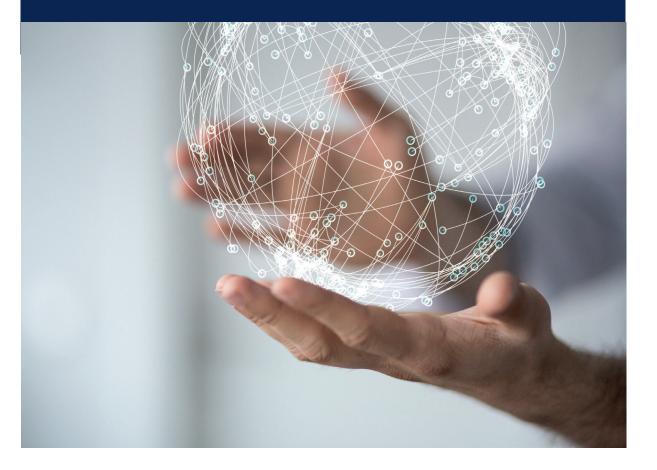
SG Sustainable Governance Indicators

# 2014 South Korea Report

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## **Executive Summary**

The period under assessment covers the final two years of Lee Myung-bak's Grand National Party (GNP) administration and the first two months of the Park Geunhye's newly elected administration under the same party - renamed the Saenuri Party. President Park was elected in December 2012 with 51.6% of the popular vote. It is almost impossible to evaluate the governance capacity of the new administration due to the long transition period between governments, which involved many institutional and personnel changes. Even in May 2013, for example, many positions in high level government offices remain vacant. Therefore this report largely focuses on the last two years of the Lee administration, which was characterized by an extraordinarily long lame-duck period in which few institutional changes occurred and few new policy initiatives were initiated. Despite having a majority in the newly elected National Assembly, Lee's conservative GNP has gradually shifted support to its new party chairwoman Park over the last two years. In February 2012, the GNP renamed itself the Saenuri Party in an attempt to distance itself from the unpopular President Lee. The Lee administration also lacked popular support due to its perceived failure to revive the economy, increasing social inequality in Korea, huge corruption among the president's closest aides, and revelations of extensive illegal wire tapping and political investigations. Civil activists also criticized the use of authoritarian measures to stifle political opposition, civil society and media. Democratic processes have been weakened using the justification that pro-growth policies must be quickly and efficiently implemented. Political discussions and civil society consultations have taken a back seat as the government has dramatically cut spending and abandoned consultations with NGOs. The government is particularly hostile toward labor unions.

The Lee administration's handling of the global economic and financial crisis since 2008 has been one of its strongest points. The government prevented the bursting of the domestic real estate bubble in Korea, although inflated real estate prices remain a major potential source of financial instability and social inequality. Additionally, pragmatic currency policies allowed a dramatic depreciation of the Korean currency to help exports, thus playing the most important role in the nation's recovery. President Lee can also be credited for shifting attention to environmental issues ("green growth") that had long played no role in Korean

politics. Aside from goals such as support for environmentally friendly technology, this drive also includes controversial projects such as the expansion of nuclear energy and huge construction projects including river restoration and dams.

President Lee also extended the previously narrow foreign policy focus beyond North Korea, the United States and China. He formulated the goal of "kukgyuk" (literally, "a country with a good character"), aiming to promote Korea's reputation and soft power in the world by hosting international events such as the G-20 meeting in November 2010, the OECD High Level Forum on Aid Effectiveness in 2011 and the 2012 Nuclear Security Summit. Korea has also substantially increased spending for development assistance. The Lee administration continued the free-trading policies of his predecessor and has achieved the ratification of the EU trade agreement that came into effect in 2011, and the US trade agreement that came into effect in March 2012.

In contrast, the country's relationship with North Korea deteriorated dramatically during the observation period.

Lee's governance style is usually compared by his supporters to that of a corporate CEO; he is also accused by his opponents, who deem him authoritarian, of weakening democratic institutions.

In this respect, the Lee administration is often credited with streamlining the bureaucratic system by merging and sometimes downsizing ministries and government agencies. These policies of "advancement" or "seonjinwha" have the goal of building a smaller but more effective public sector, which is modeled on a corporation and impedes private business initiatives as little as possible. Over time, however, the government seems to have reverted to an economic governance style that is attempting to copy some of the features of the authoritarian developmental state of the 1970s and 1980s. The government has also implemented major infrastructure projects, including the controversial Four Rivers Project, that have proven to be very expensive for taxpavers while failing to deliver any major advantages. Although official government debt is low, there are concerns that huge amounts of unofficial government debts exist in state-owned companies and agencies. Local governments have been even worse, vesting money in controversial prestige projects like the "floating islands" in Seoul or the suspended Incheon Monorail. Since 2011, discussion of economic policies has shifted from stimulating the economy with subsidies that are vulnerable to corruption to a broader welfare system for all citizens. President Park focused her election campaign on issues like welfare, "happiness," "the creative economy" and economic democratization.

## **Key Challenges**

2012 was a crucial year for Korea, with a renewed conservative majority in parliament and the victory of the conservative candidate in the December 2012 presidential election. The new Park administration started its work at the end of February 2013. Yet by May 2013, many positions in the new administration have not been filled. President Park's staffing decisions have been highly controversial and many of the nominees failed in the parliamentary hearings or had to resign.

The political agenda of President Park still remains largely in the dark. So far general slogans such as economic democratization, a boost for the creative economy and "trustpolitik" toward North Korea have not been substantiated by concrete policy plans. The motto of her presidency is "a new era of hope." There is little doubt that as a candidate President Park was very smart in adopting new political goals like welfare state policies to attract low-income voters. Opposition parties have been caught off guard by the political shifts and have not been able to propose alternatives to Park's conservative welfare policies, which focus on handouts to the poor. The outlook for institutional, not to mention structural, changes to deepen democracy in Korea is less optimistic. The influence of money on politics, the regional character of parties, and the personalization of politics are the biggest obstacles to a further deepening of Korea's relatively young democracy. The presidential election also revealed the ongoing regional divide in Korea, with the southwest remaining overwhelmingly conservative, while the southeast votes for the Democratic Party candidate. Economically, Korea faces some major uncertainties due to the ongoing global economic crisis and the fluctuating Chinese economy, which both affect its export-dependent economy. Recently Japan's policy of quantitative easing has raised Korean concerns about a strengthening won and a fall in competitiveness in comparison with Japan. Domestically, household debts connected to a real estate bubble are major challenges. The new Park administration has launched a "happiness fund" allowing low-income families with mortgages to partly write-off and/or restructure their debt. Other major problems are the comparably low employment rate in Korea, the huge share of precarious employment and the high unemployment rate among young adults. Earlier governments have not found a way to prevent increasing social inequality and even the proposed welfare policies target the poor without considering a much broader redistribution. The largely company-based labor unions have maintained their focus on bread-and-butter issues for the core workforce while failing to provide political alternatives for a fairer society.

Another unaccomplished task is the divided economy, split between huge exportoriented business conglomerates and the suppliers and small- and medium-sized businesses in the service sector on whose work the conglomerates thrive. The current government tried to persuade the big conglomerates to follow a strategy of corporate social responsibility, supporting small suppliers and leaving certain markets to small companies, but this strategy has not worked very well. It remains to be seen if the next administration is able to act more decisively to limit economic concentration and support the transition of primarily family-owned conglomerates into more transparent and accountable businesses through new laws and regulations.

