

The Nobel Peace Prize and Korea's Kim Dae-jung

James Conachy
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Behind the rhetoric surrounding last month's award of the Nobel Peace Prize to 75-year-old South Korean President Kim Dae-jung is an elementary truth: The prize is consistently given to figures who have been instrumental in effecting strategic shifts in conflict-torn parts of the world that serve the interests of the major capitalist powers and corporations.

In the 1990s, Nobel's have been awarded to South Africa's Nelson Mandela and F.W. de Klerk for managing the ending of apartheid; Yassir Arafat, Yitzhak Rabin and Shimon Peres for effecting the Middle East agreement in 1994; and David Trimble and John Hume, the major brokers of the Northern Ireland accord. In each case, the shift has been hailed as facilitating the flow of transnational investment and trade.

The award to Kim Dae-jung is no exception. In June, at a joint summit between Kim and North Korean leader Kim Jong-Il, the two Korea's signed a five-point accord that will open up the insular Stalinist state in the North to capitalist development and exploitation by South Korean and transnational corporations. In the months since, reunions of divided families and the joint entry of the Korean teams into the Sydney Olympics have been interpreted as signs of a genuine rapprochement and the beginning of the end of the Cold War division of Korea and its legacy of military tension.

International commentary on Kim Dae-jung's Peace Prize has sought to portray him, in the words of the Norwegian Nobel committee, "as a leading defender of universal human rights against attempts to limit the relevance of those rights in Asia". The *Washington Post* made that theme the focus of its October 14 editorial, concluding that "those who still argue, like the gerontocrats in China, that democracy is unsuited to Asia are embarrassed and shamed by the story of [Kim's] life".

While Kim Dae-jung endured considerable persecution in the past for his opposition to authoritarian governments in South Korea and his advocacy of a détente with North Korea, his overriding concern has not been democracy or human rights, but the long-term viability and stability of Korean capitalism.

The last 12 months have raised the prospect for the realisation of his lifelong political vision. He has hailed his accord with the North as positioning Korea at the centre of a new "Silk Road" between Europe and Asia.

The Korean peninsula has held great significance for those

seeking profits and geopolitical sway in North East Asia since the middle of the nineteenth century, when China and Japan were forced by European and US colonialism to open their markets. Bordering China's northern provinces, in close proximity to Russia's trans-Siberian railway and major Asian port of Vladivostok and with its own deep water ports like Pusan directly adjacent the Japanese archipelago, Korea is a natural gateway for commerce and influence.

In today's highly globalised economy, with North East Asia one the world's key economic regions and South Korea itself the eleventh largest exporting nation, the inability to move goods from the northern to the southern half of the peninsula has become an increasingly frustrating and costly irrationality. Opening up a simple freight rail line through North Korea and linking it with the Russian and Chinese rail system would slash weeks from the trading time between the European Union, South Korea and Japan.

The détente between North and South Korea has been greeted with particular enthusiasm in Europe. Italy led the Western world in re-establishing diplomatic ties with North Korea. In recent weeks, Britain, France and Germany have announced their intention to follow suit, as have lesser EU economies. Australia, Canada and the members of the Association of South East Asian Nations (ASEAN) have all opened up embassies. Most significantly, both the United States and Japan have begun talks toward establishing diplomatic relations. In the wake of the diplomatic missions have come the business delegations.

Kim Dae-jung has sought to win support within the South Korean ruling class for economic relations with the North for nearly 40 years. A businessman in the shipping industry, he was first elected to the Korean parliament in 1960. After the 1961 military coup led by General Park Chung-hee, he emerged as the leader of the legal opposition. Kim's calls for greater democracy were in part animated by Park's pathological hatred of the North and his suppression of any discussion on opening up relations.

In 1970, Kim Dae-jung stood against Park for the presidency on a platform of "peaceful coexistence" and ties with North Korea. He survived an assassination attempt and won 46 percent of the vote. In 1972 the military responded to Kim's

growing support by dissolving parliament and imposing a dictatorship that continued for the next 15 years. Kim Dae-jung spent most of those years in prison, exile or under house arrest.

