



South Korea Report

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Sustainable Governance
Indicators 2017

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Executive Summary

The period under assessment covers roughly the fourth year of the Park Geun-hye presidency. In a surprising defeat in the parliamentary election in April 2016, her conservative Saenuri Party lost the parliamentary majority. Under the terms of the constitution, the Korean president cannot run for reelection. President Park was dealt another blow when it was revealed in October 2016 that her close friend Choi Soon-sil, who held no official function and had no security clearance, had access to government documents, had engaged in influence-peddling and had used her personal connections to collect money for two foundations. The exposure of these personal networks and incidents of abuse of power led to an unprecedented drop in the president's approval rate, to just 5% in November 2016. On November 5, tens of thousands took to the streets in demonstrations, calling for the resignation of the president. Members of parliament began discussing an impeachment process, and even members of her own conservative party asked her to appoint a bipartisan government chosen by the parliament. A change in the constitution from a single-term presidential system to a parliamentary democracy was put on the table by the president herself.

Shortly after the end of the SGI 2017 review period, the majority of parliament voted to impeach the president. President Park's presidential powers were suspended in December 2016. The impeachment procedures went on to the Constitutional Court, which upheld the impeachment in a 8-0 decision on 10 March 2017, removing South Korea's first female head of state from office. Unsurprisingly, Park's conservative Saenuri Party lost the presidential election in May 2017. Instead, after two conservative presidents from 2008 to 2017, a liberal – Moon Jae-in of the Democratic Party – was elected as the next president.

Even before this dramatic and unexpected turn of events, the fourth year of the Park administration lacked major policy achievements. Most observers considered Park to be a president who had failed to deliver on most of her policy proposals, including promises to improve the welfare system, balance the power of big business conglomerates, improve the status of women and engage with North Korea under conditions of "trustpolitik." One major achievement was the introduction of a new anti-corruption law that was intended to end the Korean culture of gift-giving and patronage. However,

members of parliament were excluded from the law's terms, and there is also a fear that the law could be used against political opponents, in particular among journalists, teachers and professors, who are defined as quasi-public officials under the law.

South Korea's institutional system of governance remains strong and oriented toward international best practices. However, the recent Choi-gate scandal has again revealed the persistence of personal networks that trump formal institutions. Despite the public disgust and the recurrence of scandals going all the way the Blue House, Korea remains a stable democracy with an able bureaucracy and a lively civil society.

Economically, Korea is doing exceptionally well in cross-OECD comparison. With an annual GDP growth rate of 2.6% in 2015, Korea was above the OECD average of 2.1%, although growth was disappointing as compared to government goals and previous projections. Korea remains a major exporter, with many highly competitive multinational corporations producing a great variety of products in the automotive, IT, and other industries, although this also leaves the country vulnerable to global-market volatility. The rate of growth for major export items has consistently decreased since late 2015. The shipping and shipbuilding industry in particular is in the midst of a major crisis. The overall unemployment rate remains low at 3.6%, but the labor-market participation rate is below average, and the lack of social mobility is causing an increasing degree of concern, particularly among the younger generations. With regard to international relations, President Park did not engage in numerous significant external initiatives, focusing strongly instead on the North Korea issue. She followed a hard-line stance toward North Korea, with relations falling to their lowest level in two decades. North Korea has reacted with renewed provocations, further developing its missile and nuclear weapon technologies. On a positive note, Korea signed the Paris Climate Agreement, promising to cut greenhouse-gas emissions by 37% relative to a business-as-usual projection by 2030.

Key Challenges

President Park Geun-hye's fortunes took a dramatic turn in 2016, when her party first lost its parliamentary majority and afterward she was embroiled in a major scandal involving her friend Choi Soon-sil. Her job-approval rate fell to 4% — the lowest approval rate ever experienced by any Korean president, and as the review period closed, calls for her resignation and even her impeachments were increasing. As President Park agreed to an investigation

into her involvement in the scandal by the prosecutor's office, she will be the first president to be investigated while in office. Most of her Blue House secretaries and the prime minister resigned, leaving her with major staffing problems. As the review period closed, the most immediate challenge for President Park appeared to be that of forming a new government. Members of parliament were demanding that she appoint a bipartisan cabinet chosen by the parliament itself, an alternative unprecedented since the beginning of democratic elections in Korea. President Park also proposed a constitutional reform to reduce the power of the president and move toward a parliamentary democracy. As she had become a lame duck president, it appeared doubtful that any major reforms would be implemented by the time of the scheduled presidential election in December 2017, and Park herself had lost her influence over the choice of her successor on the conservative ticket.

Politically, the outlook for institutional and structural changes that would deepen democracy and further liberalize society in South Korea remains poor. The influence of money on politics, the regional character of parties, lack of internal-party democracy and the personalization of political power are the biggest obstacles in this regard. On a positive note, civil-society activism has picked up, and turnout in the April 2016 parliamentary election increased relative to the previous comparable ballot. As the review period closed, it appeared that the year ahead until the scheduled presidential election in December 2017 would be defined by heated political debates and struggles over the nomination of the presidential candidates. Amid an ongoing generational change in both political parties, there is some hope that the debates will shift from a focus on people to a focus on political issues.

The Korean economy is still doing relatively well, although as an export-oriented country, Korea is very vulnerable to global volatility amid the process of Britain's exit from the EU and a rising nationalism in the United States and Europe. Domestically, the biggest challenge is to increase social mobility and improve job conditions for irregular workers and the younger generation. In addition, household debts related to a real-estate bubble and high education costs are major challenges. The historically low-tax country faces a major challenge in further expanding the welfare state so as to prepare for the inevitably lower growth rates associated with an aging society. Moreover, the rise in social inequality in a previously relatively equitable society has tended to undermine social cohesion. Several long-term tasks are becoming increasingly critical, including a restructuring of the dominant business conglomerates and a concomitant strengthening of SMEs and start-ups, as well as a move away from the current dependence on the construction sector and instead toward innovation. The ongoing restructuring of the shipping and shipbuilding industries in particular will be very costly and lead to substantial

unemployment. Korea is also behind the curve in the transformation to a sustainable and low-carbon economy based on renewable energy. The tide of global trade protectionism is additionally becoming a huge challenge to Korean economy.

North Korea continues to be a major threat to stability on the Korean peninsula and within the East Asian region as a whole. The unpredictable and confrontational behavior of the North Korean regime, including with regard to nuclear and missile tests, has led to a low in North-South relations. Establishing a condition of peace in a nuclear-weapons-free Korean Peninsula is an urgent and critical task for the South Korean government. The election of Donald Trump as the next U.S. president is unlikely to make things easier in this regard, as Korea depends crucially on U.S. military support. Restoring good relations with Japan still represents a huge challenge for the administration, as will be the implementation of pledges from international agreements such as the Paris Climate Agreement.

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 6

South Korea has shown higher growth rates than the OECD average, with annual GDP growth of 3.3% in 2014 and 2.6% in 2015. Despite a rebound in the growth rate in 2016, the Korean economy has experienced sluggish domestic consumption, weak exports and rising household debts. Analysts project that the restructuring of shipbuilding and shipping industry combined with troubles at Samsung Electronics and Hyundai Motor will have negative impacts on future economic growth. Pressure is rising to reform major industries, most of which are led by large conglomerates, as well as to streamline red tape deemed to be hurting competition. Although growth rates are high compared to other developed countries, they are lower than in the past. Korea still depends on economic growth to solve social problems, and has struggled to adjust to a lower-growth environment. The Park government's key economic initiative, the "creative economy project," has shown little progress. Against this backdrop, the National Assembly approved an extra budgetary package worth KRW 11 trillion won in September 2016 with the aim of stimulating the economy. The Bank of Korea has kept its benchmark interest rate at a record low of 1.25%, after cutting the rate several times following government pressure.

Over the course of her administration, Park sought to reduce the "cancer of red tape," through streamlining regulation primarily within the business sector. Other measures included housing-market deregulation aimed at revitalizing the housing market and stimulating growth. These policies included a relaxation of loan-to-value and debt-to-income ratios; however, critics warned that aggressive policies designed to prop up the anemic housing market could exacerbate a real-estate bubble as well as the country's heavy household-debt burden.

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Labor Markets

Labor Market
 Policy
 Score: 7

Labor-market policies successfully kept the unemployment rate to 3.7% in 2014, and to 3.5% in 2015. In May 2016, the overall unemployment rate of 3.7% was the third-lowest such rate in the OECD. On the other hand, the youth-unemployment rate, reaching 9.7% in May 2016, was at its highest level since 1980 and was around 4 percentage points above the OECD average. Moreover, 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 cannot get regular jobs. The share of irregular workers as a proportion of all workers declined from 32.6% in June 2013 to 32.5% in October 2015. But the total number of irregular workers increased to 6.2 million due to an increase in older workers paid by the hour (as of November 2015). Thus, in terms of job quality, strategies against unemployment have shown little success.

Due to the problems of precarious employment, many unemployed individuals are discouraged from looking for jobs and eventually exit the labor market. Consequently, the overall employment rate of 66% in December 2015 remains below the OECD average due to low levels of employment among women and the ineffectiveness of government policies that target this problem. Park Geun-hye's administration addressed the problem of the low employment rate with a "roadmap to achieve an employment rate of 70% by 2017," announced in June 2013. It came close to achieving the roadmap's 2014 target employment rate of 65.6%. However, the youth employment rate (among those aged 19 to 29), declined to 56.8% in September 2014, falling below the senior employment rate (aged 60 to 64) of 57.2% for the first time.

A major change in country's labor-market policies was the introduction of the wage-peak system in 2015. The system guarantees employment among senior-age employees until retirement age, but with reduced wages. The system is not mandatory, but is encouraged by the government as part of a measure to increase job availability for youth. In January 2016, the Ministry of Employment and Labor released the final version of employment guidelines

that allow companies to lay off underperforming workers, drawing vehement opposition from workers.

