South Korea Report
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Sustainable Governance Indicators 2016
Executive Summary

The period under assessment (8 November 2014 – 7 November 2015) covers roughly the third year of the Park Geun-hye presidency. With the conservative Saenuri Party holding a comfortable parliamentary majority, President Park has been well positioned to shape policies. Recent successes in by-elections and local elections have confirmed the conservative camp’s strong position. Park’s approval ratings, which declined to 30% in 2014 during a scandal tied to the National Intelligence Service’s illegal intervention in the presidential-election campaign, as well as during the government’s botched reaction to the sinking of the Sewol ferry, had recovered to more than 46% as of November 2015.

Despite its parliamentary majority and swelling public support, the Park administration faced many serious problems during the review period. Most importantly, President Park’s personnel policies were strongly criticized, as she kept core positions vacant for a long time, and often chose very controversial candidates that either failed to pass through the parliamentary vetting process or subsequently had to resign due to scandals. The government has often been accused of trying to turn back the clock with regard to the transformation of Korea into a more democratic and liberal society. In addition to the above-mentioned NIS scandal, the administration has been criticized for interfering with the freedom of the press and the Internet, and for a decision to reintroduce state-controlled history textbooks into middle and high schools.

Shortly after the election, Park also abandoned many key election platform items such as the promise to advance economic democratization and strengthen the welfare state, and additionally failed to deliver on pledges such as the Eurasia initiative and the Northeast Asian Peace and Cooperation Initiative. The fate of other signature policies such as the so-called creative economy initiative remain unclear in the third year of her presidency.

The Park administration’s policy approach toward North Korea has also borne little fruit. Park has advocated a step-by-step trust-building process with North Korea. This “trustpolitik” represents a middle way between the generosity of Kim Dae-jung’s Sunshine Policy of 1998 to 2007 and the subsequent hard line taken by Lee Myung-bak. While there have been some improvements in relations with North Korea, such as a resumption of family unifications in
October 2015, there has generally been little overall improvement in the frozen inter-Korean relations.

On a positive note, in spite of some evidence of a reversal of democratic trends, South Korea remains a stable democracy with an able bureaucracy and a lively civil society. Economically, Korea is doing exceptionally well in cross-OECD comparison. With an annual GDP growth rate of 3.3%, Korea was the fourth-strongest country in the OECD in 2014, and its projected growth rate of 3% for 2015 remains high. An impressive unemployment rate of only 3.7% is bettered only by Norway within the OECD. South Korea also remains a major exporter, with many highly competitive multinational corporations producing a great variety of products in the automotive, IT, and other industries.

Key Challenges

The Park Geun-hye administration remains relatively popular with the country’s domestic population, and the South Korean economy has done relatively well in a difficult global environment. However, many key challenges remain. Most importantly, the Park administration seems to have abandoned key electoral pledges such as economic democratization and welfare-system strengthening, while other election pledges, including the creative-economy initiative and the “trustpolitik” approach toward North Korea, remain poorly defined.

To a large degree, President Park’s popularity and the success of her conservative party can be explained by the weakness of the opposition party, which is focused on internal feuds and has proven incapable of posing a serious threat to the government. Politically, the outlook for institutional and structural changes that would deepen democracy and further liberalize society in South Korea remains very poor. The influence of money on politics, the regional character of parties and the personalization of political power are the biggest obstacles in this regard.

Economically, South Korea faces major uncertainties despite its high growth rates and strong export record. A low employment rate among women, high youth unemployment rates, a pattern of precarious employment, and old-age poverty are among the most serious problems. In addition, household debts related to a real-estate bubble and high education costs are a major challenge. Domestically, the historically low-tax country faces a major challenge in further expanding the welfare state so as to prepare for inevitably lower
growth rates associated with an aging society. Moreover, increasing social inequality in a previously relatively equitable society has tended to undermine social cohesion.

Another unaccomplished task is diversifying the divided economy, which remains split between huge export-oriented business conglomerates and the small- and medium-sized enterprises (SMEs) in the service sector on which the conglomerates rely. The Park administration tried to persuade the big conglomerates to follow a strategy of corporate social responsibility by supporting small suppliers and leaving certain markets to small companies. However, this strategy has had little success. It remains to be seen whether next administration will be able to limit economic concentration and facilitate a transition from primarily family-owned conglomerates to more transparent and accountable businesses patterns. Another challenge is to reduce the Korean economy’s reliance on exports amid an unstable global economic environment.

With respect to foreign affairs, North Korea continues to be a major threat to stability on the Korean peninsula and within the East Asian region as a whole. The unpredictable and confrontational behavior of the North Korean regime, resulting in constant provocations, has led to a low in North-South relations. Establishing a condition of peace in a nuclear-weapons-free Korean Peninsula is an urgent and critical task for the South Korean government. However, it is not clear how Park’s trustpolitik agenda will improve relations with North Korea. Beyond the question of peace and stability on the Korean peninsula, the future of South Korea’s role in global relations more generally, which took a high priority under the preceding Lee Myung-bak administration remains unclear.

The Park administration seems to be much more focused on traditional foreign policies with a focus on North Korea and relations with the United States and China (and to a lesser degree Russia). Restoring good relations with Japan still represents a huge challenge for Park administration. Meanwhile, the Park administration is paying less attention to major global challenges such as climate change, global financial regulation, refugee flows, and the eradication of poverty in the post-Millennium-Development-Goals process.
Policy Performance

I. Economic Policies

Economy

Among the OECD countries, South Korea has shown high growth rates, with annual GDP growth of 2.9% in 2013 and 3.3% in 2014. In 2015, the economy initially suffered from weak exports and low domestic demand partly due to concerns over the outbreak of MERS that killed 36 people. However, the Korean economy rebounded in the third quarter of 2015, growing about 1%. A fiscal stimulus and record-low interest rates supported the economy. Despite this considerable growth rate over the period as a whole, the economy has fallen far short of political promises made by President Park Geun-hye in a three-year plan announced in February 2014. In this so-called 474 vision, she targeted a 4% GDP growth rate, a 70% employment rate and a per capita income of $40,000. Her second economic team appointed in July 2014, led by Finance Minister Choi Kyung-hwan, announced a $40 billion stimulus package and put pressure on the Bank of South Korea to adjust its monetary stance in harmony with the administration’s pro-growth fiscal policy. Bowing to government pressure, the Bank of South Korea pulled back from its hawkish policy stance, and as of the time of writing had cut the interest rate four times since August 2014, bringing interest rates to an historic low. Park’s administration also pushed ahead with a promise to reduce the “cancer of red tape,” through reducing regulation primarily within the business sector. Other measures included housing-market deregulation aimed at revitalizing the housing market and stimulating growth. These policies included a relaxation of loan-to-value and debt-to-income ratios; however, critics warned that aggressive policies designed to prop up the anemic housing market could exacerbate a real-estate bubble as well as the country’s heavy household-debt burden.

Citation:
Economic Democratization: Needs of the Times, BusinessKorea, June 20, 2013,
Labor Markets

Labor market policies successfully kept the unemployment rate at 3.7% in 2014, or less than half the OECD average. The youth unemployment rate, at about 10%, is much higher but still below OECD average. On the other hand, labor-market policies have been less successful in preventing the proliferation of precarious working conditions and irregular employment. This problem is particularly severe for young college graduates, who have been dubbed the “88 generation” since the late 2000s because they cannot get regular jobs, and their first irregular job or internship typically pays about 880,000 won (approximately $800 dollars) a month. The share of irregular workers as a proportion of all workers declined from 32.6% in June 2013 to 32.4% in September 2014. But the total number of irregular workers increased to 6.08 million due to an increase in older workers paid by the hour (as of August 2014). In terms of job quality, strategies against unemployment have shown little success.

Due to the problems of precarious employment, many unemployed individuals are discouraged from looking for jobs and eventually exit the labor market. Consequently, the overall employment rate of 65% remains below the OECD average due to low levels of employment among women and the ineffectiveness of government policies that target this problem. Park Geun-hye’s administration addressed the problem of the low employment rate with a “roadmap to achieve an employment rate of 70% by 2017,” announced in June 2013. It came close to achieving the roadmap’s 2014 target employment rate of 65.6%. However, the youth employment rate (among those aged 19 to 29), declined to 56.8% in September 2014, falling below the senior employment rate (aged 60 to 64) of 57.2% for the first time.

A major change in country’s labor-market policies was the introduction of the wage peak system in 2015. The system guarantees employment among senior-age employees until retirement age, but with reduced wages. The system is not mandatory, but is encouraged by the government as part of a measure to increase job availability for youth.
Taxes

The South Korean tax system is fairly effective in generating sufficient public revenues without weakening the competitive position of the national economy. South Korea has one of the lowest tax rates in the OECD. Although taxes on businesses are relatively high, compared to personal income taxes, they do reduce overall competitiveness. The corporate tax rate is relatively low, compared to the OECD average. Tax instruments are used to nurture foreign direct investment, research and design, and human resource development. Its main weakness, however, is equity. Compared to other OECD countries, the tax burden in South Korea is very low. As of 2013, tax revenues totaled about 24% of GDP.

Tax revenue has been growing slowly, but is likely to increase in the future because social-security contributions have increased relatively quickly since the middle of 1990, and are expected to continue to do so. Nevertheless, income-tax rates are relatively low, and there are many exemptions. In 2011, the rate of tax exemption was a very high 36.1%. As a result, income tax revenues as a proportion of overall GDP are very low, at only 3.6% compared to an OECD average of 8.4%. The strong reliance on value-added tax gives the tax system an inequitable, regressive nature, and lessens its ability to improve equity. Major reasons for the weak income-tax base include the relatively high number of self-employed individuals, the low levels of income tax paid by this group, and the sizable income-tax deduction for wages and salaries.

