

THE INFLUENCE OF DOMESTIC POLITICAL PRESSURE ON INTERNATIONAL TRADE POLICY: BEHAVIOR OF FARM LOBBY IN SOUTH KOREA

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Abstract

This study asks why the farm lobby's resistance to trade liberalization with the United States resulted differently in Korea and Japan focusing on the role of public opinion, a political media to be influential on policymakers. Both in Korea and Japan, farm lobbies resisted to international agreements for trade liberalization with the United States because their agriculture is less competitive in international trade. However, despite it has politically advantageous resources in lobbying such as huge membership and prerogative political channels to ruling parties, the Japan's farm lobby of the JA group won only USD 5,000,000 for single year as the government's compensation of the Trans Pacific Partnership. Meanwhile, the Korea's farm lobby, which has had poor political resources in lobbying, won USD 20,000,000,000 for a decade as the compensation of the Korea-US Free Trade Agreement. This study hypothesizes that the impact of public opinion contributed to the two nations' gap in terms of financial achievement of the farm lobbies' activities. In Korea, the farmers' lobbying gained broad social support through massive street rally and became influential on the government. On the other hand, the JA group in Japan gained poor public support in the argument on trade liberalization and the poor public support caused its limited influence on the government. The analysis above shows us implication that the public support plays major role in lobbying enough to cover poor political resources of lobbying groups. In addition, this study indicates how Korean farmers have gained rich public support in their political activities.

Keywords: trade liberalization, agriculture, lobbying, public opinion, Korea

INTRODUCTION

This study asks why the farm lobby's resistance to trade liberalization with the United States resulted differently in Korea and Japan focusing on public opinion.

From the perspective of political economy, Korea and Japan have shared their pattern of economic growth. Both of the two nations have been industrialized through exporting their products to foreign market, particularly the United States. Due to their heavy dependence on foreign market, after the deadlock of trade liberalization in the Doha Round in the mid-2000s, the two nations pursued the free trade agreement (FTA) with the United States. Korea launched the Korea-US FTA in 2011 and Japan signed the Trans Pacific Partnership agreement in 2016.

Meanwhile, both Korea and Japan have also shared their vulnerable agricultural sector. In the both two nations, most farmers have been small peasants cultivating only 1.5 hectare per household. Because their agriculture has been less competitive in global market, farm lobby in Korea and Japan attempted to prevent their governments' trade liberalization with the United States.

However, the achievement of the farmers' lobby in the two countries quite differed. In Japan, despite the nationwide farmers' association of the Japan Agricultural Cooperative Group (JA Group) has been one of the most influential lobbies for the ruling Liberal Democratic Party (LDP), the government signed the TPP with the United States, Australia, New Zealand and some other major economies around the Pacific Ocean. Signing the TPP, the Japanese government guaranteed the farm lobby to expenditure only 500 million US Dollars as compensation for the damage in domestic agriculture. Also the Korean government launched the FTA with the United States. However, the farmers associations in Korea succeeded to gain 20 billion US Dollars of government expenditure as the compensation for the FTA in spite of their poor resource for lobbying.

Then, why did the farm lobby in Korea succeed to gain the huge compensation by the government in exchange to trade liberalization with the United States? This study attempts to answer the question focusing on the framework of public opinion as a major tool for lobbying because the mass public's support for agriculture protection is totally different between the two countries. In the following chapter, the theoretical review on public opinion in the context of lobbying is shown. After that, the case studies on Japan's TPP and Korea's FTA with the United States are implemented. In the concluding section, the conclusion of the argument and theoretical implication will be presented.

PUBLIC OPINION AS A TOOL FOR LOBBYING

In lobbying studies, public opinion has been one of the major topics since the 1960s. As Truman () pointed out, some major interest groups in the United States such as the National Rifle Association have advertised themselves in mass media. Farm lobbies such as the Farm Bureau and the Farmers' Union have not exceptional (). However, in the United States, where the interest groups directly and actively lobby lawmakers, the role of public opinion in the context of lobbying has not much attention. In other words, indirect or grass-rooted lobbying has played minor role while the direct one has been the major strategy for interest

groups to achieve their goals.

Rather, public opinion in the context of lobbying emerged as a major issue in European politics. Since the 1990s, as the European Union (EU) emerged as a major political unity, large number of interest groups in Western Europe shifted their lobbying target from their nations' governments to the EU organizations. Because the most EU organizations except for the European Parliament are constituted without direct election by citizens, classic methods of lobbying such as donation and collecting ballots are not available in Brussels. Therefore, large number of interest groups around the EU has mobilized the mass public's collective opinion in the member states to be influential.

