

South Korea

Country Background

South Korea's population is ethnically and linguistically homogeneous. Its population is one of the world's highest in terms of density due to emigration. South Koreans speak modern Korean, English, Chinese, and Japanese. The influence of nearby countries is evident as both Chinese and Japanese are still widely taught in South Korea. Christianity and Buddhism are the most common religions while Confucianism, Shamanism, and Chondogyo are still present but are the minority.

A Glimpse of the Present: Economic and Political Conditions

Today, South Korea's economic growth has fallen due to its rapidly aging population and structural problems. These problems mainly concern the government and the economy. Labor regulations are deemed to be too rigid and more constructive relations between management and the workers are needed. Financial markets need to be developed more. Also, there seems to be a lack in regulatory transparency.

President Lee Myung-bak was elected in 2008 and is said to be more conservative than previous leaders. His term marked tensions between South Korea and North Korea that was aggravated by missile tests in 2009. The demilitarized zone between the two is the most heavily fortified frontier. President Lee is still willing to have diplomatic relations with North Korean leader, Kim Jong-Il but is committed on being tough towards North Korea.⁶⁹

South Korea's Human Development Index (HDI) in 2007 was at 0.937, which put it in the category of Very High Human Development,⁷⁰ ranking 26th among the 182 countries evaluated. According to the Heritage Foundation and the Wall Street Journal's 2009 index, it placed 40th in terms of economic freedom. Out of the 41 countries in Asia-Pacific region, the country ranks 8th in the aforementioned index.⁷¹ In 2008, South Korea ranked 40th among the 180 countries Transparency International surveyed for the Corruption Perceptions Index (CPI). Its CPI score of 5.6 (10 being highly clean and 0 being highly corrupt) indicates that the business sector and country analysts sees South Korea as being more or less clean than corrupt.⁷²

69 http://news.bbc.co.uk/2/hi/africa/country_profiles/1123668.stm

70 http://hdrstats.undp.org/en/countries/country_fact_sheets/cty_fs_KOR.html

71 <http://www.heritage.org/Index/Country/southkorea>

72 http://www.transparency.org/policy_research/surveys_indices/cpi/2008

A Peek into the Past: Historical Backdrop

South Korea faced severe economic problems when it parted with North Korea. In the 1960's, the government was focused on its economy as they made policy changes that favored exports and labor-intensive light industries. The 1970s was a period for bigger industries as fiscal and financial policies were implemented which promoted heavy and chemical industries, consumer electronics, and automobiles. Due to this shift in policy, South Korea's manufacturing sector grew rapidly for the next 20 years. The country was also affected by the financial crisis of 1997 but recovered in 1999.

In the political arena, South Korea was under authoritarian rule in the 1960's. It was inevitable for the people to be discontent with government corruption and injustice during this time. In April 1960, a student protest started a wave of uprisings against the government. A bloodless coup occurred in 1961 that was pivotal in creating change in South Korea. An election took place that brought Gen. Park Chung Hee to presidency from 1963 to 1971. However, things still did not go smoothly as this administration declared martial law in 1972. The President was assassinated two years later.

A new constitution was created in 1987 that reduced the presidential term to five years and mandated the popular election of the president. The next year was dedicated to improving its relationship with North Korea. In 2000, the South finally established open relations with the North.

Corruption was again an issue in 1996 when former president Chun was tried for corruption and eventually imprisoned. It became a continuing problem as a series of corruption scandals was revealed beginning in 2001, one of which involved political funding. In 2004, President Roh was impeached for corruption charges.

A Look into Reforms Towards Good Governance

Anticorruption

Anti-corruption efforts in South Korea aim to create an administrative system that eradicates the causes of corruption and wrongdoing. Specific social accountability tools used involve preventive and punitive measures, as well as social accountability methodologies concerning ensuring transparency in administration and public-private partnerships.

Preventive social accountability measures used in South Korea focus on deregulation, elimination of the Zone Jurisdiction System, and rotation of duties. The Regulation Reform Committee is tasked to facilitate the reform process under the public-private system. Deregulation is actively being promoted in areas of administration by eliminating groundless regulations in the law and clarifying ambiguous systems or questionable practices. The Zone Jurisdiction System was eliminated. This system involved assigning jurisdiction of a particular area to a person/group. Rotation of duties was implemented to break the links between corruption and long-standing practices in districts. Officials dealing with vulnerable areas like housing and building, sanitation, and taxation were reassigned.

