

SPECIAL FEATURE

COUNTER-
MOVEMENT

Rainer Zitelmann looks at South Korea's shift to the left, and how pro-capitalists are fighting back

AT THIS year's Cannes film festival, the South Korean director Bong Joon-ho was awarded the coveted Palme d'Or for his satire *Parasite*. The film is an attack on capitalism: a poor family insinuate themselves as servants into a much richer one.

One of the film's core messages is that it is almost impossible to bridge the gap between rich and poor.

I haven't seen the film yet, but it came up during an interview with the cultural editor of a respected Korean daily newspaper.

The film, he said, shows that the poor and the rich are both psychologically deformed by capitalism. In the interview, he confronted me with the same extensive range of anti-capitalist stereotypes that are so popular in western countries.

I was left in no doubt: anti-capitalism has made inroads in capitalist South Korea, where people are equally familiar with names like that of the French anti-capitalist critic

Thomas Piketty.

In contrast to Europe, however, South Korea is also home to a strong, pro-capitalist counter-movement.

You can see the strength of this movement in the way that its advocates have taken over social media, especially YouTube. The popularity of channels like Pen & Mike (462,000 subscribers), Go-Sung-Gook TV (350,000 subscribers), and Sihm Ui Han Soo (733,000 subscribers) shows the growth of pro-capitalist ideology.

As a result, it's not all that surprising that the recently published Korean-language edition of my book *The Power of Capitalism* has attracted so much interest.

Critics have accused President Moon Jae-in of the Democratic Party of Korea, who has been in power since May 2017, of pursuing anti-American policies and saying nothing in the face of human rights violations in North Korea.

One of those critics is Sung-No Choi, president of the Center for Free Enterprise. He is also president of the Hayek Society in South Korea, which organises events and publishes books and YouTube videos to promote free-market economics.

According to Choi, the ruling Democratic Party is far more left-wing than Germany's Social Democrats and the UK's Labour party. The party is clearly pursuing leftist policies – since 2017 alone, Korea's welfare spending has risen by 30 per cent.

People like Choi are worried that

South Koreans are forgetting the policies that fuelled their country's amazing success.

As recently as the 1960s, South Korea was one of the poorest countries in the world, just like the poorest African countries today. Choi is convinced that the success of South Korea – today the sixth strongest export nation in the world – is evidence of the success of capitalism.

South Korea's pro-capitalists are primarily critical of what they see as a departure from market principles.

A heated debate is now raging around the country's minimum wage, which was introduced back in 1988, but has largely remained very low. In recent years, however, it has risen dramatically.

Opponents fear that smaller companies in particular will no longer be able to pay the minimum wage if it climbs much higher. According to calculations from the Center for Free Enterprise, a 10 per cent increase in the

minimum wage would push unemployment up between 0.7 and 0.8 percentage points.

Some of the criticism might seem strange from a western European point of view. The Center for Free Enterprise points out that the government has reduced the maximum working week from 68 hours (plus 12 permitted overtime hours) to 52 hours per week.

When I observed that the French only work 35 hours a week, critics of South Korea's working time restrictions countered that entrepreneurs in Korea face up to two years in prison if their employees work longer than is permitted, which is often unavoidable, especially in smaller companies.

Nuclear energy is another major bone of contention. In 1990, nuclear energy accounted for 45 per cent of South Korea's energy supplies. Today it is just 23 per cent.

President Moon has already floated the idea of phasing out nuclear power completely, but met strong opposition from his critics.

Many of the current government's biggest opponents are also supporters of Park Geun-hye, the daughter of Park Chung-hee, who is widely credited as being the father of the Korean economic miracle. His daughter served as President of South Korea from 2013 to 2017, but she is now in prison, having been convicted of corruption. The opposition forces believe, however, that she was wrongly convicted.

The libertarians I spoke to com-

plained that Korea's media is firmly in the grasp of left-wing ideologists.

In Germany, the generation of "68ers" are held up as the enemies of economic liberalism; in South Korea, libertarians complain about the power held by those who were involved in the protest movement of the 1980s.

Again and again, I was told how those in charge of politics and the media today became socialists during the student movement of the 1980s.

When I pointed out that this was a legitimate protest movement against an autocratic, undemocratic system, my objection was countered with the argument that many of this movement's leading protagonists are extremely sympathetic toward North Korea, and are anti-American as well.

Although South Korea has a completely different history and culture, many of the debates raging across the country have a distinctly "western" feel.

The most heated discussions right now centre on society and whether, as libertarians think, South Korea is moving too far on the road to becoming a European welfare state.

Debate revolves around whether the country could end up betraying its capitalist principles, or if perhaps – as their opponents think – welfare state reforms are urgently necessary to stop the gap between rich and poor from growing ever wider.

Dr Rainer Zitelmann is the author of *The Wealth Elite* and *The Power of Capitalism*.



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