The unpredictable and confrontational behavior of the North Korean regime remains a major threat to South Korea. The transition of the North Korean leadership to Kim Jong II's son Kim Jong Eun further adds to the uncertainty. Recent provocations from North Korea led to a new low in North–South relations and the new Park administration has not yet found a way to effectively deal with this situation. So far, it remains unclear how the proposed "trustpolitik" is going to help improve relations with the North and ensure peace and stability on the Korean peninsular. The future of Korea's global engagement, which was a high priority under the Lee administration, remains unclear. The increasing involvement of Korean businesses abroad will most likely lead to increasing global engagement, but it remains to be seen what shape these policies will take.

## **Policy Performance**

### I. Economic Policies

#### Economy

Economic Policy Score: 7

According to OECD data, South Korea showed one of the OECD group's strongest recoveries from the 2008 global recession, laying the foundation for solid subsequent growth even if cuts are made in government spending. A major strategic change under the Lee administration has been the fostering of innovation in the "green economy." The government is supporting innovations in fields it considers green, such as river restoration, solar energy, LED lighting, electric vehicles and nuclear power. Lee's economic policies can be described as business-friendly, with a focus on large companies and economic stimulus through construction projects. The government has also stimulated exports by allowing a dramatic devaluation of the Korean currency against the dollar, totaling almost 40% between early 2008 and early 2009. Since 2009 the Korean currency has steadily and slowly appreciated, but still remained below the pre-crisis level in early 2013. The government maintained an expansionary economic policy stance in the run up to the important election year of 2012. With respect to macroeconomic policy, inflation became a concern amid increasing consumer prices. In 2011, consumer price inflation rose to 4% despite a government change in the method used to calculate inflation (with the old method inflation would have been 4.4%). Despite inflation concerns there are no attempts to tighten monetary and fiscal policies. Instead the government chose a corporatist strategy by attempting to persuade big companies to lower their prices. The government has also done little to arrest real-estate speculation or high real-estate prices, both of which remain sources of substantial concern in Korea. The focus on an export-oriented and construction-driven recovery remains risky. This strategy makes Korea vulnerable to protectionist backlashes, and prevents an adjustment of the country's oversized construction

sector. To counter these threats, the Korean government has signed trade agreements with the European Union and the United States that came into effect in 2011 and 2012.

During the 2012 presidential campaign, enterprise policies were very important and both candidates favored "Economic Democratization." It still remains unclear what President Park Geun-hye will actually do. It appears that her definition of democratic democratization largely refers to the fair treatment of SMEs by large business conglomerates.

#### Citation:

#### Citations:

OECD, Economic Survey of Korea 2012, http://www.oecd.org/korea/economics urveyofkorea2012.htm

OECD, Employment Outlook 2009 - How does KOREA compare? http://www.oecd.org/dataoecd/62/34/ 43707086.ndf

Bloomberg Businessweek, South Korea's Economy Expanded More Than Estimated, June 3, 2010, http://www.businessweek.com/news/20 10-06-03/south-korea-s-economy-expa nded-more-than-estimatedupdate1-.h tml

"Gov't struggling to find anti-inflation steps that stick", The Korea Times, Jan 10, 2012

#### Labor Markets

Labor Market Policy Labor market policies have successfully kept the unemployment rate at about Score: 7 half the OECD average. The jobless rate fell from 3.7% in 2010 to 3.4% in 2011. The increase in the unemployment rate was smaller than in most other OECD countries since the beginning of the global economic crisis in 2008. Youth unemployment remains relatively high at 9.7%. This comparatively good performance can be attributed to the effects of the large fiscal stimulus package, the country's export competitiveness due to massive currency devaluation and corporatist arrangements that traded wage restraints for job security. 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" because they cannot get regular jobs and their first irregular job or internship typically pays about KRW 880,000 (approximately \$800 dollars) a month. The overall employment rate of 64% remains below the OECD average due to low levels of employment among women and the lack of effectiveness in government measures designed to address this problem. Consequently many of the unemployed are discouraged and stop looking for jobs, exiting the labor market altogether.

Citation: OECD, Employment Outlook 2009 – How does KOREA compare? http://www.oecd.org/dataoecd/62/34/ 43707086.pdf OECD, Employment Outlook 2011, http://www.oecd.org/document/46/0,3 746,en 2649 33729 40401454\_1\_1\_1\_0.html

#### Taxes

The Korean tax system is fairly effective in generating sufficient public revenues without weakening the competitive position of the national economy. Korea has one of the lowest tax rates in the OECD. Although taxes on business are relatively high compared to personal income taxes, they do not seem to reduce overall competitiveness. Tax instruments are used to nurture FDI, R&D and human resources development. Its main weakness, however, is equity. Compared to other OECD countries, the tax burden in Korea is very low. As of 2010, tax revenues were at about 25% of GDP.

Tax revenue has been growing slowly and is likely to increase in the future because social security contributions have increased relatively quickly since the middle of 1990 and will likely continue to do so. In comparison with other OECD countries, Korea has a relatively high corporate tax and a low tax burden on labor income. At the same time taxes contribute little to a more equal society as social transfers are low. The strong reliance on the value added tax gives the tax system an inequitable, regressive nature, and lessens its ability to improve equity. One of the major reasons for the weak income-tax base is the relatively high number of self-employed individuals and the low levels of income tax paid by this group; another is the sizeable income-tax deduction for wages and salaries. However, in the last two years, the Lee administration has further weakened the ability of the tax system to achieve equity by reducing progressive income taxes and real-estate taxes paid by the relatively wealthy. Since late 2011, the discussion has slightly shifted as the government failed to further deliver on tax reductions for the wealthy due to opposition. In January 2012, parliament increased taxes on those earning more than KRW 300 million (9,000). The so-called "Korean Buffet Tax" was passed three months before the parliamentary election against the opposition of many in the ruling party and the government. Following an international trend, Korea has signed tax treaties to get access to information on tax dodgers - for example, the 2012 treaty with Switzerland. Taxes on problematic consumption items such as energy or cigarettes remain relatively low, and the government has so far failed even to discuss an ecological tax reform.

Tax Policy Score: 7 Citation:

National Tax Service 2009 (Statistical yearbook of national tax), Korea.

OECD, 2006, Tax Administration in OECD and Selected Non-OECD Countries. Comparative Information Series.

Kim, Jyunghun, 2008: Tax policy in Korea: Recent changes and key issues, Seoul: Korea Institute of Public Finance, unpublished paper.

OECD 2009, Reforming the tax system in Korea to promote economic growth and cope with rapid population ageing, http://www.oecd.org/topicdocumentli st/ 0,3448,en\_33873108\_33873555\_1\_1\_1\_1 37427,00.html

"Korean Buffett tax' passed despite ruling party chief's opposition", The Dong-A Ilbo, Jan 2, 2012 "Tax cuts for wealthy shelved", The Korea Times, Sep 7, 2011

"Korean tax office to gain access to Swiss bank accounts", The Korea Times, March 1, 2012

#### **Budgets**

Budgetary Policy Score: 8 Korea's budget policies seem to remain sound – at least at national level. While fiscal debt has increased under the Lee administration, Korea is one of the OECD countries with the lowest levels of public debt and public expenditure. The official debt to GDP ratio in Korea is only 34% in 2011. Some researchers, however, argue that huge amounts of government debts are hidden in state-owned companies. According to the estimations of the Naumann Foundation in Seoul, the total amount of government debt could be about three times the official figure.

