



South Korea Report

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Sustainable Governance
Indicators 2020

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Executive Summary

At the close of the one-year observation period in November 2019, President Moon Jae-in had reached the middle of his term, with his administration facing increasing headwinds. Many of its signature achievements, such as the increased minimum wage and a work week shortened to 52 hours, have come under growing criticism from large sectors of the population and from business interests. Measures seeking to curb rising real-estate prices in Seoul and address the country's high private household debt levels have also been criticized as ineffectual.

The further implementation of Moon's campaign pledges ("100 policy tasks") remains a major challenge, particularly because the government has lacked a majority in parliament. In 2019, a seemingly low-profile effort to reform the prosecutor's office turned into a major political struggle. President Moon used his presidential privilege to appoint law professor and former civil society activist Cho Kuk as justice minister despite the lack of approval from the parliament, with lawmakers expressing concerns regarding Cho's and his family's ethical conduct. Cho has long had a goal of reforming the prosecutor's office, and of transferring the power to investigate corruption among high-level government officials from prosecutors to a planned new government agency. However, this political agenda became intertwined with investigations against him and his family, with massive street demonstrations taking place both for and against him. Ultimately he had to resign as justice minister in October 2019, after just two months in office. This controversial nomination helped expose a serious problem with regard to how high-level officials are groomed and recruited. It also illustrates a long-standing problem with political struggles in Korea, which tend to be highly personalized rather than focusing on political issues.

While Korea is one of the few successful democracies in East Asia and has an active civil society, the legacy of the dictatorial past can still be felt. The National Security Law and related laws still limit freedom of expression, association and assembly. In general, the society remains organized in a hierarchical way that perpetuates the polarized power struggles between elite blocks, and makes it difficult to practice everyday democracy.

Despite the challenges from a weakening global economy and increasing tensions in trade relations, Korea is still doing relatively well in cross-OECD comparison. Growth rates are above the OECD average. Korea is a major exporter with a strong current-account surplus, and is home to many highly competitive multinational corporations that produce a great variety of products that are competitive on the world market. However, this export dependency also leaves the country vulnerable to global market volatility and growing protectionist tendencies. President Moon has tried to address this problem by promising a transition from an export-led growth model to an income-led model.

While he initially implemented bold measures increasing the minimum wage, expanding public employment and improving the social-welfare system, the administration has over time proved more receptive to business-sector lobbying, and has backtracked from some of its original promises. While the overall unemployment rate remains low, the labor-market participation rate remains below the OECD average. Youth unemployment, precarious working conditions, exploding housing prices and old-age poverty are among the country's most serious social issues. Social welfare and environmental sustainability remain problematic policy areas in which Korea still needs to catch up with OECD standards. Particularly with regard to the transition to a carbon-neutral economy, Korea is falling ever further behind the leaders in this field.

With regard to international relations, President Moon has been focusing on improving relations with North Korea. This has to some extent been successful, as tensions are today much lower than under previous governments. However, tangible improvements in political and economic relations remain very limited, as neither a peace treaty nor a normalization treaty between the North and South has materialized. It seems that President Moon's focus on summits with the North Korean leader has achieved diminishing returns, particularly as North Korea has shifted its attention to direct meetings with U.S. President Donald Trump. Beyond the North Korea question, South Korea's international engagement remains underdeveloped, for example with regard to important issues such as climate change, poverty in the global South, and a fairer global economic and financial system.

Key Challenges

At the domestic level, the biggest immediate challenge for the Moon administration remains the need to deliver on its numerous campaign. The parliamentary elections of 15 April 2020 – dominated by the COVID-19 pandemic – were crucial for President Moon, as winning a parliamentary majority for his party improved his chances of being able to deliver on his agenda, though the pandemic will strain the government's ability to fulfill key promises regarding reducing social inequality, deepening democracy and curbing real-estate speculation.

The initiatives that have been implemented, such as the minimum-wage increase and the increase in real-estate taxes, have thus far failed to make Korea a more just society. For this reason, if he is to achieve his goals, existing initiatives will have to be improved, and new bolder measures will have to be implemented. However, the government has in fact seemed timid in many areas, backtracking quickly when its policy proposals have been criticized. Moreover, it has seemed to count on the success of its North Korea policies, a dangerous tactic given the unpredictable character of the North Korean regime.

Though key macroeconomic indicators in South Korea remained robust as of the end of the review period, the country's dependence on exports leaves it vulnerable both to global economic volatility and external political conflicts. By the close of the period, several observers had adjusted their forecasts for 2019 growth to 2% or less, which is very low by historical standards in South Korea. The tide of global trade protectionism, the U.S.-China trade war, rising interest rates in the United States and the spreading currency crises in emerging economies all pose serious challenges for the South Korean economy.

Domestically, the biggest economic challenges are to enhance social mobility and improve job conditions for non-regular workers and the younger generation. In addition, household debt levels and the continuing speculation in the real-estate market pose major challenges to social cohesion and life satisfaction. As a human-rights lawyer, expanding civil rights and deepening democracy are important goals for President Moon; however, overcoming residues of authoritarian rule such as the National Security Law, persistent discrimination and restrictions on the freedoms of expression and association

remains a difficult challenge. For example, it remains to be seen whether Moon will ultimately be able to deliver on his often-repeated promise to ratify the remaining International Labor Organizations (ILO) conventions on the freedom of association and forced labor.

Amid a trend toward a more timid and business-friendly approach, it appears unlikely that Moon will be able to implement bolder policies. Several long-term tasks remain important, including addressing the challenges posed by an aging society, making the transition to a more multicultural society, restructuring the country's dominant business conglomerates, strengthening small and medium-sized enterprises (SMEs) and improving the current low levels of labor productivity.

While the threat from North Korea seems to be diminished given the recent improvements in the relationship, the volatile character of leadership in the North – as well as in the United States – offers no guarantee against sudden reversal. Given the lack of regional institutions and the United States' increasingly unilateral approach, it will not be easy for President Moon to institutionalize the peninsular peace process progress in the form of a peace treaty and other mechanisms able to stand the test of time. North Korea remains a serious military threat; but even beyond this issue, conflicts with the United States over trade relations and military cooperation will remain a burden for the government.

