The Impact of Money Politics on Choice and Accountability of South Korean Democracy

Bowen Xu *

Faculty of Social Sciences, University of Macau, Macau, China.

* Corresponding Author Email: xubowenms2022@163.com

Abstract. This paper aims to explore how money politics undermines democratic choice and representation in Korea. Starting during authoritarian rule, when major political figures had financial dealings with chaebol groups, these relationships established enduring dependencies that remain today. Based on a qualitative case-study approach, the authors of this study identify three channels by which money affects electoral process: influence voting systems, leave politicians open to bribery and corrupt influences, and taint what should be a fair way of doing things. The study explains how these channels heighten routine electoral slam dunks, make policy biased towards the economic elite and attract public blaming and distrust. It also scrutinizes post-crisis reforms since 1997—from stronger audit controls for campaign finance laws to more openness in government-as well as their results on balance points out positive as well as negative factors. Finally, the paper suggests policy interventions, for example, tougher rules for donations declaration of assets by politicians, and campaign funding in support of under-represented candidates. Emerging from these findings is the need for deep-rooted democratic change in order to make sure voter-privileged fully represented us citizens and public reliance on political power.Future research will utilize new methods of data collection for deeper understanding of this phenomenon. Evaluation and enforcement enhanced campaign finance regulation, in particular, must be independently examined by specialists.The South Korean Press will find freedom from the power wielded by a few elite companies, which diverse opinions now compete in great numbers.

Keywords: Money Politics; Choice; Accountability; South Korean Democracy.

1. Introduction

The most critical period in this development was under President Park Chung-hee (1961–1979), a military ruler who emphasized economic development as well as security for national purposes. His regime enacted a state-led model of development that explicitly laid heavy reliance on government to support selecting winners, export-oriented industrialisation, and comprehensive control of the allocation and use of capital. The government gave targeted subsidies, preferential loans, tax incentives, and access to foreign exchange to those companies that suited national goals.

Such preferential treatment was not given lightly. In return for these benefits, business leaders were expected to show their political loyalty to the government with material support for its programs. Ever increasingly, they also had to provide the virtually clandestine financial backing needed by ruling party campaigns and operations. This created what researcher has called a "mutual hostage" relationship of deep interdependence between political elites and business magnates [1]. The government needed the business community for success in economic end result, but also financial resources, while businesses required state protection and favoritism of policy to stay alive and grow. This system sectionalized crony capitalism was the pattern for money politics in the democratic period that followed.

Such was the nature of the political economy that emerged in South Korea in the 1960s under General Park Chung Hee: authoritarian leaders like Park also expected and received unwavering support from business interests whom they permitted--indeed encouraged -- to rob ordinary citizens on land sales and highway construction projects of either markets or tax money for generations afterward. Then South Korea's chaebol conglomerates extended their economic clout to the field of politics. This would establish a pattern that continued well into 1980s when formal democratic institutions were established. With formal democratic institutions in place, although informal financial ties also wield huge influence in politics. To this effect, old patterns of money politics helped to define the frame within which electoral competition could take place after authoritarianism.

Long before democratic elections were introduced as the result of mass demonstrations backing reform in 1987, at that time it served as a cultural environment for money politics. Political parties inherited or followed their predecessors-in-power assistance networks and got money from these sources to run expensive national elections.

First, institutionalized money politics meant that new democratic actors faced heavy entry barriers. Without ties to established patronage networks or corporate sponsorships, many reform-minded or local candidates had difficulty entering into competition. This only served further to embed the role of wealth in politics. Therefore, South Korea's early years of democratic politics were marked by continuity instead of change--at least when it came to money’s still-prevalent role in politics.

The close fusion of business and political interests led not only to a system of financial dependence, but also to a whole culture that condoned such activities. Large donations in political campaigns, secret slush funds, and books payments became part of normal behaviour: enforcement powers were often weak or arbitrary. Although anti-corruption talk grew louder as time went by, the roots of money politics lay deep in Korean life and economy.

The origin of corruption in South Korea is integrated into the history of the country's development. During the period dictatorship lasted, political authority and economic power became intertwined. This was bequeathed a development of mutual dependence and systematic clientelism. Such institutional structures built a foundation for subsequent impediments to maintain democratic legitimacy and in turn participation.

This paper is concerned with the various forms of money politics in South Korea, which lead not only to formal political processes being influenced, but also to informal governance practices. Several enduring forms of money-fueled influence are deeply embedded in South Korean political life. Even with democratic reforms and increasing pressure from the public itself, they survive and prosper. It is therefore useful to study these pockets of corruption. This section focuses on three of the most familiar guises under which money politics in the Republic of Korea rears its head: campaign financing and electoral spending, cronyism and patronage networks, and quid pro quo corruption.