Based on these changes in the Europe, some empirical studies have contributed to clarified the characteristics and the impact of lobbying with public opinion. According to Wilson (2005), who call the lobbying with public opinion 'indirect lobbying,' the indirect style of lobbying can have strong impact on policy makers while the impact has poor sustainability and limited scope. Binderkrantz et al (2015) argues that the mobilization of public opinion costs lobbying actors less than direct pressure on policy makers while its causal mechanism tends to be much complicated.

Though the previous studies on public opinion in the context of lobbying have achieved great contribution in political science, their scope of argument are mostly limited to the stage of the EU. How does public opinion as a tool of lobbying play its role in the stage of nation state? The comparative case study of Korea and Japan can contribute.

THE KOREA-US FTA

Since the beginning of its industrialization in the 1960s, Korean economy has grown depending on the export to foreign market, particularly the United States. Since multilateral trade liberalization through the WTO has been in deadlock in the end of the 1990s, the government of Korea shifted its trade policies to build a network of bilateral trade agreements. Following the launching of the FTAs with Chile, Southeast Asian nations, and some European nations, the Korean government began the FTA negotiation with the United States in 2007.

When the government began the FTA negotiation with the United States, farmers's associations in the country heavily resisted to the government. The Korea Advanced Farmers Federation (KAFF), whose members are young farmers with large land, organized street demonstration, nationwide petition to oppose the FTA, and requesting the members of the National Assembly and local councils to declare the opposition on the FTA. Also the Korean Peasant League (KPL), whose members are senior farmers with small land, organized demonstration allying with other social organizations such as trade unions and students' groups.

In spite of their active resistance to the FTA, the KAFF and the KPL were not as influential as the farm lobbies in the United States in terms of direct lobbying due to some reasons. First, because the President of South Korea is directly elected by the nationals, over-representation of rural ballots does not occur in presidential election. Second, South Korea's constitution limits the term of the President to one time, five year, only and prevents incumbent President to run in election for his/her second term. Because he/she is prohibited to be

re-elected, the President in office has poor incentive to exchange political resources with lobbying groups. Third, major parties in South Korean legislature have been tools for political bosses rather than groups to share common ideology. Under highly centralized organization structure, each member of the legislature has depended on his/her party's boss in terms of resources to win coming election. This has prevented the farmers' lobbying groups to build channels with lawmakers. Because of these structural background, the KAFF and the KPL have had poor opportunity to exchange political resources with policy makers on the FTA.

However, the two farmers' groups gained another resource to be influential politically: Public opinion. In spring 2008, a year after the beginning of the FTA negotiation between Seoul and Washington, the Ministry of Agriculture of South Korea declared to cancel the import ban on beef made in the United States. Due to the anxiety to infectious mad cow disease (BSE), South Korea had banned to import American beef since 2003. Under the pressure by farm lobbies in Washington, the US government demanded Korea to cancel the import ban and Seoul accepted it. This triggered the public opinion in Korea to resist to the pressure from Washington and protect Korea's food sovereignty.

In May 2008, the KAFF and the KPL published statement to urge 'The BSE scandal revealed how US-centred trade liberalization invades our food sovereignty and our rights to access safe food. The FTA will encourage our food dependence on the United States.' Following the statement, a coalition of student unions, trade unions, religious groups and some other civil organizations joined street demonstration on Yeoido area in Seoul, where the National Assembly hall is located, in the end of May. More than one hundred thousand participants took part in the demonstration and resisted to import beef made in the US and to the FTA with Washington. While major newspapers and TV news reported the demonstration, the approval on the FTA with the United States indicated in public opinion surveys counted less than 50%. As the demonstration was repeated every weekend for more than six month, opposition parties followed the resistance and rejected the government's call for cooperation to approve the FTA in the National Assembly.

For President Lee Myung Bak, who was inaugurated in February 2008, the mass opposition on the FTA with the United States acted as the first difficulty in his five year term. For the smooth administration in the left four years, he needed to persuade the nationals to accept the FTA. He ordered the Minister for Agriculture to launch a comprehensive plan to soften the FTA's damage on agricultural sector.

Though the Ministry of Agriculture had planned to compensate agricultural sector as countermeasure to the FTA before the President's order, the order worked to set huge budget to compensate. In November 2008, the Minister for Agriculture held press conference and announced that the government expenditure 20 billion dollars to compensate agricultural sector to soften the damage caused by the FTA with the United States. Though the government did not cancel the FTA, it spent huge budget for the compromise with farm sector.