On 6 August 2014, the Finance Ministry announced proposals for a reform of the tax system. A new corporate accumulated-earnings tax was proposed for excess cash accumulated by large corporations whose equity capital exceeds KRW 50 billion (about $49 million) and corporations that are members of an enterprise group with restrictions on mutual investment. The new tax is designed to encourage corporations to distribute profits as dividends to shareholders and reinvest cash both in employees’ salaries and wages and investment rather than accumulating and holding reserves. However, many experts say the new tax system cannot extract more tax from large businesses due to existing tax exemptions and incentives for the large chaebols (corporate groups). Small and medium-sized enterprises (SMEs) are exempt from this new tax regime. In September 2014 the government unveiled plans to raise residence taxes and taxes on commercial vehicles and tobacco products. The proposed tax increases put a heavier burden on low-income earners and will make distribution of tax responsibility more inequitable. At the same time, the government has decided to postpone taxation of religious groups for two years. Another very controversial step was the reduction of the tax on expensive
consumption products such as cars that was announced in August 2015, and which would primarily benefit well-off consumers.

Following an international trend, South Korea has signed tax treaties, such as the 2012 bilateral treaty with Switzerland, to gain access to the information of suspected tax dodgers. Taxes on problematic consumption items such as energy or cigarettes remain relatively low (despite a tax hike on cigarettes in 2015). The government has to date failed even to discuss an ecological tax reform.

Budgets

South Korea’s national budgetary policies remain sound. South Korea continues to have one of the lowest levels of public debt and public expenditure among OECD countries, despite an increase in fiscal debt under the Lee Myung-bak administration. The 2014 ratio of public debt to GDP was a relatively low 36%. Previously known for extremely conservative fiscal policies, the Korean government has been much more pragmatic since the world economic crisis of 2008/09, when South Korea implemented some of the largest fiscal-stimulus packages in the OECD. Korea has been running government deficits since that time, albeit very small ones. A much bigger problem might be debt hidden in state-owned companies. According to estimates by the Naumann Foundation in Seoul, the total amount of government debt could be about three times the official figure. However, low overall government expenditure and tax rates leaves still considerable room for the government to take a more active role, for example by increasing spending for social security and education, both critical areas in addressing the problem of an aging society.

At the local level, budgetary problems have become more prevalent due to prestige construction projects without many economic benefits. In 2010,
Seongnam City became the first South Korean municipality to declare a moratorium on its debt payments. In 2012 and 2013, Incheon, South Korea’s third-largest city, delayed paying monthly salaries of its employees as it teetered on the edge of fiscal collapse. As local-government debt levels have increased, the Park Geun-hye administration has proposed the introduction of a bankruptcy system for debt-ridden local governments, which would hold them responsible for fiscal deficits and force them to cut their debt. Moreover, rising welfare costs are causing further tensions between local and central government as a system of burden sharing is negotiated, which may lead to further deteriorations in fiscal sustainability.

Citation:
OECD 2010, Preparing fiscal consolidation, Paris, http://www.oecd.org/document/23/0,343.en_2649_34595_44829143_1_1_1_1,00.html
OECD, OECD Economic Outlook No. 95, May 2014
“In financial pinch, Incheon under pressure to downscale Asiad plan,” The Korea Times, April 4, 2012
“South Korea Plans Record 2015 Budget as Spending Jumps,” Bloomberg, Sep 18, 2014
“Time bomb ticking on local government debt,” The Korea Times, March 31, 2014

Research and Innovation

The South Korean government invests heavily in research and design (R&D), particularly in fields which can be directly commercialized. Public spending on research has substantially increased in recent years, totaling almost 1% of GDP in 2013 – the second-highest such level in the OECD. The green-growth policy is a good example of the government’s willingness to support domestic industry’s R&D of new products or production techniques. A further example is Park Geun-hye’s Creative Economy initiative. The newly formed Ministry of Science, ICT and Future Planning will spend a total of KRW 8.5 trillion (.1 billion) over the next five years to promote R&D in the information- and communications-technology (ICT) sector, a key target sector for the creative economy.

The ever-increasing dominance of large business conglomerates (“chaebol”) impedes the rise of SMEs and start-ups, which are often the source of new innovations (as opposed to incremental ones). Other weaknesses include a lack of high-quality basic research, which is difficult to commercialize in the short run but might facilitate scientific breakthroughs in the long run. In response, the government started funding a new Institute of Basic Science in 2012. South Korea has experienced a steady increase in the number of published scientific articles and patents, although the catching-up process remains slow.

In recent years, there has been an increasing focus on (applied) natural sciences, while social sciences that are crucial for innovations in governance
and business systems have received less attention. Despite the very substantial
government expenditure on R&D, Korea has a long way to go with regard to
nurturing a sustainable, voluntary and innovative technology and business
ecosystem.

Citation:
OECD, OECD Review of Innovation Policies Korea 2009
Institute of Basic Science, http://www.ibs.re.kr

Global Financial System

South Korea is a member of the G-20, and was also one of the biggest winners
in the 2010 IMF and World Bank voting-process reform. However, South
Korea has to date played only a very minor role in shaping the global financial
architecture. Instead it has largely used self-help policies such as the
accumulation of currency reserves, currency management and capital controls
to protect itself from global financial volatility. In addition, South Korea has
held bilateral negotiations on currency-swap agreements with the United
States, Japan and China, for example. While South Korea follows international
banking-regulation standards such as the Basel capital-adequacy requirements,
it has played little part in advancing them internationally. Compared to the Lee
Myung-bak administration, the Park Geun-hye administration seems to be less
interested in playing a global role, instead seeming to have refocused on the
traditional Korean priorities relating to North Korea and the four major powers
in the region, China, Japan, Russia and the United States.

Citation:
“Dozens of Korean names in leaked data on tax havens: ICIJ,” The Korea Times, 24 April 2013

II. Social Policies

Education

South Korea’s education system is very hotly debated, and education policies
are an important priority for the government. On the positive side, PISA test
results are good and tertiary enrolment rates are high. About 8% of GDP is
spent on education institutions, compared to an OECD average of 6.3%. On
the other hand, public expenditure totals only 4.9% of GDP, less than the 5.4%
OECD average. Thus, much of the success of Korean education can be
attributed to parents’ willingness to pay for education rather than to public
policies per se. Almost all parties involved in the higher-education sector agree
that a change in the South Korean system is both necessary and a high priority. There are many complaints about the focus on “cramming,” the curriculum content, and the teaching styles at South Korean schools and universities. University entrance exams are a particularly controversial issue. While they have played an important role in allowing relatively equitable access to top universities, they are seen as a major cause of a lack of creativity as well as weak analytical and discussion skills. Many attempts at education reform have been made, but cramming and rote learning are still favored over analytic skills, discussion and creativity. Social and cultural templates based on school ties are also hampering educational reform in a fundamental way. The high share (15% as of 2014) of Korean students among the foreign-student population in U.S. universities remains controversial in Korea. The Park administration’s recent policy to introduce “a single government-written history book system” could undermine the liberal educational environment intended to cultivate creativity and democratic ideas.

Citation:
OECD, OECD in figures 2009
OECD, Government at a Glance 2009
OECD, Education at Glance 2012, DOI: 10.1787/eag_highlights-2012-en
IIE, Open Doors Report, 2014

Social Inclusion

While extreme poverty has been eradicated in Korea, relative poverty, particularly among the elderly, remains a serious problem. This can be explained by the low employment rate, the large share of precarious employment, and the prevalence of forced early retirement. While still smaller than the OECD average, the gap between rich and poor has widened dramatically in the past 15 years and continued to do so during the assessment period. Criticism of the government’s lack of action on this issue is growing in strength. The South Korean tax and welfare system is not designed to reduce inequality, while its capacity to prevent poverty is very limited given the extremely low level of social transfer payments. These small payments force unemployed individuals to accept any job offer, even if wages are much lower than in their previous employment. This explains why South Korea has the highest share of working poor in the OECD. The welfare system also depends on family-based security, in which parents are willing to support their children even after completion of a university degree. Young people in particular still suffer from social exclusion. Gender equality is also still far below the OECD average.
In South Korea’s increasingly money- and consumption-oriented society, poverty is becoming a source of shame, which might partly explain the low levels of life satisfaction. Suicide rates are among the highest in the world, particularly for the 60-plus generation.

Unlike the previous Lee administration, the Park Geun-hye government has put improving the welfare system, particularly for the elderly, high on its administration’s agenda. However, Park has had difficulties in implementing her ambitious goals, and was forced to backtrack on one of her most important election promises, to introduce a general monthly pension of KRW 200,000 (6) to citizens over 65 regardless of income level.

The recent massive influx of North Korean defectors from low social classes has raised potentially troublesome issues of integration into South Korea’s workforce. Available data on the work integration of North Korean defectors reveals this group’s marginalization within the primary labor market, with other indicators also showing poor labor-force integration. The Park government has repeatedly tried showed hostility toward specific groups of people (such as family members of victims in the Sewol ferry incident) who have expressed dissatisfaction with government policy, labeling them as bad people. Social exclusion is also growing in Korea.

Citation:

Health

South Korea has a high-quality and inclusive medical system, and experienced the highest increase in life expectancy among OECD countries – an increase of 27 years, to 79.8 years – between 1960 and 2008. Preventive health checks have a high priority and are covered by insurance. Health spending per person increased significantly between 2000 and 2011, the highest growth rate among OECD countries. Yet total expenditure on health was only 7.4% of GDP in 2011, below the OECD average of 9.3%. The public sector provides slightly more than half of all health care funding. The universal health insurance system has relatively low premiums but high co-payments. South Koreans can freely choose doctors, including private practitioners, but coverage for medical procedures is less comprehensive than in most European countries. Out of pocket payments account for 32% of all health expenditure. High co-payments have the problematic effect that access to medical services depends on
personal wealth. However, the Park government has gradually expanded the medical-insurance system to cover some rare diseases.

Citation:

Families

South Korea has the lowest fertility rate in the OECD. The government has not been very effective in enabling women to combine parenting with participation in the labor market, which helps explain the low labor-market participation rate. The traditional Confucian family values that view women as mothers and housewives remain influential. High housing prices and high costs of nursing and education are the most important factors in young couples’ decision not to have children. In recent years, the government has been alarmed by the dramatic drop in fertility, and has introduced or considered various policies such as free child care services and flexible work hours for working women. Policies seeking to help women combine work and parenting have been a priority for President Park. However, most policies adopted so far have proven to be inadequate in helping women combine employment and parenthood. Recent conflicts between central and local government regarding fiscal responsibility for a free public kindergarten system have suspended kindergarten services in many local areas.