The government has been remarkably pragmatic in abandoning what have traditionally been very conservative fiscal policies, implementing the OECD's largest fiscal stimulus in an attempt to sustain economic growth. The country's budgetary soundness was favorably assessed in the OECD's March report, Preparing Fiscal Consolidation. 2009 was the only year since the beginning of the global economic crisis in 2008 when Korea recorded a budget deficit, and it is projected to run surpluses in 2012 and 2013 as well. On the other hand, low overall government expenditure leaves room for doubt as to whether, amid a maturing economy and an aging society, the Korean government is prepared to take more responsibility, particularly with respect to increasing spending for social security and education. The recent shift of government expenditure to construction projects might also create short-term growth at the expense of a long-term debt burden. Critiques of big construction projects like the Four Rivers Project as a waste of taxpayer money have increased over the last two years.

At local level, budget problems have become worse mostly due to prestige construction projects without many economic benefits. In 2010, Seongnam City

was the first Korean government that had to declare a moratorium on its debt payments. In early 2012, Incheon, Korea's third largest city, ran into financial difficulties.

#### Citation:

OECD 2010, Preparing fiscal consolidation, Paris, http://www.oecd.org/document/23/0,3 343,en\_2649\_34595\_44829143\_1\_1\_1\_0.html OECD, OECD Economic Outlook No. 87, May 2010. "In financial pinch, Incheon under pressure to downscale Asiad plan", The Korea Times, April 4, 2012 Klitz, Walter, "Korea kaempft mit dem Defizit", Naumann Stiftung Seoul, http://www.freiheit.org/files/62/N 8 Korea kaempft mit dem Defizit.pdf

#### **Research and Innovation**

R&I Policy Score: 8 The Korean government invests heavily in research and innovation, particularly in fields which can be directly commercialized. Public spending on research has substantially increased in recent years and accounts for 1% of GDP in 2011. 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. The government also uses protectionist measures that help Korean companies to develop indigenous technologies without facing competition. One example of this infant-stage technology protection is the requirement that all mobile phones sold in Korea must support a particular Korean internet platform. Such trade barriers have resulted in the complete dominance of Korean mobile-phone makers in the Korean market, because it is too expensive for foreign companies to design special models just for the country. The Korean government started investing in modern telecommunication infrastructure early, although it has seemed to lose its competitive edge as other countries catch up. The ever-increasing dominance of large business conglomerates ("chaebol") impedes the rise of small- and medium-sized enterprises, as well as the start-ups that are often the source of new innovations (as opposed to incremental ones). Other weaknesses include a lack of highquality fundamental research that cannot easily be commercialized. To alleviate this, the government is funding new Institutes of Basic Science in 2012.

Citation:

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

#### **Global Financial System**

Stabilizing Global Financial Markets Score: 5

Korea is a member of the G-20 and also one of the biggest gainers in the ongoing voting-share reform of the IMF and World Bank. However, so far Korea plays only a very minor role in shaping the global financial architecture. Instead it is largely using self-help policies like the accumulation of currency reserves, currency management and capital controls to protect itself from global financial volatility. In addition Korea has been seeking bilateral support from the United States and Japan, for example in the form of currency swap agreements. While Korea follows international standards on bank regulation like the Basel capital adequacy requirements, it is playing little role internationally in advancing them.

Citation:

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

### **II.** Social Policies

#### Education

Education Policy Score: 8 The country's tertiary education enrollment rate is very high. Education policies are hotly debated, and are an important priority for the government. About 8% of GDP is spent on education institutions – much more than the OECD average of 6.3%. However, only 4.9% of GDP is public expenditure, which is less than the OECD average of 5.4%. Thus, much of the success of Korean education can be attributed to parents' willingness to pay for education and not to public policies. Almost all parties involved in the field of higher education agree that a change in the Korean system is both necessary and of high priority. There are many complaints about the curriculum content and the less creative teaching styles at Korean schools and universities. Entrance exams are a particularly controversial issue, which critics see as a major cause of weak analytical and debating skills. Many advanced systems have been introduced for education reform, but cramming and rote-learning are still favored over analytic skills, discussion and creativity.

Citation: OECD, OECD in figures 2009 OECD, Government at a Glance 2009 Netherlands Organization for International Cooperation in Higher Education (2009), South Korea, The Hague. OECD, Education at Glance 2012, DOI: 10.1787/eag\_highlights-2012-en

#### Social Inclusion

The gap between rich and poor has widened in the past 15 years and during the observation period, and criticism of the government's lack of action on this issue is growing in strength. The Korean welfare system is not designed to reduce inequality, and even its capacity to prevent poverty is very limited given the very 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 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 Korea, it is also common that the more well-off members of a group (colleagues, friends, high-school alumni, etc.) invite out less-fortunate members, so that these individuals can continue to participate in social activities. However, in Korea's increasingly money- and consumption-oriented society, poverty is becoming a source of shame, which partly explains the low levels of life satisfaction in Korea. Suicide rates in Korea are one of the highest in the world, particularly for the 60-plus generation.

In the past two years, the Lee administration has shown little enthusiasm for the previous government's plan to transform Korea into a modern welfare state. Rather, Lee has sought to solve social problems through high growth rates and job creation linked to public work programs and infrastructure projects. Since 2011, however, the discussion slowly changed as the election year of 2012 came closer. Park Geun-hye, the newly elected president, put welfare high on the agenda of the governing party.

The recent massive influx of North Korean defectors from low social classes has made the issue of their integration into South Korea's workforce worrisome. Available data on the work integration of North Korean defectors casts a spotlight on this group's marginalization in the primary labor market, as well as on other indicators of their poor level of work integration.

Social Inclusion Policy Score: 6 Citation:

Bidet, Eric, 2009: Social Capital and Work Integration of Migrants: The Case of North Korean Defectors in South Korea, Asian Perspective 33(2), 2009 OECD, Society at a Glance 2011, http://www.oecd.org/korea/societyat aglance-asiapacificedition2011.htm

#### Health

Health Policy Score: 8 There were no major changes in the health care system during the period under review. Korea has a high-quality and inclusive medical system, and has seen the OECD's highest increase in life expectancy – a rise of 27 years since 1960 to about 79.8 years in 2008. Health spending per person has grown significantly over the past decade, but stood at 7.2% of GDP in 2010, much lower than the OECD average of 9.5%. 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. Koreans can freely choose doctors, including service at most privately owned clinics, but the scope of coverage of medical procedures is narrower 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.

#### Citation

OECD, Society at a Glance 2011, http://www.oecd.org/korea/societyat aglance-asiapacificedition2011.htm

OECD Health Data 2009 - Country notes Korea, http://www.oecd.org/dataoecd/46/10/38979986.pdf OECD Health Data 2011 - Country notes Korea, http://www.oecd.org/dataoecd/46/10/38979986.pdf

#### Families

Family Policy Score: 4 As with preceding governments, the Lee administration has not been very effective in enabling women to combine parenting with participation in the labor market. This can be seen in the country's low fertility rate as well as in women's low labor-market participation rate. The traditional Confucian family values that view women as mothers and housewives remain strongly influential. High housing prices and high costs of 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 various policies are underway or under discussion; however, most policies adopted thus far have proved inadequate in helping women combine employment and parenthood. For example, the government is currently

discussing the introduction of a child benefit system and vouchers for kindergarten fees. As a result of the discussion, the kindergarten industry is booming in Korea right now.

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, when Korea was trying to bring down its birth rate.