2. Campaign Financing and Electoral Spending

South Korea's highly competitive political system demands expensive campaigns, especially for presidential and National Assembly elections. Candidates must appeal to a large electorate, at great cost both in advertising money and public relations staff. Despite legislative limits on campaign donations and public financing systems designed to equalise competition, political campaigns often rely on 'under-the-table' contributions and opaque financial channels. For example, slush funds: campaign teams and politicians collect undeclared donations from corporate interests, in cash and often off the record so as to escape legal oversight. Such slush funds are often used for unofficial campaign expenses or to influence voter behaviour in key districts [3]. Although political finance laws have been amended several times-most significantly with the 2004 Political Funds and limit private donations, enforcement remains uneven. Moreover, there are loopholes for indirect support through third-party organizations or shell companies. Ironically, major corporations and chaebol have played a part in determining the outcomes of elections by providing financial support, sometimes under tacit pressure from ruling parties. The Park Geun-hye-Samsung scandal revealed how campaign contributions can be funneled through foundations or non-profit organizations in return for favors, raising profound questions about the effectiveness of present campaign finance regulations [4].

2.1. Cronyism and Patronage Networks

Cronyism is becoming more like electoral funding, as politicians and bureaucrats honour personal or political loyalty with government jobs, contracts money or lenient regulations. This sort of politics based on patronage, which is a holdover from South Korea's autocratic period, distorts fair competition and merit-based governance.

Old, filling high government positions sometimes meant naming close associates or former campaign workers—or indeed family members— whether or not their qualifications were appropriate. This has bred public disillusionment and expectation among people in office that they will receive something blessed. For instance, former President Lee Myung-bak was widely criticized for appointing former colleagues and political new party loyalists to top posts of government and public corporations, blurring the lines between serving in public life and taking material benefits from it.

On a smaller scale and in more specific arrangements, patronage networks are often used to shore up electoral support in areas with strong party affiliations. In return for votes, local leaders may promise things such as infrastructure investment projects, building permits or employment policies that favor their group-turning public policy into a tool which works like buying an early heart attack. Practicing policies like these prevails to some extent because they increase voter loyalty and institutional checks (e.g., independent monitoring agencies) offer very little power over local government administrations.

2.2. Quid Pro Quo Corruption

Probably the most serious kind of Sotw money politics in South Korea are instances when specific policy decisions, government contracts or regulatory outcomes are exchanged for financial donations by certain groups or individuals. These things often take place behind closed doors and will not always be discovered reliably. Yet their effects go very deep into everything from large companies' governance records to public health policies. President Roh Moo-hyun Involvement in the Scandal was accused of accepting bribes from corporations in return for political favor.

Likewise, when it comes to public procurement and construction projects, government officials have been caught making agreements with private companies. Informal contacts and underhanded payments made this possible. Despite the increased activity of the Korea Anti-Corruption and Civil Rights Commission (ACRC) and other monitoring agencies since the beginning of this century, their work is often constrained by political interference, lack of funding or too limited a remit. Furthermore, large-scale corruption may draw public outrage, but there is a certain normalization of small bribes throughout society; after all, bureaucrats must have some ways to get things done in any given situation due to its poorly structured nature.

The result of this combination of money-oriented politics is a situation where financial power is not only extremely influential but frequently decisive as far as political results are concerned. Cooperation among bodies responsible for election financing, the prevailance of favoritism, and official corruption all weaken political accountability in any democratic society. While there has been some headway in revamping campaign finance laws, at their base structural characteristics of interdependence between money and politics remain intact throughout South Korea.`Be sure to leave adequate spacing here because the next editing may add a great number of lines. `

2.3. The Democratic Consequences of Money Politics

In South Korea, money politics not only distorts the fairness of elections and the integrity of administrative affairs. It therefore poses a much more fundamental challenge to democratic institutions in terms of their legitimacy and working procedure. When political authority becomes linked to economic advantage, money politics creates a system that gives priority to wealth rather than voice, favors the elite over popular participation and encourages servile tribute in place of accountability.

This section will discuss the three major democratic consequences brought about by money politics: progressive inefficiency, popular imbecility or anarchy and weakened trust in public institutions. One of the most basic principles of democracy is political equality—that each citizen's voice should count the same amount. Yet money politics creates a terrain wherein the affluent classes, corporations, and political insiders have disproportionate controls over policy decisions, answers to electoral access, and legislative time [5].