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Taxes

Tax Policy
Score: 7

The South Korean tax system is fairly effective in generating sufficient public revenues without weakening the competitive position of the national economy. South Korea has one of the lowest tax rates in the OECD (as of 2014, tax revenues totaled about 25% of GDP). Taxes on businesses are relatively high compared to personal income taxes, and do reduce overall competitiveness. However, the corporate tax rate is relatively low compared to the OECD average. Tax instruments are used to nurture foreign direct investment, research and development, and human resource development. Equity is the system's primary weakness.

As of the time of writing, the government was preparing revisions of the tax law for 2017. However, debate regarding where taxes should be raised was intensifying. Some opposition-party lawmakers submitted tax-code revision bills in 2016 aimed at raising the corporate-tax rate from 22% to 25%. The corporate-tax rate was cut from its previous level of 25% during President Lee Myung-bak's administration. Noting that the tax cut has not had the desired effect on the economy, opposition-party members said the hike would increase the government's tax income by around 3 trillion won, which would help defray snowballing welfare-system costs. However, the government and the ruling Saenuri Party, lobbied by the large conglomerates, elected not to include a corporate tax hike in the tax code revision that was announced in July 2016. The center of the current debate is the question of who should shoulder income-tax burdens, as too many workers are currently exempt from taxes. According to government statistics, 48% of workers pay no income taxes, up from 32% in 2012. This dramatic rise followed a tax revision aimed at lessening the burden on the working class, but could in turn shrink the middle class by increasing this latter group's tax burden. As contrast, just 15.8% of the working population in Japan and 19.8% in Germany are exempt from paying taxes.

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Budgets

Budgetary Policy
Score: 7

South Korea’s national budgetary policies remain sound. South Korea continues to have one of the lowest levels of public debt and public expenditure among OECD countries, despite an increase in fiscal debt under the Lee Myung-bak and Park Geun-hye administrations. The ratio of public debt to GDP in 2014 was a relatively low 36%, but gradually increased to 40.1% in 2016. Previously known for extremely conservative fiscal policies, the Korean government has been much more pragmatic since the world economic crisis of 2008/09, when South Korea implemented some of the largest fiscal-stimulus packages in the OECD. Moreover, low overall government expenditure and tax rates leave considerable room for the government to take a more active role, for example by increasing spending for social security and education, both critical areas in addressing the problem of an aging society.

At the local level, budgetary problems have become more common due to the prevalence of prestige construction projects lacking substantial economic benefits. As local-government debt levels increased, the Park Geun-hye administration proposed the introduction of a bankruptcy system for debt-ridden local governments, which would hold them responsible for fiscal deficits and force them to cut their debt. Moreover, local governments such as Seongnam City and Seoul City have recently discretionally expanded their welfare budgets to include youth residing in the cities by providing so-called youth dividends or benefits. In 2015, Seongnam City was the first to adopt a policy of subsidizing young adults’ living expenses and job-training fees in the form of gift certificates usable in Seongnam. In 2016, the Seoul Metropolitan Government started providing monthly activity subsidies of \$440 in cash to youth selected through applications. The central government and the ruling party have consistently opposed both welfare programs, asserting that they were a waste of tax money and were politically motivated. The central government revised the Local Subsidy Act to slash the budget for Seongnam

City in December 2015, seeking to put the brakes on the municipality's welfare programs. Seoul's subsidy program was later suspended, though the city has filed a lawsuit with the Supreme Court seeking to reverse the Welfare Ministry's decision to stop the program.

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Research and Innovation

R&I Policy
Score: 9

The South Korean government invests heavily in research and development (R&D), particularly in fields which can be directly commercialized. Public spending on research has substantially increased in recent years, totaling almost 1% of GDP in 2014 – the second-highest such level in the OECD. The Park Geun-hye's Creative Economy initiative is a good example of this trend. The newly formed Ministry of Science, ICT and Future Planning will spend a total of KRW 8.5 trillion (.1 billion) over the next five years to promote R&D in the information- and communications-technology (ICT) sector, a key target sector for the creative economy. However, the ever-increasing dominance of large business conglomerates (chaebol) impedes the rise of small and medium-sized enterprises (SMEs) and start-ups, which are often the source of new innovations (as opposed to incremental ones). Other weaknesses include a lack of high-quality basic research, which is difficult to commercialize in the short run but might facilitate scientific breakthroughs in the long run. In recent years, there has been an increasing focus on applied (natural) sciences, while basic research and the social sciences have taken a back seat. This is troubling because most observers would agree that basic and social-science research is already trailing in international comparison. South Korea has experienced a steady increase in the annual number of published scientific articles and patents, although the catching-up process remains slow. Despite the very substantial government expenditure on R&D, the country needs to overhaul its R&D systems across the corporate, public and academic sectors, going beyond the strategy of seeking to catch up with advanced economies in key manufacturing sectors.

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Stabilizing
Global Financial
Markets
Score: 5

South Korea is a member of the G-20, and was also one of the biggest winners in the 2010 IMF and World Bank voting-process reform. However, South Korea has to date played only a very minor role in shaping the global financial architecture. Instead it has largely used self-help policies such as the accumulation of currency reserves, currency management and capital controls to protect itself from global financial volatility. In addition, South Korea has held bilateral negotiations on currency-swap agreements with the United States, Japan and China, for example. While South Korea follows international banking-regulation standards such as the Basel capital-adequacy requirements, it has played little part in advancing them internationally. The Park Geun-hye administration demonstrated little interest in playing a global role; instead, it refocused on traditional Korean priorities relating to North Korea and the four major regional powers of China, Japan, Russia and the United States. For example, the administration suspended the process of privatizing the Korea Development Bank (KDB), and instead decided that the institution should revert to its original policy-finance-centered mission.

II. Social Policies**Education**

Education Policy
Score: 8

South Korea's education system is very hotly debated, and education policies are an important priority for the government. On the positive side, PISA test results are good and tertiary enrolment rates are high. In 2013, 5.9% of GDP was spent on education institutions, compared to an OECD average of 5.2%. South Korea's rankings in international student-assessment tests in 2015 PISA slipped slightly as compared to three years previously, though it still remains among the top eight countries with regard to OECD members. However, private funding makes up 36% of total national education expenditures the second-largest such share among OECD and partner countries. For this reason, much of the success of Korean education can be attributed to parents'

willingness to pay for education rather than to public policies per se. Almost all parties involved in the higher-education sector agree that a change in the South Korean system is both necessary and a high priority. There are many complaints about the focus on “cramming,” the curriculum content, and the teaching styles at South Korean schools and universities. University entrance exams are a particularly controversial issue. While they have played an important role in allowing relatively equitable access to top universities, they are seen as a major cause of a lack of creativity as well as weak analytical and discussion skills. Many attempts at education reform have been made, but cramming and rote learning are still favored over analytic skills, discussion and creativity. Social and cultural templates based on school ties are also hampering educational reform in a fundamental way. The high share (6.5% as of 2015) of Korean students among the foreign-student population in U.S. universities remains controversial in Korea. The Park administration’s recent policy to introduce “a single government-written history book system” could potentially undermine the liberal educational environment intended to cultivate creativity and democratic ideas. While the single government-issued history textbook was scheduled to be introduced in middle and high schools from 2017 onwards, it seems likely that President Moon Jae-in, a former human rights lawyer and chief of staff to liberal President Roh Moo-hyun (2003-2008) will attempt to reverse this policy.

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Social Inclusion

Social Inclusion
Policy
Score: 6

While still smaller than the OECD average, the gap between rich and poor has widened significantly in the past 15 years, and continued to do so during the assessment period. Criticism of the government’s lack of action on this issue is growing in strength. The South Korean tax and welfare system is not designed to reduce inequality, while its capacity to prevent poverty is very limited given the extremely low level of social transfer payments. These small payments force unemployed individuals to accept any job offer, even if wages are much lower than in their previous employment. This explains why South Korea has the highest share of working poor in the OECD. The welfare system also depends on family-based security, in which parents are willing to support their children even after completion of a university degree. Young people in particular still suffer from social exclusion. Gender equality is also still far below the OECD average.

In South Korea's increasingly money- and consumption-oriented society, poverty is becoming a source of shame, which might partly explain the low levels of life satisfaction. Relative poverty, particularly among the elderly, remains a serious problem, and suicide rates particularly for the 60-plus generation are among the highest in the world. Although the Park Geun-hye government promised to improve the welfare system particularly for the elderly, it experienced difficulties in implementing her ambitious goals, and was forced to backtrack on a key election promise of introducing a general monthly pension of KRW 200,000 (6) for citizens over 65 regardless of income level.

The recent massive influx of North Korean defectors has raised potentially troublesome issues of integration into South Korea's workforce. Available data on the work integration of North Korean defectors reveals this group's marginalization within the primary labor market, with other indicators also showing poor labor-force integration. There has been some improvement in terms of embracing multicultural families and illegal-immigrant workers, but South Korea has a long way to go before becoming a genuinely inclusive society.

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Health

Health Policy
Score: 8

South Korea has a high-quality and inclusive medical system, and experienced the highest increase in life expectancy among OECD countries – an increase of 27 years, to 79.8 years – between 1960 and 2008. Preventive health checks have a high priority and are covered by insurance. Health spending per person has increased significantly since 2000, but total expenditure on health care still totaled just 6.9% of GDP in 2015, below the OECD average of 8.9%. The public sector provides slightly more than half of all health care funding. The universal health insurance system has relatively low premiums but high co-payments. South Koreans can freely choose doctors, including private practitioners, but coverage for medical procedures is less comprehensive than in most European countries. Out-of-pocket payments account for 32% of all health expenditure. High co-payments have the problematic effect that access to medical services depends on personal wealth. However, the Park government has gradually expanded the medical-insurance system to cover some rare diseases.

