

# THE ROLE OF CORPORATIONS IN KOREAN POLITICS: A CASE STUDY OF SAMSUNG GROUP IN PRESIDENT PARK GEUN-HYE'S SCANDAL

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## **Introduction**

President Park Geun-Hye of South Korea (2013 – 2017) is the daughter of Park Chung-Hee, the former president of South Korea from 1963 – 1979, and the first female president in Korean history. She was impeached by the National Assembly to strip her from immunity after a series of protests attended by half a million people in Seoul demanding her impeachment. The story of her impeachment revolves around her grievous life story, her confidant, and the role of mega corporations (BBC News, 2016a; BBC News, 2016b; BBC News, 2018b).

The role of 財閥 (read as *Chaebol* in Korean and *Zaibatsu* in Japanese), which refers to a very small number of elite families owning mega corporations, have been enormous in Korean economy since the presidency of Syngman Rhee, the first president of South Korea. During his presidency, there were no such a thing as big corporations. However, he, with his presidential power he possessed, chose his friend (the founder of Samsung) and some others to be heavily involved in the national economic programmes. Since that day, the *Chaebol* have become even stronger due to the fact that they are “the chosen winners” from the very beginning of the Republic of Korea (Andolfo, 2018; You, 2020).

The nature of this paper is descriptive – which intends to “describe a phenomenon and its characteristics. This research is more concerned with what rather than how or why something has happened” (Nassaji, 2015, p. 129). It seeks to analyse the role of corporations, taking Samsung as an example, in Korean politics. Samsung is chosen due to many scandals surrounding it – and Park

Geun-Hye's 2016 scandal is only one of them. In order to help answering the research question, content analysis is employed as a research method. The data used in this study are journal articles, news, and reports from which the answer to the research question can be got.

This essay consists of 4 main parts, i.e., introduction, Samsung & Korean politics, Park Geun-Hye's 2016 scandal, and conclusion. The first part introduces the reader to the issue. The second part shall give a short yet thorough explanation and exemplification of the role played by Samsung in Korean politics. The third part will scrutiny more on the 2016 scandal of President Park Geun-Hye and the involvement of Samsung in it. Eventually, the fourth part shall wrap up the whole discussion by reiterating the main points while drawing a conclusion.

### **Samsung & Korean Politics**

Prior to the discussion of the role of corporations or *chaebol*, it is necessary for us to do some flashbacks to the history of the *chaebol* themselves at the very beginning of the emergence of the Republic of Korea. Their emergence was heavily tied to the policy pursued by the dictator Syngman Rhee and his successors, i.e., the Korean developmental state – which was actually a copycat from the involvement of the *zaibatsus* in Japan, which was their colonial master (Jun, 1992; Murillo & Sung, 2013; Andolfo, 2018).

The Republic of Korea, in its 5000 years of history, has always been a poor nation. Hence, the presence of the *chaebols* has created mixed feelings among Korean people themselves. On one the hand, the *chaebols* have elevated the living standard of the general public while giving a sort of branding for the country. On the other hand, there is an increasing fear among the people that the *chaebols* will grow stronger and have more influence in politics so as to cause the life easier for them while leaving the public out in misery (Jun, 1992; Andolfo, 2018).

Samsung is the biggest *chaebol* in South Korea with “more than 59 affiliates and 250,000 employees globally”. It is also labelled as the “backbone of the Korean economy” due to the fact that it accounted for a fifth of the Korean exports and about 15% of the national GDP (Jung, Graeff, &

Shim, 2011, p. 23). Being involved in various scandals and having dealt with them for so many times, Samsung already has its own way.

It usually uses defensive ways to restore its reputation, e.g., denial, attack the accuser, bolstering, transcendence, and mortification. Simple denial means that Samsung will just assert or give a statement that it is not involved in any kind of scandals it is accused with. Sometimes, it also attacks the accuser by targeting his credibility – making the people doubt the statement by the accuser. Bolstering means that it will pursue any effort to put the good characters of the defendant in the limelight in order to shape public opinion, that the offence carried by him is minor compared to the good traits. Whereas, transcendence means that Samsung will try to put the scandal into a broader context. For instance, it will connect the issue of slush fund to national economic well-being. So far, transcendence strategy is the most effective way of handling any kind of scandal. The general public are easily led to the opinion that the well-being of Samsung means the well-being of the country and hence they tend to tolerate any kind of scandals related to it quickly. Last but not least, mortification, which means that Samsung admits and begs for forgiveness from the general public is also done sometimes (Jung, Graeff, & Shim, 2011).

