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THE PENINSULA

# Key Issues Shaping South Korea's Presidential Election

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South Korean voters will elect a new president on June 3, 2025, following the impeachment of former President Yoon Suk Yeol earlier this year. The newly elected administration will have to grapple with unprecedented political and economic challenges from day one. This article will cover the stated policy goals of the leading presidential candidates and their positions on key issues affecting the country.

**Top Priorities**

Democratic Party (DP) candidate Lee Jae-myung pledges to focus on modernizing South Korea's economy through artificial intelligence (AI), new industries, and strategic investments. He has announced plans to elevate the country's AI capabilities by increasing government funding for data center development and high-performance computing, in conjunction with workforce training initiatives. Lee also promises to strengthen "social cohesion" and democratic oversight within the government. He has proposed measures to expand legislative checks on presidential emergency powers, enhance civilian leadership in the military, and increase the autonomy of institutions like the National Human Rights Commission and the Board of Audit and Inspection.

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People Power Party (PPP) candidate Kim Moon-soo's economic strategy centers on "freedom-led growth," in which business-friendly policies stimulate job creation and international competitiveness. He has also promised to lower corporate and inheritance tax rates, expand nuclear energy to help lower industrial electricity costs, and hold regular export-promotion events to strengthen international trade. Kim's platform also emphasizes the importance of AI and energy leadership. He has proposed large-scale public and private funding for AI research and development, increased training of AI specialists, and the construction of additional nuclear plants.

Reform Party (RP) candidate Lee Jun-seok promises to reduce the concentration of power in the presidential office and consolidate government ministries to create a more efficient administrative system. He has also proposed creating three deputy prime ministers tasked with security, strategy, and social affairs and dissolving the Corruption Investigation Office for High-Ranking Officials, which was established under the Moon Jae-in administration. On the economic front, Lee has emphasized domestic industrial strength and regional autonomy by offering financial incentives for companies that reshore manufacturing facilities.

**National Security**

Lee Jae-myung advocates for diplomatic and economic engagement with North Korea to reduce tensions on the Korean Peninsula. He supports a "step-by-step" plan for denuclearization and has reaffirmed the centrality of the U.S.-South Korea alliance. At the same time, Lee has stated he will seek stable relations with China and Russia as part of what he calls a pragmatic foreign policy agenda to protect South Korea's national interests.

Kim Moon-soo stresses the need for enhanced nuclear deterrence and deeper ties with the United States. He advocates for more frequent deployments of U.S. strategic assets and has signaled openness to "NATO-style" nuclear sharing if North Korean provocations intensify. A robust military modernization plan, coupled with an expanded defense budget, underpins his approach to safeguarding national security.

Lee Jun-seok proposes reorganizing military command structures to cut red tape and direct more resources toward high-tech weapons systems. He supports what he calls merit-based upward mobility for enlisted soldiers to become officers so that the military can more easily attract skilled recruits and promote more professional and efficient armed forces. Reducing administrative overlap, Lee insists, would free up funds and talent to meet evolving security threats.

**Economy and Society**

Lee Jae-myung emphasizes a "recovery growth happiness" strategy for the economy undergirded by household vitality and small business confidence. He also emphasizes structural economic equity, especially for those whose livelihoods were impacted by recent political instability. Lee hopes to grow the economy by earmarking KRW 100 trillion (USD 72 billion) for private investments in AI, surpassing the national AI budgets of other leading economies.

Kim Moon-soo plans to foster public-private joint funds and AI investment. He promises to abolish regulations on new technologies and sectors to foster future industries. He has also emphasized the workforce development of 20,000 young professionals at a cost of

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KRW 100 trillion (USD 72 billion) via both government and private funds.

Lee Jun-seok proposes reshoring and tax reform. Through reshoring, he expects to revitalize the economy and incentivize Korean companies to return their businesses back to the country's major industrial regions. He also pledges to provide special visas and language classes for foreign workers to further incentivize reshoring for overseas companies. Lastly, he hopes to convert portions of the corporate tax structure into local taxes to strengthen local governments.

**Conclusion**

Preliminary voting for the election ended on May 30 and had a record 34.74-percent turnout rate, likely reflecting voters' desires for political stability after a turbulent six months. Whoever wins the presidential election will begin their five-year term on June 4 and have to immediately address the economic and geopolitical hardships facing the country.

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