

FT BIG READ

# South Korea - Park strife

By Bryan Harris

Park Geun-hye was swept to power four years ago pledging to overhaul South Korea's biggest family-owned companies. Today, the president stands accused of conspiring to extort millions of dollars from those same corporations, setting off a sprawling scandal that is paralysing the Asian country.

The offices of big-name corporates from Samsung to Lotte have been raided by investigators, Ms Park's closest aide has been indicted over alleged abuse of power and the president is battling state prosecutors to avoid scrutiny of her alleged role in the drama.

It is a scandal that is being played out in public, with each day bringing salacious new claims linking the presidential Blue House to shamanistic rituals, slush funds or one of a dizzying array of colorful characters from Seoul's entertainment industry. At one stage the Korean leader was even forced to deny that she was a member of a cult.

Graft is not new in South Korea. Five of its six directly elected presidents have been ensnared in scandals, while executives from the country's top family-owned conglomerates, the chaebol, are frequently hauled in for questioning and regularly face trial. Yet this saga is on a different scale.

South Korea is facing what experts call a "compounded crisis". At a time of faltering economic growth, heightened geopolitical tensions and a series of high-profile corporate problems, the country has found itself leaderless and in disarray. "South Korea is in a state of total crisis," says Moon Chung-in, a professor of political science at Yonsei University in Seoul. "We have intertwined political, geopolitical and economic crises... and no leadership to mend the fractures or drive society."

## INFLUENCE PEDDLING

There is a growing sense in the country that Ms Park - its first female leader - has lost her mandate to rule and lacks the strength or conviction to take on the chaebol and carry out the reforms she promised while campaigning for the presidency in 2012.

Her approval rating stands at 4 per cent - down from 63 per cent in 2013 and the lowest ever for a president of the east Asian nation - after weeks of allegations that she

AP PHOTO



Protesters with pictures of South Korean President Park Geun-hye march toward the presidential house during a rally calling for Park to step down in Seoul, on Saturday

## Some of the country's most internationally recognizable brands have also suffered high-profile failures

had become reliant on a shadowy confidante who influenced a litany of presidential decisions, including key speeches and policy ideas.

The friend, Choi Soon-sil, allegedly used her position to extort tens of millions of dollars from top South Korean companies - a scheme in which, prosecutors say, Ms Park was an active collaborator. Ms Park denies the conspiracy claims. Her lawyer called them "nothing more than ideological reflections of imagination and speculation, ignoring objective evidence".

Ms Choi was recently indicted on a string of charges, including abuse of authority, coercion and attempted fraud. A hitherto unknown

character, she was catapulted into the spotlight when protesting students, aggrieved over preferential treatment given to Ms Choi's daughter, sparked a wider influence-peddling investigation.

The controversy has triggered a prolonged public outcry. On Saturday, hundreds of thousands took to the streets of central Seoul - the fifth such mass demonstration in as many weeks - to demand Ms Park's resignation. Further protests are planned.

For South Koreans, the scandal has reignited concerns not only about corruption and transparency but also fears that the country's hard-won democracy is being sub-

verted by the president, the daughter of former strongman leader Park Chung-hee.

"This is a critical moment," says Kim Jiyeon, a research fellow at the Asan Institute for Policy Studies. "How the country deals with the situation will determine the path of Korean politics."

"She is ignoring the entire democratic system we've been preparing since 1987," adds Ms Kim, referring to the year that military rule was replaced by an elected government. Such fears were exacerbated when Ms Park's lawyer, Yoo Yeong-ha, announced last week that the president would not make herself available for questioning by state prosecutors, despite earlier pledges to do so. One conservative newspaper said she was holding the "government and people hostage". Ms Park has refused to resign, forcing opposition parties to tread the politically treacherous path towards constitutional impeachment, which will begin with

a vote in parliament in December.

The likely impact, experts say, will be a lame-duck president and a preoccupied parliament, with neither able to make the kind of crucial decisions needed at a time of sluggish growth, heightened security threats and emerging challenges from an ageing population and a declining labour force.

As the crisis began to unfold, Ms Park tried to appoint a new prime minister and finance minister. But, aggrieved by the lack of consultation, the national assembly has not approved the appointments, leaving the posts in limbo.

"I can't remember a time more challenging than this," says Jun Kwang-woo, a former head of the government's Financial Services Commission. "Even before the story of the president was revealed, we had a combination of security crises and economic challenges. Now we have this political crisis, which includes the largest corporations."