Citation:

New York Times, 5 January 2010 Kim Sangmook, 2008, Women and family-friendly policies in the Korean government, International Review of Administrative Sciences, Vol. 74, No. 3, 463-476

#### Pensions

Pension Policy Score: 6 The average age of Korea's population is rising much faster than is the case in many other OECD countries. The share of the population that is 65 or more years old will increase from 7% in 2000 to 37% in 2050. This relatively quick demographic shift is taking place in part because Korea has been very successful in reducing infant mortality rates and increasing life expectancy, while failing to maintain birth rates near the replacement rate. Since 1996, the fertility rate has dropped from 1.6 babies per woman - just below the OECD average - to 1.2. Korea now has the lowest birth rate of any OECD country and one of the lowest in the world. Old age remains a major source of poverty in Korea, as pension payments are low and most older people today lack coverage under a pension system that did not cover a large share of the workforce until the expansion of the program in 1999. The government has also failed to enforce mandatory participation in the system, and many employers fail to register their employees for participation. The pension system is currently fiscally sustainable and needs only small subsidies. This is because the pension system is organized in the form of a pension fund, and 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 the contributors who have entered since 1999 retire. 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 aging population, the country's pension funds will almost certainly need more subsidies in the future. Korea's pension funds also seem to be vulnerable to government interference. For

example, in 2008 the government told the National Pension Fund to invest a larger share of its assets in Korean stocks, seeking to stabilize the stock market during the global financial crisis. Its financial sustainability is now hotly debated.

#### Integration

Integration Policy Score: 5 Since the 1990s, South Korea has transformed itself into a society that attracts immigrants rather than providing them for other nations. Driven by increasing demand for cheap labor, generational change and a shortage of women in rural areas, the number of foreign residents has increased considerably. In 2010, the total number reached 1.2 million foreign nationals.

Most migrants came from China, followed by Vietnam, the United States, Uzbekistan and Cambodia. In August 2005, parliament passed the Public Official Election Act, a suffrage law that allowed foreign residents to vote in local elections alongside Korean citizens. South Korea currently remains the only Asian country which gives voting rights to noncitizens. In recent years 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 Korean parliament.

To apply for 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 Korean national (such as an understanding of Korea's language, customs and culture). In April 2010, the 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 this population's precarious status. In January 2012, parliament unanimously passed a revision to allow migrant workers to more easily change their workplace.

#### Citation:

Korea Times, Garibong-Dong Has Largest Number of Foreigners, 28/2/2010 "Jasmin to help Seanuri lure naturalized voters", The Korea Times, April 8, 2012 National Statistics Office, International Migration in 2010, http://kostat.go.kr/portal/english/ news/1/9/index.board?bmode=download &bSeq=&aSeq=249164&ord=3 "Seoul to ease visa rules for migrant workers", The Korea Times, January 2, 2012

#### Safe Living

Safe Living Conditions Score: 9 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. The country has very strong gun control laws, making crimes involving firearms rare. There is no known terrorist activity in South Korea. One major concern that has not yet been effectively addressed is the spread of cyber crime, whose perpetrators take advantage of Korea's excellent broadband infrastructure and lax online security measures. The lax enforcement of traffic laws remains another issue, as Korea continues to have among the OECD's highest numbers of road fatalities relative to the population. Every year 6,800 people die in road traffic accidents in Korea. This is about 14.1 deaths per 100,000 population – the second highest number in the OECD behind Mexico. Generally respect for and trust in the police is low.

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

#### **Global Inequalities**

Global Social Policy Score: 6 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. Korea has massively increased its official development aid – for example, it made a remarkable 13% increase in 2011. However, the level of overseas direct aid still remains low at 0.12% of GNI. The quality of 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.

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

Citation:

OECD, KOREA Development Assistance Committee (DAC), PEER REVIEW 2012, http://www.oecd.org/dac/peer-review s/Korea%20CRC%20-%20FINAL%2021%20JA N.pdf

### III. Enviromental Policies

#### Environment

Environmental Policy Score: 5 Environmental policies are currently insufficient to protect the environment or to preserve the sustainability of resources. In the last two years, contradictory trends have emerged in Korean environmental policies. On the one hand, the current Lee administration has put "green growth" at the center of its agenda, and environmental policies have entered the political mainstream. The government is strongly supporting new technologies and is helping Korean companies to develop "green" products such as hybrid and electrical vehicles or LED-based lighting and displays. On the other hand, much of this so-called green growth can be seen as simply a new name for industrial and infrastructure policies.

A considerable amount of the investment associated with the drive has been earmarked for the environmentally very controversial Four Rivers Project, which includes the construction of artificial waterways and dams. Huge amounts of public funds are also being used to develop, build and export new nuclear power plants. Korea is one of the few countries that are dramatically expanding nuclear power even after the 2011 Fukushima catastrophe. The Seoul government has expanded bike paths, although most of these paths are planned for recreational use and will thus reduce commuter traffic only marginally. Public transportation is also steadily improving, with new subway lines and an airport high-speed railway connection under construction. Korea also has a high level of recycling. However, in many other areas conservation efforts are stalling. In mobility concepts, priority is still given to cars, many Korean buildings are badly insulated, and the government is subsidizing energy use. Since 2010, the government has launched an effort to reduce over-heating in the winter and over-cooling in the summer, which seems to work in public buildings and transportation, but has so far not led to more ecological lifestyles in general.

#### **Global Environmental Protection**

Global Environmental Policy Score: 6

There has been little appetite shown for moving Korea from the developing country status it was accorded in the Kyoto protocol into the Annex 1 category. Korea has shown the OECD's largest increase in CO2 emissions since the 1990s.

At the same time, the Korean government is hosting two important international environmental organizations. The Global Green Growth Institute supports the efforts of developing countries to design environmental friendly policies and the Green Climate Fund was established in 2012 to fund these activities.

## Quality of Democracy

#### **Electoral Processes**

Candidacy Procedures Score: 8 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. Although the National Security Law allows state authorities to block registration of "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, deposit requirements for persons applying as candidates are relatively high, as are ages of eligibility for office. For example, deposits are KRW 300 million for presidential, KRW 50 million for governmental and KRW 15 million for parliamentary elections.

#### Citation:

Bertelsmann Transformation Index 2010, Bertelsmann Foundation, www.bertelsmann-transformation-inde x. Public Officials Election Act, Act No. 9974, Jan. 25, 2010 Freedom House, Freedom in the World 2009, New York: Freedom House

Media Access Score: 6 Candidates' ease of access to the media depends on the type of media. Print media in Korea remain 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 more even, although government intervention increased under the Lee 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 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 Korean politics and in the nation'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, although some of these fines were later overturned.

Another limitation of candidates' and parties' communication with the electorate and media access is the opaque character of Korean election law concerning support for candidates during the election period of up to 180 days before the election. Article 93 states that "No one shall distribute, post, scatter, play, or run an advertisement, letter of greeting, poster, photograph, document, drawing, printed matter, audio tape, video tape, or the like which contains content supporting, recommending or opposing a political party or candidate [including a person who intends to be a candidate] or showing the name of the political party or candidate with the intention of influencing the election, not in accordance with the provisions of this Act, from 180 days before the election day to the election day." According to some interpretations of Article 93, all public support for candidates or parties is illegal during that period. On December 29, 2011, the Korean Constitutional Court ruled that Article 93 was unconstitutional in restricting expression of opinions on the internet, although it is still not clear how this ruling will affect other media or campaigning in general.

All adult citizens of 19 or over are eligible to vote, and voter registration 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, thus 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

Voting and Registrations Rights Score: 9 Party Financing

Score: 5

citizens are defined as Korean citizens resident in foreign countries in which they are permanent residents or short-term visitors.