Conflicts with Japan over the recognition of Japanese crimes during the colonial period, as well as over trade-related issues, will most likely persist, as the Japanese government under Prime Minister Abe has shown itself willing to use tensions with South Korea and the threat from North Korea for domestic purposes. As the world's seventh-largest emitter of greenhouse gasses and an underperformer in the transition to a carbon-neutral society, South Korea will be closely watched when it announces its new climate goals in 2020. As a member of the G-20, Korea may ultimately be asked by its partners to show more leadership in combating world poverty, and in creating a more stable and sustainable global governance system.

Citation:

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Party Polarization

Party polarization in the sense of political and ideological polarization is not a problem in Korea. On the contrary, the main political parties (the Democrats and the Conservatives) are generally criticized for being too similar, with the exception of a few positions on contentious topics such as policy toward North Korea. Indeed, it has not been uncommon for politicians to shift their allegiances between the country's main political parties, or even to dissolve parties when this has seemed likely to further their political ambitions. However, the absence of pronounced ideological and political polarization masks a furious struggle for power between factions typically grouped around powerful individuals. Thus, regardless of the degree of party polarization or the trend of converging policies among parties, Korea's National Assembly has been notorious for political gridlock. Moreover, even though Korea uses a presidential system, the effects of this parliamentary gridlock have been substantial under the Moon government. (Score: 5)

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 6

South Korea's economic growth has slowed since 2018 due to flagging exports and investments. Annual GDP growth was 2.7% in 2018, down 0.5 percentage points as compared to 2017. Korea also posted record current-account surpluses in 2018, signaling a high degree of international competitiveness. The Moon government's cornerstone economic initiative is the "people-centered economy," which focuses on job creation, income-driven growth and welfare expansion. Key initiatives include the transition of precarious job contracts into permanent positions and a gradual increase in the minimum wage. The minimum wage was increased by 10.9% in 2019. Following protest by business groups, President Moon promised to limit future minimum-wages. To stimulate the economy, the government has increased public investment, with the central bank supporting the fiscal expansion with interest rate cuts. The government has also promised to reform the country's business environment by reforming the dominant business conglomerates (chaebol), although few concrete plans have emerged. At the time of writing, the primary focus was on "self-regulation" by the chaebol. Another promise to engage in deregulation has not yet had any tangible results. High levels of household debt remain a major economic problem, and the government has implemented various comparatively modest measures aimed at cooling down the real-estate sector. Unresolved trade conflicts with Japan and the United States, and continued trade conflicts with China sparked by the U.S. deployment of anti-ballistic missiles within South Korea represented the largest external challenges to the country's economy at the end of 2019.

Citation:

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Labor Markets

Labor Market
Policy
Score: 7

In August 2019, South Korea posted its lowest unemployment rate since November 2013, with the figure falling to just 3.1 percent from 4.1 percent in August 2018. Total jobs increased by 146,000 to 27.2 million over this period. However, the August 2019 employment rate of 61.4% remains below the OECD average, and the employment rate for women in particular is comparatively low. Youth unemployment rates are considerably higher than those among the population more generally. The Moon administration has placed a top priority on the creation of high-quality jobs and a reduction in the share of non-regular jobs. Moon established a job-creation commission tasked with decreasing the number of non-regular workers, while promising to reduce working hours and increase the minimum wage to KRW 10,000 by 2020. Despite the government's efforts, however, the number of non-regular workers has increased, hitting a record high of 7.5 million, or 36% of all salaried workers in 2019. This paradoxical result, unexpectedly reflecting an increase in the share of non-regular workers in the economy, is partly attributed to government policies distributing a large share of resources to vulnerable classes in the short term. Although this increase is partly due to a change in measurement strategies, it seems clear that President Moon has underperformed with regard to one of his signature policies. The Moon administration also substantially reduced the maximum allowed weekly working hours, from 68 to 52 hours, a change that is expected to increase productivity and employee well-being, although implementation of the new rule has been slow.

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Taxes

Tax Policy
Score: 7

Korea has a competitive tax system with relatively low tax rates by international standards. The country's tax system is also fairly effective in generating sufficient public revenues without weakening the national economy's competitive position. South Korea has one of the lowest tax rates in the OECD, with tax revenues totaling about 26.9% of GDP in 2017. In 2018, South Korea's tax revenues increased by 9.3% compared to 2017, giving the government greater scope for public investment. One weakness of the Korean tax system is that the country's tax base is comparably narrow, with nearly half the population (48.5%) paying no income taxes due to the very high exemption rate. In addition, taxes do not contribute to the amelioration of social inequalities, as redistributive effects are among the lowest in the OECD. Political calculations have prevented any recent government from trying to lower the tax exemption rate. Similarly, Korean taxes are not effective in promoting environmental sustainability, as electricity taxes are among the lowest in the OECD. By contrast, fossil-fuel and nuclear energy sources are heavily subsidized.

In March 2019, the European Union removed South Korea from its gray list of "non-cooperative jurisdictions for tax purposes."

Citation:

Korea Times, April 21, 2019, Korea's tax burden soars to record-high in 2018, https://www.koreatimes.co.kr/www/biz/2019/04/488_267520.html
OECD data, <https://data.oecd.org/tax/tax-revenue.htm>

Budgets

Budgetary Policy
Score: 6

South Korea's public finances remain sound, and public debt levels remain low in comparison to those of most other OECD countries. National debt as a share of gross domestic product (GDP) was 40.7% in 2018. During the period under review, Korea ran a healthy primary surplus of almost 2% of GDP, giving the government the leeway to implement its plans to increase public investment and social spending. In 2020, the Moon government plans to increase spending to a total of KRW 513.5 trillion (8.5 billion), a 9.3% hike compared to 2019. While debt at the national level is generally sustainable, an increasing number of local governments and public enterprises are struggling due to insufficient revenues.