## South Korea - Park strife (continued)

### SLUGGISH GROWTH

The country's economy, the world's 11th largest, grew at an annual rate of 2.7 per cent in the third quarter, down from 3.3 per cent in the previous three months - and analysts expect more pain as key industries, such as shipbuilding, undergo deep restructuring. Exports, which account for about 45 per cent of gross domestic product, shrank 3.2 per cent year on year in October after a 5.9 per cent drop in September.

Ms Park campaigned in 2012 on a plan to revamp the economy by cultivating a start-up culture and reforming the hulking chaebol - the family-owned companies that dominate the economy.

They are too big to fail in the eyes of South Korean leaders, who regularly resort to presidential pardons to keep company management intact. Ms Park has mostly refrained from handing out such pardons but has only implemented a fraction of her pledged reforms.

"Park's government has not only not reformed [the economy] but has also failed to tackle key issues, such as household debt," says Seo Bok-kyung, a politics expert at Sogang University.

South Korea's ballooning household debt amounted to a record USD1.15tn by the middle of this year - the eighth highest in the world.

Some of the country's most internationally recognizable brands have also suffered high-profile failures. Hanjin Shipping, once South Korea's largest shipping company, declared bankruptcy in August, sparking a global logistics logjam that shone a light on the beleaguered industry. The nation's other shipyards are slashing jobs in an effort to avoid a similar fate.

Samsung Electronics, the tech arm of the country's largest chaebol, also took a hit when some



Protesters shout slogans during a rally calling for South Korean President Park Geun-hye to step down near the presidential house in Seoul

newly released Galaxy Note 7 smartphones began catching fire. The company axed the phone, losing an estimated \$5bn as a result.

"The Galaxy Note 7 saga hit Samsung and Korea's national brand image, but at least they dealt with it openly," says Peter Lee, an analyst at NH Investment & Securities. "The current political issues could be a worse blow to the national image."

### PROTECTIONIST PRESSURES

The economic gloom in the export-dependent nation has been magnified by the rising protectionist language in its two biggest trading partners - China and the US,

which account for about 40 per cent of its total exports.

Beijing is furious about Seoul's plan to deploy a US ballistic missile shield on the peninsula and has made its displeasure known. The Terminal High Altitude Area Defence system, or Thaad, was announced ostensibly to protect against North Korea, which in September conducted its fifth nuclear weapons test. But China fears the missile system will be used by the US to peer deep into its territory.

Shortly after the deployment was announced, South Korean actors and singers found themselves unwelcome in China as a series of promotional events were axed in what Prof Moon describes as "subtle" sanc-

tions. Shares in leading entertainment groups fell sharply amid fears that there could be further curbs on trade, which had already stalled due to the slowdown in China.

An editorial in the Global Times, a Chinese nationalist newspaper, laid out the situation facing South Korea's cultural exports: "It is certain that the Korean wave or Hallyu will inevitably feel the chill in China if Seoul sticks to the Thaad deployment."

The election of Donald Trump as next US president is perhaps an even greater cause for concern. After his victory, financial officials in Seoul directed banks to prepare for external shocks, while the Blue House convened a national security council session.

Mr Trump's election carries other risks for South Korea. There are close to 30,000 US troops in the country to guard against provocations from the north. Mr Trump has said he could withdraw those forces - a statement that shocked many in South Korea, which has been deepening ties with the US amid growing regional instability.

"Any fissures with the Trump government could create anti-US sentiment in Korea," says Ms Kim.

For Hans Schattle, a professor at Yonsei University, the political cri-

sis in Seoul has created a leadership vacuum that could undermine South Korea's international ambitions.

"The bigger problem with the domestic scandal is whether she can credibly represent the country," says Prof Schattle. "Whether she can be a voice or face of South Korea. If she has lost domestic legitimacy, it crosses over to international issues."

Ms Park seems determined to stumble on. She is immune from prosecution while she occupies the Blue House and although impeachment is possible it will take time. No election is scheduled until December 2017 which threatens to drag the scandal through to the opening of the 2018 Winter Olympics in Pyeongchang.

### A NEW BEGINNING

A common refrain, for those seeking a silver lining is that the country is no stranger to crisis. Born out of the ashes of conflict and on a permanent war footing, it has faced pivotal moments on a near 20-year cycle. The most recent, the Asian financial crisis, struck in 1997.

Out of each crisis, the situation for South Koreans has always improved, says Kim Woo-chan, a professor at Korea University. A coup in 1961 led to the transformation of the poverty-stricken economy, while the assassination of Park Chung-hee in 1979 resulted in a more market-focused approach. The 1997 crisis prompted many of the chaebol to change the way they are run and ease their reliance on debt.