Zero tolerance for corruption and the corruption report card to the mayor are the main forms of punitive measures in South Korea. Zero tolerance for corruption means that once an official is proven to have been involved in corruption, he is permanently removed from government service. This applies to all senior officials. The corruption report card refers to return postcards that are sent to individuals who have dealt with the city government in fields that are prone to corruption. It is an avenue by which individuals may provide feedback. These postcards serve as a record of municipal proposals/ ideas and as accounts of corruption.

Transparency is ensured in administration through the Online Procedures Enhancement for Civil Applications System. This is a system that provides information on the Internet about administrative procedures related to civic life. Knowledge on procedures prevents corruption. An Anti-corruption Index (ACI) is used to identify applicants who are deemed corrupt as it is based on opinion polls. This will supposedly encourage sound competition among public servants and will strengthen their commitment to anti-corruption.

Anti-corruption public-private partnerships take many forms in South Korea. One involves a joint inspection of government projects. Another involves the Citizens Ombudsman and Direct Dialogue Channel where citizen “ombudsmen” investigate civil issues and grievances that are reported. Moreover, there are numerous channels of direct dialogue between the mayor and the citizens.⁷³

⁷³ Caddy, Joanne & Peixoto, Tiago. Beyond Public Scrutiny: Stocktaking of Social Accountability in OECD Countries. OECD 2006.



Procurement Initiatives

The Act on Contracts is central in procurement regulations. The Enforcement Decree of the Act on Contracts comprises material rules for government procurement. The Government Procurement Act depicts the roles and responsibilities of the Public Procurement Service (PPS).

Procurement is mainly implemented at two levels. The first level is centralized in the PPS. It manages procurement of goods, services, and construction works above a certain value threshold. Procurement below this threshold is carried out independently by each government organization, this being the second level of procurement.

There are also varied procurement methods used in South Korea. Open tendering is the standard method of procurement, but limited tendering is also used for special conditions. Negotiated contracts are used only in emergencies but this must be made known to audit institutions. Another method, multiple awards, provides a framework contract including qualified suppliers of similar goods. The multiple award method creates more options for end-user organizations, but it is only used for particular circumstances.

An Independent Contract Review controls related contracts.

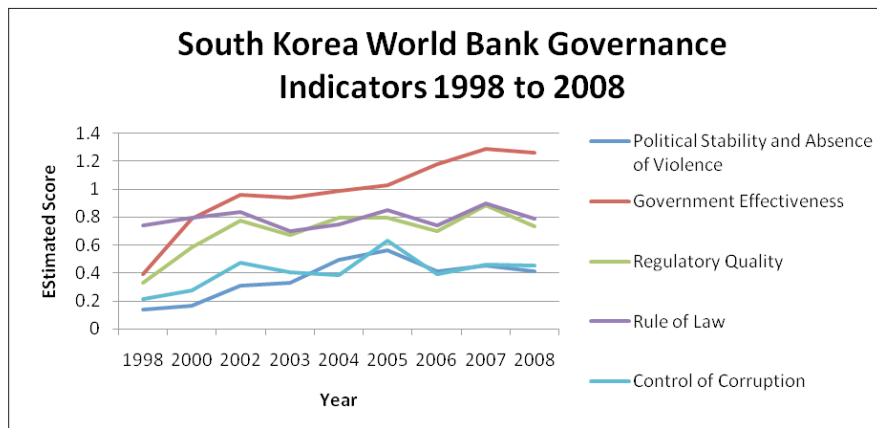
South Korea's procurement puts emphasis on the advertisement of bidding opportunities. The Korean ON-line E-Procurement System or KONEPS is a government-wide e-procurement tool. This features standardized public procedures for procurement and also offers extensive procurement information.

Bidders who wish to participate are obliged to obtain a certificate from the certification authority and register with PPS one day before the bid opening. The contract is awarded to the bidder with the best price and the most agreeable delivery time, specifications, and terms. It is the bid that is most advantageous to the government.