Cultural and socioeconomic factors, such as a gender pay gap that is the highest among OECD countries as well as pervasive social immobility, discourage women from entering and reentering into the workforce. As a result, the employment rate for female graduates is lower than for male graduates, despite similar numbers of male and female college graduates. Furthermore, South Korea is the only country in the OECD where the employment rate of female college graduates is lower than that of women with only compulsory education. The 2013 Global Gender Gap Report by the World Economic Forum – which measures the gender gap with respect to economic, political, educational, and health-based criteria – ranked South Korea 117 out of 142 countries, a decrease from rank 111 (out of 136) in 2013 and 92 (out of 115) in 2006.

There have also been more controversial reactions to the low fertility rate. For example, the government has started cracking down on abortions, which are illegal in South Korea but had been tolerated since the 1970s as a means of reducing the birth rate.
Pensions

Due to increasing life expectancies and the low fertility rate, the average age of South Korea’s population is increasing much faster than in many other OECD countries. The share of the population that is 65 years or older is expected to increase from 7% in 2000 to 37% in 2050.

Old-age poverty is a major problem in South Korea. Indeed, there are more elderly poor people in Korea than in any other country in the OECD, because pensions are small, and because most elderly people today lack coverage under a national pension system that did not cover a large share of the workforce until its expansion in 1999. The government has also failed to enforce mandatory participation in the system, while many employers fail to register their employees for participation. Furthermore, most irregular workers and self-employed are not covered by the system. The Park Geun-hye administration has introduced a general basic pension of KRW 200,000 that covers 70% of lower-income pensioners.

The national pension system is currently fiscally sustainable and needs only small subsidies. This is because the system is relatively new, and organized in the form of a pension fund in which contributors currently far outnumber pension recipients. However, given the risks involved in pension funds, it is not clear what level of subsidies the fund will require once those who entered into the system since 1999 retire. According to the first national pension financial review in 2003, the fund was projected to run out of money by 2047. Growing concerns about the long-term financial sustainability of the pension fund led to a drastic reform in 2007. The earnings replacement rate was reduced from 60% to 50% in 2008 and will be further reduced to 40% by 2028. The government hopes that pay promoting private pension plans can offset this reduction in the national pension benefit. Beginning in 2016, the government will make it mandatory for businesses with 300 or more employees to provide retirement pensions to their employees. This requirement will gradually be extended to all businesses by 2022.
Three older and much smaller pension funds for government employees (insolvent since 2001), military personnel (insolvent since 1973) and teachers (expected to be insolvent from 2033 on) are already running deficits and have to be subsidized by the government. Given the low fertility rate and the ageing population, the country’s pension funds will almost certainly need more subsidies in the future. Faced with the increasing fiscal burden of relatively generous civil servant pension schemes, Park Geun-hye has been pushing ahead with reform of the government employee pension plan to increase the pension age from 60 to 65 and reduce pension benefits. In a global pension index evaluating the quality and sustainability of pension systems, Korea’s system ranked 24th out of 25 countries.

South Korea’s pension funds are vulnerable to government interference. Their profitability is also low due to poor management. For example, in 2008 the government told the National Pension Fund to invest a larger share of its assets in South Korean stocks, seeking to stabilize the stock market during the global financial crisis.

Citation:
Australian Centre for Financial Studies, Melbourne mercer Global Pension Index 2015.

Integration

Since the 1990s, South Korea’s migration patterns have shifted substantially, from net emigration to a substantial inflow of foreign employees and residents. This change has been driven by an increasing demand for cheap labor, changes in the generational composition of the population, and a shortage of women in rural areas. In 2010, the total number of foreign nationals in South Korea reached 1.2 million. Most migrants come from China, with Vietnam, the United States, Uzbekistan and Cambodia also contributing significantly.

The government has been trying to support the integration of immigrants and foreign-born residents. Unemployment rates among foreign nationals is low, while secondary and tertiary-level education enrollment rates are high. In August 2005, the parliament passed the Public Official Election Act, which enables foreign residents to vote in local elections. South Korea is currently the only Asian country which gives voting rights to non-citizens. In recent years South Korea has made it easier for migrants to receive permanent
resident status and even citizenship, particularly for highly skilled migrants. In the 2012 parliamentary election, 110,000 naturalized citizens were allowed to vote and Jasmin Lee of the Saenuri Party became the first naturalized member of the South Korean parliament.

To apply for South Korean citizenship an individual must have resided in the country for more than five consecutive years, be legally an adult, have displayed good conduct, have the ability to support himself or herself on the basis of his or her own assets or skills (or be a dependent member of a family) and have basic knowledge befitting a South Korean national (such as an understanding of Korea’s language, customs and culture). In April 2010, the South Korean parliament also passed a law that allows dual citizenship.

Another relatively serious integration issue concerns the social exclusion experienced by the foreign-born wives of Korean men (often from China, South-east and South Asia). This population has drastically increased in recent years – about 10% of all marriages in South Korea are international today, in the sense that either bride or groom is non-Korean. Such marriages often face cultural discrimination.

Furthermore, cultural, education and social policies have yet to adapt to increasing immigration levels. While ethnic Koreans with foreign passports, foreign investors and highly educated foreigners are welcomed and treated favorably, Amnesty International reports that migrant blue-collar workers are often treated as “disposable labor.” From a legal perspective, migrant workers have very similar rights to native Korean employees, but these rights are routinely neglected by employers. While courts have offered some protection to migrant workers, the government has not pursued active enforcement measures against employers that exploit the precarious status of migrant workers. In January 2012, the parliament unanimously passed a revision to allow migrant workers to more easily change their workplace.

Unlike migrant workers, refugees and asylum seekers still face considerable legal difficulties in having their status recognized. Korea admitted just 94 out of 2,896 applicants in 2014, indicating the reluctance of the Korean government in this area.

Citation:
Korea Times, Garibong-Dong Has Largest Number of Foreigners, 28/2/2010
“Jasmin to help Saenuri lure naturalized voters,” The Korea Times, April 8, 2012
Safe Living

Police statistics show a small increase in both violent crime and street crimes over the last few years, but the general sense of security remains high. Petty crimes such as theft or pick-pocketing are much less common than in almost any other OECD country. The rate of violent crimes such as homicide is one of the lowest in the world: in 2012, it stood at 0.8 cases per 100,000 people (according to UNODC statistics). There is no known terrorist activity in South Korea. However, the spread of financial scams ("phishing") and cyber-crime, whose perpetrators take advantage of South Korea’s excellent broadband infrastructure and lax online-security measures, is a major concern that has not yet been effectively addressed. The lax enforcement of traffic laws remains another issue, as South Korea has the second highest ratio of road fatalities among OECD countries, with 14.1 deaths per 100,000. Every year 6,800 people die in road-traffic accidents. Respect for and trust in the police is generally low.

However, in terms of human security, South Korea is not necessarily a secure society. As the case of the Sewol Ferry accident and several major accidents claiming huge numbers of victims have shown, insecurity does exist, and Korea has to some extent become a high-risk society.

Citation:
OECD, OECD Factbook 2009
WHO, Global Health Observatory Data Repository, http://apps.who.int/gho/data/view.main.51310

Global Inequalities

South Korea has established itself as a new donor in the field of development cooperation and was admitted to the OECD Development Assistance Committee (OECD-DAC) in 2010. It put development on the 2010 G-20 agenda and hosted the OECD High Level Forum on Aid Effectiveness in 2011. South Korea has massively increased its official development aid. However, the level of overseas direct aid remains low at 0.13% of gross national income (GNI) reflecting Korea’s role as a latecomer in this field. The quality of South Korean aid also remains relatively low. Untied aid is preferred by the OECD-DAC for the least developed countries but actually declined from 37% in 2009 to 27% in 2010. This is much less than the OECD average of 88%. Another weakness is the focus on bilateral as opposed to multilateral aid. For the past several years, Iraq and Afghanistan received the largest amounts of Korean official development assistance (ODA), in part due to U.S. pressure. South Korea has recently played a stronger role in agenda-setting and overseas development assistance, but top priority is afforded to
economic rather social issues (e.g. human rights issues). The Park government has pointed to the New Village Movement (a rural-development program adopted by Park Chung Hee in the 1970s under Korea’s authoritarian regime) as a model for international development cooperation policy; however, this has proved controversial.

In terms of a fair global trading system, South Korea has shown little initiative and instead focuses on negotiating a large number of preferential trade agreements with, among others, the European Union and the United States as well as many developing countries.

Citation:
OECD, KOREA Development Assistance Committee (DAC), PEER REVIEW 2012,

III. Environmental Policies

Environment

Environmental policies are currently insufficient to protect the environment or to preserve the sustainability of resources. Environmental problems are massive, particularly when it comes to air quality. In the 2014 Yale Environmental Performance Index, Korea was ranked at 43rd out of 178 countries overall, but at 166th place in terms of air quality. Although about half of the most problematic particulate matter comes from the industries of coastal China, Korea itself could also do a better job in reducing harmful emissions. For example, the share of energy production accounted for by renewables is the second-lowest in the OECD.

Park Geun-hye’s administration has distanced itself from the “green growth” agenda of her predecessor (which in truth was more focused on growth than on environmental protection). However, it has not presented an alternative environmental policy agenda. Facing pressure from domestic and U.S. car makers, Park’s administration has delayed a proposed tax on vehicle carbon emissions until 2020. An emissions-trading scheme launched in 2015, but is not broadly effective. South Korea is one of the few countries that dramatically expanded its nuclear-power generation capacity after the 2011 Fukushima catastrophe without having solved the problems of nuclear-waste storage.
Local governments, particularly in Seoul, have expanded bike paths, although many of these paths are designed for recreational use and will have only a marginal effect on reducing commuter traffic. Public transportation is also steadily improving, with new subway lines and new high-speed railway connections under construction. South Korea also has a high level of recycling. However, in many other areas conservation efforts are stalling. For example, priority is still given to cars, many buildings are poorly insulated and energy use continues to be subsidized. Beginning in 2010, the government launched an effort to reduce excessive use of heating in the winter and excessive air conditioning in the summer. These efforts have borne fruit in public environments such as public buildings and transportation, but have not as yet resulted in private individuals adopting more ecological lifestyles.