The hope is that the current crisis will yield a healthier democracy and a leader strong enough to enforce economic, political and corporate reforms.

"We are very resilient," says Prof Kim. "I feel confident that if people keep showing up to protest in these numbers and keep showing their power and influence, the politicians will have no choice [but to clean up politics]."

“ We have intertwined political, geopolitical and economic crises.

MOON CHUNG-IN

### IMPEACHMENT

## Parliament set to act in bid to remove Park from power

South Korean lawmakers plan to vote on an impeachment motion against President Park Geun-hye before December 9. The 300-member legislature, controlled by opposition parties, requires a two-thirds majority to pass such a motion. Although the opposition, with a combined 165 seats, does not have enough support to force through the motion, it is gambling that a rift within Ms Park's ruling Saenuri party - which has 125 seats - increases its chances of success.

Should the impeachment motion pass through parliament, Hwang Kyo-ahn, the prime minister who Ms Park recently tried to reshuffle out of office, would take over the reins temporarily. It would then be up to the Constitutional Court to make a final decision on whether Ms Park should stand down.

The Constitutional Court, whose judges tend to be conservative, must decide on the legality within 180 days after receiving the parliamentary proposal. Six out of its nine

judges would have to uphold the impeachment to remove Ms Park from office.

Given that the judges have six months to decide on the legality of any impeachment move, the vote could simply act as a way to pressure Ms Park to resign. She has 15 months left of her single five-year term but if she were to bow to pressure and resign, an election would have to be held within 60 days.

Even if the opposition is successful in its impeachment action there is no guarantee one of its candidates would win a presidential race. Moon Jae-in, the former leader of the main opposition party and the runner-up to Ms Park in 2012, is currently the frontrunner in opinion polls.

He narrowly leads UN Secretary-General Ban Ki-moon, who has been touted as a potential contender for the ruling party, and Ahn Cheol-soo, software guru and founder of another opposition group, the People's party.

### TIMELINE OF A POLITICAL SCANDAL

- OCT 24** - Broadcaster JTBC reports that Park Geun-hye allowed her close friend Choi Soon-sil to revise her public speeches and meddle in the affairs of state.
- OCT 25** - Ms Park admits her close ties to Ms Choi for the first time and apologises for causing the nation grief.
- OCT 29/30** - Protesters hold their first mass rally over the corruption scandal and Ms Park accepts the resignations of key aides embroiled in the affair.
- NOV 1** - Prosecutors question Ms Choi.
- NOV 2/3** - Ms Park reshuffles her cabinet as the scandal widens and Ahn Jong-beom and Jeong Ho-seong, two of her former aides, are detained for questioning.
- NOV 8** - Prosecutors raid the headquarters of Samsung Electronics, which is believed to have come under pressure to make donations to Ms Choi.
- NOV 20** - Prosecutors accuse Ms Park of collusion in the corruption scandal. They also announce the formal indictment of Ms Choi and two other former Park aides.
- NOV 24** - SK and Lotte join a growing list of South Korean companies raided by investigators over the scandal.



A local villager smokes a joint of hashish at the village square in Malana in the northern Indian state of Himachal Pradesh

Malana village that stands in the higher reaches of the Indian Himalayas

Rishabh R. Jain, Malana

# In remote Indian village, cannabis is its only livelihood

**F**OR hundreds of years, the tiny village was just a speck lost amid the grandiose mountains of the Indian Himalayas.

Nestled at 2,700 meters between the higher reaches of the lush Kullu Valley, Malana used to be a four-day hike from the nearest road. Its laws, tradition says, were laid down by the village god Jamlu. People elected their own parliament and disputes were settled in their own court. Villagers would run in terror if an outsider showed up.

But Malana is hidden no more. For centuries, the villagers have been growing the plant that has made Malana one of the world's top stoner destinations, and a battleground — at least symbolically — for India's haphazard fight against "charas," the black and sticky hashish that has made the village famous.

In 1985, the Indian government gave in to international pressure and banned the production and consumption of cannabis. Possession of a kilogram of charas — a THC-rich extract derived from rubbing out the resin from freshly cut marijuana buds — is punishable by a minimum 10 years' imprisonment.

In the sleepy mountainous states of North India, marijuana has grown indigenously for hundreds of years. Local lawmakers and officials say the plant is part of their tradition and empathize with people in steep, remote villages who consider cannabis the only cash crop they can grow in harsh weather and geographic conditions.

Maheshwar Singh, a local lawmaker and the descendent head of the royal family of Kullu, said a look at the old tax books shows that the plant was legally cultivated and

■ **The valley is teeming with young Israelis, who come for a therapeutic experience after years of military service**

sold for decades before India's drug law.

