent, and the figure is gradually falling.

Higher levels of inequality mean lower rates of social mobility. Among South Korean youth, discussions about “gold vs. black table settings” (similar to the West’s concept of being born with a “silver spoon”) are rooted in the context of Korea’s rising inequality. The young also feel great discontentment with the welfare system, which requires them to take responsibility for the elderly, while simultaneously having to compete with older people for jobs. This intergenerational conflict has become one of the roots of social conflict in South Korea. Politicians, aware of the large elderly voting population, consistently increase their welfare commitments during election periods, to the dismay of young people, whose anxieties about the future continue to swell. It is here that the link between economic inequality and intergenerational conflict can be found.

FEELINGS MATTER

According to the OECD’s 2017 Better Life Index, South Korea ranked 31st of the 32 countries surveyed. Although the gap between the rich and the poor has become less severe as poverty has declined and relatively good economic growth has been maintained, the South Korean people feel unhappy. Seventy-six percent of the population believe that they know someone on whom they could rely in times of need, significantly lower than the OECD average of 88 percent, thus making it one of the weakest countries in the world. Although the gap between the rich and the poor has become less severe as poverty has declined and relatively good economic growth has been maintained, the South Korean people feel unhappy. Seventy-six percent of the population believe they know someone on whom they could rely in times of need, significantly lower than the OECD average of 88 percent, thus making it one of the weakest countries in the world.
globalization and because technological innovation decoupled from job creation has constrained its economy.

• What has caused social trust to decline and social integration to weaken in spite of the gradual consolidation of Korea’s successful democratization? Although social capital should increase through the consolidation of democracy, social integration has weakened because economic growth and welfare policies to support democracy have not gone hand in hand in South Korea.

Finding answers to these two paradoxes may be the new administration’s first step to reintegrating South Korean society. Its political and ideological conflicts are merely the outward manifestations of deeper underlying currents that stem from South Korea’s economic inequality and generational conflicts. If the cause is not addressed, the symptoms of the disease will not disappear. Unless economic inequalities and generational conflicts are resolved, it is highly likely that social integration will remain a distant dream. In Capital in the Twenty-First Century (2013), Thomas Piketty argues that when the rate of return on capital is greater than the rate of economic growth over the long run, the result is concentration of wealth, and this unequal distribution causes social and economic instability. In addition, the IMF has confirmed that the “trickle-down effect” no longer operates globally, according to its Causes and Consequences of Income Inequality (2015). South Korea is no exception. Whether the trend can be stopped or eased is a major global concern today. As the wave of the Fourth Industrial Revolution crests, it is highly likely that this trend will become more intense. The question is how to minimize adverse effects such as job reduction, income inequality and social conflict while maintaining economic growth through technological innovation.

BALANCING ACT NEEDED

Strategies that mitigate economic inequalities by artificially slowing down the pace of technological innovation are neither possible nor desirable. Also, increases in welfare based on fiscal deficits without economic growth are not sustainable. And certainly, a strategy focusing on technological innovation without treating social inequality is neither politically nor socially bearable. Recently, the basic income plan that has been experimentally introduced in Finland and Canada bears significant implications for South Korea. The basic income plan should, on the one hand, protect people who lose their jobs in the process of the Fourth Revolution and who are excluded from its benefits, while on the other hand, providing laborers with incentives and a willingness to work. The CEOs of some IT companies in developed countries are suggesting basic income as one of the systems that could secure future buyers and make the Fourth Revolution sustainable. The introduction of a robot tax is also being considered in this respect. However, it is necessary to recognize that this is an experimental policy that has been promoted to a limited group and that it differs greatly from proposed welfare policies in South Korea that are trying to introduce basic income to all citizens.

SUSTAINABLE COMMUNITY ECOSYSTEMS

In order to strengthen social integration, the South Korean government needs to focus on human development and sustainability based on real conditions and policy formulation. Economic growth and economic reforms can be advanced only to the extent that they are politically feasible and socially bearable. Economic conflicts in Greece, Spain, and other European societies as well as the so-called middle-income trap that Asia is currently experiencing are cases that South Korean society should seriously ponder. It is no longer possible for Korea to reuse the existing developmental state model that focuses exclusively on economic growth, but the European welfare state is also not viable. A social consensus is needed on how to combine growth and welfare in South Korea. Such a consensus must provide the answers to four important questions:

1) What is the threshold of inequality that society can politically bear?
2) What is the maximum amount of welfare that the government can provide under the constraints of fiscal sustainability?
3) To what extent can technological innovation and economic growth expand?
4) To what extent should social integration be pursued?

Under a great political compromise and social consensus regarding these four questions, a good institutional design and policy mix should be introduced and implemented.

Although South Korea has had a heritage of social integration that began with its agrarian society during the Chosun Dynasty, its impact was lessened under the pressures of industrialization and globalization. The Gold Collecting Movement in response to the economic crisis of 1997-98, however, was a dramatic revival of traditional community culture, yet, a later experiment under the government’s Tripartite Commission with the so-called Dutch Model of co-operative labor-market reforms was not very successful. Because South Korea’s compressed growth occurred over a very short period of time, and introduced a “winner-take-all” culture, there was a dearth of training opportunities for new social partnerships and a weak co-operative culture. As a result, job sharing and work sharing are still unfamiliar concepts.

Unfortunately, if social cohesion and trust are based on economic exchange and not on social exchange, there will be a limit to recovery. In addition to expanding and redesigning welfare policies, an atmosphere should be created to revitalize voluntary efforts to rebuild communities. Political power and social discourse must be decentralized in order to enable civil society to take the leading role in community rebuilding. The first step ought to be a small experiment to create a voluntary and sustainable community and cultural ecosystem. Co-operatives and social enterprises can serve as social infrastructure for such community building.

This work and vision of social integration can ultimately be expedited by the restoration of a positive role for politics. Politics can either destroy or strengthen social cohesion. It is the role of politics, therefore, to produce policies that improve social integration and encourage social consensus. Sometimes, politics can also serve as an outlet to relieve pressures of conflict just as it presents new hopes and visions for integration. In addition, with the international environment currently focused on nationalism, the role of the state to mediate external pressures has been widely anticipated, but only a transparent, democratic, wise, strategic and communicative political leadership will be able to promote social trust and restore social cohesion while preserving national interests. The quality of South Korean democracy, combined with political leadership and civil society, will determine how much of a challenge social integration will pose and how to overcome it.

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