In 1987, the South Korean working class rose up in nationwide political strikes and protests fighting for major increases in living standards and the end of the military government. Confronted with a mass movement that had the potential to radically transform Korean society, Kim Dae-jung demonstrated that he represented class interests fundamentally opposed to the working class and genuine democracy.

Hostile to workers' social demands that went against the interests of the Korean business elite, Kim Dae-jung used his standing as a long-time oppositionist to appeal to workers to return to work. Collaborating with the discredited and isolated military rulers, he worked to divert the mass discontent into presidential elections and stabilise the political situation. The election itself was rigged to ensure the regime's candidate, Roh Tae-woo, won.

His own administration, elected in December 1997, has been marked by the ruthlessness with which it has implemented the economic restructuring policies dictated by the International Monetary Fund in exchange for a \$US57 billion bail-out package. Among his first acts was ending legal guarantees of Korean workers' security of employment. In the first six weeks of his presidency more than 1 million full-time jobs were eliminated and unemployment more than doubled. Manufacturing workers' wages were slashed by an average of 9.8 percent in 1998.

Where workers have engaged in strikes and protests, they have been suppressed with levels of violence not seen since the last days of military rule. Hundreds of union officials and workers' leaders have been subjected to arbitrary arrest.

Kim's policy toward North Korea is as equally devoid of concern for democratic principles and the social interests of the masses as his policies in the South. It is above all else aimed at exploiting the police-state repression and poverty in North Korea to provide cheap, disciplined labour for South Korean companies. Explaining his agenda before the inter-Korea summit meeting, Kim stated he was looking to match "the North's excellent but cheap labour with the South's capital and managerial know-how".

The agreement entered into in June preserves intact the Stalinist state and maintains indefinitely the political division of Korea. The only "reunification" envisaged is some form of confederation that maintains the two distinct governments and thereby prevents North Koreans entering the South.

The policy itself was formulated after exhaustive examination of the absorption of Stalinist East Germany by the West, which has produced considerable financial and social problems for German capitalism. A calculation was made that South Korea should not and could not pay the cost of a reunification. By 1990, living standards in North Korea were less than one-tenth those of the South and its infrastructure obsolete. It is estimated

that a German-style incorporation of North Korea by the South would cost between one and three trillion US dollars. It has been deemed more profitable to exploit things as they are.

The most palpable consequence of the accord is the venture between the North Korean government and South Korean conglomerate Hyundai to open up a Special Economic Zone (SEZ). It is to be located along the railway in the city of Kaesong, just inside the North Korean border. The zone will house 1,200 businesses, employ 160,000 and produce \$US20 billion in exports annually. Other SEZ's will be built if Kaesong is a success.

The North Korean workers can anticipate wages of \$US70-\$100 *per month*. In a telling interview with the *Far Eastern Economic Review*, Hyundai Asan Chairman Kim Yoo-kyu declared that North Korean government involvement in the SEZ meant "there won't be labour disputes to mar our business ventures".

US real estate firm Cushman & Wakefield, whose main shareholder is the Rockefeller Group, has won the contract to attract \$US5.5 billion of investment. Japanese investors have already committed over a billion dollars. Over 100 South Korean textile companies have applied to locate in Kaesong, and Samsung intends to establish electronics plants.

As the North is opened up, further layoffs are inevitable in South Korea. In a recent survey by the Korean Chamber of Commerce and Industry, 31 percent of South Korean companies stated they are preparing to launch operations in North Korea, more than half through joint ventures with North Korean companies now being established.

The construction of gas pipelines through North Korea from Russia's Siberian gas fields, to supply energy to the South and conceivably to Japan, is also being examined. Transnational petroleum companies have signed contracts to explore North Korea as a potential source of oil.

Essentially, the South Korean capitalist class, represented by Kim Dae-jung, has offered a partnership to the Stalinist bureaucratic elite in North Korea. In exchange for opening up to investment they will be provided the opportunity, through allocating ownership of joint ventures to themselves, to transform themselves into a property-owning class as their counterparts in China have done.



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