Citation:
“What happened to green growth?, The Korea Times, July 17, 2013
“S.Korea increases emissions cap in proposed carbon trading scheme,” Reuters, Sep 11, 2014

Global Environmental Protection

South Korea has reported the OECD’s largest increase in CO2 emissions since the 1990s. Under the Kyoto protocol, Korea was still classified as a developing country exempted from mandatory CO2 emission reduction. Despite the strong economic development of recent decades, the Korean government shows little interest in being classified as an Annex 1 country with mandatory reductions.

At the same time, the South Korean government is hosting two important international environmental organizations. The Global Green Growth Institute (GGGI) supports the efforts of developing countries to design environmentally friendly policies, and the Green Climate Fund (GCF) was established in 2012 to fund these activities. Even though the two organizations have shown many signs of faltering, Korea’s initiative and cooperative efforts within the global environmental-protection regime are very significant.
Quality of Democracy

Electoral Processes

All election affairs are managed by the National Election Commission, an independent constitutional organ. Registration of candidates and parties at national, regional and local levels is done in a free and transparent manner. Independent candidates with no party affiliation are allowed to participate in national (excluding party lists), regional and local elections. Candidates can be nominated by political parties or by registered electors. Civil servants are not allowed to run for elected offices and have to resign if they wish to become a candidate. Deposit requirements for persons applying as candidates are relatively high, as are ages of eligibility for office. For example, deposits are 300 million won for presidential, 50 million won for governmental and 15 million won for parliamentary elections.

Although the National Security Law allows state authorities to block registration of so called “left-wing,” “pro-North Korean” parties and candidates, there is no evidence that this had a real impact in the 2012 parliamentary and presidential elections or the important Seoul mayoral election of 2011. However, the constitutional court in mid-December 2014 ruled that the Unified Progressive Party undermined democracy and worked toward achieving North Korean-style socialism. The party, founded in late 2011, had five lawmakers, all of whom were deprived of their seats. This was the first time a political party has been dissolved by a court or government order since 1958.

Recently, both the governing party and opposition party decided to introduce an open-primary system for picking congressional-election candidates. This could provide new challengers with a fairer and more transparent environment.

Citation:
Candidates’ access to the media depends on the type of media. The print media remains dominated by three big conservative newspapers with a clear political bias. However, there are smaller newspapers that support the opposition. Access to TV and radio is even higher, although government intervention increased under the previous Lee Myung-bak administration. There was some public discussion in 2012 on whether to exclude a progressive party candidate from the presidential election debate because she would have no chance of winning the elections. However, she was included until she resigned before the last debate. In general, concerns about media freedom in South Korea are growing. In early 2012, reporters from the three main TV channels – KBS, YTN, and MBC – went on strike to protest political interference.

Blogging and social networks have played an important role in South Korean politics and in the country’s broader internet culture in recent years. The immensely controversial National Security Law also applies to online media. Nevertheless, South Korean society is one of the world’s most internet-active societies, with almost universal access to the internet and an increasing shift from the use of print media to online media (especially among the younger generation). This is why some argue that the obvious conservative bias of mainstream newspapers is less and less relevant as a factor in assessing fair media access during election campaigns. On the other hand, the Korea Communications Standards Commission and the National Election Commission have been trying to block accounts or fine online users for online comments critical of the government or the ruling party. However, some of these fines have since been overturned.

Another limitation is the opaque character of South Korean election law concerning support for candidates during the election period, which can be up to 180 days before an election. According to some interpretations of Article 93 of the election law, all public support for candidates or parties is illegal during that period. On 29 December 2011, the Korean Constitutional Court ruled that Article 93 was unconstitutional in restricting expression of opinions on the internet. However, the ruling had little effect with regard to restricting other media activities or campaigning in general.

The Blue House has exerted strong pressure on the country’s major broadcast networks to appoint political supporters of Park Geun-hye as CEOs, and has employed high-ranking network hosts or journalists as Blue House spokespeople. Despite candidates’ generally fair access to the media, these political pressures could hamper fair and free communication and distort public opinion.

All adult citizens 19 years old or over are eligible to vote and voter registration
Registrations Rights Score: 9

is fair and effective. Citizens can appeal to the National Election Commission and the courts if they feel they have been discriminated against. National elections are national holidays, ensuring that all citizens are able to vote. Citizens who are currently serving prison time, have violated election laws or committed specified crimes while holding a public office are excluded from this right. Since 2009, overseas citizens aged 19 or older have been able to vote in presidential elections and in National Assembly general elections. Overseas citizens are defined as Korean citizens resident in foreign countries in which they are permanent residents or short-term visitors.

In 2014, the Constitutional Court of Korea mandated that electoral districts of considerably different size must be redrawn. According to the court’s ruling, the differences in electoral districts’ populations should not exceed a ratio of 2:1. As of the time of writing, the parliament had not yet responded; however, it had until the April 2016 general election to redraw the electoral-district map. Two major proposals are still pending: one is to reduce the age of eligibility for voting from 19 years to 18 years; the other would extend voting hours from 18:00 to 20:00 on election days. These two changes are intended to increase participation in national elections.

Citation:

Party Financing Score: 5

Party and campaign financing is a controversial topic in South Korea. Due to the low rate of fee-paying membership in political parties (on average less than 0.1% of party members), candidates in elections have to spend huge amounts of money to hire supporters and place advertisements. Parties receive public subsidies according to their share of the vote in the most recent elections. However, a larger share of campaign financing comes from private donations. Nowadays some election candidates raise funds under a special investment (not donation) account, which has emerged as a new popular trend. A system encouraging reporting of illegal electoral practices, introduced in 2004, has played a positive role in reducing illegal campaign financing. Although election laws strictly regulate political contributions, efforts to make the political funding process more transparent have had only limited success. Many violations of the political funds law are revealed after almost every election and many elected officials or parliamentarians have lost their office or seats due to violations. The heavy penalties associated with breaking the political funds law have only had limited effect on the actual behavior of politicians and breaking the election law carries little stigma.

Citation:
Party Financing Score: 5

Citizen referenda can be conducted at the local and provincial levels, and require support of at least 5% to 20% of voters to be called, and a turnout of at least 33% to be valid. Results are not legally binding. So far there have been five referenda. At the national level, only the president can call a referendum
(Article 72 of the constitution). Since 2006, there have been binding recall votes at the local level. However, the rate of success is very low. However, President Park Geun-hye has shown little inclination to listen to or respect citizens’ opinions, especially those of opponents.

Citation:
NEC, http://www.nec.go.kr/engvote/overview/residents.jsp

**Access to Information**

There is growing evidence that freedom of expression in South Korea has deteriorated since the beginning of Lee Myung-bak’s presidency in 2008 and throughout the first half of the Park Geun-hye administration. In the 2014 Press Freedom Index, published by Reporters Without Borders, South Korea was ranked 57th out of 179 countries, falling seven places from 2013 and 13 places from the 2011/12 ranking. South Korea also remains on the list of “countries under surveillance” for Internet censorship. Defamation suits are often filed as a means of preventing critical reporting. In 2014, the Korea Communications Standards Commission (KCSC), an official body responsible for monitoring online content, requested that a total of 132,884 cases be rectified, a 27.3% increase over 2013. Specifically, 24,581 webpages were deleted and another 63,000 blocked at the request of the KCSC. A special sub-committee on social media in 2011 set up by the KCSC asked for 6,400 comments on social networking services such as Facebook and Twitter to be removed in 2013, up from 4,500 in 2012.

After Park Geun-hye complained about “intolerable insults” to her leadership on 16 September 2014, prosecutors swiftly set up an investigative team to monitor cyberspace more closely for evidence of falsehood or defamation. On 8 October 2014, prosecutors indicted Japanese journalist and former Seoul bureau chief of The Sankei Shimbun Tatsuya Kato for defaming Park and barred him from leaving South Korea. The charges are linked to an article written by Kato and posted on Sankei Shimbun’s website on 3 August 2014 that questioned President Park’s whereabouts during the Sewol ferry accident of April 2014. In October 2015 prosecutors requested a jail sentence of 18 months for Kato.

False or misleading reports by the major broadcasters about the Sewol ferry incident and rescue operations have prompted questions regarding political independence. In May 2014, a former editor-in-chief of the Korean Broadcasting System (KBS) caused turmoil by exposing the presidential office’s meddling in its news reporting. He alleged that the Blue House demanded that coverage of the Sewol ferry disaster should be uncritical. To
protest against the presidential office’s control of the media, KBS staff members went on strike, and 5,623 media workers issued a statement expressing their regret for how they reported the Sewol ferry disaster and apologizing for not resisting government-agency pressure. On 9 July 2015, the Supreme Court of Korea decided that it was illegal for MBC to fire correspondent Lee Sang Ho for his critical coverage of the Sewol ferry incident.

On 3 November 2015, in a highly controversial policy, the government decided to reintroduce a state-authored history textbook to be used in all high and middle schools in Korea. According to the government, seven of the eight history books currently in use had a “left-wing bias.”

Citation:
“Government takes control of textbooks,” Korea Joong Ang Daily, November 4th, 2015
“South Korea’s media Reporters complain of being muzzled,” The Economist, 3rd of March 2012
“South Korean Court Rejects Online Name Verification Law,” New York Times, 23 August 2012
“Japanese journalist to be prosecuted in South Korea,” The Economist, Oct 10, 2014
“Insult to injury,” The Economist, Oct 18, 2014

Despite some limitations, South Korea is one of few countries in East Asia with media pluralism. Its quality, however, depends on the type of media. The print media is dominated by three major newspapers: Chosun Ilbo, Dong-a Ilbo and Joong Ang Ilbo. Although the market share of these three outlets is declining, it remained at about 50% in 2013. Smaller alternative newspapers also exist. The major newspapers are politically conservative and business-friendly, partly because they depend to a very large degree on advertising revenues. For example, major newspapers and websites did not review or accept advertisements for the best-selling book of former Samsung Chief Counsel Kim Yong-chul, in which he accused Samsung and Samsung Electronic Chairman Lee Kun-hee of corruption. However, as newspaper subscription rates have declined – dropping by almost 50% between 1996 and 2006 – the Internet has increasingly become one of the most important sources of information for South Koreans, especially among younger people. Nevertheless, the three conservative major newspapers, four cable TV channels, and major broadcasting systems such as KBS and MBC have still
significant influence with regard to framing political issues and influencing the older generations’ opinions.