"It was a multipurpose plant for these people," said the burly, cheerful 67-year-old, pointing out the local usage of hemp fibers in making ropes and traditional "pula" slippers that continue to be the only footwear allowed for pilgrims.

The people of Malana have to haul rations and wood for kilometers to get it into the village. Though a shabby road has cut the arduous trek to only an hour and a ropeway is being used to transport heavy cargo, the villagers still spend half the year collecting essentials from nature. The other half is spent in hibernation as the bitter winter buries the village under snow.

Every morning, Gori Massi slowly starts the trek to her field, sometimes singing to herself as she walks up a rocky trail. Walking at a pace of a 20-year-old, the wrinkles on her face and hands are the only indication of her age; she is 80.

It will take her an hour to get

to her plants that are hidden far away from the village near the forest line. She will sit there all day, curing high-potency marijuana buds and rubbing them between her palms to juice out the resin that smears her hands black.

After collecting about 20 grams of gooey hashish that would fetch her anywhere between USD50 to \$150, she decides to call it a day. And prays the police spare her fields this year.

"Wheat and other grains don't grow on this land," Massi said. "Nothing else grows here. We have to live like that, and whatever plants we do have are cut down by the police. What can we do?"

The aromatic "Malana Cream" — a variety of oily hash produced in the village from higher-potency plants with hybrid seeds — has earned legendary status among pot smokers around the world. Consumed mostly with tobacco, in a joint or a chillum, the pungent hash has found its way into coffee shops in Amsterdam and won the High Times Cannabis Cup at least twice.

In India, this fame has meant an influx of foreign and local tourists into Parvati Valley, a group of mountains around the Parvati River near Malana, that has grown each year in the past decade.

"It's just become a destination for international cool people, stoners, hikers," said Florent Dupont, 32, as he sipped tea and rolled a joint in a guesthouse.

"People know they can get the freshest, nicest product," the filmmaker from France added.

The valley is teeming with young Israelis, many draped in colorful shawls and wearing their hair into ropey dreadlocks, who come for a therapeutic experience after years of military service.

Singh said it is this frenzied popularity of local hashish that has exploded the cultivation of cannabis in the valley. In 2016, the local government estimates 240 hectares of land in the region was used for cannabis cultivation, producing more than 12,000 kilograms of hashish.

The real numbers are much higher as plants are grown on steep edges of high mountains that are impossible for the police to reach.

While the rising demand and price of charas has benefited the villagers, it has also led to a slight increase in prosecutions and prompted the government to send machete-wielding police and forest personnel on long treks to destroy a small percentage of the marijuana fields.

Villagers claim they have an understanding with local officials, who tell them to push their fields away from the village and into forest land, where they cannot be prosecuted for a field that's not on their land. Police strategy has mainly focused on destroying cannabis fields on forest land. The few villagers who have been arrested and are serving time for traffi-

cking have been picked up in cities like New Delhi, Chandigarh and Goa.

But it is impossible to destroy mountains full of weed. Singh, who has visited Malana several times during election campaigns and is revered by inhabitants because of his royal lineage, said the government needs a different approach to tackle the problem.

"I feel they have a reason to stick to that plantation because that is the only way they can earn their living," Singh said. "The government of India had made a policy that they would be provided some alternative employment. But that we have not been able to do."

In Malana, Massi's middle-aged son Jabe Ram is preparing to take a statue of the village god Jamlu on a pilgrimage across the daunting mountain of Rasol to bathe it in holy water in a temple in the neighboring valley. It will take him five days to return. One man from each household in the village must accompany him, as is tradition.

It means they will be five days away from the fields and rubbing. But Ram isn't worried; the harvest season will go on for another few weeks.

"They want us to completely stop growing marijuana. But we keep sowing it," Ram said. "If the government helped us in some way and protected us from hunger and cold, we would maybe consider stopping. Obviously, we are not going to go hungry. Even if we have to go to jail for it, so be it." AP

# Great Barrier Reef sees record coral deaths this year

By Rod McGuirk, Canberra

**W**ARMING oceans this year have caused the largest die-off of corals ever recorded on Australia's Great Barrier Reef, scientists said last week.

The worst-affected area is a 700-kilometer (400-mile) swath in the north of the World Heritage-listed 2,300-kilometer chain of reefs off Australia's northeast coast, said the Australian Research Council Centre of Excellence for Coral Reef Studies.

The center, based at James Cook University in Queensland state, found during dive surveys in October and November that the swath north of Port Douglas had lost an average of 67 percent of its shallow-water corals in the past nine months.