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Families

Family Policy
Score: 5

Along with Japan, South Korea has the lowest fertility rate in the OECD. The government has not been very effective in enabling women to combine parenting with participation in the labor market, which helps explain the low labor-market participation rate. The traditional Confucian family values that view women as mothers and housewives remain influential. High housing prices, high child-care and education costs, and precarious job and wage conditions are the most important factors in young couples' decisions not to have children. Cultural and socioeconomic factors such as a gender pay gap of 36.6%, the highest among OECD countries, as well as pervasive social immobility, discourage women from entering or reentering the workforce. As a result, while college graduates are split fairly evenly between men and women, the employment rate for female graduates is lower than for male graduates. Furthermore, South Korea is the only country in the OECD where the employment rate of female college graduates is lower than that of women with no more than compulsory education.

In recent years, the government has been alarmed by the dramatic drop in fertility, and has introduced or considered various policies seeking to help women combine work and parenting. However, most policies adopted have to date proven to be inadequate or ineffective. There have also been more controversial reactions to the low fertility rate. For example, the government has started cracking down on abortions, which are illegal in South Korea but had been tolerated since the 1970s as a means of reducing the birth rate.

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Pensions

Pension Policy
Score: 6

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

Old-age poverty is a major problem in South Korea as pensions are small, and most elderly people today lack coverage under a national pension system that did not cover a large share of the workforce until its expansion in 1999. The government has also failed to enforce mandatory participation in the system, while many employers fail to register their employees for participation. Furthermore, most irregular workers and self-employed are not covered by the system. Beginning in 2016, the government made it mandatory for businesses with 300 or more employees to provide retirement pensions to their employees. This requirement will gradually be extended to all businesses by 2022. The Park Geun-hye administration also introduced a general basic pension of KRW 200,000, although the controversy over raising taxes forced the government to scale back from 100% coverage to a coverage of 70% of lower-income pensioners.

The national pension system is currently fiscally sustainable and needs only small subsidies. However, given the risks involved in pension funds, it is not clear what level of subsidies the fund will require once those who entered into the system since 1999 retire. Growing concerns about the long-term financial sustainability of the pension fund led to a drastic reform in 2007. The earnings replacement rate was reduced from 60% to 50% in 2008 and will be further reduced to 40% by 2028.

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. Faced with the increasing fiscal burden of relatively generous civil servant pension schemes, the Park Geun-hye administration pushed ahead with reform of the government-employee pension plan, increasing the pension age over time from 60 to 65 and reducing pension benefits. In a 2016 global pension index evaluating the quality and sustainability of pension systems, the Korean pension system along with those of China and Japan was given a D grade, indicating major weaknesses.

South Korea's pension funds are vulnerable to government interference. Their degree of profitability is also low due to poor management. Another problem

relates to the lack of proper monitoring and accountability for fund investments. Observers have also expressed concern regarding a lack of transparency in decision-making processes, which could result in significant losses. The professionalism and independence of the National Pension Service's management have additionally been subject to ongoing criticism.

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Integration

Integration Policy
 Score: 5

Since the 1990s, South Korea's migration patterns have shifted substantially, from net emigration to a substantial inflow of foreign employees and residents. In 2016, the total number of foreign nationals in South Korea reached 2 million. Most migrants come from China, with Vietnam, the United States, Uzbekistan and Cambodia also contributing significantly.

The government has been trying to support the integration of immigrants and foreign-born residents. In August 2005, the parliament passed the Public Official Election Act, which enables foreign residents to vote in local elections. In recent years South Korea has made it easier for migrants to receive permanent resident status and even citizenship, particularly for highly skilled migrants. In April 2010, the South Korean parliament also passed a law that allows dual citizenship. In 2012, Jasmin Lee of the Saenuri Party became the first naturalized member of the South Korean parliament.

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

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
http://www.index.go.kr/potal/main/EachDtlPageDetail.do?idx_cd=2820
 “Number of foreigners in S. Korea tops 2 mln,” Yonhap News, July 27, 2016
<http://english.yonhapnews.co.kr/national/2016/07/27/0302000000AEN20160727003800315.html>

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. Petty crimes such as theft or pick-pocketing are much less common than in almost any other OECD country. The rate of violent crimes such as homicide is one of the lowest in the world: In 2014, it stood at 0.7 cases per 100,000 people (according to United Nations Office on Drugs and Crime statistics). There is no known terrorist activity in South Korea. However, the spread of financial scams (“phishing”) and cyber-crime, whose perpetrators take advantage of South Korea’s excellent broadband infrastructure and lax online-security measures, is a major concern that has not yet been effectively addressed. The lax enforcement of traffic laws remains another issue, as South Korea has the second highest ratio of road fatalities among OECD countries, with 14.1 deaths per 100,000. Every year 6,800 people die in road-traffic accidents. Respect for and trust in the police is generally low. While an earthquake in Gyeongju in September 2016 resulted in no casualties, it reinforced worries that the government has failed to improve its disaster- and accident-response policies since the Sewol Ferry catastrophe in 2014.

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

Global Inequalities

Global Social
 Policy
 Score: 6

South Korea has established itself as a new donor in the field of development cooperation and was admitted to the OECD Development Assistance Committee (OECD-DAC) in 2010. It put development on the 2010 G-20 agenda and hosted the OECD High Level Forum on Aid Effectiveness in 2011. South Korea has massively increased its official development aid. However, the level of overseas direct aid remains low at 0.14% of gross national income (GNI) reflecting Korea’s role as a latecomer in this field. The quality of South Korean aid also remains relatively low. Untied aid is preferred by the OECD-DAC for the least developed countries but actually declined from 37% in 2009 to 27% in 2010. This is much less than the OECD average of 88%. Another weakness is the focus on bilateral as opposed to multilateral aid. For the past several years, Iraq and Afghanistan received the largest amounts of Korean official development assistance (ODA), in part due

to U.S. pressure. South Korea has recently played a stronger role in agenda-setting and overseas development assistance, but top priority is afforded to economic rather than social issues (e.g., human-rights issues). The Park government pointed to the New Village Movement (Saemaul Undong; a rural-development program adopted by Park Chung Hee in the 1970s under Korea's authoritarian regime) as a model for international development-cooperation policy; however, this proved controversial. The applicability of the Saemaul Undong model is usually determined based on local conditions within the recipient country. For this decision to be made, recipient countries' political and social conditions must first be researched and analyzed in order that a flexible and appropriate program of aid can be developed.

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

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

III. Environmental Policies

Environment

Environmental
Policy
Score: 5

South Korea remains a growth-first society. Environmental policies are currently insufficient to protect the environment or preserve the sustainability of resources. Environmental problems are very serious, particularly with regard to air quality. In the 2016 Yale Environmental Performance Index, Korea was ranked 80th out of 180 countries overall, falling to just 173rd place in terms of air quality. About half of the most problematic fine airborne dust comes from the industries of coastal China; however, Korea itself could also do a better job with respect to reducing harmful emissions. For example, the share of energy production accounted for by renewables is the second-lowest in the OECD.

In the OECD's 2016 Better Life Index, South Korea was ranked at 38th on the air pollution indicator, last among the countries included. Indeed, South Korea is expected to experience the most severe consequences from this issue among OECD member countries. Air pollution is expected to ease off in the future for most other OECD member countries, but forecasts for Korea are less positive. By 2060, South Korea is expected to be the only OECD member to have

premature deaths exceeding 1,000 per million citizens related to this issue. The economic cost by this time is forecast to reach 0.63% of its gross domestic product (GDP), the highest level among OECD member countries.

Park Geun-hye's administration distanced itself from the "green growth" agenda of her predecessor (which in truth was more focused on growth than on environmental protection). However, it did not present an alternative environmental-policy agenda. Facing pressure from domestic and U.S. car makers, Park's administration delayed the onset of a proposed tax on vehicle carbon emissions until 2020. An emissions-trading scheme launched in 2015, but has not been broadly effective. South Korea is one of the few countries in the world that still plans to expand its nuclear-power generation capacity despite the 2011 Fukushima catastrophe. As in other countries, the storage of nuclear waste remains a major unsolved problem.

The quality of public transportation [improving, and the country also has a high recycling rate. However, conservation efforts are stalling in many other areas. For example, priority is still given to cars, many buildings are poorly insulated and energy use continues to be subsidized. On the positive side, Korea has a progressive electricity-fee system under which households consuming more have to pay a higher rate. However, while this system seems to provide a strong incentive to reduce electricity consumption, it applies only to private households, and not to businesses, thus limiting its environmental impact.

"What happened to green growth?, The Korea Times, July 17, 2013

"S.Korea increases emissions cap in proposed carbon trading scheme," Reuters, Sep 11, 2014

Hyeonjung Choi, "Mission Impossible: Breathing Clean Air in South Korea" EAF Policy Debates, No.54 (July 19, 2016).on

Global Environmental Protection

South Korea ratified the Paris Agreement of 2015 on 3 November 2016. However, the South Korean government does host two important international environmental organizations. The Global Green Growth Institute (GGGI) supports the efforts of developing countries to design environmentally friendly policies, and the Green Climate Fund (GCF) was established in 2012 to fund these activities. Though the two organizations have shown many signs of faltering, Korea's initiative and cooperative efforts within the global environmental-protection regime are very significant.

Korea Times, Korea to reduce greenhouse gas emissions 37% by 2030, Jun 30, 2015

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. Candidates can be nominated by political parties or by registered electors. Civil servants are not allowed to run for elected offices and have to resign if they wish to become a candidate. Deposit requirements for persons applying as candidates are relatively high, as are ages of eligibility for office.

Although the National Security Law allows state authorities to block registration of so-called left-wing or pro-North Korean parties and candidates, there is no evidence that this had a real impact in the 2016 parliamentary election or the presidential election of 2012. However, in mid-December 2014, the constitutional court ruled in a controversial decision that the Unified Progressive Party had undermined democracy and worked toward the achievement of North Korean-style socialism. The party, founded in late 2011, had five lawmakers, all of whom were deprived of their parliamentary seats. This was the first time a political party had been dissolved by a court or government order since 1958.

Citation:

Bertelsmann Transformation Index 2010, Bertelsmann Foundation, www.bertelsmann-transformation-index.