There is more pluralism in the broadcasting sector due to the mix of public and private media. However, the diversity of political opinions in this arena is threatened by government influence over broadcasters’ personnel policies. In December 2011, in a controversial change of rules, the major newspapers were allowed to start their own cable-TV channels. Channel A was founded by Dong-A Ilbo, TV Chosun by Chosun Ilbo, jTBC by JoongAng Ilbo and MBN by Maeil Business Newspaper. It is still not clear how the new cable channels will affect media plurality, but there is concern that the concentration within the newspaper sector will spread to TV as well. These cable TV channels are heavily influenced by the government in terms of re-approval examinations.

Citation:

“New cable channels off to shaky start,” Korea Herald, 5 December 2011

The Act on Disclosure of Information by Public Agencies regulates access to government information. The Korean Public Information Disclosure System makes available all documents described by the act. Information can also be accessed online at the Online Data Release System. If an individual requests the disclosure of information, the agency in possession of that information must make a decision on the petition within 15 days. While this is a reasonable level of exception in theory, “national security” is often given a very wide scope for interpretation.

Despite the sound legal regulations for information disclosure, there are many complaints about the policy’s practical implementation. Freedominfo.org reports that information disclosure requests are often rejected without proper explanation. Complaints and litigation are possible in the wake of a failure to disclose information.

Park Geun-hye unveiled the Government 3.0 Plan on 19 June 2013, pledging wide-ranging information disclosures on areas that were previously off-limits. The government said that by 2016, it will nearly quadruple the scope of administrative data releases from 16% to 60% of the available total source documents in areas like transport, climate, finance, and welfare. A new public-data law was enacted in July 2013 in order to provide the legal foundation for the plan. The Open Data Mediation Committee was created to help the public when the government or quasi-public agencies refuse to provide data or suspend access. However, in contrast to the stated goal of Government 3.0, the non-democratic leadership style shown by Park Geun-hye government has
resulted in a reluctance to disclose information having to do with politically sensitive issues.

Citation:
Freedominfo, South Korea, http://www.freedominfo.org/regions/east-asia/south-korea/Gov’t to widen administrative data transparency, http://www.korea.net/NewsFocus/Policies/view?articleId=109276
“Open data access a work in progress”. Korea JoongAng Daily, July 21, 2014

Civil Rights and Political Liberties

Basic civil rights are protected by the constitution. Despite the establishment of the Human Rights Commission in 2001 and the effective performance of courts in protecting civil rights, human rights groups have criticized and even boycotted these processes for failing to consult civil society. Observers tend to agree that human- and civil-rights conditions have worsened since 2008. Amnesty International stated that there had been a “dramatic increase in the abuse of national-security laws in a politically motivated attempt to silence debate.”

Other serious issues include the inadequate rights enjoyed by migrant workers, the widespread physical abuse of sex workers, the imprisonment of conscientious objectors, and the continuing use of the National Security Law to detain and imprison individuals believed to be sympathetic to North Korea or who oppose South Korea’s government. On a positive note, the number of people charged under the NSL decreased from 129 in 2013 to 32 in 2014, according to Amnesty International 2015.

An attempt to abolish the death penalty failed in parliament in February 2010, and in the same month the Constitutional Court ruled that the death penalty was constitutional. On a more positive note, a late-1997 moratorium on executions has remained in place, and 60 people are still on death row.

A total of 635 conscientious objectors were imprisoned at the end of 2014. Violent cases of abuse in the military are increasingly a topic of public discussion. For example, Private First Class Yoon was beaten to death on 6 April 2015 by his senior servicemen. The National Human Rights Commission of Korea recommended that the military set up an ombudsman institution, but the proposal has met with opposition within the military, which has argued that any such procedure might interfere with the proper wielding of military authority. Recently, several people indicted in 2013 on suspicion of being
North Korean spies have since been found innocent, and the charges are today regarded as fabrications by the National Intelligence Service and the Prosecutor’s Office.

Citation:

“2013 was a poor year for South Korean democracy,” Globalpost, Jan 17, 2014

Political liberties are protected by the constitution, but infringements do take place. The freedoms of opinion and of the press are constitutionally guaranteed, and freedom of association and assembly are respected in principle. Yet recent illiberal trends have raised major concerns. In November 2013 the government filed a claim with the Constitutional Court to dissolve the United Progressive Party (UPP). In December 2014, the Constitutional Court acceded to the government’s request, and for the first time since 1958 a political party was forcefully dissolved. The court argued that “…the defendant’s true purpose and actions are first to realize progressive democracy through violence, and ultimately to realize North Korean-style socialism.” In a particularly problematic aspect of the decision, even those members of parliament who were directly elected were forced to give up their parliamentary seats. To a large degree the Constitutional Court relied on the prosecution’s August 2013 investigation into UPP lawmaker Lee Seok-ki, who was charged with leading a “revolutionary organization,” conspiracy and treason. In February 2014, Lee Seok-ki was found guilty of plotting an armed uprising in support of North Korea in the event of a war on the Korean Peninsula, and was sentenced to 12 years in prison. In January 2015, the Korean Supreme Court reduced the sentence to nine years for “‘instigating plots to topple the government in the case of war with North Korea,” but cleared him of charges of conspiracy, citing insufficient evidence indicating that Lee and others in fact planned an insurrection.

The freedom of association and collective action still faces major restrictions. Labor unions are allowed to operate in the private sector, but remain restricted in the public sector. Labor-union members are frequently imprisoned and fined for organizing “illegal strikes” or for “obstruction of business.” In December 2013, in search of railway unionists, the police raided the headquarters of the Korean Confederation of Trade Unions (KCTU) without a search warrant. It was the first time authorities had been sent into the KCTU since it was legalized in 1999. In October 2013 the government announced that the Korean
Teachers and Education Workers Union’s (KTU) legal status was being revoked accusing it of violating the clause of the teachers’ union law, which bans dismissed and retired teachers from their union membership. In May 2015, the Constitutional Court confirmed the ban in an 8-1 decision, arguing that the decision to outlaw the teachers’ union was constitutional.

Businesses can sue labor unions for compensation for “lost profits” during strikes, and civil servants are also limited in their political freedom. Another issue is an opaque and vague election law that limits political activities 180 days before elections. Some cartoonists and social activists who made pamphlets criticizing President Park Geun-hye and government policy were arrested and indicted during the period under review.

Citation:
“Railway strike threatens to become labor-government war,” The Korea Herald, Dec 24, 2014
“Lee Seok-ki gets 9 years in prison;,” Korea Times, January 22, 2015
“Teachers’ union in quandary,” Korea Times, May 29, 2015

Discrimination in particular remains a major problem in Korea, with the state failing to be sufficiently active in preventing it. Women remain underrepresented in almost all important fields in South Korea. The wage gap between men and women averages 37%, the biggest such gap among OECD countries. Discrimination against gays and lesbians remains pervasive. While the situation of the disabled has improved, barrier-free entrances to buildings and public transportation services remain limited. Discrimination against irregular workers and migrant workers is also pervasive, as many migrant workers still have to submit to an HIV test in order to get a work visa.

The establishment of the National Human Rights Commission was an important step with regard to preventing discrimination, but this organization is not part of the executive branch and has no direct enforcement authority. Moreover, the Lee and Park governments have appointed largely unqualified figures to head this body. The organization has failed to protect human rights or prevent discrimination.

The enactment of the Disability Discrimination Act in April 2008 constituted another important step toward better protection against discrimination. According to official data from the NHRC, a total of 1,802 complaints regarding discrimination were filed in 2011, with 874 concerning disability-
related discrimination. In July 2015, a gender-equality act came into force. This is particularly intended to help working mothers. For example, the act for the first time allows husbands to take parental leave.

The Park administration has been strongly criticized for filling the most important government positions with people from the traditionally conservative southeastern provinces, expressing the strong regionalism that characterizes Korean politics.

Citation:
“New paradigm of gender equality starts now,” The Korea Herald, July 5, 2015

Rule of Law

There have been few changes in terms of legal certainty in the last two years, and signs of both improvement and deterioration can be found. On the one hand, courts in Korea are highly professional and judges are well trained. On the other hand, the unpredictability of prosecutors’ activities remains a problem. Unlike judges, prosecutors are not independent and there have been cases when they have used their power to harass political opponents, even though independent courts later found the accusations groundless. This is particularly important in South Korea’s “prosecutorial judicial system,” because it is the public prosecutors who initiate legal action. Prosecutors are the most politicized and least independent organization in Korea under the Park government.

The most prominent case of recent years in which critics argued that the prosecutor’s office acted as a “political weapon” for the executive branch was the prosecution of former President Roh Moo-hyun. Additionally, a major political scandal in the Blue House involving President Park’s former aid Chung Yoon-hoi and her brother Park Ji-man revealed that many staffing decisions are not made by elected or appointed officials, but rather on the basis of personal networks and connections. The surrounding circumstances and the insinuations of outside interference in state affairs reflect ongoing problems.

Citation:
Joong Ang Daily 9 April 2010

The South Korean judiciary is highly professionalized and fairly independent,
though not totally free from governmental pressure. For example, the courts delivered an ambivalent verdict on former National Intelligence Service (NIS) chief Won Sei-hoon, who was indicted for mobilizing the spy agency to manipulate public opinion in support of Park Geun-hye’s 2012 presidential campaign. The court ruled that the agency illegally interfered in politics on the orders of the former NIS director but found Won and the other defendants not guilty of charges of violating the Public Official Election Act, a much more serious charge that might have undermined the legitimacy of the 2012 presidential elections.

Under South Korea’s version of centralized constitutional review, the Constitutional Court is the only body with the power to declare a legal norm unconstitutional. The Supreme Court, on the other hand, is responsible for reviewing ministerial and government decrees. However, in the past, there have been cases with little connection to ministerial or government decree in which the Supreme Court has also demanded the ability to rule on acts’ constitutionality, hence interfering with the Constitutional Court’s authority. This has contributed to legal battles between the Constitutional and Supreme courts on several occasions. On the whole, the Constitutional Court has become a very effective guardian of the constitution since its establishment in 1989. However, the 19 December 2014 order by the Constitutional Court to dissolve the Unified Progressive Party as requested by the government triggered a public debate on the role of the Constitutional Court in South Korea, as the court was accused of too readily following the government’s position that the UPP was “pro-North Korean” and represented a grave danger to South Korean democracy. The personal political orientation of each constitutional justice has tended to influence his or her ruling more directly under the Park government.

