

New leadership on their marks:

Two major parties and ministries

July 2024

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People Power Party's convention outcome

On 23 July, **People Power Party (PPP)** candidate **Han Dong-hoon** won a majority of his party's votes and **was elected as a party leader** without a runoff. At the PPP convention, held at Kintex in Goyang, Gyeonggi-do, Han received 327,102 votes (62.84%) out of a total of 408,272 votes cast. Rival candidates Won Hee-ryong received 96,177 votes (18.85%), Na Kyung-won received 74,419 votes (14.58%), and Yoon Sang-hyun received 19,051 votes (3.73%).

In his acceptance speech, Han said, "There is no politics that violates people's sentiments," emphasizing the need to be more responsive to the people's needs. He also urged his party to "accurately reflect the sentiments of the people through productive discussions within the party and healthy relations with the government, reacting without missing a beat."

Han won the election with a pledge to reestablish party relations with the Yoon administration, but **he needs to restore his relationship with the President**, with whom he had a falling-out over April's general election defeat. Han will



Source: Yonhap News

also **need to address intra-party conflicts**, which intensified during the convention to the point where the term "parting convention" was used to describe the heated negative campaigning. He also faces **the significant challenge of fending off attacks from the majority opposition**, including related to the *Corporal Chae Special Counsel Act* and ongoing presidential impeachment campaigns.

Even being mentioned as a potential future presidential candidate, **Han will also need to solidify his weak support base within the party**. Among the 108 current National Assembly (NA) members of the PPP, only a few first-term members, including some proportional representation lawmakers he was involved in recruiting during his tenure as interim leader, are known to be his supporters. Moving forward, it will be crucial for him to secure staunch backing from veteran members as the party leader holding the reins of power.

On 10 July, **former Democratic Party (DP) leader Lee Jae-myung** held a press conference at the DP's headquarters to **declare his candidacy for re-election as the party's leader**, saying, "If I can change today's despair into tomorrow's hope, I will sacrifice everything I have."

Prior to Lee, former NA member Kim Du-kwan also held a press conference at the Sejong City Council on 9 July to announce his candidacy. Kim emphasized, "People's concerns about the DP will only deepen if our party cannot prevent a one-man show by strengthening systems to ensure diversity and decentralization of power."

The convention is scheduled on 18 August, yet **Lee Jae-myung's continuation in office is virtually a foregone conclusion**. Lee received 91.7% of the cumulative votes in the 20-day regional circuit contest, confirming the mantra of "Lee-der ship anyway" (meaning that Lee will be the leader anyway). Meanwhile, Kim Du-kwan's cumulative vote share is 7.19%, and another candidate, Kim Ji-soo, is a mere 1.11%.

Lee's messaging is evolving as his reappointment becomes almost certain. Instead of criticizing the Yoon administration, he is now shifting focus to the vision and policy agenda of the Democratic Party that he aims to promote. This shift is intended to **demonstrate his capacity as a responsible leader** of a major opposition party.

Democratic Party's convention outlook



Source: Newsis

A series of confirmation hearings begins

As mentioned by the President at his second inaugural anniversary speech back in May, **the Yoon administration has begun to seek momentum for national tasks through a series of ministerial reshuffles.** Deputy ministerial appointments, which do not require a hearing, were made first in June, and ministerial nominations and appointments consequently followed when the NA's standing committee composition was finalized later that month.

On 22 July, there were confirmation hearings for Kim Byung-hwan, nominee for **chair of the Financial Services Commission (FSC)**, and Kim Wan-seop, **nominee for Minister of Environment.** Following this on 24 and 25 July, the confirmation hearing for Lee Jin-sook, **the nominee for Korea Communications Commission (KCC) chairperson,** was conducted over two days, which is uncommon except for the Prime Minister. However, NA Science, ICT, Broadcasting, and Communications Committee went further and extended Lee's hearing through 26 July, resulting in an unprecedented three-day hearing in history.

For the FSC chairperson position, Kim Byung-hwan ended the hearing without any significant controversies, simply reaffirming the policy issues that will be his top priorities after taking office, including household debt, real estate project financing (PF), and financial support for small businesses and the self-employed.

Meanwhile, nominee for Minister of Environment Kim Wan-seop faced issues regarding his expertise in the environmental field and potential conflicts of interest with a company operated by his in-laws. Despite these concerns, the NA Environment and Labor Committee adopted the hearing report, and Kim was confirmed as the new Minister of Environment on 24 July.

On the other hand, nominee for the KCC chairperson **Lee Jin-sook is facing multiple allegations,** including personal use of corporate credit cards and official vehicles during her tenure as the CEO of Daejeon MBC. She has also been criticized for labeling cultural artists as leftists, attempting to privatize MBC in collusion with the National Intelligence Service, and running an extreme right-wing YouTube channel. Given these numerous concerns, **her confirmation hearing report is likely to encounter strong headwinds in the NA.** However, given President Yoon's previous appointment of former KCC Chairperson Kim Hong-il without adopting the confirmation hearing report, there is a chance that similar push also happens this time.

The Corporal Chae Special Counsel Act, which was passed by the DP-led plenary session on 4 July, was returned to the National Assembly following President Yoon's veto, but it was ultimately rejected after a re-vote on 25 July. This Act was also discarded during the 21st NA after being vetoed by President Yoon and failing to pass the veto override vote. According to the *National Assembly Act*, a bill that is rejected in a plenary session vote following a presidential veto is automatically discarded.

Corporal Chae Special Counsel Act veto override stalls in the NA

Opposition parties are now advocating for an "even stronger special counsel act" in response to this rejection. They argue that the newly proposed *Corporal Chae Special Counsel Act* should also specifically include the first lady Kim Keon-hee, in connection with the lobbying allegations involving former Marine Corps 1st Division Commander Lim Seong-geun. Leveraging its majority in the NA, the DP is planning to reintroduce the special counsel act targeting the Presidential Office in the upcoming August session.



◀ From left to right:

Pan-opposition parties at the national rally and PPP's picket protest on the Corporal Chae Special Counsel Act

(source: Yonhap News)

Parliamentary majority vs. ruling party-government initiatives

Once its new leadership is elected, the DP is expected to continue with an aggressive party line, leveraging its majority in the NA. In contrast, the PPP will likely attempt to implement its policy agenda by leveraging the power of the executive branch in the form of 'party-government cooperation.' In both cases, **the policy interests of the party leadership** will play a crucial role in implementing.

For instance, the DP had been once very keen on the **semiconductor industry** when former NA member Yang Hyang-ja was serving as a DP Supreme Member. With a background of working at Samsung Electronics for 30 years, Yang established a special committee on semiconductor technology within the party and regularly chaired meetings between semiconductor industry representatives and relevant government ministries.



In a meantime, the PPP and the new cabinet members are expected to attempt to advance government policies that have stalled in recent months due to political milestones like general election and standing committee formation. It is thus now important to closely monitor the progress of these policies based on the ministerial nominees' remarks during their confirmation hearings.

Both parties are preparing to introduce a series of bills with the high societal impact expected, such as the *Yellow Envelope Act*, the *Grain Management Act* and the *Nursing Act*. Many of them are already waiting to be reviewed by the respective standing committees, thus requiring the industry's close attention to the expedited legislative processes.

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