Public Officials Election Act, Act No. 9974, Jan. 25, 2010 Freedom House, Freedom in the World 2009, New York: Freedom House

The Guardian 2014. South Korea court orders breakup of 'pro-North' leftwing party. Dissolution of Unified Progressive party raises questions of South's commitment to democracy, 19 December 2014, <http://www.theguardian.com/world/2014/dec/19/south-korea-lefwing-unified-progressive-party-pro-north>

Media Access
Score: 6

Candidates' access to the media depends on the type of media. The print media remains dominated by three big conservative newspapers with a clear political bias. However, there are smaller newspapers that support the opposition. Access to TV and radio is more even-handed, although government intervention has increased since the Lee Myung-bak administration. Under President Park Geun-hye, the Blue House exerted strong pressure on the country's major broadcast networks to appoint political supporters of the

president as CEOs, and employed high-ranking network hosts or journalists as Blue House spokespeople. Despite candidates' generally fair access to the media, these political pressures could hamper fair and free communication and distort public opinion.

Blogging and social networks have played an important role in South Korean politics and in the country's broader internet culture in recent years. The immensely controversial National Security Law also applies to online media. Nevertheless, South Korean society is one of the world's most internet-focused 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 sought to block accounts or fine online users for online comments critical of the government or the ruling party. However, some of these fines have been overturned by court decisions. Recently, the use of social-media bots to influence online discussions has become a matter of concern.

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

Citation:

"Do you know the dismissed journalists?" Journalists Association of Korea, January 20, 2016. (in Korean)
<http://www.journalist.or.kr/news/article.html?no=38319>

Voting and
Registrations
Rights
Score: 9

All adult citizens 19 years old 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, ensuring that all citizens are able to vote. Citizens who are currently serving prison time, have violated election laws or committed specified crimes while holding a public office are excluded from this right. Since 2009, overseas citizens aged 19 or older have been able to vote in presidential elections and in National Assembly general elections. Overseas citizens are defined as Korean citizens resident in foreign countries

in which they are permanent residents or short-term visitors.

In 2014, the Constitutional Court of Korea mandated that electoral districts of considerably different size must be redrawn. According to the court's ruling, the differences in electoral districts' populations should not exceed a ratio of 2:1. In February 2016, the ruling and opposition parties agreed to redraw the constituency map so as to include 253 single-member constituencies, an increase from the previous 246 out of the 300 National Assembly seats.

Two other major proposals were still pending as of the close of the review period: One would reduce the voting age from 19 to 18, while the other would extend the close of voting hours from 6:00 p.m. to 8:00 p.m. on election days. These two changes are intended to increase participation in national elections.

Citation:

National Election Commission, Right to Vote and Eligibility for Election, http://www.nec.go.kr/nec_2009/english/ National Election Commission, NEWS No.7

"Rival parties agree to new map," Korea Joong Ang Daily, 24 February 2016.

<http://koreajoongangdaily.joins.com/news/article/article.aspx?aid=3015438>

Party Financing
Score: 5

Party and campaign financing is a controversial topic in South Korea. Due to the low rate of fee-paying membership in political parties (on average less than 0.1% of party members), candidates in elections have to spend huge amounts of money to hire supporters and place advertisements. Parties receive public subsidies according to their share of the vote in the most recent previous election. However, a larger share of campaign financing comes from private donations. Today, many election candidates raise funds in the form of special investments, rather than as donations. A system encouraging people to report illegal electoral practices, introduced in 2004, has played a positive role in reducing illegal campaign financing. Although election laws strictly regulate political contributions, efforts to make the political funding process more transparent have had only limited success. Many violations of the political funding law emerge after almost every election, and many elected officials or parliamentarians have lost their offices or seats due to violations. For example, as of the time of writing, 40 candidates elected in the 13 April 2016 parliamentary elections were being investigated for election-related offenses, with 10 individuals alleged to have made illegal donations.

The heavy penalties associated with breaking the political financing law have had limited effect on politicians' actual behavior. Moreover, breaking the election law carries little stigma. After the 2016 general election, presidential hopeful Ahn Cheol-soo resigned as co-leader of the People's Party following a scandal in which three party members had allegedly demanded a total of KRW 216 million (1,000) as "rebates" from two advertising companies, and received reimbursements from the National Election Commission for more money than the party had spent by reporting expenditures as election expenses. As of the time of writing, this corruption allegation was still being investigated by prosecutors.

Popular Decision-
Making
Score: 5

Citation:

“People’s Party lawmaker appears for questioning over rebate allegation,” The Korea Herald, 23 June 2016.
<http://www.koreaherald.com/view.php?ud=20160623000719>

“People’s Party falls into crisis as Ahn resigns,” The Korea Times, 29 June 2016.
http://www.koreatimes.co.kr/www/news/nation/2016/08/116_208219.html

Citizen referendums can be conducted at the local and provincial levels, and require support of at least 5% to 20% of voters to be called, and a turnout of at least 33% to be valid. Results are not legally binding. To date there have been six referendums. At the national level, only the president can call a referendum (Article 72 of the constitution). Since 2006, there have been several binding recall votes at the local level. However, the rate of success is very low. Recently, citizens of Gyeongsang province sought to recall provincial Governor Hong Joon-pyo for ending a free school meal program and shutting down the Jinju Medical Center in 2015. Recalling a governor requires the signatures of some 267,000 residents, or 10% of eligible voters in the province. In this case, the effort turned out to be 8,000 signatures short. Many observers have criticized the provisions of the recall law, noting that only two of 81 recall attempts have been successful since 2007.

Citation:

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

“Fail on recall Governor Hong caused by the institution,” Oh My News October 28, 2016 (in Korean)
http://www.ohmynews.com/NWS_Web/View/at_pg.aspx?CNTN_CD=A0002255460

Access to Information

Media Freedom
Score: 4

In Reporters Without Borders’ 2016 Press Freedom Index, South Korea was ranked 70th out of 179 countries, falling 10 places from 2015 and 13 places from the 2014 ranking. South Korea also remains on the list of “countries under surveillance” for internet censorship. Defamation suits are often filed as a means of preventing critical reporting. In the first half of 2016, the Korea Communications Standards Commission (KCSC), an official body responsible for monitoring online content, requested that a total of 75,591 cases be rectified, continuing a gradual increase since 2013. Specifically, 14,152 webpages were deleted and another 55,688 blocked at the KCSC’s request.

In May 2014, a former editor-in-chief of the Korean Broadcasting System (KBS) caused turmoil by exposing the presidential office’s attempts to influence the station’s news reporting. He alleged that the Blue House demanded uncritical coverage of the Sewol ferry disaster. To protest against the presidential office’s control of the media, KBS staff members went on strike, and 5,623 media workers issued a statement expressing their regret for how they reported the Sewol ferry disaster, and apologizing for having failed

to resist government-agency pressure. On 9 July 2015, the Supreme Court of Korea decided that it had been illegal for MBC to fire correspondent Lee Sang Ho for his critical coverage of the Sewol ferry incident. On 22 September 2016, the Citizens Coalition on Democratic Media criticized major media organizations including KBS, MBC and SBS for mechanically reflecting the Blue House's position on allegations that close acquaintances of President Park had been involved in the establishment and management of the Mir Foundation and the K-Sports Foundation.

Citation:

"Government takes control of textbooks," Korea Joong Ang Daily, November 4th, 2015
 "South Korea's media Reporters complain of being muzzled," The Economist, 3rd of March 2012
 Reporters without Borders, Report South Korea, <https://rsf.org/en/south-korea>
 Freedom House, Freedom of the Press Report 2013, <http://www.freedomhouse.org/report/freedom-press/2013/south-korea>
 Freedom House, Freedom on the Net 2013, <http://www.freedomhouse.org/report/freedom-net/2013/south-korea>
 Freedom of the Press 2015, <https://freedomhouse.org/report/freedom-press/2015/south-korea>
 "South Korean Court Rejects Online Name Verification Law," New York Times, 23 August 2012
 SOUTH KOREA: We want the truth of the Sewol Ferry Tragedy, Asian Human Rights Commission, Aug 22, 2014
<http://www.humanrights.asia/news/forwarded-news/AHRC-FST-063-2014>
 "Japanese journalist to be prosecuted in South Korea," The Economist, Oct 10, 2014
 "Insult to injury," The Economist, Oct 18, 2014
 Stephan Haggard & Jong-Sung You (2014): Freedom of Expression in South Korea, Journal of Contemporary Asia, DOI: 10.1080/00472336.2014.947310
 "Voldemort for KBS? The way to cover the allegations on the Mir Foundation without mentioning Choi Soon-sil," Media Today, September 26, 2016. (in Korean)
http://www.mediatoday.co.kr/?mod=news&act=articleView&idxno=132309&sc_code=&page=2&total=58
 "The end of medias causing King's wrath," Media Today, October 2, 2016. (in Korean)
<http://www.mediatoday.co.kr/?mod=news&act=articleView&idxno=132442>

Media Pluralism
 Score: 5

Despite some weak points, South Korea is one of few countries in East Asia with substantial media pluralism. Its quality, however, depends on the type of media. The print media is dominated by three major newspapers: Chosun Ilbo, Dong-a Ilbo and Joong Ang Ilbo. Although the combined market share of these three outlets is declining, it remained at about 65% in 2014, according to the Korea Press Foundation. 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. There is more pluralism in the broadcasting sector due to the mix of public and private media. However, the diversity of political opinions in this arena is threatened by government influence over broadcasters' personnel policies. In December 2011, in a controversial change of rules, the major newspapers were allowed to start their own cable-TV channels. Channel A was founded by Dong-A Ilbo, TV Chosun by Chosun Ilbo, jTBC by JoongAng Ilbo and MBN by Maeil Business Newspaper. It is still not clear how the new cable channels will affect media plurality, but there is concern that the concentration within the newspaper sector will spread to the TV sector as well. These cable TV

channels are heavily influenced by the government in terms of reapproval examinations. Moreover, newspapers and TV are losing importance as a source of information, particularly among the younger generations. Among these consumers, internet sources such as NewsTapa, GoBal News and AfreecaTV have become increasingly important sources of information. NewsTapa, launched by a former journalist forcibly dismissed for political reasons during the Lee Myung-bak administration, is the only Korean member of the International Consortium of Investigative Journalists. It has gradually been gaining popularity by reporting on issues ignored by the mainstream media. Its reports have also increasingly been cited by the mainstream media.