In South Korea, various interest groups with substantial financial resources—especially the chaebol—have historically been able to use strategic donations, lobbying efforts and informal connections with government officials in order to influence what policies are most important on any given day. This guarantees them capital leniencies that might secure viral videos at best or even public contracts valid for sale only by enormous businesses [6]. The result is that economic elites influence politics-bound like any other interest group without representation among people who are below median income levels and who do grassroots organizing.

This dynamic is most clearly visible in the process of candidate selection. Campaign funds and electoral prospects being generally considered, political parties often support candidates with independent wealth or connections to their own donors. In addition, the opaqueness of campaign funding and lobbying influences accountability further. Although the Political Funds Act subjects' donations to disclosure, there are few opportunities for real-time public oversight. Political intermediaries and third-party organizations often obscure the true origin of funds and influence. This lack of transparency makes it difficult for voters to relate actions in policy making with the financial incentives behind them, weakening the electoral feedback loop central to democratic responsiveness [7].

2.4. Decline of Trust in Institutions and Democratic Stability

Perhaps the most dangerous future effect of money politics is its corrosive effect on trust in public institutions. Once citizens perceive their representatives to serve those who finance their campaigns rather than the public, and when corruption becomes a routine part of political reality, they will increasingly avoid participating in public affairs altogether and tend towards taking action that is illegal or outside the law [8]. In South Korea, this erosion of trust has been seen in widespread public protests with low voter turnout at local poll sites and a resurgence of the candidates who had campaigned on platforms promising to "clean up" politics. With people no longer restrained by their own self-discipline and dignity of public office, rampant corruption was seen as unavoidable public policy.

Although the Korean government has pushed forward with a range of changes aimed at improving legal transparency and combating corruption, these efforts have had mixed results at best. Opinion polls consistently show that a major part of the population continues to believe that politicians are corrupt and that cash, not character or public benefit, drives political action [9]. Nor is this merely a question of present governance. A society where peopleare robbed of their faith in leaders and institutions becomes prey to polarization and disengagement, even reformuldoubts about the past or authoritarian relapse. In this sense, money politics does not only deform the current governing's appearance, but also threaten long-term loss of democracy's true face.

The democratic consequences of money politics in South Korea go far beyond individual scandals or improper political donations. Instead, they are a structural imbalance in how political power is distributed and used. Addressing this challenge will take more than legal reform: Political expectations have to change; Civil society needs to become strong enough again; Government should re-envision exactly what democratic representation means in a modern Korean context.

2.5. Legal and Regulatory Framework

It limits corporate contributions to political parties and imposes ceilings on individuals' gifts. During election time, candidates and political parties must provide detailed financial statements, which are posted online to public view. In addition, The Public Official Election Law (most recently amended in 2020) provides detailed guidance on campaign expenditures, vote-buying and provision of gifts or benefits. Violating these statutes can result in criminal prosecution, loss of public office and disciplinary action against one party by other parties. These statutes are implemented by the

National Elections Commission (NEC), which is an independent constitutional organ responsible for overseeing elections as well as politics budget.

However, enforcement has been uneven. Gaps in campaign donation tracking and the employment of go-betweens - such as private equity funds or third-party advocacy organizations - allow politicians and donors to evade regulation. According to Transparency International Korea Report of 2022, only a small fraction of those who violate these laws but yet remain unprosecuted pay fines. Moreover, since there are no auditing mechanisms that real-time, problems may not become apparent until long after the election has been decided.

2.6. Anti-Corruption Institutions and Oversight Mechanisms

In addition to campaign finance laws, South Korea has also set up specialized agencies to tackle other misdeeds in politics. At certain times, they have been accused by opposition parties and civil society groups of acting with political bias or selectively enforcing cases. What's more, limited staffing, bureaucratic inertia and a lack of coordination between the two organizations have all held back their ability to take effective action against complex transnational or international networks of corruption. By 2023, the conviction rate of cases cited by CIO remained relatively low. There were now fears it had lost its deterring effect. Civil society organizations, investigative reporters and grass-roots activists have played key roles in exercising pressure over reform requirements and unearthing money politics cases. South Korea possesses a rich civil society landscape, with groups such as People's Solidarity for Participatory Democracy (PSPD) and Transparency International Korea regularly launching campaign finance audits, suggesting legislative changes and hosting public fora on political ethics.

The community has played a very significant role in the exposure of corruption cases and the mobilization of public indignation. Despite these challenges, civil society has remained a critical bulwark against institutional stasis. Public demands for cleaner politics--whether expressed through protests, lawsuits, or at the ballot box--have driven wave after reform in South Korean democracy.