As a result, the KAFF and the KPL could not achieve their goal: The reject of the FTA itself. The limited channels for lobbying in Korea's political structure prevented them from bargaining policy makers such as the President and the National Assembly members. Though the two farmers' associations mobilized vast street demonstration against the Korea-US FTA, it was not politically influential in terms of direct lobbying. Instead,

however, they gained huge size of compensation by mobilizing various social groups such as trade unions. In other words, the KAFF and the KPL's resistance to the FTA worked as indirect lobbying and brought them huge compensation as unexpected fruit.

THE TPP

For the Liberal Democratic Party (LDP), which has ruled Japan for amount 59 years since its establishment in 1955, the JA group has been one of the important supporters. In the era of rapid economic growth from the 1960s to the 1980s, while the Social Democratic Party and some other progressive parties were popular among urban voters, the LDP sustained its status as a ruler gaining the support from farmers as well as major business association of *Keidanren* (Japan Business Federation). While the LDP government raised official price of rice, the main crop of Japanese agriculture, the JA group collected its members' ballots and contributed to the victory of the LDP in most Diet elections after the end of World War II. Compared with the farmers' associations in Korea, the JA enjoyed extremely advantageous status as a lobbying actor in Tokyo.

The JA's prerogative position, however, has caused the urban voters' criticism on the agricultural cooperative organization since the 1980s. Because the JA's pressure to raise the price of rice worked to increase urban workers' financial burden, some trade unions criticized the JA group as it damaged the workers' life. The JA countered the criticism as insisting 'Some actors are offensive to us.' The mass media reported the JA's emotional response as 'resistance to changing socioeconomic environment.'

The agricultural policy reform in the 1990s encouraged the mass public's view on the JA group as 'those who resist to reform.' Following the Uruguay Round Agreement on Agriculture and the founding of the World Trade Organization (WTO) in 1994, the government in Tokyo removed the import restriction on rice and some other agricultural products. The JA group protested on the trade liberalization measures by mobilizing street demonstration in front of the Ministry of Agriculture and negotiating the LDP lawmakers. In the negotiation with the ruling party's Dietmen, the JA group showed its will that the group canceled its support on the LDP unless the Party rejected the liberalization measures or set 'sufficient' financial compensation. Though the LDP set half billion dollars as the compensation for agricultural sector in exchanging for joining the WTO system, most daily newspapers and TV news channels criticized the JA group as they only pursued their private interests leaving national interests as sacrifice.

The leaders in the JA group acknowledged how their lobbying on the LDP was criticized by mass media and public opinion in the early 2000s, when the reformist statesman Koizumi Junichiro was elected as the Prime Minister. Seeing how Koizumi's commitment to structural reform was supported by mass public, the JA group recognized how it was unpopular among urban voters. As the Koizumi's reformist government shifted the LDP's political base from interest groups to individual urban voters, the JA group had to seek some other lobbying channel.

When the government joined the TPP negotiation in 2013, the JA group resisted to the trade liberalization agreement by forming a nationwide alliance by private institutions. As the KAFF and the KPL in Korea did, the JA group also mobilized street demonstration and declared their opinion by appearing advertisement on daily

newspapers. However, only a few civil groups joined the JA group's action. Trade unions rejected to ally the JA because, as seen above, the two groups had criticized each other since the 1980s. Though the Japan COOP Federation partly joined the JA group's action because the two cooperative organizations fundamentally have different political ideology: While the JA group has supported the conservative LDP, the most members of the COOP in Japan have been supported the opposition parties.

As a result, Japan signed the TPP in February 2016 with eliminating tariffs on beef, milk, and some major fruits. The compensation for it was, as seen above, only single-year subsidy. Because the JA group has been isolated in political sphere and failed nationwide alliance to resist to trade liberalization, the agricultural organization was not influential enough to prevent the TPP or to gain huge compensation as the Korean agricultural organizations, which had poorer political resources than the JA. In short, while the ruling LDP shifted away from interest groups, the unpopularity of the JA group among public opinion critically prevented the group's indirect lobbying action.

CONCLUSION AND IMPLICATION

This study has analyzed why farm lobby in Korea and Japan has shown different performance in trade liberalization with the United States. The analysis based on the framework of indirect lobbying indicates that the support by public opinion on farm lobby contributed, at least partly, to differ the two countries' result. In Korea, though the KAFF and the KPL had poor political channels and resources to prevent the FTA with the United States, broader public opinion supported the two agricultural associations' resistance. As a result, though they could not prevent the FTA itself, they gained huge-sized long-term financial compensation by the government. In Japan, by contrast, the social isolation of the JA group prevented it from forming political alliance against the TPP. The JA gained only small-sized short-term compensation.

The analysis above indicates the two implications. First, indirect lobbying can work also in the stage of nation state. Second, as the JA group's case shows, political resources for conventional direct lobbying can discourage the performance of indirect one.

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