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Research, Innovation and Infrastructure

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. Korea's public R&D spending-to-GDP ratio is the highest in the world, while its private R&D outlay is the second highest. The country's internet broadband and mobile-phone infrastructures are among the world's best, and it was one of the first worldwide to establish a comprehensive 5G infrastructure. In July 2019, Korea already had almost 2 million subscribers to its 5G mobile network. The country has an excellent research infrastructure, with many world-class universities and research institutes that produce internationally competitive research and patents. What impedes innovation is mostly the Korean market's oligopolistic structure, which makes it difficult for entrepreneurs and SMEs to succeed. The country has struggled to translate massive investments in research into productivity increases. Bureaucratic regulations remain intact in many areas. Moon's government has prioritized labor-friendly policies and income-led growth, while paying less attention to innovation-led growth. Moreover, initiatives within the sharing economy have been repeatedly frustrated due to political resistance and burdensome regulation.

Citation:

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Global Financial System

Stabilizing
Global Financial
System
Score: 5

While the vulnerability of the Korean financial system has declined considerably since the 2008 crisis, risks still remain, particularly with regard to the country's weakly regulated non-bank financial institutions. Household

debt, largely resulting from real-estate price inflation over the last two decades, is a huge problem, although the rate of non-performing loans remains low.

With regard to international engagement, South Korea is implementing international financial-regulation rules such as the Basel III framework. Although it is a member of the G-20, it does not typically take the initiative or actively promote new regulations internationally. Under the Moon administration, South Korea has focused its foreign policies on North Korea, along with the bilateral relationships with the United States and China that are most important in this area. The administration has correspondingly put less emphasis on multilateral coordination mechanisms such as the G-20.

Citation:

Lee, Jiyeun. 2018. "S.Korea's Household Debt Hits Record \$1.3 Trillion in 2017." Bloomberg, February 22. Retrieved September 28, 2018 (<https://www.bloomberg.com/news/articles/2018-02-22/s-korea-s-household-debt-hits-record-1-3-trillion-in-2017>)

II. Social Policies

Education

Education Policy
Score: 8

Education policy is a key priority for the South Korean government. On the positive side, Program for International Student Assessment (PISA) test results are good, and tertiary enrollment rates are high. Levels of private expenditure on education are exceptionally high, while public expenditure is just about the OECD average (4.1% of GDP). While general access to education is very good, admission processes for elite universities are extremely competitive and unfair, as they favor children from privileged families. Many Koreans spend a large share of their income on private schools and tutoring academies (hagwons), a practice that puts low-income households at a disadvantage. Despite a number of announcements in this area, the new administration has as yet been unable to address the issue successfully. Numerous curriculum-reform efforts have been unable to overcome the reliance on cramming and rote learning over teaching critical thinking, analytic skills, discussion and creativity. Consequently, Korean students do well in PISA tests, but lack critical skills for dealing with the challenges of a fast-changing, increasingly open and democratic society. Recently, the Ministry of Education declared it would change the current university entrance examination system in accordance with President Moon's directives; however, the process was launched without a full process of public discussion or professional consultation, leading to considerable criticism.

Citation:

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Social Inclusion

Social Inclusion
Policy
Score: 6

Though it has focused strongly on the issue of social inequality, the Moon administration has thus far failed to narrow the gap between rich and poor. On the contrary, income inequality has increased substantially in recent years, while transfer payments have had only a small effect on inequality. In fact, the Gini coefficient after social transfers is now one of the highest such figures in the OECD. It remains to be seen whether recent minimum-wage increases and higher social spending levels will have an appreciable effect; however, they have not as yet significantly reduced the number of the poor. Relative poverty remains a major problem, with the old-age poverty rate in particular among the OECD's worst. Almost half (47.7%) of the country's citizens aged over 65 currently live in relative poverty. In 2016, the poverty rate among Korea's elderly population was the highest in the OECD, at more than four times the OECD average of 12.1%. According to the OECD, Korea spends only 3% of its GDP on pensions, and about 11.1% of its GDP for social purposes overall; this is the third-lowest such rate in the OECD, with the figure being about half that of the group's average. At 34.6%, the gender-based wage gap is the largest in the OECD, and is almost three times the group's average. The South Korean tax and welfare systems are not designed to reduce inequality, and their capacity to prevent poverty is very limited given the low level of social-transfer payments. The Moon administration has begun increasing welfare spending in areas such as the basic pension.

Migration from North Korea has raised additional concerns about social inclusion, as these migrants tend to face considerable discrimination. There has been some improvement in terms of embracing multicultural families and providing support for migrant workers, but South Korea still has a long way to go before becoming a genuinely inclusive society.

Citation:

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Health

Health Policy
Score: 8

South Korea's healthcare system is characterized by universal coverage and one of the highest life expectancies in the world, all while having one of the OECD's lowest levels of overall health expenditure. President Moon has announced a new "Mooncare" healthcare plan, and the government will provide KRW 30.6 trillion (.8 billion) over the next five years to cover all medical treatments. In the future, medical insurance will cover all forms of treatment, excluding plastic surgery and cosmetic procedures. The Moon administration has thus proposed expanding the state insurance policy to include not only the four major diseases – cancer, cardiac disorders, cerebrovascular diseases and rare incurable illnesses – but all other major diseases, including Alzheimer's disease. In July 2019, a revised law came into effect that requires foreign nationals without employer-provided health insurance to enroll in the country's National Health Service. According to the Health Ministry, this new law will give foreign residents the same medical benefits and services as Koreans. One major problem in the Korean healthcare system is the comparatively low number of doctors and nurses per capita. Mental health care remains underdeveloped in Korea, a problem reflected in the OECD's second-highest suicide rate.