Corruption is deterred in the procurement process through tools like the code of conduct. Government monitors compliance to this code. Systematic training on the procurement process is conducted. To prevent informal relationships, public procurement agents rotate every two years. Unduly influencing procurement proceedings is strictly forbidden. If a procurement agency personnel discovers corruption or collusion attempts, he is mandated to disclose the information. Procurement proceedings documents are kept for at least five years.

World Bank's Governance Indicators for South Korea show that Political Stability and Absence of Violence/Terrorism have greatly improved from 1998 to 2008. Similarly, the country's Government Effectiveness steadily increased during the same decade. South Korea's Regulatory Quality also improved but fluctuated between 2002 and 2008. There was much variation in its score on Rule of Law over time, but in general, it has improved incrementally. The country's Control of Corruption illustrates the same pattern of variability from 1998 to 2008, showing minor improvements at the decade's end.⁷⁴

⁷⁴ Kaufman, D., et al. (June 2009).



Overview of Civil Society Organizations

In the last fifteen years, South Korea has facilitated the growth of CSOs by incorporating them into the policy-making process. Government leaders who worked in partnership with CSOs are Kim Young-sam, Kim Dae-joong, and Roh Moo-hyun.

Civil society leaders have been appointed as ministers or heads of government institutions that are concerned about anti-corruption, fair trade, consumer protection, human rights, sustainable development, and decentralization.

A Picture of Years Gone by: A Brief History of CSO Involvement

The so-called CSO Revolution began in June 1987 during a citizen uprising calling for direct presidential elections and political democratization. This was followed by a dramatic increase in the number of CSOs in South Korea. The second phase in the CSO

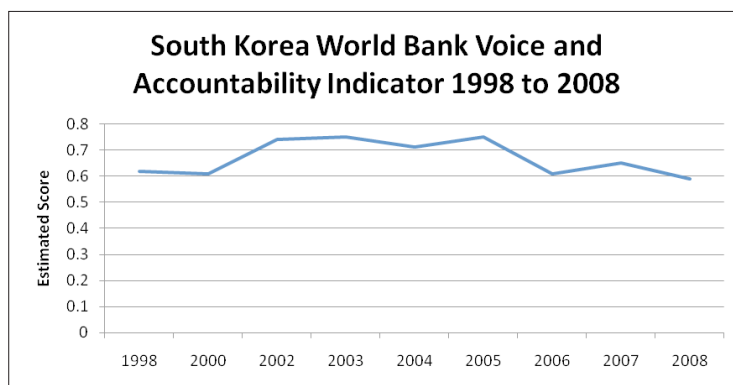
Revolution was under Kim Young-sam's "civilian government" which spurred a series of political and socioeconomic reforms in partnership with CSOs. During this period, government funded select CSO projects. At the "open proposal competition," advocacy CSOs won funding. The third phase was when CSOs were partially accepted by the "people's government" as a partner in achieving national governance. The passage of the Non-Profit Organization Supporting Law institutionalized the relationship between government and the CSOs. During the 1998-2000 financial crisis, the government-CSO partnership played a crucial role in assisting the unemployed and homeless. The last phase of the CSO Revolution was the upsurge of citizen participation.

In January 2000, a law supporting non-profit civic organizations was enacted and enforced. It specifies the types of support CSOs may receive from government and requires applicant groups to register with particular public agencies. This law provides preferential treatment to CSOs as long as they satisfy the law's minimum requirements. This is indicative of a fairly large institutional change.⁷⁵

World Bank's Governance Indicators for 2008 shows that, although relatively high, South Korea's Voice and Accountability index has worsened by 0.03 points compared to the beginning of the decade. Improvements in Voice and Accountability were at its peak in 2002 and 2004 at 0.75.⁷⁶

⁷⁵ Shigetomi, S. (2002). *The State and NGOs: Perspective from Asia*. Singapore: Institute of Southeast Asian Studies.

⁷⁶ Kaufman, D., et al. (June 2009).



A Glance at CSOs Involvement in Governance Reforms

The Citizen's Coalition for Economic Justice (CCEJ) is a citizen's movement in South Korea that works for economic justice, environmental protection, democratic and social development, and reunification of Korea. CCEJ has had numerous legislative successes that primarily focus on anti-corruption, particularly in the areas of transparency and access to information.