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

Kim, Eun-Gyoo. Dynamic Practices and Their Potential for the Alternative Public Sphere in Korea, in *The Routledge Companion to Alternative and Community Media* edited by Atton, Chris, 2015, p. 264.

Access to
Government.
Information
Score: 6

The Act on Disclosure of Information by Public Agencies regulates access to government information. It 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 interpreted very broadly.

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 March 2016, a local court ruled that the government’s decision not to disclose reports made to President Park Geun-hye on the day of a deadly ferry disaster in 2014 was legitimate. However, it ordered the list of documents created and received by the presidential office to be disclosed, saying that the presidential secretariat did not comply with the court’s request to access certain information for the hearings. More generally, President Park’s nondemocratic leadership style had a negative impact on policy implementation.

The Park Geun-hye government pledged to disclose a broad range of information in areas that had previously been off limits. Ultimately, the administration nearly quadrupled the share of total administrative-data source documents available in areas such as transport, climate, finance and welfare,

with the release rate rising from 16% (2013) to 60% (2016). However, there has also been criticism in this area, though a new public-data law was enacted in July 2013, and an Open Data Mediation Committee was created to help the public when the government or quasi-public agencies refuse to provide data or suspend access. For example, public data that overlaps between different departments is not provided in a comprehensive way. Moreover, despite the increased quantity of public data, data quality can still be problematic. The Open Data Barometer ranked Korea quite highly in 2015, at 8th place out of 92 countries; however, its score on the issue of impact was only 58, indicating the limited impact of the disclosures.

Citation:

“Government 3.0, actually it is closed,” Sisa Press, October 30, 2014. (in Korean)
<http://www.sisapress.com/journal/article/140309>

Open Data Barometer, World Wide Web Foundation

http://opendatabarometer.org/data-explorer/?_year=2015&indicator=ODB&lang=en&open=KOR

Civil Rights and Political Liberties

Civil Rights
 Score: 5

Basic civil rights are protected by the constitution. Despite the establishment of the Human Rights Commission in 2001 and the relatively effective performance of courts in protecting civil rights, many problems remain. Indeed, observers tend to agree that human- and civil-rights conditions have deteriorated since 2008. Serious issues include the inadequate rights accorded to migrant workers, the widespread physical abuse of sex workers and the imprisonment of conscientious objectors, more than 600 of whom were imprisoned in 2015.

Violent cases of abuse in the military are increasingly a topic of public discussion. The National Human Rights Commission of Korea has recommended that the military create an ombudsman, but the proposal has met with opposition within the military, which has argued that any such procedure might interfere with military authority. Recently, several people indicted in 2013 on suspicion of being North Korean spies were determined to be innocent, and the charges are today regarded as fabrications by the National Intelligence Service and the Prosecutor’s Office.

During the period under review, police overreaction to demonstrations became an important topic. In September 2016, 69-year-old political activist Baek Nam-gi died in the hospital after being knocked into a coma by a police-wielded water cannon on 14 November 2015. Baek had been protesting against the South Korean government’s agricultural policies.

Citation:

AI - Amnesty International: Amnesty International Report 2014/15 - The State of the World's Human Rights - South Korea, 25 February 2015 (available at ecoi.net)

http://www.ecoi.net/local_link/297359/419715_en.html (accessed 15 May 2016)

Amnesty International, Report on South Korea 2013, <http://www.amnestyusa.org/research/reports/annual-report-south-korea-2013>

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

Seoul News, Toward the Military that can be trusted, <http://www.seoul.co.kr/news/newsView.php?id=20151026010003>

Amnesty International Report 2014/2015, <https://www.amnesty.org/en/documents/pol10/0001/2015/en/>
Amnesty International Report 2015/2016

<https://www.amnesty.org/en/documents/pol10/2552/2016/en/>

"After South Korean farmer's death, family continues fight for justice," Amnesty International Korea, 27 September 2016.

<https://www.amnesty.org/en/latest/campaigns/2016/09/after-south-korean-farmers-death-family-continues-fight-for-justice/>

Freedom on the Net 2016, <https://freedomhouse.org/report/freedom-net/freedom-net-2016>

Political Liberties

Score: 4

Political liberties are protected by the constitution, but infringements do take place. The freedoms of opinion and of the press are constitutionally guaranteed, and freedom of association and assembly are respected in principle. Yet recent illiberal trends have raised major concerns. In November 2013 the government filed a claim with the Constitutional Court to dissolve the United Progressive Party (UPP). In December 2014, the Constitutional Court acceded to the government's request. In February 2014, UPP lawmaker Lee Seok-ki was found guilty of plotting an armed uprising in support of North Korea in the event of a war on the Korean Peninsula, and was sentenced to 12 years in prison. In January 2015, the Korean Supreme Court reduced the sentence to nine years for "instigating plots to topple the government in the case of war with North Korea," but cleared him of charges of conspiracy, citing insufficient evidence indicating that Lee and others in fact planned an insurrection. As of the close of the review period in 2016, Lee was still in prison. His former colleagues called for his release at the party convention of the newly established People's United Party. This group included two congressmen who were members of UPP, but who had recently been elected as independent candidates.

The freedom of association and collective action still faces major restrictions. Labor unions are allowed to operate in the private sector, but remain restricted in the public sector. Labor-union members are frequently imprisoned and fined for organizing "illegal strikes" or for "obstruction of business." In December 2013, in search of railway unionists, the police raided the headquarters of the Korean Confederation of Trade Unions (KCTU) without a search warrant. It was the first time authorities had been sent into the KCTU since it was legalized in 1999. In October 2013 the government announced that the Korean Teachers and Education Workers Union's (KTU) legal status was being revoked accusing it of violating the clause of the teachers' union law, which

bans dismissed and retired teachers from their union membership. In May 2015, the Constitutional Court confirmed the ban in an 8-1 decision, arguing that the decision to outlaw the teachers' union was constitutional and in January 2016, the Seoul High Court ruled in favor of the government's decision to outlaw the KTU, effectively removed the legal rights the group has enjoyed since September 2014, when the Seoul High Court issued an injunction to suspend the government's decision to outlaw the group.

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

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

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

"Railway strike threatens to become labor-government war," The Korea Herald, Dec 24, 2014

Jamie Doucette and Se-Woong Koo, Distorting Democracy: Politics by Public Security in Contemporary South Korea, The Asia-Pacific Journal, Vol. 11, Issue 48, No. 4, December 2, 2013, Updated February 20, 2014.

"Lee Seok-ki gets 9 years in prison:", Korea Times, January 22, 2015)

"Teachers' union in quandary," Korea Times, May 29, 2015

Amnesty International Report 2015/2016

<https://www.amnesty.org/en/documents/pol10/2552/2016/en/>

"At the People's United Party convention, people urged freeing Lee... resurgent of the UPP?" Yonhap News, August 14, 2016 (in Korean)

<http://www.yonhapnews.co.kr/bulletin/2016/08/14/0200000000AKR20160814049700001.HTML>

"Korean Appeals Court Upholds Ban on Korean Teachers' Union", 22 January 2016, <http://www.rokdrop.net/2016/01/korean-appeals-court-upholds-ban-on-korean-teachers-union/>

Non-discrimination
Score: 5

Discrimination remains a major problem in Korea, with the state failing to be sufficiently active in preventing it. Women remain underrepresented in almost all important fields in South Korea. The wage gap between men and women is greater than in any other OECD country, and discrimination against gays and lesbians remains widespread. Discrimination against irregular workers and migrant workers is also common, with many migrant workers still having to submit to an HIV test in order to obtain a work visa. The establishment of the National Human Rights Commission was an important step with regard to preventing discrimination, but this organization is not part of the executive branch and has no direct enforcement authority.

The enactment of the Disability Discrimination Act in April 2008 constituted another important step toward better protection against discrimination. In July 2015, a gender-equality act came into force. This is particularly intended to help working mothers.

The Park administration was strongly criticized for filling most top government positions with men from the traditionally conservative southeastern provinces, expressing the strong regionalism that characterizes Korean politics.

Citation:

UNDP, Human Development Report 2013, <http://www.undp.org/content/dam/undp/library/corporate/HDR/2013GlobalHDR/English/HDR2013%20Report%20English.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/english/publications/publications01_view.jsp

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

Rule of Law

Legal Certainty
Score: 6

There have been few changes in terms of legal certainty in the last year, and signs of both improvement and deterioration can be found. On the one hand, courts in Korea are highly professional and judges are well trained. On the other hand, the unpredictability of prosecutors’ activities remains a problem. Unlike judges, prosecutors are not independent and there have been cases when they have used their power to harass political opponents, even though independent courts later found the accusations groundless.

Informal decision-making procedures based on personal networks remain a problem with regard to the rule of law and the predictability of government decisions. For example, following the 2015 scandal in the Blue House involving President Park’s former aid Chung Yoon-hoi and her brother Park Ji-man, the administration was rocked by another major scandal involving Chung’s former wife Choi Soon-sil. In October 2016, it was revealed that Choi – a longtime friend of President Park – apparently wielded substantial influence over government affairs despite having no formal office. Although the degree of her influence was still not fully clear by the close of the review period, the scandal further undermined the administration’s credibility. The personalization of state affairs by an individual without any official credentials brought South Koreans to the streets to protest in large numbers, demanding that Park resign.

Citation:

Joong Ang Daily 9 April 2010

“South Korean Leader Says She Will Submit to Scandal Inquiry”, New York Times, Nov. 3, 2016

Sang-young Rhyu, “Catastrophe 2016 in South Korea: A Tale of Dynamic History and Resilient Democracy,” EAF Policy Debates, No.63, November 22, 2016.