Citation:

National Election Commission, Right to Vote and Eligibility for Election, http://www.nec.go.kr/nec\_2009/engli sh/ National Election Commission, NEWS No.7

Party and campaign financing is a controversial topic in 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. 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 seem to have had only limited effect on the actual behavior of politicians. Breaking the election law seems to carry little stigma, as can be seen in the case of former President Lee, who lost his parliamentary seat due to an election law violation in 1996 but was elected as Seoul's mayor in 2002 and president in 2007.

Citizen referenda can be conducted at local and regional level and require support from 5–20% of voters and a turnout of 33%. Results are not legally binding. So far there have been five referenda. At national level, only the president can call a referendum (Article 72 of the Constitution). Since 2006, there have been binding recall votes at local level. However, the rate of success is very low.

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

#### Access to Information

Media Freedom Score: 4

Popular Decision-

Making

Score: 5

In the 2013 Press Freedom Index published by Reporters Without Borders, Korea placed 50th out of 179 countries, falling six places from the 2011/12 ranking. Korea also remains on the list of "countries under surveillance" for internet censorship. Defamation suits are a common way to prevent critical reporting. The report published by Reporters without Borders criticizes the prosecution of journalists from the MBC program, PD Diary. Journalists were accused of exaggerating the danger of mad cow disease, an issue that triggered massive protests against the import of US beef in 2008. The program makers were acquitted of the accusation that they had "defamed government officials and obstructed businesses involved in importing US beef." Another case criticized by the report is the arrest of internet blogger "Minerva" (whose real name was Park Dae-sung), on the grounds that he affected foreign exchange markets and the nation's credibility through his posts on the financial crisis in a discussion forum). He too was acquitted of the charges. In a high-profile case in 2012, former lawmaker Chung Bong-ju, who contributes to the popular satirical Nakkomsu podcast, was convicted of spreading false rumors accusing President Lee of stock fraud.

South Korea's Act on the Promotion of Information and Communications Network Utilization and User Protection required all websites with at least 100,000 visitors per day to identify their users by their real names, a change that was criticized as a limit on the freedom of speech. In August 2012, the Korean constitutional court unanimously ruled the law unconstitutional.

The government was also accused of replacing or influencing the replacement of the chief executives of several major public broadcasters and media companies, including the Korean Broadcasting System (KBS), Korean Broadcasting Advertising Corporation, Arirang TV, Sky Life and Yonhap Television Network (YTN). Some of the new appointees are believed to be supporters of the government. Amnesty International also reported that "protests against the appointment of the new YTN President Ku Bon-hong, a former aide to President Lee, resulted in Ku Bon-hong suing 12 trade union journalists and firing six journalists for 'interfering with business.'" In 2012 reporters from KBS, MBC and YTN staged strikes lasting for months to protest government interference with the media. This is unprecedented in Korean history.

Citation:

<sup>&</sup>quot;South Korea's media Reporters complain of being muzzled", The Economist, 3rd of March 2012

Reporters without Borders, Report South Korea, http://en.rsf.org/south-korea-south -korea-12-03-2012.42067.html

Freed om House, Freedom of the Press Report 2012, http://www.freedomhouse.org/report/ freedom-press/2012/south-korea

Fre edom House, Freedom on the Net 2012, http://www.freedomhouse.org/report/ freedom-net/2012/south-korea

<sup>&</sup>quot;Sout h Korean Court Rejects Online Name Verification Law", New York Times, 23 August 2012

Media Pluralism Score: 5 Despite some limitations, South Korea is one of few countries in East Asia with media plurality. The quality of media pluralism, 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. The combined market share of these three outlets in 2006 was 62.3%. 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 accuses Samsung and Samsung Electronic Chairman Lee Kun-hee of corruption. However, as newspaper subscription rates continue to decline - dropping by almost 50% between 1996 and 2006 alone - the internet has increasingly become one of, if not the most important source of information for South Koreans, especially among younger generations. 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 effect media plurality, but there is a concern that the concentration within the newspaper sector will spread to TV programs as well.

#### Citation:

Chung, Jongpil, Comparing Online Activities in China and South Korea: The internet and the political regime, Asian Survey, September/October 2008, Vol. 48, No. 5, Pages 727–751. "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 in Korean interpretations. 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. In a recent survey, Korean newspaper Hankyoreh and the Open Information Center for a

Access to Government. Information Score: 5 Transparent Society found that every one of 20 surveyed public institutions failed to disclose relevant information about their activities and provide a list of available information on their websites, even though required to do so by law. In September 2011, Korea declared its intention to join the Open Government Partnership initiative and promised to improve transparency.

#### Citation:

Korea Public Information Disclosure System, https://www.open.go.kr/pa/html/eng\_ main.htm "Twenty governmental institutions currently in violation of Information Disclosure Law", The Hankyoreh, 3 March 2010, http://english.hani.co.kr/arti/engl

Freedominfo, South Korea, http://www.freedominfo.org/regions/ east-asia/south-korea/

#### **Civil Rights and Political Liberties**

Civil RightsBasic civil rights are protected by the constitution. Although courts have been<br/>reasonably effective in protecting civil rights, and the Human Rights<br/>Commission was established in 2001, recently it has been criticized and even<br/>boycotted by human rights groups for failing to consult with civil society.<br/>President Lee and his ruling party did not honour the democratic values and<br/>international standards of the Human Rights Commission.

Observers tend to agree that the human and civil rights situation has worsened somewhat since 2008. Amnesty International even saw a "dramatic increase in the abuse of national security laws in a politically motivated attempt to silence debate." According to Amnesty, the number of people questioned on suspicion of violating the National Security Law increased by 96% from 2008 to 2011. The National Security Law remains in place, outlawing activities that could be interpreted as "benefiting or praising" North Korea. Amnesty International's 2013 report on Korea names the case of Park Jeong-geun, a member of the Socialist Party in South Korea who was sentenced to 10 months in prison in November 2012 for satirically re-tweeting a message from North Korea's official Twitter account. Another case mentioned in the report is that of Kim Myeong-soo, who was sentenced to six months in prison for selling widely available books online with the "intention of endangering the security of the state." He was later acquitted.

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. 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. 60 people are still on death row.

#### Citation:

Amnesty International, Report on South Korea 2012, http://www.amnesty.org/en/region/so uth-korea/report-2012#page

Amnesty International, South Korea: The politically motivated onslaught on free speech, http://www.amnesty.org/en/for-media /press-releases/south-korea-politic ally-motivated-onslaught-free-speec h-2012-11-29

Political Liberties Score: 5 Political liberties are protected by the constitution, but infringements do take place. Freedom of opinion and of the press are constitutionally guaranteed, but recent illiberal trends give cause for concern.Freedom of association and assembly are respected in principle. However, South Korea has not signed four of the basic conventions of the International Labor Organization, including two on the freedom of assembly. The Lee government has repeatedly denied certain groups of employees – most recently migrant workers – the right to form unions. It is very difficult to call a strike that would be legal by official definitions. Demonstrations also require approval, which can be hard to come by. Indeed, demonstrations are often declared to be illegal when they disrupt traffic or business. On a positive note, Seoul's Administrative Court ruled that the planned deportation of the president of the Migrants' Trade Union was a violation of South Korean and international human rights laws.

> Labor unions are allowed to operate in the private sector, but remain restricted in the public sector. However, labor-union members are frequently imprisoned and fined for organizing "illegal strikes" or for "obstruction of business." Businesses also sue labor unions for compensation for "lost profits" during strikes. Civil servants are also limited in their political freedom. Another issue already discussed above is the very opaque and vague election law that limits political activities 180 days before elections.