But obstinace other informal networks, exploitation of public power, and enforcement difficulties make the reforms in effective. There are much to be achieved. To turn legislation into genuine democratic renewal, the only way is to bolster our transparency mechanisms, endow anti-corruption bodies with full powers, and engage a civil society closely in politics. The case of South Korea tells us that institutional design by itself cannot dispel the long-term influence of money on politics [10]. Samsung poses a special case in that although it administers a portion of the funds with one another, for money-grubbing bribe-taking schemes all round, very little benefit actually has accrued to the people. That South Korea has taken several institutional approaches to control money politics: the repeated scandals and lack of public trust in those with power evidence, however that deeperstructural reforms are needed if this situation is to improve. To promote a more participatory and transparent democracy, structural reform of the political system is inevitable. The majority of candidates today have little or nothing in common with their voters--as far as origin, status or interests go--rather, they are offspring drawn from the ranks of established clans [11-15]. We must strive for a political format that is less imprisoned by money and can better reflect popular will. Present manufacturers workers push hard to maintain limits. They have been lifted automatically. All large firms will entirely shut down. In order to seek common solutions to the predicament described above, this section explores some bold recommendations that might help foster a more powerful and equitable form.

3. Conclusion

This study has revealed how deep and lasting is the influence of financial interests on the choices people make in a democracy and representation in South Korea. Despite changes in laws, there are a number of fundamental challenges including financial secrecy, the dominance of the country's elite, and public disillusionment. The cases discussed in this paper show how organized networks of wealth and influence still hamper democratic political processes, vitiating the principles of political equality and representation. A new round of democratic reform is urgently needed in the country. In the final analysis, changing politics from monetary influence is not really about reducing corruption only. It is also about defending the democratic ideal of sovereignty from the people. Only in this way can Korea achieve a more responsive, fair, and representative form of government.

References

[1] Troup, C. M. (2020). A comparative analysis of womens movements in South Africa and South Korea and their influence on democratisation (Doctoral dissertation, Stellenbosch: Stellenbosch University).

[2] Fioramonti, L., & Fiori, A. (2010). Civil society after democracy: The evolution of civic activism in South Africa and Korea. Journal of Civil Society, 6(1), 23-38.

[3] Lee, N. (2011). The making of Minjung: Democracy and the politics of representation in South Korea. Cornell University Press.

[4] Kang, W. (2015). Inequality, the welfare system and satisfaction with democracy in South Korea. International Political Science Review, 36(5), 493-509.

[5] Im, H. B. (2000). South Korean democratic consolidation in comparative perspective. Consolidating Democracy in South Korea, 21-52.

[6] Go, S. G. (2017). Electoral Democracy and the Role of the Electoral Management Body in South Korea. In The Experience of Democracy and Bureaucracy in South Korea (pp. 23-52). Emerald Publishing Limited.

[7] Shin, D. C., & Chu, Y. H. (2004). The quality of democracy in south korea and taiwan: Subjective assessment from the perspectives of ordinary citizens. In 2004 Annual Meeting of American Political Science Association.

[8] Hayes, W. A. (2005). Do springs of democracy lead to falls of justice? State–civil contests for political accountability in South Korea. Journal of Human Rights, 4(2), 251-265.

[9] Fiori, A., & Kim, S. (2018). Civil society and democracy in South Korea: A reassessment. Korea's Quest for Economic Democratization: Globalization, Polarization and Contention, 141-170.

[10] Dwivedi, S. S. (2017). Civil society and democracy in East Asia with special reference to South Korea. Journal of Social and Economic Development, 19, 211-226.

[11] Koelble, T. A. (2022). Poverty, corruption and democracy: the role of 'political society'in post-colonial South Africa. Globalizations, 19(7), 1137-1149.

[12] Yap, O. F. (2012). A strategic model of economic performance and democratization in South Korea and Taiwan. British Journal of Political Science, 42(1), 213-239.

[13] Moran, J. (1998). The role of the security services in democratization: An analysis of South Korea's agency for national security planning. Intelligence and National Security, 13(4), 1-32.

[14] Olsen, T. D., Payne, L. A., & Reiter, A. G. (2010). The justice balance: When transitional justice improves human rights and democracy. Human Rights Quarterly, 32(4), 980-1007.

[15] Li, Q., & Reuveny, R. (2003). Economic globalization and democracy: An empirical analysis. British journal of political science, 33(1), 29-54.