Judicial Review
Score: 8

The South Korean judiciary is highly professionalized and fairly independent, though not totally free from governmental pressure. Under South Korea's version of centralized constitutional review, the Constitutional Court is the only body with the power to declare a legal norm unconstitutional. The Supreme Court, on the other hand, is responsible for reviewing ministerial and government decrees. However, in the past, there have been cases with little connection to ministerial or government decree in which the Supreme Court has also demanded the ability to rule on acts' constitutionality, hence interfering with the Constitutional Court's authority. This has contributed to legal battles between the Constitutional and Supreme courts on several occasions. On the whole, the Constitutional Court has become a very effective guardian of the constitution since its establishment in 1989. However, the personal political orientation of each constitutional justice has tended to influence his or her ruling more directly under the Park government. On a positive note, on 21 October 2015, the Constitutional Court ruled that the State Defamation Act in place from 1972 – 1988 had been unconstitutional, thus rehabilitating those prosecuted on the basis of that law under the military regime.

Citation:

Croissant, Aurel (2010) Provisions, Practices and Performances of Constitutional Review in Democratizing East Asia, in: *The Pacific Review* 23(5).

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.com/2010/02/south-korea-news-report-on.html>

“NIS director found guilty of interfering in politics, but avoids more jail time,” *The Hankyoreh*, Sep 12, 2014

The Guardian, <http://www.theguardian.com/world/2014/dec/19/south-korea-lefwing-unified-progressive-party-pro-north>, 19 December 2014

Appointment of
Justices
Score: 5

The appointment process for justices of the Constitutional Court generally guarantees the court's independence. Justices are exclusively appointed by different bodies without special majority requirements. Three of the nine justices are selected by the president, three by the National Assembly and three by the judiciary, while all nine are appointed by the president. By custom, the opposition nominates one of the three justices appointed by the National Assembly. The head of the court is chosen by the president with the consent of the National Assembly. Justices serve renewable terms of six years, with the exception of the chief justice. The process is formally transparent and adequately covered by public media, although judicial appointments do not receive significant public attention. Courts below the Supreme Court are staffed by the national judiciary. Judges throughout the system must pass a rigorous training course including a two-year program and two-year apprenticeship. The Judicial Research and Training Institute performs all

judicial training and only those who have passed the National Judicial Examination may receive appointments.

Citation:

Article 111 of the Korean Constitution

Croissant, Aurel (2010) Provisions, Practices and Performances of Constitutional Review in Democratizing East Asia, in: *The Pacific Review* 23(5).

Jongcheol Kim, *The Rule of Law and Democracy in South Korea: Ideal and Reality*, EAF Policy Debates, No.26, may 12, 2015

Corruption
Prevention
Score: 5

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

The year 2016 saw several major institutional improvements with regard to fighting corruption. In the aftermath of the April 2014 Sewol ferry disaster, in which collusion between public officials and private enterprises played a role, the National Assembly began drafting new legislation that would impose severe penalties for former government officials who took advantage of their public-sector networks for private gain through lobbying or other similar activities. This was passed in March 2015 as the Kim Young-ran Act, and came into effect in September 2016. Among other provisions, it bars public servants, journalists and teachers from accepting a meal worth more than KRW 30,000 (about €24) if there is a potential conflict of interest. In addition to the restrictions on meals, the law bars people in the targeted professions and their spouses — estimated to be 4 million people out of a total national population of 51 million — from accepting any gift worth more than KRW 50,000 if a conflict of interest could exist. Unfortunately lawmakers and politicians were excluded from the law’s provisions.

Despite these institutional improvements, a major corruption scandal undermined the Park administration during the review period, after it emerged that President Park’s longtime friend Choi Soon-sil had not simply wielded influence within the administration, but had also used her connection to the president to strong-arm companies into donating to two foundations (Mir and K-Sports). She was also accused of embezzling foundation money to buy a hotel in Germany, and of using her influence to get her daughter into a prestigious university in Seoul.

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 1

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

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

“Antigraft Law Stirs Up Wariness Over South Koreans Bearing Gifts,” *New York Times*, September 29, 2016.

http://www.nytimes.com/2016/09/30/world/asia/south-korea-bribery-law.html?_r=0

Governance

I. Executive Capacity

Strategic Capacity

Strategic
Planning
Score: 6

Strategic planning remains an important factor in South Korean governance. The office of the president includes a senior secretary and two secretaries for the President for State Affairs. Although the governing party lost its parliamentary majority in the 2016 parliamentary elections, the president retains wide-ranging competences that allow for long-term planning. However, President Park was often criticized for her staffing policies, as she left crucial positions in the administration open for a long time, and many of her choices failed to make it through the parliamentary vetting process or had to resign early. Unlike the previous Lee administration, which explicitly avowed a pragmatic pro-business and growth-oriented agenda, the Park Geun-hye administration shifted priorities toward achieving more general goals including “happiness for the people,” “economic democratization” and a “creative economy.” However, most of these goals, such as democratization of the economy, were later scrapped or remained vague. Many policy experts criticized Park’s capabilities, knowledge and communication style. On 30 October 2016, following the Choi Soon-sil scandal, a significant share of senior Blue House staffers resigned, presented a significant challenge to the president. This administrative vacuum further added to the concerns that Park would be a lame duck president for more than a year before the next scheduled presidential elections in December 2017.

Scholarly Advice
Score: 6

Nongovernmental academic experts have considerable influence on government decision-making. Beyond their work in commissions, scholars are often tapped to serve in government positions. Academic experts participate in diverse statutory advisory bodies established under the office of president and prime minister. Advisory commissions are usually dedicated to special issues of the president’s policy preferences. Many advisory commissions have been abolished after the change of government. The selection of scholars is often seen as too narrow and exclusive. The process of naming experts remains

highly politicized and expert-commission reports are utilized according to their political rather than their scholarly value. Scholars critical of government positions are often excluded and dismissed as “pro-North Korea leftists.” When the government announced in November 2015 that it would establish a commission to rewrite history textbooks, Prime Minister Hwang claimed that 99.9% of the country’s schools were using history textbooks with a pro-North bias. Most of the country’s history professors and history-related academic associations subsequently declined to participate in the creation of the government’s newly commissioned text books. Separately, a blacklist has been revealed with the names of those within the cultural industries who had been critical of the administration.

Citation:

“PM’s claims about “pro-North Korea” textbooks fall flat”, The Hankyoreh, November 4, 2015, http://english.hani.co.kr/arti/english_edition/e_national/715921.html

Interministerial Coordination

GO Expertise
Score: 8

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

Citation:

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 meetings as she wishes. In practice this competence is

limited only by the expertise of the Blue House and the relatively small size of the Blue House bureaucracy. Thus, the de facto ability to return issues depends on their political importance to the president.

Line Ministries
Score: 9

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

Cabinet
Committees
Score: 7

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

Ministerial
Bureaucracy
Score: 7

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

coordination and access to information by citizens.

In October 2013, the government enacted the 2013 Act on Promotion of the Provision and Use of Public Data. This opens a considerable body of government data to use by the public. The Ministry of the Interior (MOI) has taken charge of coordinating relevant policies, while the Open Data Center has been established inside the National Information Society Agency (NIA) to support implementation of open-government data (OGD) policies. In addition, chief OGD officers have been designated, and an Open Data Mediation Committee was created to expedite the opening of government data to the public. In 2016, the MOI was poised for a full-scale release of government data in 22 categories by the end of the year. In addition, the ministry had plans to ensure the quality of government data through the implementation of quality-control evaluation procedures. The government also planned to promote startup creation through its OGD policies by aiming to identify and open up new classes of government data that were highly relevant to citizens' daily lives, and by continuing to offer government support for OGD nationwide.

Citation:

"Korea's Government 3.0: the Beginning of Open Government Data," Korea IT Times, February 24, 2016
<http://www.koreaitimes.com/story/58369/koreas-government-30-beginning-open-government-data>

Informal
 Coordination
 Score: 8

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

Evidence-based Instruments

RIA Application
 Score: 8

There were no changes in regulatory impact assessment (RIA) policy in the period under review. RIA has been mandatory for all new regulations since 2005 and is applied to older regulations if they are strengthened in any way. RIAs assess proposals' socioeconomic impacts and provide cost-benefit analyses. They mention the purpose and need for regulation, but focus on cost-benefit analysis of the proposal. RIAs are focused on a cost-benefit analysis of

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

During her term in office, President Park announced a three-year economic-innovation plan that stressed deregulation as a key strategy. She frequently expressed her determination to implement a drastic regulatory reform, calling unnecessary regulations “an enemy that must be crushed” and “a tumor that needs to be removed.”

Citation:

OECD Regulatory Policy Outlook 2015, Country profile Korea, www.oecd.org/publications/oecd-regulatory-policy-outlook-2015-9789264238770-en.htm

Quality of RIA
Process
Score: 6

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

Citation:

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 policy-implementation sustainability in South Korea is regulated by the 2007 Sustainability Development Act, and overseen by the Presidential Commission on Sustainable Development. Its goal is to implement, promote, share, educate, network, monitor and make policy proposals on sustainable development. The three main tasks under the act

include the establishment of fundamental national-level sustainability strategies every 20 years, the establishment of specific action plans every five years, and the assessment of implementation every two years. The act addresses environmental quality, vulnerability to environmental degradation, environmental degradation level, the social and institutional capacities to respond, and responsibility sharing with the international community. Critics argued that under the Lee Myung-bak administration, sustainability checks for the Four Major Rivers Project were not properly carried out as a part of the RIAs. The Park Geun-hye administration's focus on economic growth and deregulation has diminished the attention paid to issues of sustainability. For example, the administration has repeatedly issued waivers on regulations governing economic development within green-belt areas in order to boost the real-estate market, undermining principles of environmental sustainability.