Citation:

Amnesty International, 2011, Amnesty International welcomes court ruling in favour of Trade Union activist in South Korea, http://www.amnesty.org/en/library/a sset/ASA25/012/2011/en/8305df65-322 1-4208-a003-3e9778c7abe0/asa2501220 11en.html

Amnesty International, Report on South Korea 2012, http://www.amnesty.org/en/region/so uth-korea/report-2012#page

Freedom House, Freedom of the World, South Korea Report 2012, http://www.freedomhouse.org/report/freedom-world/2012/south-korea

Non-discrimination Score: 5

Legal Certainty

Score: 7

Women remain underrepresented in almost all important fields in Korea. The wage gap between men and women is on average 38%, the biggest such gap in the OECD. The unequal treatment of Korean women is reflected in various UNDP data studies. While South Korea ranked 12th in the UNDP's 2013 Human Development Index, it ranks only 27th in the Gender Inequality Index. Discrimination against gays and lesbians remains pervasive. Discrimination against irregular workers and migrant workers is also frequent. In addition to discrimination at the workplace, many migrant workers have to submit to an HIV test in order to get a work visa. Discrimination against the disabled has improved, although barrier-free entrances to buildings and public transportation services remain rare. The government has tried to address discrimination based on gender and other characteristics, but with little effect. The establishment of the National Human Rights Commission was an important step, but this organization is not part of the executive branch, and has no direct enforcement authority. 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, in 2011, a total of 1,802 complaints about discrimination were filed; 874 were filed because of discrimination over disability.

#### Citation:

UNDP, Human Development Report 2013, http://www.undp.org/content/dam/und p/library/corporate/HDR/2013GlobalH DR/English/HDR2013%20Report%20Engli sh.pdf OECD, Gender Brief, March 2010, http://www.oecd.org/dataoecd/23/31/44720649.pdf The National Human Rights Commission of Korea, Annual Report 2011, http://www.humanrights.go.kr/englis h/publications/publications01\_view. jsp

#### 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, there are fewer complaints from investors and businesses about government intervention, a trend that reflects the government's generally business-friendly attitude. 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. In South Korea's "prosecutorial judicial system" this is particularly important, because it is the public prosecutor who initiates legal action. The most prominent case in recent years, in which critics argued that the prosecutor's office acted as a "political weapon" of the executive branch, was the case against former President Roh Moo-hyun. Citation: Joong Ang Daily 9 April 2010

Judicial Review Score: 8 The South Korean judiciary is highly professionalized and fairly independent, though not totally free from governmental pressure. In February 2012 a controversy arose about the dismissal of Judge Seo Ki-ho of the Seoul Northern District Court after he posted critical remarks on President Lee on his Twitter and Facebook accounts. He was allegedly dismissed because he failed a performance review, but many judges protested the move and suspected political interference. State prosecutors are from time to time ordered to launch investigations (especially into tax matters) aimed at intimidating political foes or other actors not toeing the line. The Constitutional Court has underlined its independence through a number of remarkable cases in which courts have ruled against the government. For example, a court acquitted a blogger (called "Minerva") accused by the government of damaging the nation's credibility and destabilizing the currency market. In another case, the makers of a television program on the MBC channel which triggered protests against US beef imports, were found not guilty of defamation. Courts have also thrown out many (but not all) of the cases against protesters accused of organizing illegal protests. However, there have also been cases that call the independence of the courts into question. For example, Korean Supreme Court Justice Shin Youngchul used his position to influence the decisions of subordinate courts during the trials of protesters who had demonstrated against the import of US beef in 2008. Justice Shin was referred to the court's ethics commission, but did not step down. 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 and government decrees, in which the Supreme Court has also demanded the ability to rule on acts' constitutionality and, hence, interfered with the Constitutional Court's authority. This has contributed to legal battles between the constitutional and supreme courts on several occasions. Nevertheless, the Constitutional Court has become a very effective guardian of the constitution since its establishment in 1989.

Citation:

Korea Times 24 September 2009 Joong Ang Daily 2 April 2009 Korea Times 20 April 2009 Korea Times 20 January 2010 Croissant, Aurel (2010) Provisions, Practices and Performances of Constitutional Review in Democratizing East Asia, in: The Pacific Review (forthcoming).

Kim, J. (2009) "Government Reform, Judicialization, and the Development of Public Law in the Republic of Korea', in T. Ginsburg and A. H. Y. Chen (eds) Administrative Law and Governance in Asia: Comparative Perspectives, New York: Routledge, pp. 101-127.

"Constitutional Court upholds the death penalty", The Hankyoreh, 27 February 2010, http://asiadeathpenalty.blogspot.co m/2010/02/south-korea-news-report-o n.html

Appointment of Justices Score: 5 The appointment process for Constitutional Court justices 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, and all 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 (except for the chief justice). The process is formally transparent and adequately covered by public media, although it seems fair to say that judicial appointments are not a top issue for public attention in South Korea. 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; only those who have passed the National Judicial Examination may receive appointments.

Citation:

Article 111 of the Korean Constitution Croissant, Aurel (2010) Provisions, Practices and Performances of Constitutional Review in Democratizing East Asia, in: The Pacific Review.

Corruption remains a major problem in Korea, and government attempts to curb the problem are seen as mostly ineffective by the population. In early 2013, President Lee's older brother Lee Sang-deuk was sentenced to two years' imprisonment for corruption. The enforcement of the OECD anti-bribery convention is evaluated as "moderate." The Tax Justice Network ranks Korea 28th in its Financial Secrecy Index, indicating a relatively small Korean role in illicit financial activities.

Vigilant civil society organizations regularly conduct surveys of how parliamentarians fulfill their duties. Blacklisted candidates running for office face problems in parliamentary elections. Though far from perfect, the blacklisting system has helped to increase voters' awareness of problems. However, lawmakers who have been convicted for illegal fund-raising and other illicit activities sometimes benefit from the presidential amnesties that are granted every year, as was the case in August 2009, when President Lee

Corruption Prevention Score: 5 pardoned 341,000 business executives, politicians and bureaucrats convicted of crimes that included fraud and embezzlement. In December 2009, President Lee pardoned Samsung Electronics chairman Lee Kun-hee, who had been convicted of tax evasion. In January 2013, the outgoing President Lee pardoned 55 people. Most of them were his political confidants.

The Lee administration's business-friendly policies have also been criticized for undermining anti-corruption measures. 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 of the remaining six (non-permanent) members of ACRC, three 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.

Citation:

The Economist 2 February 2013, Pardon Me, http://www.economist.com/news/asia/ 21571192-departing-president-proves -extravagantly-forgiving-pardon-me

Act on Anti-Corruption and the Foundation of the Anti-Corruption & Civil Rights Commission, 2008, http://www.acrc.go.kr/eng\_index.htm l

Transparency International 2013, Country Page Korea, http://www.transparency.org/country #KOR

## Governance

### I. Executive Capacity

#### Strategic Capacity

Strategic Planning Score: 7 Strategic planning remains an important factor in 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 his comfortable majority in parliament, the political context for strategic planning improved under President Lee compared to that facing the earlier Roh administration. The Lee government was sometimes more pragmatic and sometimes more ideological than previous governments, but also more oriented to the short-term. Instead of being concerned with long-term goals, President Lee views the government as operating in a similar manner to a company, reacting pragmatically to challenges in order to remain competitive in the process of economic globalization. The new Park administration has shifted priorities to "happiness for the people" and "economic revival."