Citation:

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Families

Family Policy
Score: 5

Despite making substantial efforts, the government has not been very effective in enabling women (or men) to combine parenting with participation in the labor market, which helps explain the low labor-market participation rate among women. The traditional Confucian family values that view women as mothers and housewives remain influential. High housing prices, high childcare and education costs, and precarious job and wage conditions are the most important factors in young couples' decisions not to have children. In 2018, the fertility rate reached a record low of 0.98, which is by far the lowest in the OECD. President Moon has promised to strengthen family and childcare policies by building and expanding childcare centers and kindergartens.

Starting on October 2019, paternal leave was expanded to 10 days, to be taken following a child's birth. Previously, only three days of paid paternal leave was allowed. Since 2008, the government has paid a cash allowance of KRW 100,000 per child, exempting families in the top 10% of the income bracket. Many local governments have also offered additional incentives in an effort to raise fertility rates in their areas. Cultural and socioeconomic factors such as a gender-based pay gap and a pervasive lack of social mobility discourage women from entering or reentering the workforce. As a result, while the population of college graduates is 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 in which the employment rate among female college graduates is lower than that among women with no more than compulsory education.

Citation:

New York Times, 5 January 2010

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Pensions

Pension Policy
Score: 6

Old-age poverty is a major problem in South Korea, with the poverty rate among retirement-age people the highest in the OECD. Pensions are small, and most elderly people today lack coverage under a national pension system that excluded a large share of the workforce until its expansion in 1999. The government has also failed to enforce mandatory participation in the system, and many employers do not register their employees for participation. National pension benefit levels are still very low (with an average monthly pension of KRW 520,000, equivalent to \$440), and employees in private companies are often pressured to retire long before the legal retirement age of 60 (which will gradually increase to 65 by 2033). Thus, pension reform has been one of the Moon administration's top priorities, although changes have to date been slow. The basic pension will gradually increase from its current maximum of KRW 206,050 to KRW 300,000 a month by 2021, with benefit eligibility coming at the age of 65. This pension will be provided to the 70% of elderly classified as low-income. Currently, the South Korean government is expending only 3.0% of its GDP for pensions, a very low share compared to the OECD average of

7.5%. In the past, the country's pension funds have been vulnerable to government interference, with the funds used to finance controversial projects and to prop up the stock market. Efforts to reform governance structures so as to improve the performance and enhance the transparency of the National Pension System have stalled. The old-age dependency ratio is currently low in comparison to that in other OECD countries, although the low fertility rate means that this might become a problem in the long run.

Citation:

Moon, Hyungpyo. The Korean Pension System: Current State and Tasks Ahead. KDI.

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Integration

Integration Policy
Score: 5

Since the 1990s, South Korea has evolved from a net-emigration to a net-immigration society. In 2018, South Korea experienced a rapid increase in the number of foreigners resident in Korea of nearly 9%. At the same time, the number of undocumented foreign workers also increased by 15%. According to the Ministry of Justice, the absolute number of foreigners residing in Korea rose to 2,367,607 as of the end of 2018, an increase of 8.6 % compared to 2017.

Despite the increasing population of migrants and citizens with a family background of migration, as well as improvements in the legal conditions and support provided to multicultural families, the country's cultural, education and social policies still fail to systematically address the role of migrants in Korea. 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 are accorded rights very similar to those enjoyed by native Korean employees, but employers routinely infringe these rights. 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.

South Korea has a very bad record with regard to fulfilling its obligations under the Geneva Refugee Convention of 1951. Since 1994, only 2% of the 40,400 applicants for refugee status have received approval, prompting criticism by the United Nations Refugee Agency. As recently as 2018, the

government gave in to anti-refugee protests by granting “humanitarian stay” visas rather than refugee status to most of the approximately 500 Yemeni refugees that arrived in Korea.

Citation:

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Safe Living

Internal Security
Policy
Score: 9

Korea remains a very safe country with regard to the risk of violent crime. There have been no terror attacks or terrorist activities in Korea in recent years. Nevertheless, extensive media reports about violent crime, along with rumors spread on social media have led to an increasing subjective feeling of insecurity. Despite low violent-crime levels, levels of personal insecurity and trust in the police are low. This might have to do with a seemingly high level of fraud, including white-collar crimes and cyber-crimes. The spread of financial scams (“phishing”) and cyber-crime in particular, 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 serious problem. South Korea has the OECD’s third-highest ratio of road fatalities, with 8.4 deaths per 100,000 residents. The lax enforcement of drunk driving laws in particular has recently become the subject of contentious debate. The external threat posed by North Korea persists, although the Moon administration’s policies of engagement have successfully calmed the situation following recent years’ more bellicose rhetoric.

Citation:

WHO, Global Health Observatory Data Repository, <http://apps.who.int/gho/data/view.main.51310>. Korean Statistical Information Service. National Crime Statistics. 2017. The Overseas Security Advisory Council (OSAC) of the United States. South Korea 2017 Crime and Safety Report. OECD. Road Accidents Statistics, <https://data.oecd.org/transport/road-accidents.htm> The Overseas Security Advisory Council (OSAC) of the United States. 2019. “South Korea 2019 Crime & Safety Report.” Retrieved from

<https://www.osac.gov/Country/SouthKorea/Content/Detail/Report/6d2ced24-cc8e-4077-8b75-15f4aeb80d5f>.

Global Inequalities

Global Social
Policy
Score: 6

The Moon administration has as yet failed to revitalize Korean development cooperation. In 2018, the country provided \$2.35 billion in net official development assistance (ODA). This marked a slight increase from the previous year's \$2.2 billion, but still represented just 0.15% of gross national income (GNI). ODA spending had stagnated under the Park administration, and Korea failed to achieve its goal of increasing spending to 0.25% of GNI in 2015. A new ODA target was set at 0.30% of GNI for 2030. Korea's aid also fails to meet the recommendations of the OECD Development Assistance Committee (DAC), for example with respect to the share of grants, and regarding both untied and multilateral aid. South Korea has also shown little initiative with respect to activity supporting a fair global trading system. Instead, it has largely focused on negotiating bilateral preferential trade agreements with a growing number of countries, including countries in the developing world. Due to product-market regulations and the oligopolistic structure of many market segments, market access for products from developing countries remains limited.