Citation:

Ministry of Government Legislation, <http://www.moleg.go.kr/english/korLawEng?pstSeq=57720>

Presidential Commission on Sustainable Development (PCSD), <http://ncsd.go.kr:2020/index.asp>

Societal Consultation

Negotiating
Public Support
Score: 3

Park Geun-Hye's administration governed in a hierarchical style. This particularly entailed a course of confrontation with labor unions, and resulting in a hard-line stance toward labor unions and civil society. Park's unilateral decision-making style created a perception of unpredictability, and weakened the autonomy and activities of government organizations. The Park administration consulted with an extremely narrow range of social actors, and even this typically took place after decisions were made rather than during the policy-development process. Park's lack of communication with opposition parties and the public prompted criticism even within her own Saenuri Party. Many observers expressed concern about the return of a more authoritarian style of leadership that deemphasized civil-society consultation, freedom of expression and the diversity of published opinions.

Citation:

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

OECD Regulatory Policy Outlook 2015, Country profile Korea, www.oecd.org/publications/oecd-regulatory-policy-outlook-2015-9789264238770-en.htm

Policy Communication

Coherent
Communication
Score: 5

President Park was seen as a leader lacking the ability to communicate her objectives and policies clearly to the public. Compared to previous presidents, she appeared far less in public and gave fewer press conferences, most of

which additionally lacked any question-and-answer element.

The government seeks to coordinate communication between ministries, but contradictions between government-agency statements occasionally happen. Bureaucratic politics and turf rivalry take place at various levels of policy-making and communication, but contradictions among ministries can be generally mediated by the Blue House and prime minister's office.

The Park Government on occasion announced vital policy decisions too suddenly and abruptly. News media reported allegations that Choi Soon-sil had influenced the agreement between South Korea and Japan on the comfort-women issue, as well as South Korea's decision to deploy the United States' Terminal High-Altitude Area Defense (THAAD) missile-defense system.

Citation:

JoongAng Daily 12 April 2010

Implementation

Government
Efficiency
Score: 4

During the first half of her term, Park Geun-hye enjoyed a clear mandate from the public, and maintained fairly high approval ratings. However, in the April 2016 parliamentary elections, President Park's Saenuri Party suffered a surprising defeat and lost its parliamentary majority. In October, the Choi Soon-sil scandal was revealed, and the president's approval rating dropped to just 4% in November 2016 — the lowest such figure ever recorded for a South Korean president. More than a year before the next presidential election, Park was thus considered to be a lame-duck president. By the close of the review period, it seemed unlikely that she would be able to implement any future major initiatives. But even before the events of 2016, the Park administration had failed to achieve many of its policy objectives. Even some government officials conceded the presence of implementation problems due to a lack of comprehensive plans.

Citation:

"S. Korea 'bureaucracy risk' derails economic innovation," Maeil Business Newspaper, March 26, 2014

"Park's approval rating hits record-low of 5% ", Korea Times, November 4, 2016, https://www.koreatimes.co.kr/www/news/nation/2016/11/116_217549.html

Ministerial
Compliance
Score: 10

Ministers in South Korea do not have their own political base and depend almost solely on the support of the president. The president appoints and dismisses ministers, and frequently reshuffles the cabinet. The average tenure of a minister has continuously declined over the past two decades. Under the Lee Myung-bak administration, the average period of service was about one year. This high degree of turnover limits ministerial independence, as they are unable to develop their own voice to pursue their own or institutional policy ideas.

Monitoring
Ministries
Score: 9

The role of National Assembly confirmation hearings for ministerial candidates should not be underestimated. Under Park Geun-hye's administration, three prime-ministerial candidates failed to survive these hearings in combination with the media's scrutiny.

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

The task of the Board of Audit and Inspection of Korea (BAI), a monitoring agency, is ostensibly to ensure accountability in the public sector and improve public-sector performance. However, the BAI lacks political independence from the Blue House, a fact that many observers have criticized. The Park government's Blue House has tended to intervene directly and control line-ministry activities through political pressure or personal punishments; however, the government office is not good at monitoring some line ministries' implementation activities. Indeed, the Park government failed to cope effectively with numerous crises. The spread of infectious diseases such as bird flu and MERS, as well as the sinking of the Sewol Ferry, represented cases of failed monitoring.

Monitoring
Agencies,
Bureaucracies
Score: 6

The ministries effectively monitor the activities of all executive agencies and the minister is responsible for compliance. Once again, the top-down structure of the government allows for effective monitoring. Agencies generally have autonomy with respect to day-to-day operations, but even these can occasionally be the subject of top-down interventions. However, ministries fail in some cases to monitor executive agencies' implementation activities effectively. Moreover, Park's leadership style was not conducive to effective monitoring or voluntary compliance. For example, nuclear-power-industry scandals emerging in 2014, which concerned bribery and faked safety tests for critical plant equipment, were an example of supervisory failure. In the same year, President Park also abolished the Coast Guard due to its failure during the sinking of the Sewol. In 2015, the MERS outbreak revealed some serious flaws in the hospital-regulation system.

Citation:

"Scandal in South Korea Over Nuclear Revelations," *The New York Times*, Aug 3, 2013

Task Funding
Score: 4

While South Korea remains a unitary political system, a rather elaborate structure of provincial, district and neighborhood governments has been in

place since 1995. Local and state governments play an important role in providing services to citizens, and account for about 15% and 45% of government spending respectively (according to the latest available data in 2008). However, local and state governments have relatively little ability to raise their own revenue. As their own sources account for only 17% and 22% of national revenues respectively, most sub-national governments need substantial support from central government, particularly outside the Seoul region. In addition, local administrations lack sufficient manpower and central government staff are often delegated to sub-national authorities.

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

OECD, *Government at a Glance 2009*

OECD, *Government at a Glance 2011*

"High welfare-related costs stymie local governments," *Korea JoongAng Daily*, Oct 14, 2014

Constitutional
Discretion
Score: 5

While autonomous local governments are protected by the constitution, the constitution does not clearly define specific competencies and rights. A major obstacle to sub-national, self-governments is the lack of fiscal autonomy for local governments. Due to the very high dependence on transfer payments, most regional and local governments are vulnerable to interference by the central government. The fiscal self-reliance ratio in over 90% of local governments (220 out of a total 243 local governments) was under 50% in 2016. The reality of inadequate budgetary and functional authority in many local areas, as well as the disproportionate influence of city and provincial authorities, often leaves local administrators and governments short on revenue and effective governing capacity. However, as local political autonomy takes root, local governments are trying to expand their executive authority as much as possible, leading to policy disputes with the central government. The decision to create a government-written history textbook for secondary students has caused huge conflicts between the Minister of Education and local governments' superintendents of education. While many superintendents of education are opposed to the government policy, the central government has pressured local governments to follow the policy.

National
Standards
Score: 7

Citation:

Joong-Ho Kook (2014), Does Local Autonomy Enhance the Autonomy in Local Public Finance? Evidence from the Case of Korea, [http://www.akes.or.kr/eng/papers\(2014\)/127.full.pdf](http://www.akes.or.kr/eng/papers(2014)/127.full.pdf)

The Ministry of Public Administration and Security, created through a merger of earlier agencies, is in charge of ensuring that local governments maintain national minimum standards. However, many local governments, particularly in rural areas, have a much lower professional standard than the city government of Seoul or the central government. While the provision of basic services is similar in all regions, there is a huge difference in the provision of additional services such as recreation facilities between affluent (i.e., self-sufficient) regions like Seoul or the southeast and less prosperous (i.e., dependent on transfer payments) regions in the southwest. Recently, a number of local governments have begun paying out child benefits larger than those dictated by national standards. As local-government autonomy develops, a greater number of customized policies are being introduced for residents.

Adaptability

Domestic
Adaptability
Score: 8

International and supranational developments that affect South Korea directly can trigger rapid and far-reaching change. For example, South Korea has reacted to the global financial and economic crisis with decisive action and massive government intervention. Global standards play a crucial role for the South Korean government. Reports and criticism issued by international organizations, such as the OECD or the IMF, or by partners, such as the United States or the European Union, are taken very seriously. The government has also declared its intention to increase its provision of overseas development aid in order to meet a global standard in the near future.

However, the country's degree of adaptability largely depends upon compatibility with domestic political goals. For example, the government is relatively less responsive to global standards in areas such as labor rights or the reduction of non-tariff barriers. Yet in spite of quite a few "mock-compliance" practices, Korea is one of the most adaptive countries in the world. For example, the U.S.-Korea free-trade agreement has led to huge changes in a wide variety of legal arrangements. The fact that the South Korean economy is sensitive and vulnerable to shifts in the international market makes Korean government more adaptable to global developments.

Citation:

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

International
Coordination
Score: 7

Compared to the Lee Myung-bak administration, the Park administration was far less global in its orientation. Under the Lee administration, the government took a considerably more active role in international organizations. During this period, South Korea increased its contribution to the World Bank and the IMF, and was an active participant in the G-20. South Korea has also increased its development-cooperation efforts, and became a member of the OECD Development Assistance Committee (OECD-DAC) in 2009. In 2011, South Korea hosted the OECD High Level Forum on Aid Effectiveness in Busan. However, the Park administration was much more oriented toward the traditional “four-country diplomacy” that focuses on relations with the United States, Japan, China and Russia, with the primary goal of achieving unification with North Korea. The Park administration also □ if somewhat less enthusiastically □ continued to increase Korean development cooperation, and signed the Paris agreement on reducing greenhouse-gas emissions.

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
Score: 6

Originally focused on the goal of economic democratization, the Park Geun-hye administration quickly abandoned its vision of a democratically organized economy, instead adopting an agenda driven by deregulation and business-friendly policies.

In 2013, Park additionally announced the Government 3.0 program, which focuses on improving transparency in the government and supporting the creative-economy initiative. Flaws or failures in governance have been exposed by a number of recent monitoring failures or scandals, such as the revelation of corruption in the Defense Acquisition Program Administration, and the failure to obtain desired technology from the United States packaged as part of a purchase of U.S.-built combat aircraft.