#### Citation:

Office of the President, Policy Goals, http://english.president.go.kr/gove rnment/goals/goals.php Office of the President, Special Policies, http://english.president.go.kr/gove rnment/special.php Office of the President, http://english.president.go.kr/gove rnment/office\_president.php

Scholarly Advice Nongovernmental academic experts have considerable influence on government decision-making. Most observers believe that the influence of expert commissions has decreased somewhat, as President Lee has abolished many of those established by his predecessors. However, he also created many new commissions with different focuses, such as the G-20 task force assigned the job of preparing for the G-20 summit. The selection of scholars is very narrow and exclusive. The process of naming experts remains highly politicized, and expert commission reports seem to be utilized according to their political rather than their scholarly value. Beyond their work in commissions, scholars are often tapped to serve in government positions.

GO Expertise

Score: 8

#### Citation:

The Truth and Reconciliation Commission of Korea, http://www.jinsil.go.kr/English/ind ex.asp Time running out on South Korea's Truth and Reconciliation Commission, Stars and Strips, January 19, 2010, http://www.stripes.com/news/time-ru nning-out-on-south-korea-s-truth-an d-reconciliationcommission-1.98156

Truth in danger in South Korea, The Sydney Morning Herald, January 23, 2010, http://www.smh.com.au/opinion/politics/truth-in-danger-in-south-korea-20100122-mqq5.html

#### 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 office of the president (known as the Blue House) has the power and expertise to evaluate line ministries' draft bills. As the real center of power in the Korean government, the Blue House has divisions corresponding with the various line ministry responsibilities. It 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. After taking office, President Lee dramatically reduced Blue House staff, potentially weakening the office's expertise. However, many of the initially abolished positions were reinstated over time, as problems with expertise and implementation emerged.

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Government Performance Evaluation Committee, http://www.psec.go.kr The Korea Institute of Public Administration (KIPA), http://www.kipa.re.kr

GO Gatekeeping Score: 9 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 the meetings as he 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 for the president.

Line Ministries The Korean political system has become more hierarchical in the last two Score: 9 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 an exchange of information, as most strategic decisions are made in the Blue House. 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 during the president's lame-duck period, the Blue House could not overcome the bureaucratic politics.

Cabinet Committees The cabinet plays a relatively small role in the political process, as all Score: 7 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. Most experts believe that coordination between ministers is too weak, although the Blue House plays an increasingly active role in ensuring cooperation.

There is some coordination between civil servants of different ministries but much of this cooperation is informal. 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 look down on civil servants from ministries they see as "second tier," such as the labor ministry or the environment ministry.

> Most coordination between ministries is both formal and informal. Informal coordination sometimes works better. 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, and look down on other ministries. 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.

#### **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 costbenefit 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 in practice these alternatives play little role

Ministerial Bureaucracy Score: 7

Informal Coordination Score: 8

**RIA** Application Score: 8

in the drafting of final regulations. There is still a wide gray zone enabling regulatory organizations to decide in a discretionary fashion.

Quality of RIARIA committees are often criticized for not being fully autonomous and for<br/>being influenced by political and economic interests. Other criticisms<br/>mentioned by the OECD are the lack of time to carry out assessments,<br/>insufficient staff, and a lack of expertise and financial resources. Many civil<br/>servants in Korea perceive RIA merely as a formality. Stakeholders are<br/>consulted in the process of RIA, which includes regular meetings with foreign<br/>chambers of commerce.

Citation:

OECD, 2007, OECD Reviews of Regulatory Reform OECD Reviews of Regulatory Reform: Korea 2007 Progress in Implementing Regulatory Reform

Sustainability Check Score: 6 The assessment of sustainability implementations at policy level in 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 in Korea. The main three principles of the act are, firstly, laying out national-level sustainable basic strategies every 20 years; secondly, laying out specific action plans every five years, and lastly, 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 Lee administration's RIAs, sustainability checks in the Four Rivers Project were not properly carried out.

Citation:

Ministry of Government Legislation, http://www.moleg.go.kr/english/korL awEng?pstSeq=57720 Presidential Commission on Sustainable Development (PCSD), http://ncsd.go.kr:2020/index.asp

#### Societal Consultation

Negotiating Public Support Score: 3 The Lee administration governs in a much more hierarchical and authoritarian "CEO" style than did its predecessor, explicitly rejecting the Roh administration's vision of a "participatory democracy" and, in particular, following a course of confrontation with labor unions. The business-friendly Lee naturally has closer relationships with commercial interests. On the other hand, individuals now have more ways to complain, and the number of

complaints processed through the online petition platform of the government is steadily increasing.

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

#### Policy Communication

Coherent Communication Score: 6

The government seeks to coordinate communication between ministries, but contradictions between government agency statements happen sometimes. 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

There are conflicting verdicts on the efficiency of the Korean government during the last two years. Some say that efficiency has increased due to the strong conservative majority in the parliament and the more hierarchical character of the new government compared to the discursive and ultimately hesitant approach of Lee's predecessors. Others, however, argue that the accomplishments of the last two years have been meager compared to Lee's original plans. The NGO Citizens' Coalition for Economic Justice conducted a survey in early 2012 in which it asked experts about their assessment of the Lee administration. They concluded that the Lee administration accomplished "less than 40% of its promises."

More importantly, many of Lee's major policies, such as the Grand Canal Project, have triggered substantial criticism and opposition. In the case of the new administrative city (Sejong City) built in South Chungcheon province, Lee was first supportive, then opposed it and finally had no choice but to accept it due to broad support for the project in his own party. Ministries will move to the new city between 2012 and 2014.

#### Citation:

"Lee administration gets a failing grade on governance. Analysis by experts find Lee campaign made many empty promises", The Hankyoreh, 6 March 2012

Government Efficiency Score: 6 Ministerial

Score: 10

Monitoring Ministries

Task Funding

Score: 5

Score: 9

Ministers in Korea do not have their own political base, and depend almost Compliance solely on the support of the president. The president appoints and dismisses ministers, and cabinet reshuffles occur frequently. The average tenure of a minister in Korea has continuously declined over the past two decades; under the outgoing Lee administration it was only about one year, which allows ministers little independence.

> The offices of the president and the prime minister effectively monitor line ministry activities. The Korean government utilizes e-government software (the Policy Task Management System) to monitor the implementation of policies in real time. Ministries have little leeway in policy areas that are important to the president. In general, the Korean bureaucracy is organized in a very hierarchical way, but independence is stronger in areas that are comparatively less important for the president.

Monitoring The ministries effectively monitor the activities of all executive agencies, and Agencies, the minister is responsible for compliance. Once again, the top-down structure Bureaucracies of the Korean government allows for effective monitoring. Agencies generally Score: 7 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. The series of bankruptcies and corruptions in small savings banks since 2010 are exemplary cases of the Ministry of Strategy and Finance's failure to effectively monitor the Financial Services Commission and Financial Supervisory Service.

> 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 subnational governments need substantial support from the central government, particularly outside the Seoul region. In addition, local administrations lack sufficient manpower; central government staff is often therefore delegated to subnational authorities.

Citation:

OECD, Government at a Glance 2009 OECD, Government at a Glance 2011 Constitutional Discretion Score: 5 While autonomous local governments are protected by the constitution, there is no constitutional specification of their competencies and rights. Due to the very high dependence on transfer payments, most regional and local governments are vulnerable to interference by the central government. 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 in Korea, local governments are trying to expand their discretions as much as possible, leading to policy disputes with central government.

National Standards Score: 7 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., selfsufficient) regions like Seoul or the southeast and less prosperous (i.e., dependent on transfer payments) regions in the southwest.