On a positive note, on 21 October 2015, the Constitutional Court ruled that the State Defamation Act in place from 1972 – 1988 had been unconstitutional, thus rehabilitating those prosecuted on the basis of that law under the military regime.

Citation:
“NIS director found guilty of interfering in politics, but avoids more jail time,” The Hankyoreh, Sep 12, 2014
The appointment process for justices of the Constitutional Court generally guarantees the court’s independence. Justices are exclusively appointed by different bodies without special majority requirements. Three of the nine justices are selected by the president, three by the National Assembly and three by the judiciary, while all nine are appointed by the president. By custom, the opposition nominates one of the three justices appointed by the National Assembly. The head of the court is chosen by the president with the consent of the National Assembly. Justices serve renewable terms of six years, with the exception of the chief justice. The process is formally transparent and adequately covered by public media, although judicial appointments do not receive significant public attention. Courts below the Supreme Court are staffed by the national judiciary. Judges throughout the system must pass a rigorous training course including a two-year program and two-year apprenticeship. The Judicial Research and Training Institute performs all judicial training and only those who have passed the National Judicial Examination may receive appointments.

Citation:
Article 111 of the Korean Constitution

Corruption remains a major problem in South Korea and government attempts to curb the problem are seen as mostly ineffective by the population. The enforcement of the OECD anti-bribery convention is evaluated as “moderate.” Recent major corruption scandals have involved the Defense Acquisition Program as well as two major investment projects mounted by the previous Lee administration – the Four Major Rivers Restoration Project, and the administration’s resources-diplomacy program.

On 29 February 2008, the Anti-Corruption and Civil Rights Commission (ACRC) was launched following the merger of the Ombudsman of Korea, the Korean Independent Commission against Corruption, and the Administrative Appeals Commission. Before February 2012, ACRC commissioners were appointed exclusively by the president, a provision that critics had argued undermined its independence. As a consequence of legislative reform, the president’s prerogative to appoint the members of the commission is now limited to nine out of 15 commissioners, whereas three of the remaining six (non-permanent) members of ACRC are appointed by parliament and three by the chief justice of the Supreme Court.

The ACRC has no power to investigate corruption scandals. The prosecutor’s offices that hold this power are not free of corruption in their own right.
Proposals to create an independent institution to be in charge of corruption scandals involving high-ranking officials – including prosecutors – failed due to resistance on the part of the prosecutor’s office and some conservative politicians.

In the aftermath of the April 2014 Sewol ferry disaster, in which collusion between public officials and private enterprises played a role, the National Assembly began drafting new legislation that would impose severe punishments on former government officials engaged in lobbying or other similar activities that took advantage of their network in the public sector for private gain. This was enacted in March 2015, as the Kim Young-ran Act. However, bickering over the details of the legislation has already begun and the debate over implementation is expected to be protracted.

Citation:
“Ferry Tragedy: A Righteous and Overdue Rage Over Corruption,” The Diplomat, May 28, 2014
Governance

I. Executive Capacity

Strategic Capacity

Strategic planning remains an important factor in South Korean governance. The office of the president includes a senior secretary and two secretaries for the President for State Affairs. Given the strengthened position of the president and her comfortable majority in parliament, the political context for strategic planning has improved under the Park Geun-hye administration. On the other hand, President Park has often been criticized for her staffing policies, as she has left crucial positions in the administration open for a long time, and many of her choices have failed to make it through the parliamentary vetting process or have had to resign early. Unlike the previous Lee administration, which explicitly avowed a pragmatic pro-business and growth-oriented agenda, the Park Geun-hye administration has shifted priorities toward achieving more general goals including “happiness for the people,” “economic revival” and a “creative economy.” Many policy experts have criticized Park’s capabilities, knowledge and communication style.

Citation:

Scholarly Advice

Nongovernmental academic experts have considerable influence on government decision-making. Academic experts participate in diverse statutory advisory bodies established under the office of president and prime minister. Advisory commissions are usually dedicated to special issues of the president’s policy preferences. Many advisory commissions have been abolished after the change of government. The selection of scholars is very narrow and exclusive. The process of naming experts remains highly politicized and expert-commission reports are utilized according to their
political rather than their scholarly value. Beyond their work in commissions, scholars are often tapped to serve in government positions. In parallel with the announcement that a government-written history textbook would be provided for secondary school students, the Park administration and ruling party asserted that 90% of professors and teachers with history degrees were “pro-North Korea leftists,” and invited only persons politically and ideologically supportive of the government to contribute to the project. Moreover, the Park government has not disclosed basic information relating to the writing team. Most of the country’s history professors and history-related academic associations have declined to participate.

Citation:

Interministerial Coordination

South Korea’s presidential system has a dual executive structure, with the president serving both as head of state and head of government. The prime minister is clearly subordinate to the president and is not accountable to parliament. The presidential office, known as the Blue House, has the power and expertise to evaluate draft bills. As the real center of power in the South Korean government, the Blue House has divisions corresponding with the various line-ministry responsibilities. The role of the president’s office has become even stronger under President Park, with power becoming still more centralized. The Blue House is supported in its oversight role by the Prime Minister’s Office and its Government Performance Evaluation Committee as well as by public institutions, such as the Korea Institute of Public Administration. President Park Geun-hye has established two vice prime ministers, one for the economy and one for society, education and culture, with the aim of promoting interministerial coordination.

The Korea Institute of Public Administration (KIPA), http://www.kipa.re.kr

There is extensive coordination between ministries, the prime minister’s office and the Blue House in the course of planning cabinet meetings. The president presides over regular cabinet meetings and can legally and de facto return any items envisaged for meetings as she wishes. In practice this competence is
limited only by the expertise of the Blue House and the relatively small size of the Blue House bureaucracy. Thus, the de facto ability to return issues depends on their political importance to the president.

Executive power is concentrated in the president. Given Park Geun-hye’s preference for top-down, secretariat-centric decision-making, the political system has become more hierarchical. There is less autonomy of line ministries and the relative position of the Blue House has been strengthened. Many line ministries have lost influence, been downsized or merged. The large majority of issues are settled between the line ministries and the Blue House before cabinet meetings. Cabinet meetings are limited to serving the purpose of information exchange, as most strategic decisions are made in the Blue House. There are no active debates or discussions in ministerial meetings presided over by President Park. This hampers the efficiency of horizontal interministerial coordination. But the relationship between the Blue House and the line ministries varies according to the policy cases and the political situation. The Blue House tries to dominate all ministries, but in some cases, for example during the president’s lame-duck period, the Blue House has been unable to overcome bureaucratic politics. The Blue House sometimes lacks sufficient knowledge and human-resources capacity to act effectively in certain policy areas. The Blue House gets involved with and coordinates certain policies through the exertion of political dominance rather than through administrative capability.

The cabinet plays a relatively small role in the political process, as all important issues are discussed bilaterally between the Blue House and the relevant ministry. Committees are either permanent, such as the National Security Council, or created in response to a particular issue. Although the Office for Government Policy Coordination (OPC), a body headed by Minister of the OPC in subordination to the Prime Minister’s Office, plays a major role in policy coordination for routine issues, the Blue House has taken on an increasingly active or even dictatorial role in ensuring cooperation or pursuing politically sensitive issues despite a lack of consultation and coordination. The ministries concerned rarely protest.

Civil servants of different ministries regularly coordinate over commonly concerned policies. This coordination and cooperation among related civil servants across ministries can be either formal or informal, hierarchical or horizontal. Attitudes in the ministries are shaped by departmentalism that obstructs coordination. Different ministries compete with their policies for support and approval from the office of the president. There is also a clear hierarchy delineating the ministries. Civil servants in important ministries, such as the Ministry of Strategy and Finance, consider civil servants from other ministries, such as the labor ministry or the environment ministry, as “second tier.” In 2013, the Park Geun-hye administration introduced the so-called Government 3.0 policy, aimed both at improving interministerial
coordination and access to information by citizens.

Most coordination between ministries is both formal and informal. Informal coordination is typically more effective. There is also a clear hierarchy structuring the ministries. Staffers at the newly created Ministry of Strategy and Finance see themselves as the elite among civil servants. However, the leading role of the Ministry of Strategy and Finance is defined by the president’s mandate. In addition, informal coordination processes tend to be plagued by nepotism and regional or peer-group loyalties, particularly among high-school and university alumni. There has been both cooperation and competition between the ministries. Informal networks between the president and powerful politicians work very effectively in forwarding specific policies. However, these practices lead to corruption and an inefficient allocation of resources.

Evidence-based Instruments

There were no changes in regulatory impact assessment (RIA) policy in the period under review. RIA has been mandatory for all new regulations since 2005 and is applied to older regulations if they are strengthened in any way. RIAs assess proposals’ socioeconomic impacts and provide cost-benefit analyses. They mention the purpose and need for regulation, but focus on cost-benefit analysis of the proposal. RIAs are focused on a cost-benefit analysis of proposed regulations. They do analyze alternative options and discuss potential pros and cons, but experts say that these alternatives in practice play little role in the drafting of final regulations. There is still a broad gray zone enabling regulatory organizations to decide in a discretionary fashion. The real implementation process of RIA is neither transparent nor predictable, which varies depending on the cases. For example, RIA in the area of environmental protection for the Four Major Rivers Project turned out to be a failure under the Lee Myung-bak administration, implemented largely as a matter of form. RIA has typically been no more than formally applied in policy areas that are a political focus of the serving president. For example, President Park proposed to enact a regulation prohibiting demonstrators from wearing masks, stating that Islamic State warriors wear similar masks. Several days after her statement, a ruling-party lawmaker drafted and submitted a bill on the issue to the National Assembly without any assessment or discussion of political or social impact on democracy and citizens’ lives.

RIA committees are often criticized for not being fully autonomous and for being influenced by political and economic interests. Other criticisms mentioned by the OECD are a lack of time to carry out assessments, insufficient staff, and a lack of expertise and financial resources. Many civil servants in South Korea perceive RIA merely as a formality. Stakeholders are consulted in the process of RIA, which includes regular meetings with foreign
chambers of commerce. The Board of Audit and Inspection of Korea, as well as related NGOs, have irregularly assessed and inspected the process of RIA itself when it has become controversial with regard to specific policy issues. However, this has always taken place on an ex post facto basis.