Citation:

OECD, Development Co-operation Report. 2018.

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

OECD iLibrary. 2019. "Development Co-Operation Profiles 2019." Retrieved from

<https://www.oecd-ilibrary.org/sites/d919ff1a-en/index.html?itemId=/content/component/d919ff1a-en>.

III. Environmental Policies

Environment

Environmental
Policy
Score: 4

Environmental policies remain unable to protect the environment and ensure sustainable resource use. Moreover, South Korea has increasingly been losing ground to the front runners in the transition to a carbon-neutral and ecologically sustainable economy. While "green growth" has in the past been a buzzword in Korean politics, this has always been more about growth than about environmental protection.

The main problem appears to be a lack of ambition. Environmental policies largely do not match the scale of environmental challenges. Those measures that are implemented, such as the bans on free plastic bags and paper cups, usually have a relatively quick and tangible impact. However, the integration of environmental policies is a major problem, as measures seem to be ad hoc and fragmented. There is as yet no comprehensive strategy for moving toward a carbon-neutral economy. Environmental policies have not been accompanied by an environmental-tax reform featuring higher tax rates on resource and energy consumption. While Korea has introduced a large emissions-trading system, the market has thus far failed to increase emission prices appreciably. Nevertheless, the country's environmental problems remain very serious, particularly with regard to air quality and greenhouse-gas emissions. In the 2018 Yale Environmental Performance Index, Korea improved to rank 60 out of 180 countries overall, but ranked poorly with regard to climate and energy (110) and biodiversity (144). Problems with fine dust exposure are among the world's worst, with the country ranking 174th in this field. While some of this pollution originates in China, most of it is homegrown. Korea is the world's seventh-largest emitter of CO₂, and the share of energy production accounted for by renewables is the second-lowest in the OECD. The Moon administration plans to expand the share of renewables to a not very ambitious 20% by 2030. South Korea is the fifth-largest generator of nuclear energy in the world, which means that the nuclear waste problem will be substantial and a burden for many generations to come. While Moon originally pledged to reduce reliance on both coal and nuclear energy, he later backed away from some of the more ambitious timelines.

Despite the well-developed public transport system, Korean cities remain car-centered, with pedestrian and bicycle traffic given a lower priority. Limits on car traffic on days with bad air pollution apply only to public vehicles. In August 2019, the Seoul government announced that vehicles with the lowest emission-control grade would be blocked from entering the immediate city center. Although this will affect less than 2% of vehicles, it is the first very timid step to reduce car traffic in a society where cars are still seen as a status symbol.

Citation:

OECD. Climate Change Mitigation Policies: Korea. Retrieved October 17, 2018 (<http://www.compareyourcountry.org/climate-policies?cr=oeecd&lg=en&page=0&visited=>)

Climate Action Tracker. 2018. "South Korea: Country Summary." April 30. Retrieved October 17, 2018 (<https://climateactiontracker.org/countries/south-korea/>)

The Diplomat. "South Korea's Nuclear Energy Debate." October 26, 2017. <https://thediplomat.com/2017/10/south-koreas-nuclear-energy-debate/>

World Nuclear News. "South Korean President Accepts Public Decision." October 23, 2017. <http://www.world-nuclear-news.org/NP-South-Korean-president-accepts-public-decision-2310175.html>

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(<http://www.compareyourcountry.org/climate-policies?cr=oeed&lg=en&page=0&visited=>)
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 OECD. OECD Environmental Performance Reviews: Korea 2017, <https://doi.org/10.1787/9789264268265-en>.

Global Environmental Protection

Global
 Environmental
 Policy
 Score: 6

While South Korea typically ratifies international agreements on environmental protection, it does not tend to take initiative in this area, and the agreements do not play an important role in domestic political decisions. The country ratified the Paris Agreement of 2015 on 3 November 2016, and hosts both the Global Green Growth Institute and the Green Climate Fund (GCF). In October 2019, President Moon promised to double Korea's contribution to the GCF. In 2018, the government announced that Korean greenhouse gas emissions would peak in 2020. While the Moon government has shown more ambition with regard to emission reductions than in other environmental-protection areas, the challenges remain substantial. Korea is the world's seventh-largest emitter of carbon-dioxide emissions, and twelfth-largest with regard to total greenhouse-gas emissions. It has officially announced that it will cut its emissions by 2030 to a level 37% below the business-as-usual trend, which means an increase of 81% over the levels of 1990. To achieve these goals, the government has launched several emissions-reduction programs including an emissions-trading system for key sectors, a green building plan, an incentive system supporting electric and hybrid vehicles, and measures supporting environmentally friendly public transportation. Unfortunately, according to the Climate Action Tracker (CAT), South Korea is unlikely under current policies to meet its nationally determined contribution target, which the CAT already rates as "highly insufficient." Indeed, under current projections, Korea's emissions will be more than 150% above 1990 levels in 2030. The Moon administration – like previous governments – does not place a particularly high priority on its global environmental responsibilities. Instead of articulating a comprehensive strategy for a transition to a carbon-neutral society, the government has been quick to give in to populist demands for low electricity and fuel prices. Recently, international environmental NGOs have pushed Korea's government to stop funding coal power in developing countries such as Indonesia. Korea is the world's second-largest investor in the global coal-finance market, following China. Although the country has ratified the Convention on Biodiversity, protecting biodiversity has played an important role in the planning of new industrial or housing developments.

Citation:

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

Climate Action Tracker. South Korea. September 17, 2017.

<http://climateactiontracker.org/countries/southkorea.html>

Hankyoreh. "A step backward for the South Korean government's goals for greenhouse gas reduction."

January 30, 2017. http://english.hani.co.kr/arti/english_edition/e_business/780567.html

NRDC: Paris Climate Conference: South Korea. November 2015.

Yonhap News. 2019. "Minister says S. Korea playing key role in global fight against climate change."

Retrieved from <https://en.yna.co.kr/view/AEN20190925002300315>.