#### Adaptablility

Domestic Adaptability Score: 8 International and supranational developments that affect Korea directly can trigger rapid and far-reaching change. For example, 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 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. Of course, there are many areas that show certain limitations to the full compliance, due to the informal practices and networks. The degree of adaptability, however, depends to a large extent on compatibility with domestic political goals. For example, the Korean government is relatively less responsive to global standards in the field of labor rights or the reduction of non-tariff barriers.

However, the Korean government declared its intention to increase overseas development aid in order to comply with the global standard in the near future.

Citation: OECD, KOREA Development Assistance Committee (DAC) PEER REVIEW 2012, http://www.oecd.org/dac/peer-review s/korea.htm

One of the main goals of the Lee government was to improve the prestige of Korea in the world and to build Korean soft power. The government has become considerably more active in international organizations. Korea has increased its contribution to the World Bank and the IMF, and is an active participant in the G-20. Korea is also increasing its efforts in development cooperation, and became a member of the OECD Development Assistance Committee (OECD-DAC) in 2009. In 2011, Korea hosted the OECD High Level Forum on Aid Effectiveness in Busan. Yet the 2012 OECD-DAC peer review report of Korea was quite critical of Korea's shortcoming in meeting international standards for aid. For example, Korea's share of untied aid to the lowest-ranked developing countries was 27% in 2010 - much lower than the OECD average of 88%.

While the country participated actively in the Copenhagen conference on climate change in 2009, its actual commitments to reduce greenhouse gases remain weak. Moreover, the government has also shown little enthusiasm for G-20 initiatives proposing the international coordination of financial sector regulation and taxation.

#### Citation

Kalinowski, Thomas and Hyekyung Cho. 2012. Korea's search for a global role between hard economic interests and soft power. European Journal of Development Research 24 (2):242-260. http://dx.doi.org/10.1057/ejdr.2012 .7.

#### Organizational Reform

Self-monitoring The Lee administration came to office with a clear goal of streamlining the Korean government and bureaucracy. Old institutions, procedures and attitudes were evaluated, and there was harsh criticism of real or perceived inefficiencies within the bureaucratic system. Margaret Thatcher was seen as a role model for a "small government, leaving it to the market" approach. Due to tight oversight by the Office of the President, it is likely that reevaluations of existing institutional arrangements will continue to take place whenever they are perceived to be an obstacle to the president's goals.

There have been massive institutional reforms in the last four years, with the goal of creating a smaller and more efficient government. Many agencies and

International Coordination Score: 7

Score: 7

Institutional Reform Score: 6

Policy Knowledge

Score: 6

Score: 5

ministries have been merged, renamed and downsized. For example, through the merger of the Ministry of Finance and Economy and the Ministry of Planning and Budget, President Lee created a new super ministry, the Ministry of Strategy and Finance. However, the goal of creating a "small and efficient government" can hardly be called a success given the long period of the lameduck government in 2011 and 2012. Some of the reforms even had to be reversed. The reorganization and downsizing of Blue House staff, for example, ultimately led to the reinstatement of many of the abolished positions (such as the senior officer for public relations). Another indicator for the protracted nature of "reforms" is that the actual total number of public servants has increased to 615,487 (in the late 2012) from 604,714 (in the late 2007).

### II. Executive Accountability

#### **Citizens' Participatory Competence**

Many citizens are well-informed on the details of a few hotly debated government policies. However, many other important policy fields, particularly in the economic and social realms, show much lower knowledge levels. The quality of information available is often limited, because political questions are often personalized, and thus 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 spread 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 the government, while the younger generation is less politicized and less informed about political issues.

#### Legislative Actors' Resources

Parliamentary MPs have a staff of nine. These comprise four expert staff, three administrative Resources staff and two interns. Given the large amount of topics covered by MPs, this staff is scarcely sufficient, but it is enough to cover the focus areas of the MP. The parliamentary library is one of the best libraries in Korea. The National Assembly exerts the power of monitoring and supervising the administration

	through an existing system of investigation about national affairs, which can be called regular or provisionary.
Obtaining Documents Score: 8	Parliamentary committees are legally and de facto 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.
Summoning Ministers Score: 9	The parliament has the constitutional right to summon ministers for participation in hearings. This right is frequently used. Regular investigation of government affairs by the parliament is effective in monitoring ministers. While the parliament can summon and question ministers, the role of the minister in the Korean system is relatively weak. The professional bureaucracy in Korea, however, is trained to be loyal to the president. In addition, the ruling party and ministers could make a collusive deal not to invite ministers or cancel the hearings on politically controversial issues.
Summoning Experts Score: 8	Parliamentary committees are legally and de facto able to invite experts to hearings. In fact, expert hearings are quite frequent. However, there have been quite a few cases where civilian experts refuse to attend the hearing, making various excuses.
Task Area Congruence Score: 9	The task areas of parliamentary committees and ministries mostly correspond: there are 16 standing committees which 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 respective ministries. As a consequence of the strong majoritarian tendency of the political system and the system of government in particular, committees dominated by the governing parties tend to go soft on the monitoring of ministries, whereas committees led by opposition parliamentarians are more serious about their responsibilities.

Citation:

The National Assembly of the Republic of Korea, http://korea.na.go.kr/int/org\_06.jsp Croissant, Aurel 2014. Das Politische System Südkoreas, in: Derichs, Claudia/Heberer, Thomas (Hrsg.), Die politischen Systeme in Ostasien, 3., überarbeitete Auflage, Wiesbaden (i.E.).

However, in general, the Korean legislature is a "committee parliament" and

the committees are quite effective and efficient.

Audit Office Score: 5

Ombuds Office Score: 5 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 other ministries.

The Korean parliament does not have an ombuds office. Under the Lee administration, the government's ombuds 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 and the ombudsman. However, recent legislative reforms (2012) strengthened the autonomy of the ACRC.

In addition, the Foreign Investment Ombudsman (FIO) system was first introduced on October 26, 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 was supporting the duties of the ombudsman through the collection and analysis of information concerning the problems foreign firms experience in Korea. In addition, it also 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-invested companies in solving their grievances.

Citation:

Office of the Foreign Investment Ombudsman, http://www.i-ombudsman.or.kr/eng/au/index.jsp?num=3

#### Media

Media Reporting Score: 5 Taking into account not only freedom of the press/media, but also media pluralism and media quality, the main problem with Korean media is the low quality of many outlets in terms of their ability to serve as facilitators of a public sphere 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. Beginning in 2009, President Lee has instituted a biweekly radio address in which he explains government policies from his point of view.

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, but takes place more often on 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 Korea's main newspapers began broadcasting. As commercial programs, they tend to favor infotainment. On the other hand, however, their connection with major newspapers might give them good potential to produce quality information.

#### Parties and Interest Associations

Intra-party Democracy Score: 3 There is almost universal agreement among political scientists, political observers, politicians and the general public that Korean political parties are one of the weakest links in Korean democracy. In addition to their inchoate nature and lack of internal democracy, political parties have little ability to produce meaningful party manifestos, political programs or alternative policy proposals. Party positions and candidacies for parliamentary seats are decided by powerful party bigwigs. 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.

The election platforms of individual candidates 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 the candidate's electoral district. Strong regionalism further undermines the ability to form platforms based on political goals.

The business associations (the Korean Employers Federation and the Federation of Korean Industries) and labor-union umbrella groups (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, all these groups are relatively weak compared to the influence of individual 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 Lee government, business organizations, individual companies and businessmen were in an advantageous position to articulate their interests.

Association Competence (Business) Score: 7 Association Compentence (Others) Score: 4 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 competences in specialized fields such as environmental policies, election 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 on the left of the center – have found it difficult to have any influence on the political decision-making process under the Lee administration.

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