Citation:

The assessment of sustainability implementations at policy level in South Korea is regulated by the Sustainability Development Act, which was enacted in July 2007, and overseen by the Presidential Commission on Sustainable Development. Its goal is to implement, promote, share, educate, network, monitor and make policy proposals on sustainable development. The three main principles of the act are: laying out national-level sustainable basic strategies every 20 years, laying out specific action plans every five years, and monitoring and assessing the implementations every two years. It considers quality of the environment, vulnerability to environmental degradation, environmental degradation level, social and institutional capacities to respond, and sharing of responsibility with the international community. Critics of the outgoing government argue that under the previous Lee Myung-bak administration’s RIAs, sustainability checks in the Four Major Rivers Project were not properly carried out. The Park Geun-hye administration’s focus on economic growth and deregulation has diminished the attention paid to issues of sustainability. For example, the administration has repeatedly removed regulations governing economic development within green-belt areas in order to boost the real-estate market, undermining principles of environmental sustainability.

Citation:

Societal Consultation

Park Geun-Hye’s administration, like the previous Lee Myung-bak administration, governs in a hierarchical style. This represents an explicit rejection of the Roh administration’s vision of a “participatory democracy,” and has particularly entailed a course of confrontation with labor unions. Park has maintained a hard-line stance toward labor unions and civil society. Her unilateral decision-making style has created a perception of unpredictability, and has weakened the autonomy and activities of government organizations. The Park administration has consulted with an extremely narrow range of social actors, but this has typically taken place after decisions were made
rather than during the policy-development process. Her lack of communication with opposition parties and the public has prompted criticism even within her own Saenuri Party. Many observers are concerned about the return of a more authoritarian style of leadership that deemphasizes civil-society consultation, freedom of expression and the diversity of published opinions.

Citation:
E-People, http://www.epeople.go.kr

Policy Communication

Park is seen as a president who lacks the ability to clearly communicate her objectives and policies to the public. As compared to previous presidents, she appears far less in public and gives fewer press conferences. Three years into her official term, she had given only four press conferences, with some lacking a question-and-answer or focusing on a previously set short list of questions. The government seeks to coordinate communication between ministries, but contradictions between government-agency statements occasionally happen. Bureaucratic politics and turf rivalry take place at various levels of policy-making and communication, but contradictions among ministries can be generally mediated by the Blue House and prime minister’s office.

Citation:
JoongAng Daily 12 April 2010

Implementation

Since the presidential election, Park Geun-hye has enjoyed a clear mandate from the public and has maintained fairly high approval ratings. Furthermore, the ruling Saenuri Party has a comfortable majority in the National Assembly. However, the political capital afforded by the high approval rates along with strong public support for Saenuri Party has not been utilized so far. Park has announced several big policy agendas, such as economic democratization, welfare-system improvements, the Northeast Asian Peace and Cooperation Initiative, the creation of an ecology peace park within the Korean Demilitarized Zone, the Eurasia Initiative, and her Creative Economy initiative. However, her administration had as of the time of writing failed to deliver on any of these agendas. Government officials have admitted problems in implementation due to lack of comprehensive blueprints. In the past, 90% or more of the policies proposed by the government and approved by the National Assembly had been implemented. However, this percentage has fallen to 30% since 2010, with the remaining policies discarded.
Ministers in South Korea do not have their own political base and depend almost solely on the support of the president. The president appoints and dismisses ministers, and frequently reshuffles the cabinet. The average tenure of a minister has continuously declined over the past two decades. Under the preceding Lee Myung-bak administration, this average period of service was about one year. This high degree of turnover limits ministerial independence, as they are unable to develop their own voice to pursue their own or institutional policy ideas.

Public hearings of National Assembly for the candidates of ministerial positions should not be underestimated. Under Park Geun-hye’s administration, three candidates for the position of prime ministers did not survive the hearing and the media’s verification.

The offices of the president and the prime minister effectively monitor line ministry activities. The South Korean government utilizes e-government software (the Policy Task Management System) to monitor the implementation of policies in real time. However, political monitoring or pressure, rather than e-government, is more influential and the usual tool to supervise ministries. Ministries have little leeway in policy areas that are important to the president. In general, bureaucracy is organized in a very hierarchical way, but independence is stronger in areas that are comparatively less important to the president.

The ministries effectively monitor the activities of all executive agencies and the minister is responsible for compliance. Once again, the top-down structure of the government allows for effective monitoring. Agencies generally have autonomy with respect to day-to-day operations, but even these can occasionally be the subject of top-down interventions. However, there have been some cases when ministries fail to monitor the implementation activities of executive agencies. For example, nuclear-power-industry scandals emerging in 2014, which concerned bribery and faked safety tests for critical plant equipment, were an example of supervisory failure. In the same year, President Park also abolished the Coast Guard due to its failure during the sinking of the Sewol. In 2015, the MERS outbreak revealed some serious flaws in the hospital-regulation system. In general, Park’s authoritarian but incapable and unpredictable leadership style cannot be conducive to effective monitoring and voluntary compliance.
While South Korea remains a unitary political system, a rather elaborate structure of provincial, district and neighborhood governments has been in place since 1995. Local and state governments play an important role in providing services to citizens, and account for about 15% and 45% of government spending respectively (according to the latest available data in 2008). However, local and state governments have relatively little ability to raise their own revenue. As their own sources account for only 17% and 22% of national revenues respectively, most sub-national governments need substantial support from central government, particularly outside the Seoul region. In addition, local administrations lack sufficient manpower and central government staff are often delegated to sub-national authorities.

Recently a new conflict between central and local governments arose over social welfare funding. Park Geun-hye’s election pledge to expand social welfare programs, without raising taxes, led to local government challenges to central government. In September 2014, local governments took the unprecedented step of challenging the central government over the lack of support for welfare funding, criticizing the central government for shifting a huge financial burden to the local level. They also accused funding policy of being politically motivated, criticizing Park Geun-hye’s election commitment to fund regional governments even though local governments were already deeply troubled financially, and unable to execute basic administrative functions such as repairing roads or sewer systems.

Citation:
OECD, Government at a Glance 2009
OECD, Government at a Glance 2011
“High welfare-related costs stymie local governments,” Korea JoongAng Daily, Oct 14, 2014

While autonomous local governments are protected by the constitution, the constitution does not clearly define specific competencies and rights. A major obstacle to sub-national, self-governments is the lack of fiscal autonomy for local governments. Due to the very high dependence on transfer payments, most regional and local governments are vulnerable to interference by the central government. Furthermore, the share of transfer revenues (the sum of local allocation tax, national subsidies and local transfer tax) has risen from 48% in 2004 to 58% in 2012. The reality of inadequate budgetary and functional authority in many local areas, as well as the disproportionate influence of city and provincial authorities, often leaves local administrators and governments short on revenue and effective governing capacity. However, as local political autonomy takes root, local governments are trying to expand their executive authority as much as possible, leading to policy disputes with the central government. The decision to create a government-written history textbook for secondary students has caused huge conflicts between the
Minister of Education and local governments’ superintendents of education. While many superintendents of education are opposed to the government policy, the central government has pressured local governments to follow the policy.

Citation:

The Ministry of Public Administration and Security, created through a merger of earlier agencies, is in charge of ensuring that local governments maintain national minimum standards. However, many local governments, particularly in rural areas, have a much lower professional standard than the city government of Seoul or the central government. While the provision of basic services is similar in all regions, there is a huge difference in the provision of additional services, such as recreation facilities, between affluent (i.e., self-sufficient) regions like Seoul or the southeast and less prosperous (i.e., dependent on transfer payments) regions in the southwest.

Adaptability

International and supranational developments that affect South Korea directly can trigger rapid and far-reaching change. For example, South Korea has reacted to the global financial and economic crisis with decisive action and massive government intervention. Global standards play a crucial role for the South Korean government. Reports and criticism issued by international organizations, such as the OECD or the IMF, or by partners, such as the United States or the European Union, are taken very seriously. The government has also declared its intention to increase its provision of overseas development aid in order to meet a global standard in the near future. However, the country’s degree of adaptability largely depends upon compatibility with domestic political goals. For example, the government is relatively less responsive to global standards in the area of labor rights or the reduction of non-tariff barriers. Yet in spite of quite a few “mock-compliance” practices, Korea is one of the most adaptive countries in the world. For example, the Korea-United States free-trade agreement has led to huge changes in a wide variety of legal arrangements. In other senses too, Korea is very vulnerable to external pressure.

Citation:
Compared to the preceding Lee Myung-bak administration, the current Park administration is far less global in its orientation. Under the Lee administration, the government took a considerably more active role in international organizations. During this period, South Korea increased its contribution to the World Bank and the IMF, and was an active participant in the G-20. South Korea has also increased its development-cooperation efforts, and became a member of the OECD Development Assistance Committee (OECD-DAC) in 2009. In 2011, South Korea hosted the OECD High Level Forum on Aid Effectiveness in Busan. However, the Park administration appears much more oriented toward the traditional “four-country diplomacy” that focuses on relations with the United States, Japan, China and Russia, with the primary goal of achieving unification with North Korea. However, the Park administration has also sought to contribute more to international development-cooperation efforts, as well as global issues such as global warming and anti-terrorism campaigns.

Citation:

Organizational Reform

In contrast to the Lee Myung-bak administration, which came to office with the clear goals of streamlining the South Korean government and bureaucracy and passing deregulatory legislation, the current Park Geun-hye administration was originally focused on the goal economic democratization. However, the Park administration quickly abandoned its vision of a democratically organized economy, instead adopting an agenda driven by deregulation and business-friendly policies. In 2013, Park additionally announced the Government 3.0 program, which focuses on improving transparency in the government and supporting the creative-economy initiative. Flaws or failures in governance have been exposed by a number of recent monitoring failures or scandals, such as the revelation of corruption in the Defense Acquisition Program Administration, and the failure to obtain desired technology from the United States packaged as part of a purchase of U.S.-built combat aircraft.