Quality of Democracy

Electoral Processes

Candidacy
Procedures
Score: 8

The National Election Commissions, an independent constitutional organ, manages the system of election bodies. Registration of candidates and parties at the national, regional and local levels is done in a free and transparent manner. However, deposit requirements for persons applying as candidates are relatively high, as are ages of eligibility for office. A proposal to switch to a mixed-member proportional representation system was recently floated, with the rationale of providing a fairer registration procedure and in order to better reflect voters' preferences. However, the two majority parties have proved lukewarm toward this idea, seeing it as a potential threat to their vested interests.

While the National Security Law allows state authorities to block the registration of so-called pro-North Korean parties and candidates, there is no evidence that this had any real impact in the 2017 presidential elections. However, the controversial decision of the Constitutional Court to disband the Unified Progressive Party (UPP) for being pro-North Korean in 2014 remains in force.

Citation:

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' left-wing 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: 7

Candidate media access has improved under the Moon administration. Under past conservative administrations, 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. It has even come to light that the Korean National Intelligence Service (NIS) used social-media posts to support President Park's elections in 2012. Recently, the use of social-media bots to influence online discussions has also become a matter of concern. The immensely controversial National Security Law also applies to online media, creating significant limitations regarding the freedom of expression. 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, represents an electoral gray area. According to some interpretations of Article 93 of the election law, all public expressions of support for candidates or parties are illegal during that period unless one is registered as an official campaigner. This can be seen as a disadvantage for smaller candidates who do not have the same access to traditional media. In general, small parties have a difficult time gaining coverage in the mainstream media. However, YouTube and other social networks have become very influential means of public communication for all candidates and parties.

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>
 Kyunghyang. Competition of new media strategies among presidential candidates. March 16, 2017. http://sports.khan.co.kr/bizlife/sk_index.html?art_id=201703161022003&sec_id=561101&pt=nv
 Sent, Dylan. 2018. “Social Media Manipulation of Public Opinion in Korean Elections.” *The Diplomat*, August 31. Retrieved October 13, 2018 (<https://thediplomat.com/2018/09/social-media-manipulation-of-public-opinion-in-korean-elections/>)

Voting and
 Registration
 Rights
 Score: 9

All citizens of South Korea aged 19 and over have the right to cast ballots, provided that they are registered as voters at their place of residence in South Korea or in another country. National elections are national holidays, making it easier for all citizens to vote. Legally incompetent individuals and convicted criminals still serving prison terms are deprived of active voting rights. The same applies to individuals whose voting rights have been suspended by a court verdict, those who have violated election laws, committed specified crimes while holding one of a set of public offices, and those who have violated the law on political foundations or specific other laws. Since the candlelight demonstrations against President Park in 2016 – 2017, public support for expanding voting rights to all citizens aged 18 and over has grown. 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 residing in foreign countries in which they are permanent residents or short-term visitors. Moreover, Korea was the first country in Asia to grant voting rights in local elections to foreign residents who have lived in the country for three or more years. Unfortunately, voter turnout rates among foreigners are still low. Citizens can appeal to the National Election Commission and the courts if they feel they have been discriminated against.

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>
 Korea Herald. “Voter Turnout Reaches 77%.” May 9, 2017.

<http://www.koreaherald.com/view.php?ud=20170509000522>
 Korea Joongang Daily. “Koreans divided over lowering voting age.” February 11, 2017.
<http://mengnews.joins.com/view.aspx?aId=3029735>
 Park, Si-soo. 2018. “Eligible Foreign Voters Surpass 100,000, but Few Cast Ballots.” The Korea Times.
https://www.koreatimes.co.kr/www/nation/2018/10/177_257145.html

Party Financing
 Score: 5

Since being enacted in 1965, the Political Fund Act in Korea has undergone 24 revisions for the purpose of guaranteeing that political funding is fairly and transparently provided. According to financial reports submitted by political parties in 2015, the total amount of membership fees collected from party members was \$52 million, representing only 25.8% of the parties’ total income of \$201.3 million. Parties also 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. 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. By law, lawmakers lose their National Assembly membership and are not allowed to run for public office for five years if they receive a fine of KRW 1 million or greater due to violations of the election laws. However, if breaking the election law still often carries little stigma, monitoring systems and sanctions are becoming more effective.

Citation:
 OECD. Korea – Financing Democracy. February 4, 2016.
http://www.keepeek.com/Digital-Asset-Management/oced/governance/financing-democracy/korea_9789264249455-12-en#page1
 “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

Popular Decision-
 Making
 Score: 5

Citizen referendums can be conducted at the local and provincial levels, requiring the support of at least 5% to 20% of voters to be called, and a turnout of at least 33% to be valid. However, results are not legally binding. The Blue House has also introduced a petition system under which the government is required to address a certain topic if at least 200,000 citizens sign a petition. There have been several binding recall votes at the local level, although the rate of success for such efforts is very low, because voter turnout rates have typically been lower than the required 33.3%. At the national level, only the president can call a referendum, but this has never taken place. In 2017, President Moon announced a referendum addressing amendments to the

constitution that would improve people’s basic rights and provide local governments with greater autonomy. However, the referendum was rejected by the opposition party in the parliament, and thus could not take place. In 2019, National Assembly Speaker Moon Hee-sang and President Moon again proposed to hold a referendum on constitutional revision, suggesting that people be allowed to vote on the proposal during the April 2020 general election.

