

# Jobs, fairness and peace: The first anniversary of the Moon government

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Record high approval ratings hovering around the 80 percent mark. His liberal Democratic Party polling at 55 per cent of the vote only a month before upcoming local elections. Spontaneous applause as he appeared on screen on the day of the recent inter-Korean summit. One year into his non-renewable five-year term, President Moon Jae-in is a very popular president. To a large extent, this comes down to a simple fact: President Moon is following the promises that he made during last year's election campaign – both in terms of domestic affairs and inter-Korean relations.

To understand President Moon's popularity, we first need to look at the two issues that South Koreans care most about: job creation and social equality. On the first issue, South Korea's unemployment rate hovers around the 4 per cent mark. While the headline rate is low, there is a perception among many South Koreans that the quality of jobs available does not match the skills of a population where up to two thirds of high school graduates attend university. Furthermore, a youth unemployment rate around the 10 per cent mark – while low by international standards – is considered too high by most South Koreans. Thus, job creation was and remains the top priority for the Moon government.

Even though the government's policies are yet to have any significant effect on economic growth and related job creation, there is a perception that President Moon takes this issue seriously and is implementing the right policies. Governments at all levels are in the midst of a hiring spree. This follows from President Moon's pledge to create hundreds of thousands of public sector jobs in a country with the second lowest share of employees in this sector among all

One year from his election, Moon Jae-in is a very popular president with approval ratings hovering around 80 per cent. The reason for his popularity is, to an extent, fairly simple: he has followed the promises that he made during last year's election campaign. This refers both to domestic affairs and inter-Korean relations. With regards to the former, President Moon has been implementing a series of job boosting measures. He wants to address a perceived lack of good-quality jobs. Furthermore, his government is seeking to improve social equality. President Moon is thus addressing one of the major grievances among many South Koreans – namely the perception that those in power play by a different set of rules. On inter-Korean relations, President Moon is implementing an engagement policy that has helped to ease tensions in the Korean Peninsula and put South Korea in the driving seat.

OECD countries. Furthermore, his government is pushing for approval of a second extra budget bill that would provide tax and financial incentives for small and medium-sized enterprises (SMEs) to hire new workers and for young people to set up their own business. *Chaebols* will remain central to the South Korean economy, but the current government wants to press for diversification. Previous presidents also sought to foster SMEs and start-ups, but President Moon has created a ministry exclusively for this sector – thus highlighting his commitment to it.

On the issue of social equality, there is an ongoing perception in South Korea that those in positions of power play by a different set of rules than the rest – be it *chaebol* owners and their families or top government officials. Indeed, President Moon was elected following the candlelight revolution that ultimately led to the downfall of former president Park Geun-hye. With the latter now sentenced to 24 years in prison on multiple counts of abuse of power, bribery and coercion, and Park's predecessor Lee Myung-bak charged for corruption and abuse of power, this perception is starting to change. Thus, President Moon is benefiting from the work done by South Korean courts.

At the same time, President Moon has broken mould by actively communicating with both the general population and opposition parties. Furthermore, he has not hesitated to swiftly push for nominees to top government jobs to resign when faced with allegations of corruption or other forms of misconduct. More generally, he has helped to create an environment where criticism of those holding power is more permissible than in the past. As a case in point, South Korea is the Asian country where the MeToo movement has resonated the most. Politics, K-pop and film-making are among the many sectors to be rocked by sexual harassment scandals in recent weeks – helping to strengthen the perception that abuse of power is no longer acceptable. While the country's general population should take most credit for this, President Moon is seen as an enabler of social change and greater equality.

What about North Korea? President Moon has pushed for better relations with the Kim Jong-un regime since his election. The recent inter-Korean summit and upcoming meeting between Kim and US President Donald Trump are vindication of this approach. US talk of a 'bloody nose' strike on North Korea has given way to Kim's pledge to sign a peace treaty to put a formal end to the Korean War. This would open the door to markedly lower tensions in the Korean Peninsula and sustained and sustainable economic engagement between both Koreas. Engagement is a decades-old policy of South Korean liberals that now has the support of over 70 per cent of the country's population. And South Koreans believe that it is working, following from almost ten years of conservative rule during which inter-Korean relations deteriorated. As a result, President Moon's approval rating jumped in the wake of the recent inter-Korean summit.

As President Moon enters his second year in office, he wants to use his political capital to create a more balanced economy between *chaebols* and SMEs, press for more social change, and swiftly improve relations with North Korea. As long as he has the support of the South Korean public, he should be able to press ahead – especially if this translated into a good showing for his liberal party in the upcoming June local elections. The Moon government is thus in a strong position to push its political and economic agenda.

## About the author

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