There are many instances where Samsung is involved in a particular scandal, inter alia, the creation of a \$ 250 million slush fund to routinely bribe government officials, prosecutors, and the press, and the giving of “donations” to the confidant of President Park Geun-Hye – which will be further discussed in the next section. All those scandals involving Samsung began with its intention to get a shortcut to get all the necessary “elements” in the country to be in its favour. However, usually, Samsung can still regain public trust after each and every scandal at a relative ease (Jung, Graeff & Shim, 2011; Evans, 2016; BBC News, 2017; BBC News, 2018a).

This can be quite dangerous for the future of South Korea as there is a possibility that Samsung will keep on doing the offences it has been doing – especially knowing that it will be relatively easy for it to regain the favour of the public.

## **Park Geun-Hye's 2016 Scandal**

President Park Geun-Hye was formally stripped off of her power on 17 March 2017 after the Constitutional Court of Korea finally accepted her impeachment. However, the process leading to her impeachment started with a unanimous vote of 8-0 by the National Assembly signaling the consensus to remove her from office on 09 December 2016. Her impeachment was due to the accusation of her teaming up with her confidant, Choi Soon-Sil, and forcing some mega corporations to pay some tribute to two non-profit organisations managed by Choi Soon-Sil. Interestingly, Park Geun-Hye only managed to apologise by saying that she has done a grave mistake without mentioning what kind of “mistake” she has done. Whereas, her confidant, Mrs Choi, denied any accusations directed toward her (BBC News, 2016a; BBC News, 2016b; Evans, 2016; BBC News, 2018b; Piispa, 2018; Liu, 2019).

The blowing up of this case is due to the preliminary investigations done by big media corporations in South Korea. They managed to team up in order to expose the big scandal involving the President, her confidant, and some mega corporations – which will finally lead to her impeachment (Choo, 2018; Seo, 2020).

Samsung was dragged into the scandal due to the accusation of having given a horse and money to help the equestrian career of Mrs Choi's daughter with the exchange of getting some facilities for his business. Moreover, Mr Lee, the vice-president of Samsung is also accused of providing “donations” with the amount of 41 billion Korean Won – equivalent to \$ 36 million or £ 29 million. He admitted the accusations. However, Mr Lee denied the accusation of having received any form of reciprocation from either Mrs Choi or President Park Geun-Hye. (BBC News, 2017; BBC News, 2018a; Choo, 2018).

Besides that, President Park Geun-Hye was accused of leaking classified documents of the country to her confidant, Ms Choi. Looking at the life story of Park Geun-Hye, Ms Choi has been both a mentor and a more-than-family company to her – due to the fact that both of Park Geun-Hye's

parents were assassinated and she herself is not married and do not have kids. Unfortunately, the closeness of both of them has led Park Geun-Hye to involving her confidant in businesses she should not be involved with in the first place due to not having any position in the government (Piispa, 2018).

## **Conclusion**

The *chaebols* have always been involved in Korean politics since the independence of the republic. They have helped elevating South Korean economy and the living standard of its citizens. However, they are also involved in Korean politics. One example of a very prominent mega corporation controlled by a *chaebol* is Samsung. It has been involved in several scandals – mainly about bribing public officials and prosecutors to make the way smoother for its business.

The impeachment of President Park Geun-Hye is another scandal involving Samsung. The vice-president, Mr Lee, has admitted that he has given some kind of bribery to Mrs Choi, the defendant of President Park Geun-Hye, in the form of money and horse to ease Mrs Choi's daughter career – despite the fact that he denied that Samsung received anything in return.

It is quite worrying that Samsung, despite its track record of being involved with the dirty side of politics, can still easily regain sympathy of the general public. It is not improbable that Samsung will do similar offences in the future for its own gain. If that happens, the fear among Koreans that the *chaebol*, including Samsung, will have bigger influence in politics and government will come true. Such situation will leave the general public be at loss.

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