Citation:

Korea Times. Moon seeks referendum on constitutional revision next year. November 10, 2017. http://www.koreatimes.co.kr/www/nation/2017/10/356_234939.html

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

Kang, Jin-Kyu. 2018. “Constitutional reform derailed.” Korea Joongang Daily, April 25. Retrieved October 13, 2018 (<http://koreajoongangdaily.joins.com/news/article/article.aspx?aid=3047355>)

Access to Information

Media Freedom
Score: 8

In the 2019 World Press Freedom Index compiled by the Paris-based Reporters Without Borders, Korea gained two places relative to the previous year, reaching rank 41. However, some issues remain problematic. For example, Reporters without Borders criticizes the system by which managers are appointed at public broadcasters. Editorial independence is also underdeveloped at many outlets. Public broadcaster KBS was accused of preventing journalists from reporting critically on President Moon’s appointment of Cho Kuk as justice minister. Furthermore, Korea has very problematic anti-defamation laws that can result in harsh prison terms for those convicted of defamation – even if the statements are true – if the statements are seen as being contrary to “the public interest.” Defamation suits are frequently filed as a means of preventing critical reporting. Reporting on North Korea remains censored by the National Security Law. All North Korean media are jammed, and North Korean websites are not accessible from South Korea. In general, internet censorship remains widespread, with “indecent” internet sites blocked. Consequently, Freedom House ranks South Korea among the countries in which the internet is only “partly free.” A potentially problematic new development is the government’s declaration of a “war against fake news,” with stricter legislation on the issue promised.

Citation:

Freedom on the Net 2018, <https://freedomhouse.org/report/freedom-net/2018/south-korea>

Cho, Sang-hun. 2018. “South Korea Declares War on “Fake News,” Worrying Government Critics.” The New York Times, October 2. Retrieved October 13, 2018 (<https://www.nytimes.com/2018/10/02/world/asia/south-korea-fake-news.html>).

Yonhap News. 2019. “S. Korea climbs again in press-freedom index.” Retrieved from <https://en.yna.co.kr/view/AEN20190418006000315>.

Reporters Without Borders. 2019. “South Korea: Distinct Improvement after a bad decade.” Retrieved from

<https://rsf.org/en/south-korea>.

Media Pluralism
Score: 6

South Korea has a vibrant and diverse media sector that includes various cable, terrestrial and satellite television stations, and more than 100 daily newspapers in either Korean or English. As the country has the world's highest internet penetration rates, a great number of readers today gain news exclusively from online sources. Yet despite the great variety of offerings, the diversity of content remains limited. 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. While there is more pluralism in the broadcasting sector due to the mix of public and private media, the diversity of political opinions in this arena is threatened by government influence over broadcasters' personnel policies. In general, media pluralism is hampered by a widespread belief that criticism and critical questions are necessarily negative. In May 2019, KBS journalist Song Hyun-jung was threatened by supporters of President Moon who claimed that he had been rude while interviewing the president. They claimed that Song's questions were "inappropriate," and a petition was started to demand an apology from or even punishment of Song and KBS. Beyond the traditional media, internet-based news are widespread and very diverse, although some opinions such as pro-North Korean statements remain outlawed by the National Security Law.

Citation:

Youn S., Lee H. (2015) The Ongoing Media Pluralism Debate in South Korea. In: Valcke P., Sükösd M., Picard R.G. (eds) *Media Pluralism and Diversity*. Palgrave
Media Us. "Eight years after Media Law," July 21, 2017.
<http://www.mediaus.co.kr/news/articleView.html?idxno=96976> (In Korean)
Freedom of the Press 2016, <https://freedomhouse.org/report/freedom-press/2016/south-korea>
Kang, Tae-jun. 2019. "South Korean Journalist Under Fire for Being 'Rude' to President Moon." *The Diplomat*, May 11. Retrieved from <https://thediplomat.com/2019/05/south-korean-journalist-under-fire-for-being-rude-to-president-moon/>.

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.

In the 2017 Open Data Barometer's implementation section, Korea obtained 90 out of 100 points for having a detailed government budget, but only five points with regard to publishing detailed data on government spending. It

received 50 points in the legislative category. The National Assembly has proved reluctant to disclose information about its spending, a fact that has triggered considerable public criticism.

Citation:

Article 19. Country Report: The Right to Information in South Korea. January 21, 2016. <https://www.article19.org/resources.php/resource/38242/en/country-report:-the-right-to-information-in-south-korea>

Open Data Barometer, World Wide Web Foundation. Global Rankings 2017.

<http://opendatabarometer.org/2ndEdition/analysis/rankings.html>

Open Data Barometer, World Wide Web Foundation. Country Detail: Korea. <http://opendatabarometer.org/>

Civil Rights and Political Liberties

Civil Rights
Score: 7

Despite the courts' relatively effective performance in protecting civil rights, and the election of a former human-rights lawyer as president, many problems remain. Serious issues include limits on the freedoms of association and assembly (see also "Rule of Law"), limits on free speech related particularly to the National Security Law, and inadequate rights accorded to populations such as migrant workers, refugees and sexual minorities. South Korea also maintains the possibility of the death penalty, though there has been a moratorium on executions since 1997. On a positive note, in November 2018 the Korean Supreme Court for the first time accepted "conscience or religious beliefs" as a justifiable reason for conscientious objection to the country's mandatory military service. Unfortunately, the government has to date been slow to offer alternatives to military service for conscientious objectors. In April 2019, the Constitutional Court strengthened women's rights, ruling that Korea's 65-year ban on abortion was unconstitutional. Refugees' difficulties in gaining asylum in South Korea has recently become an issue drawing public attention (see "Integration"). In 2019, the government's plan to limit the power of the public prosecutor's office turned into a major political struggle. Prosecutors in Korea are free to prosecute suspects or not as they see fit, a system that has been criticized as being prone to political meddling.

Citation:

Amnesty International Report 2017/18, <https://www.amnesty.org/en/documents/po10/6700/2018/en/>

Freedom on the Net 2018, <https://freedomhouse.org/report/freedom-net/2018/south-korea>

"In Landmark Ruling, South Korea's Top Court Acquits Conscientious Objector," New York Times, Nov. 1, 2018

Human Rights Watch. 2019. "South Korea: Events of 2018." Retrieved from <https://www.hrw.org/world-report/2019/country-chapters/south-korea>.