Women's Link is a CSO that has influenced public procurement for the betterment of women. It found that budget allocations for women's policies were extremely low. Through a forum by the Korea Women's Development Network, Women's Link was able to present its findings and its recommendations were incorporated in the 2002 national budget.

Transparency International-Korea (TI) was established in August 1999. It is considered an able partner in the enactment of the anticorruption law and creation of the anticorruption body. Procurement monitoring in South Korea began as part of TI's Integrity Pact with Ombudsman in 2002. In 2005, government started the reform of defense procurement in response to the pressure from civil society including TI-Korea.

Other social accountability initiatives that go beyond procurement include K-PACT (Korea Pact on Anticorruption and Transparency), introduction of Integrity PACTs into many LGUs, defense sector transparency and ethical management initiatives.

A Snapshot of Civil Society – Government Relations

For many years, disabling tax laws and limitations on fund raising/collection hampered the growth of South Korean CSOs. Fortunately, this law was recently deregulated.⁷⁷

Today, South Korea is under pressure to be more transparent in its policies and procedures so CSOs and the general public can easily understand how government operates and eventually identify where best to engage. Transparency facilitates public consultation, which is vital in developing sound public policy.

⁷⁷ Sung-soo, J. (July 20, 2009). 20 years of 'NGO revolution' reshapes society. Seoul: The Korea Herald.

South Korean civil society has tremendous influence in the policy-making process. Though bureaucrats and some big businesses are suspicious of CSOs, they cannot ignore the influence and strength CSOs possess. It is widely recognized that an effective and healthy nonprofit sector is essential in building good governance in South Korea because of government inefficiency, corruption, and entrenched interests in business.⁷⁸

A Preview of Issues Past, Present and Future

Social accountability and good governance in South Korea has been induced by its history. Jutting out of the Chinese mainland, South Korea has been influenced by Chinese culture and tradition for many centuries. The Chinese mandarin system, the equivalent of the modern civil service, has been present in the country for a long time. This tradition of having a strong, efficient and reliable, and to a large degree, an honest civil service, is at the heart of this Confucian tradition. Due to the credibility of bureaucrats and high regard accorded to them by the general public, social accountability initiatives easily prosper, as there is an environment of trust and confidence. However, it was the democratization movement that triggered the drive for good governance and social accountability.

The relationship between civil society and the government is still unstable. TI-Korea feels that the government has not yet accepted CSOs as parallel partners in development while on the other hand, CSOs see government's cooperation as wanting. Non-confrontational approaches and coalition-building among stakeholders are considered as insufficient and weak.

78 Kim, I., and Hwang, C. (2002). Defining the nonprofit sector: South Korea. Working Papers of The Johns Hopkins Comparative Nonprofit Sector Project.

Activities by CSOs are usually poor in terms of advocacy and addressing the needs of marginalized groups. This can be attributed to the fact that CSOs are primarily distributed in urban areas.

Civil society polarization between left and right, progressive and conservative have alienated ordinary citizens that CSOs wish to represent. Politicization is a sensitive issue for South Korean civil society, but it also serves as an avenue for CSOs to put pressure on political elites who are usually less responsive to grassroots' demands. CSOs also act as a third force by influencing Korean politics from outside the usual power channels.⁷⁹

The growth in the number of CSOs in South Korea is indicative of their increasing role and capacity. This is evident in TI-Korea's involvement with the Defense Acquisition Program Administration (DAPA) Ombudsman. Established in 2006, the DAPA Ombudsman is in charge of monitoring and investigating defense acquisitions based on complaints by defense companies. The Ombudsman can demand corrections or audits and make recommendations accordingly. This is the first instance of civil society participation in monitoring defense procurement, which is usually shrouded in secrecy due to issues of security.

The surge in CSO activity and engagement is brought about by a growing awareness of the importance of public participation in governance, and the disenchantment with government performance and its limited capabilities, among others.⁸⁰

79 Richardson, M. (2008). Civil society and the state in South Korea. SAIS US-Korea Yearbook.

80 Kim, I., and Hwang, C. (2002).