



Understanding the 2024 Korea Legislative Election Result

Date: April 12, 2024

Overview

- The Democratic Party of Korea won a landslide victory in the 22nd Legislative Election, winning 175 seats in the National Assembly. The People Power Party won 108 seats in the National Assembly.
- President Yoon's leadership style is seen as the main factor behind the ruling party's failure to secure a majority. Although there is a call for a change in leadership approach, it is unlikely to happen easily.
- Despite the opposition parties' significant victory, major policy changes are unlikely, as President Yoon continues to wield his veto power against bills. Furthermore, to bypass opposition in the National Assembly, the government may resort to administrative policy execution or issuing presidential decrees, as has been the practice for the past two years.
- Geopolitical policies, emphasizing alliances with the US and Japan during tensions between US and China, are expected to remain unchanged.
- R&D tax support and online platform regulations are expected to be enacted in the 22nd National Assembly, as both major parties are generally in agreement.

Highlights from the Election

The Overwhelming Victory of the Opposition Parties

Amidst strong public sentiment against President Yoon, opposition parties achieved an overwhelming victory. This marks the highest number of seats attained by opposition parties since the conclusion of military dictatorship and the onset of democratization in 1993.

< Comparison of the Number of Seats in the National Assembly >

Party	21 st	22 nd	Remarks
Democratic Party of Korea (DPK)	180	175	The ruling party in the 21 st National Assembly
People Power Party (PPP)	103	108	The opposition party in the 21 st National Assembly
Conservative Parties (pro PPP)	3	3	
Liberal Parties (pro DPK)	9	14	
Independent	5	-	
Total	300	300	

*Based on the election tally

*As of March 2024, the Democratic Party of Korea holds 156 seats, while the People Power Party holds 114 seats (Source: [National Election Commission](#))

Following their significant victory, the opposition parties are expected to reintroduce bills vetoed by the President in the 21st National Assembly, including the pro-labor 'Yellow Envelope Bill' and bills for special investigations concerning the First Lady in the 22nd National Assembly.

The 22nd National Assembly begins on 30 May 2024, and concludes on 29 May 2028.

< Legislative Authority Corresponding to Seat Numbers National Assembly >

Over 150 seats	Over 180 seats	Over 200 seats
<ul style="list-style-type: none"> Independently pass budget proposal and bills Elect the speaker of the National Assembly and chair of major standing committees 	<ul style="list-style-type: none"> Forcefully pass the bill (Fast track) 	<ul style="list-style-type: none"> Amend the Constitution Expel National Assembly members Overturn the President's veto Impeach the President

Election to Assess the Yoon Administration

The Yoon administration has maintained an approval rate ranging from the mid-20s to the mid-30s percent for most of its presidency period since the 100th day after his inauguration in 2022. With strong public sentiment against President Yoon, voter turnout for the 22nd general election was estimated to be 67 percent, the highest in 32 years.

The Legislative Election is commonly viewed as the public's assessment of the current administration and the President. If the government effectively serves the country's best interests and enhances citizens' lives, the public tends to support the ruling party by casting their votes for it. Conversely, if the government fails in these regards, the public is inclined to judge the ruling party and may instead vote for the opposition.

For example, during the pandemic, the Democratic Party of Korea, in power at the time, secured 180 seats in the 21st legislative election. This outcome reflected the public's support for President Moon's administration during that period.

Will President Yoon's Leadership Change?

As President Yoon's leadership style is perceived as the primary factor contributing to the ruling party's failure to secure a majority, questions arise regarding whether his leadership approach will undergo changes during the remaining three years of Yoon's administration.

The day after the election, President Yoon made a brief announcement expressing his intention to humbly respect the electorate's will and to initiate reforms in state affairs. Subsequently, the Prime Minister and high-ranking officials from the presidential office tendered their resignations in the wake of the defeat.

However, despite calls for a shift in leadership approach, it is unlikely that President Yoon's stance will change easily, indicating that he may persist with his "command and follow" style, which has fueled tensions between the President and the National Assembly for the past two years.

Forecasts on Future Elections

Geopolitical

Despite requests from opposition parties for a neutral stance on tensions between the US and China, no changes are anticipated due to President Yoon's strong commitment to pivoting towards alliances with the US and Japan, even at the cost of economic damage.

Industries

- *Online Platform Regulation*

Platform regulation is a shared concern among ruling and opposition parties, with discussions expected to continue irrespective of legislative enactment. Anticipated opposition from major global tech companies is likely to be robust. The ruling party aims to address potential abuses by large-scale platform operators while also bolstering the negotiating power of platform users. However, consensus-building on platform regulation is complex and will require time, given the involvement of various stakeholders. Opposition from domestic and foreign big tech firms is channeled through organizations like AMCHAM, and major law firms experienced in representing foreign corporate clients are expected to play a role in the legislative process.

- *Cryptocurrency Regulation*

Both parties are committed to institutionalizing cryptocurrency, with exchange regulations and system maintenance set to continue in the second half of the year. Accepting cryptocurrency could lead to it becoming an underlying asset for financial products, which would benefit future Bitcoin spot ETF product launches. The Democratic Party of Korea is seeking authoritative financial authority interpretation to approve the Bitcoin spot ETF, and if rejected, they may amend the Capital Markets Act. While the lobbying power of cryptocurrency-related companies is not uniform, there may be projects involving virtual asset issuance qualification requirements and disclosure obligations.

- *Serious Accident Punishment Act (labor policy)*

The People Power Party aims to postpone the application of the Serious Accident Punishment Act to workplaces with fewer than 50 employees for two years. Despite the Act already being implemented in such workplaces by early 2024, the ruling party's acceptance of the opposition party's proposal to establish the Occupational Safety and Health Administration, along with granting it crackdown and investigation authority, could lead to a two-year delay in the Act's enforcement.

- *Yellow Envelope Bill (labor policy)*

The Democratic Party of Korea plans to put forward the Yellow Envelope Bill again in the 22nd National Assembly. The bill was passed and vetoed by the President in the 21st National Assembly.

- *R&D Tax Support*

With global R&D competition intensifying, both the ruling and opposition parties have put forth proposals for R&D tax systems and venture capital tax breaks. Anticipated future law revisions aim to extend the sunset period for investment tax credits, particularly for national core strategic technologies like semiconductors and bios. While opposition parties contend that these measures constitute a "tax cut for large corporations," cooperation between the two parties is expected to proceed without significant discord.