The president’s office monitors institutional governance arrangements. The president frequently reorganizes ministries and government agencies when inefficiencies are detected. Unfortunately, it seems that meaningful improvements are achieved only after major problems become obvious, as for example following the lack of coordination between government agencies during the Sewol ferry-disaster rescue operation.

By the close of the review period, abuse-of-power scandals and allegations of influence peddling through informal Blue House networks had undermined trust in formal institutions and policy-making procedures. Recent events revealed a surprising lacks of checks and balances. In particular, persons

without formal government positions seem to have wielded undue access and influence over policymaking without any check-and-balance mechanisms in place. As the review period closed, discussions of impeaching the president for abusing her power were underway, as was a consideration of a constitutional reform that would limit the president's power.

Citation:

Joong Ang Daily, June 20, 2014, "Park unveils 'Government 3.0'"

Institutional
Reform
Score: 6

During her term, Park Geun-hye has implemented a number of changes in the government's organizational layout, creating a future-oriented super ministry in charge of science, information and communications; reviving the fisheries and maritime-affairs ministry, and transferring the foreign ministry's trade-negotiating functions to the commerce ministry. The Ministry of Public Administration and Security was renamed as the Ministry of Safety and Public Administration to place a greater focus on safety. However, most experts are concerned about these frequent changes and the effect they have on the continuity and stability of state affairs.

The most significant recent change in institutional arrangements was the passage of the National Assembly Advancement Act, which went into effect in May 2012. The act requires the consent of three-fifths of lawmakers before a bill can be put up for a vote during a plenary session and limits the power of the assembly speaker to bring a bill to a vote. The legislation aimed at preventing the majority party from unilaterally passing controversial bills using its majority. That means that without cooperation between the ruling and main opposition parties, or a significant defection from the opposition bloc, the ruling party is incapable of passing legislation. In early 2016, the opposition members of parliament engaged in a record-breaking filibuster to block an anti-terrorism bill sponsored by the Saenuri Party.

The National Assembly Advancement Act, which requires that contested bills gain the support of at least 60% of lawmakers for passage, came under fire during Park's administration. President Park, a proponent of this 2012 act when her party was in opposition, pushed the National Assembly to overturn the 60% rule so that the government and ruling party could pass contentious bills despite opposition parties' resistance.

Citation:

"Gov't retooling criticized for inefficiencies," The Korea Times, Jan 21, 2013

"The Tyranny of the Minority in South Korea," The Diplomat, Sep 20, 2014

"Parliamentary reform act under fire," The Korea Herald, Oct 15, 2014

"Korean parliament passes Sewol ferry bills," National Catholic Reporter, Nov 8, 2014.

"Record-breaking South Korea filibuster over 'terror' law ends on ninth day," Reuters, March 2, 2016.

<http://www.reuters.com/article/us-southkorea-politics-filibuster-idUSKCN0W41BX>

II. Executive Accountability

Citizens' Participatory Competence

Policy
Knowledge
Score: 6

The 2016 parliamentary election saw an increase in voter turnout by 4 percentage points, although overall turnout remained relatively low at 58%. Since that time, scandals have driven a significant increase in the incidence of political activism. On 5 November 5 2016, tens of thousands of citizens demonstrated against the president, calling for her resignation. At the same time, many citizens are poorly informed about the details of most government policies, particularly concerning economic and social issues. The quality of information available is often limited, because political questions are often personalized and interpreted as power struggles between ambitious individuals. The political spectrum remains very narrow, limiting the scope of political discussion and making it hard for citizens to develop their own opinion. The low level of trust in government announcements and in the mainstream media provides fertile ground for the dissemination of rumors. There is also a difference between the generations. The generation that grew up during the Korean War filters information through an anti-communist lens. The generation socialized during the struggle for democracy is highly politicized and has a general mistrust of government. However, the younger generation is less politicized and less informed about political issues.

Citation:

Korea Center for Freedom of Information and Transparent Society at <http://www.opengirok.or.kr/>

Legislative Actors' Resources

Parliamentary
Resources
Score: 6

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

media. The effectiveness of parliamentarians' monitoring role largely depends on each lawmaker's individual capabilities.

Tight schedules and the record-high number of agencies monitored by the National Assembly have generated skepticism regarding the effectiveness of legislative audits, one of the body's key functions. Observers familiar with parliamentary affairs have voiced concern that these inspections will be superficial, as lawmakers have little time to study dossiers thoroughly or prepare their questions.

Obtaining
Documents
Score: 8

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

The inability to override witnesses' refusal to answer questions must be addressed. Under the current law, the National Assembly can ask prosecutors to charge those who refuse to take the witness stand with contempt of parliament. However, this carries only light penalties, such as fines. The National Assembly should work to reform the hearing system to make it a more effective tool in probing cases of national importance.

Summoning
Ministers
Score: 9

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

Summoning
Experts
Score: 8

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

Task Area
Congruence
Score: 9

The task areas of parliamentary committees and ministries mostly correspond. There are 16 standing committees that examine bills and petitions falling under their respective jurisdictions and perform other duties as prescribed by relevant laws. With the exception of the House Steering Committee and the Legislation and Judiciary Committee, the task areas of these parliamentary committees correspond with the ministries. As a consequence of the strong majoritarian tendency of the political system, committees dominated by the governing parties tend to be softer on the monitoring of ministries, whereas

committees led by opposition parliamentarians are more confrontational. However, in general, the legislature is a “committee parliament” and the committees are quite effective and efficient.

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.).

Audit 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 of other ministries. Demands to place the audit office under the leadership of National Assembly, thus strengthening the institution’s autonomy, have gained more support.

Ombuds Office

Score: 2

The South Korean parliament does not have an ombudsman office. Under the Lee Myung-bak administration, the government’s ombudsman office was merged with the civil rights and anti-corruption agency into the Anti-Corruption and Civil Rights Commission of Korea (ACRC). This commission is accountable to the president. People can petition the government directly without approaching the parliament or the ombudsman. Legislative reforms in 2012 strengthened the autonomy of the ACRC. What seems evident today is that merging the two institutions (under the authority of the president) has made the ombuds office less transparent.

The country’s new anti-graft law, to be implemented by the ACRC, went into effect on 28 September 2016. This law bans public servants, educators and journalists from accepting free meals valued over KRW 30,000 (about \$26.50), gifts worth more than KRW 50,000, or congratulatory or condolence gifts worth more than KRW 100,000. Violators face a maximum sentence of three years in jail and a fine of up to KRW 30 million. This anti-corruption law, which aims to address corruption and irregularities existing in South Korean society, directly affects some 4 million people in the nation.

A Foreign Investment Ombudsman (FIO) system was introduced on 26 October 1999, under the Foreign Investment Promotion Act. The FIO is commissioned by the president on the recommendation of the Minister of Trade, Industry and Energy, via the deliberation of the Foreign Investment Committee. Until 2008, the FIO also headed the grievance-settlement body, which supported the ombudsman by collecting and analyzing information concerning the problems experienced by foreign firms in South Korea. The FIO has the authority to request cooperation from the relevant administrative agencies and recommend the implementation of new policies to improve the foreign-investment promotion system, and also carry out other necessary tasks to assist foreign companies in resolving their grievances.

Citation:

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

Media

Media Reporting
Score: 5

South Korea's main problem with regard to media is the low quality of many outlets in terms of their ability to serve as facilitators of public debate or civic culture. Part of the problem here is the country's strong commercialism and associated weakness in political journalism. While the most prominent TV stations produce a mix of infotainment and quality information about government policies, the last four years have seen TV and radio organizations further shift their programming in the direction of entertainment and infotainment. Political programs have either been replaced or their teams shuffled. In December 2011, four new cable channels run by South Korea's main newspapers began broadcasting. As commercial programs, they tend to favor infotainment. On the other hand, however, their connection with major newspapers may prove to be a good basis for the production of quality information. Some mass media intentionally conceal or distort politically sensitive information in order to help the president and ruling party.

Parties and Interest Associations

Intra-party
Democracy
Score: 4

There is almost universal agreement among political scientists, political observers, politicians and the general public that political parties are one of the weakest links in South Korean democracy. However, in 2015, both the governing and opposition parties decided to introduce an open-primary system to pick congressional candidates. This was expected to provide new challengers with a fairer and more transparent environment. However, in reality, "strategic" party nominations still played a strong role in both parties' candidate selections during the 2016 parliamentary elections. For example, the governing party conspicuously favored candidates who supported President Park. The nomination feuds within each party clearly exposed the serious shortcomings of South Korean democracy. Indeed, political parties clearly stand out as among the most undemocratic groups in South Korean society. Though 30 years have passed since democratization, South Korean political parties are still not institutionalized, and remain controlled by small groups of elites. Control of the ruling party by the president is the most critical issue in this regard.

Association
Competence
(Business)
Score: 7

The business associations, such as the Korean Employers Federation and the Federation of Korean Industries, and labor-union umbrella groups, such as the Federation of Korean Trade Unions and the Korean Confederation of Trade

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

However, the Federation of Korean Industries (FKI) faces a period of serious crisis following the influence-peddling scandal involving President Park Geun-hye and her close friend Choi Soon-sil. The FKI, which as the country's largest business lobby counts the top 600 firms as members, has come under widespread public criticism for its role in alleged illicit and coercive fundraising proposed and controlled by Choi on behalf of two foundations, Mir and K-Sport.

Association
Competence
(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 expertise in specialized fields such as environmental policies, electoral reform and human rights. They provide reasonable policy proposals and are supported by a large group of academics and professionals. The majority of smaller NGOs remain focused on service provision and do not develop policy proposals. However, civil society and NGOs – especially those to the left of center – found it difficult to have any appreciable influence on decision making under either the Lee and Park administrations. The number of conservative pro-government NGOs has increased; however, these typically see their role not in providing policy alternatives but in supporting and propagandizing on behalf of the government.

Under the Park government, the Federation of Korean Industries funded far-right organizations and mobilized them to participate in government-directed demonstrations. Critics compared these incidents to the practices of the Rhee Syngman dictatorship in the 1950s.

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