The president’s office monitors institutional governance arrangements. The president frequently reorganizes ministries and government agencies when inefficiencies are detected. Unfortunately, it seems that meaningful improvements are achieved only after major problems become obvious, as for example following the lack of coordination between government agencies during the Sewol ferry-disaster rescue operation.
Several major Park-administration policies, such as the creative-economy initiative and the “trustpolitik”-based approach toward North Korea, remain unclear and poorly integrated into existing institutions of policymaking.

Citation:
Joong Ang Daily, June 20, 2014, “Park unveils ‘Government 3.0’”

As each new president reorganizes the government’s structure according to his or her political visions and goals, government reorganization has occurred at the beginning of each new president’s term, every five years. During her term, Park Geun-hye has implemented a number of changes in the government’s organizational layout, creating a future-oriented super ministry in charge of science, information and communications; reviving the fisheries and maritime-affairs ministry, and transferring the foreign ministry’s trade-negotiating functions to the commerce ministry. The Ministry of Public Administration and Security was renamed as the Ministry of Safety and Public Administration to place a greater focus on safety. However, most experts are concerned about these frequent changes and the effect they have on the continuity and stability of state affairs.

The most significant recent change in institutional arrangements was the passage of the National Assembly Advancement Act, which went into effect in May 2012. The act requires the consent of three-fifths of lawmakers before a bill can be put up for a vote during a plenary session and limits the power of the assembly speaker to bring a bill to a vote. The legislation aimed at preventing the majority party from unilaterally passing controversial bills using its majority. That means that without cooperation between the ruling and main opposition parties, or a significant defection from the opposition bloc, the ruling party is incapable of passing legislation. The current ruling party, the Saenuri Party, has attributed deadlocks in the National Assembly to the act. One example was the legislative standstill from August until 30 September 2014 due to disagreements over the Sewol bill. The bill called for the appointment of an independent counsel and a 17-member panel to conduct an 18-month inquiry tasked with bringing charges against those responsible for the Sewol Ferry disaster in early 2014.

The main opposition party sat out all sessions at the Assembly during this time to protest the Saenuri Party’s stance on the bill. Finally, in early November 2014, parliament passed the bill, but criticism of the act’s outcomes has been strong, particularly within the majority Saenuri Party, which is seeking to revise the measure. President Park, who initiated the enactment of the National Assembly Advancement Act in 2012, is additionally trying to undermine act by putting direct political pressure on the National Assembly rather than engaging in negotiation.
II. Executive Accountability

Citizens’ Participatory Competence

Many citizens are poorly informed about the details of most government policies, particularly concerning economic and social issues. The quality of information available is often limited, because political questions are often personalized and interpreted as power struggles between ambitious individuals. The political spectrum remains very narrow, limiting the scope of political discussion and making it hard for citizens to develop their own opinion. The low trust in government announcements and in the mainstream media provides fertile ground for the dissemination of rumors. There is also a difference between the generations. The generation that grew up during the Korean War filters information through an anti-communist lens. The generation socialized during the struggle for democracy is highly politicized and has a general mistrust of government. However, the younger generation is less politicized and less informed about political issues. Under the Park administration, the gap in the perception of major issues between Blue House and mass public has become wider, and many observers have commented on what they regard as a declining level of policy knowledge among the general South Korean public.

Legislative Actors’ Resources

Members of parliament (MP) have a staff of nine, comprising four policy experts, three administrative staffers and two interns. Given the large amount of topics covered, this staff is scarcely sufficient, but is enough to cover legislators’ main areas of focus. The parliamentary library is one of the best libraries in South Korea. The National Assembly monitors the administration through a system of investigation relating to issues of national affairs. Monitoring efforts can be regular or sparked by specific events. The investigation process is a powerful tool, but some observers have criticized it as ineffective, in part because it is too widely used. Some lawmakers abuse and misuse this process to promote their own political fortunes in the mass
media. The effectiveness of parliamentarians’ monitoring role largely depends on each lawmaker’s individual capabilities.

Parliamentary committees are legally able to obtain the documents they request from the government. The government is required to deliver these documents within 10 days of a request. However, documents pertaining to commercial information or certain aspects of national security can be withheld from the parliament. Lawmakers can also summon as witnesses the officials concerned. Bureaucrats are sometimes reluctant to offer the documents and information in an effort to protect their organizational interests.

The parliament has the constitutional right, and frequently exercises the right, to summon ministers to appear before parliamentary hearings. Regular investigation of government affairs by parliament is effective in monitoring ministers. While the parliament can summon and question ministers, the role of the minister in the South Korean system is relatively weak. The professional bureaucracy, however, is trained to be loyal to the president. In addition, the ruling party and ministers agree not to invite ministers or to cancel hearings on politically controversial issues.

Parliamentary committees are legally able to, and frequently do, invite experts to parliamentary hearings. However, there have been several cases where civilian experts have refused to attend these hearings. For example, where a hearing is dealing with a controversial issue, the ruling party tends to discourage experts from attending the hearing.

The task areas of parliamentary committees and ministries mostly correspond. There are 16 standing committees that examine bills and petitions falling under their respective jurisdictions and perform other duties as prescribed by relevant laws. With the exception of the House Steering Committee and the Legislation and Judiciary Committee, the task areas of these parliamentary committees correspond with the ministries. As a consequence of the strong majoritarian tendency of the political system, committees dominated by the governing parties tend to be softer on the monitoring of ministries, whereas committees led by opposition parliamentarians are more confrontational. However, in general, the legislature is a “committee parliament” and the committees are quite effective and efficient.

The audit office is a constitutional agency that is accountable to the president. It regularly reports to the parliament. The National Assembly regularly investigates the affairs of the audit office, as it does of other ministries. Demands to place the audit office under the leadership of National Assembly, thus strengthening the institution’s autonomy, have gained more support.
The South Korean parliament does not have an ombudsman office. Under the Lee Myung-bak administration, the government’s ombudsman office was merged with the civil rights and anti-corruption agency into the Anti-Corruption and Civil Rights Commission of Korea (ACRC). This commission is accountable to the president. People can petition the government directly without approaching the parliament or the ombudsman. Legislative reforms in 2012 strengthened the autonomy of the ACRC. However, it remains to be seen whether these will increase the ombuds mechanism’s effectiveness overall. What seems evident today is that merging the two institutions (under the authority of the president) has made the ombuds office less transparent.

A Foreign Investment Ombudsman (FIO) system was introduced on 26 October 1999, under the Foreign Investment Promotion Act. The FIO is commissioned by the president on the recommendation of the Minister of Trade, Industry and Energy, via the deliberation of the Foreign Investment Committee. Until 2008, the FIO also headed the grievance-settlement body, which supported the ombudsman by collecting and analyzing information concerning the problems experienced by foreign firms in South Korea. The FIO has the authority to request cooperation from the relevant administrative agencies and recommend the implementation of new policies to improve the foreign-investment-promotion system, and also carry out other necessary tasks to assist foreign companies in resolving their grievances. However, the FIO is not an ombuds office in the conventional sense, but is rather conflict-mediation mechanism for domestic/transnational businesses.

Citation:

Media

South Korea’s main problem with regard to media is the low quality of many outlets in terms of their ability to serve as facilitators of public debate or civic culture. Part of the problem here is the country’s strong commercialism and associated weakness in political journalism. The main TV programs produce a mix of infotainment and quality information about government policies. Unlike President Lee Myung-bak, who instituted a biweekly radio address in which he explained government policies, President Park rarely holds press conferences, and even less frequently answers questions at her public appearances.

Evening news programs are extensive, but a large portion is devoted to various scandals and scoops. Deeper analysis of information exists, but is rare on television in comparison to public radio stations, such as KBS 1. In the last
four years, TV and radio organizations have shifted their programming in the direction of entertainment and infotainment. Political programs have either been replaced or their teams shuffled. In December 2011, four new cable channels run by South Korea’s main newspapers began broadcasting. As commercial programs, they tend to favor infotainment. On the other hand, however, their connection with major newspapers may prove to be a good basis for the production of quality information. Some mass media intentionally conceal or distort politically sensitive information in order to help the president and ruling party.

Parties and Interest Associations

There is almost universal agreement among political scientists, political observers, politicians and the general public that political parties are one of the weakest links in South Korean democracy. In addition to their inchoate nature and lack of internal democracy, political parties have little ability to produce meaningful manifestos, political programs or alternative policy proposals. Party positions and candidacies for parliamentary seats are decided by powerful party elites. For the presidential race, parties have experimented with a primary system that uses text message and online polls, but the experiences have been rather mixed. Small reform-oriented groups of young lawmakers have recently made strong voices against party leadership, which could promote internal party democracy.

Individual candidates’ election platforms tend to be more important than party programs, but often avoid proposing coherent policies in favor of promises to achieve certain goals and secure certain benefits for a specific constituency. Strong currents of regionalism further undermine the ability to form platforms based on political goals.

The open-primary system introduced by major parties has mixed effects for the role played by party members. On the one hand, individual members play a more prominent role in the open primary. However, party members’ voices can be somewhat muted since the open-primary system tends to allow greater participation by non-party members.

The business associations, such as the Korean Employers Federation and the Federation of Korean Industries, and labor-union umbrella groups, such as the Federation of Korean Trade Unions and the Korean Confederation of Trade Unions, have some expertise in developing policy proposals. They are supported by think tanks that provide scholarly advice. However, these groups are relatively weak in comparison to businesses and company-level trade unions. Some individual businesses such as Samsung, LG and Hyundai have their own think tanks that produce high-quality research and are able to
analyze and provide alternatives to government policies. Under the Park government, major business organizations supported by large conglomerates have had significant influence over the formulation of policies.

The rise of civil-society organizations has been one of the most important political trends in Korea during the last decade. Some of the largest NGOs, such as the Korean Federation for Environmental Movement, the Citizen Coalition for Economic Justice and the People’s Solidarity for Participatory Democracy, have built up considerable expertise in specialized fields such as environmental policies, electoral reform and human rights. They provide reasonable policy proposals and are supported by a large group of academics and professionals. The majority of smaller NGOs remain focused on service provision and do not develop policy proposals. However, civil society and NGOs – especially those to the left of center – have found it difficult to have any appreciable influence on decision-making under both the Lee and Park administrations. The number of conservative pro-government NGOs has increased; however, these typically see their role not in providing policy alternatives but in supporting and propagandizing the government.
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