Farther south, over the vast central and southern regions that cover most of the reef, scientists found a much lower death toll.

The central region lost 6 percent of bleached coral and the southern region only 1 percent.

"The mortality we've measured along the length of the Great Barrier Reef is incredibly patchy," the center's director, Terry Hughes, told reporters. "There's very severe damage in the northern section of the reef."

"The good news is that south of Port Douglas, including



Australian senator Pauline Hanson listens to marine scientist Alison Jones (left), as she displays a piece of coral on the Great Barrier Reef off Great Keppel Island, Queensland

the major tourist areas around Cairns and the Whitsundays [Whitsunday Islands], have had relatively low levels of mortality," he added.

The governments of Australia and Queensland will update the UNESCO World Heritage Center this week on progress being made to protect and improve the reef, including their response to coral bleaching.

Providing a status update to the World Heritage Committee was required as part of its decision in June last year not to list the reef as "in danger."

Federal Minister for the Environment and Energy Josh Fry-

denberg said yesterday that the reef's coral cover had increased by 19 percent in recent years before it suffered a "significant bleaching event" this year, caused by the El Nino weather effect and climate change.

"What that shows is that the Great Barrier Reef is very resilient and quite strong," Frydenberg's office said in a statement.

The governments plan to spend 2 billion Australian dollars (USD1.5 billion) over the next decade on improving the reef's health.

Hughes said the coral death rates in the north would likely

make the task of keeping the reef off the "in danger" list much harder.

"In its ongoing dialogue with UNESCO, Australia has said the outstanding universal values of reef are in tact because of the pristine condition of the northern reef. That's simply no longer the case," Hughes said.

Researcher Andrew Baird said the 2016 coral die-off was "substantially worse" than the previous worst-ever event in 1998.

"The proportion of reefs that were severely affected was much, much higher," Baird said, adding that he did not

have precise figures immediately available.

The 1998 event was restricted to in-shore reefs around the Queensland coastal city of Townsville, while the 2016 destruction affected a much larger area, he said.

Scientists expect that the northern region will take at least 10 to 15 years to regain the lost corals. They are concerned that another bleaching event could interrupt that recovery.

There have been three extreme mass bleaching events in 18 years on the reef. In each case, the areas that suffered the worst bleaching were where the water was hottest for the longest period of time.

Reef tourism operator Craig Stephen did not expect the dead coral would diminish visitors' experience of one of Australia's biggest tourist drawcards.

"The patchiness of the bleaching means that we can still provide our customers with a world-class coral reef experience by taking them to reefs that are still in top condition," Stephen said in a statement.

Graeme Kelleher, who headed the Great Barrier Reef Marine Park Authority for 16 years, said last week that Australians must not buy the "political lie" that they can have the reef as well as major coal mines nearby.

"We've lost 50 percent of the coral cover on the Great Barrier Reef in the last 30 years and the main cause of that is the burning of fossil fuel. I sincerely hope UNESCO rejects the claim that the government is doing enough," Kelleher said. AP

## ASK THE VET

by Dr Ruan Du Toit Bester



### 10 TIPS FOR LIVING WITH BLIND DOGS

**L**IVING with blind dogs can be a challenging but rewarding experience for owners in Macau. Try these tips if you decide to bring a blind dog home from any of the shelters like AAPAM, ANIMA, ESDMVG or Recoil Rescue.

Helping him find his way around, socialising and going outdoors are things you should concentrate on.

- Try not to move any furniture around once your dog has grown accustomed to the layout of your home and keep floors clear.
- You may want to cushion sharp corners on furniture and cabinets.
- Use textured rugs to help your dog recognize certain areas of the house.
- Scents are also a great way to mark 'zones' in your home, like the bot-

tom or top of stairs or door openings. Use the same scent for all safe areas and something different for dangerous spots.

- Avoid picking up a blind dog to bring him to his food or a toy of his; this can be confusing and he needs to learn on his own.
- Put bells on other pets to alert your blind dog of their presence.
- Talk to your blind dog often to comfort and guide him with positive encouragement. Set up your own voice commands and be consistent with them.
- Be careful not to startle the dog when you approach him and also teach guests and small children to be cautious. A dog might snap at someone who startles him from behind or while he sleeps.



- New people should allow the dog to smell their hand before petting him.
- Use a harness when outside with your dog, especially when going to new areas.
- Consider a bandana or marker to put on your dog that says 'I'm blind' to alert others of your dog's condition.

Hope this info helps  
Till next week  
Dr Ruan

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