Political Liberties
Score: 7

Political liberties are protected by the constitution, but infringements do take place. Most importantly, the National Security Law remains the biggest obstacle not just to freedom of expression but also to political rights, because it can be abused for political purposes. The freedoms of expression, association

and assembly are constitutionally guaranteed, but problems remain despite recent improvements under the Moon administration. For example, the government still refuses to legalize the Korean Teachers and Education Workers Union (KTU), because it allows employees who have been fired to remain members. In general, labor unions still face considerable difficulties in organizing. For example, businesses can sue labor unions for compensation for “lost profits” during strikes, and civil servants are also limited in their political freedom. Labor unions are still legally limited in their freedom to engage in political activities. Despite many promises, the Moon government has to date failed to ratify ILO conventions 87 and 98 on the freedom of association. The Supreme Court ruling dissolving the Unified Progressive Party (UPP) for allegedly plotting an armed rebellion in 2014 remains in force, and former UPP lawmaker Lee Seok-ki remains in prison.

As infringements of political rights by the state have declined under the Moon administration, open political debate in which diverging political opinions are respected is becoming more routine. However, political debates are often personalized, with personal attacks substituting for rational arguments about different political goals.

Citation:

Amnesty International Report 2017/18, <https://www.amnesty.org/en/documents/pol10/6700/2018/en/>
Human Rights Watch, <https://www.hrw.org/world-report/2018/country-chapters/south-korea>

Non-
discrimination
Score: 5

Discrimination remains a major problem in South Korea, particularly for women, migrants, LGBT people and North Korean defectors. In the Global Gender Gap Report 2018, South Korea was ranked 115th out of 144 countries measured, up from 118th place the previous year. The gender-based pay gap, at 35%, remains the OECD’s largest, with the group’s average falling at 13.8%. The Moon government has promised to improve gender equality. As a start, he appointed six female ministers, which at one-third of the cabinet was a considerably higher share than in any previous Korean cabinet. After several reshuffles, the cabinet has now five female ministers. Moon also set a goal of reducing the gender gap in government by 2022 by increasing the share of women in senior government roles to at least 10% and the share of women serving as public-company executives to 20%. Discrimination against non-regular workers and migrant workers remains common, with many migrant workers still having to submit to an HIV test in order to obtain a work visa. There are approximately 30,000 North Korean defectors in South Korea, and discrimination against them is widespread. They are eligible for South Korean citizenship, but often face months of detention and interrogations upon arrival. According to a study by the National Human Rights Commission of Korea, half of the North Korean defectors in South Korea have suffered from discrimination. While courts have strengthened some rights for the LGBT

community, the government has failed to take decisive actions to reduce discrimination. At the time of writing, the Constitutional Court was reviewing Article 92 of the Military Penal Code, which criminalizes sexual relations between members of the same sex within the armed forces. Violations are punished by up to two years in prison regardless of whether the sexual relation was consensual or not.

Citation:

Freedom House. "Freedom in the World 2016: South Korea." <https://freedomhouse.org/report/freedom-world/2016/south-korea>

Chosun Daily. "N.Korean Defectors Complain of Discrimination in S.Korea." March 15, 2017. http://english.chosun.com/site/data/html_dir/2017/03/15/2017031501539.html

World Economic Forum. Global Gender Gap Report 2017. November 2, 2017. http://www3.weforum.org/docs/WEF_GGGR_2017.pdf

Human Rights Watch. 2019. "South Korea: Events of 2018." Retrieved from <https://www.hrw.org/world-report/2019/country-chapters/south-korea>.

The World Economic Forum. 2018. "The Global Gender Gap Report 2018." Retrieved from http://www3.weforum.org/docs/WEF_GGGR_2018.pdf.

Stangarone, Troy. 2019. "Gender Inequality Makes South Korea Poorer." *The Diplomat*, June 14. Retrieved from <https://thediplomat.com/2019/06/gender-inequality-makes-south-korea-poorer/>.

Rule of Law

Legal Certainty
Score: 7

While government actions are generally based on the law, the scope of discretion is quite large, and unpredictable decisions are not uncommon. When new laws are introduced, the way they are to be interpreted is often not clear until courts have made a decision. Foreign companies often complain that regulations are interpreted inconsistently, and "opaque regulatory decision-making remains a significant concern" according to the U.S. Department of State. In Korea, personal relationships generally play an important role in decision-making, while legal rules are sometimes seen as an obstacle to flexibility and quick decisions.

In 2019, the substantial discretionary power exercised by prosecutors in Korea became a major political issue. Prosecutors in South Korea lead the investigation of criminal cases, and also have considerable flexibility in deciding whether to prosecute a suspect or not. Together with prosecutors' limited degree of independence from the government (see "Judicial Review"), this broad discretion has politicized the legal system, with prosecutors appearing more reluctant to investigate acting government officials than the representatives of previous governments.

Citation:

"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.

Choe, Sang-hun. 2018. "Former South Korean President Gets 15 Years in Prison for Corruption." *The New*

York Times, October 5. Retrieved October 17, 2018 (<https://www.nytimes.com/2018/10/05/world/asia/lee-myung-bak-south-korea-convicted.html>)

US Department of State, Investment Climate Statements for 2018, Korea, Republic of

Judicial Review
Score: 8

In general, courts in South Korea are highly professional, and judges are well trained. The South Korean judiciary is fairly independent, though not totally free from governmental pressure. For example, the unpredictability of prosecutors' activities remains a problem. Unlike judges, prosecutors are not independent, and there have been cases in which they have used their power to harass political opponents. 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 an effective guardian of the constitution, although it has been comparably weak on anti-discrimination issues and the defense of political liberties on issues relating to the security threat posed by North Korea.

Citation:

JoongAng Ilbo. "Selective justice." October 10, 2019
<http://koreajoongangdaily.joins.com/news/article/article.aspx?aid=3068919>

Appointment of
Justices
Score: 7

The appointment process for Constitutional Court justices generally serves to protect the court's independence. Judges are exclusively appointed by different bodies without special majority requirements, although there is cooperation between the branches in the nomination process. The process is formally transparent and adequately covered by public media, although judicial appointments do not receive significant public attention. All nine judges are appointed by the president, with three of the nine selected by the president, three by the National Assembly and three by the judiciary. 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 National Assembly holds nomination hearings on all nominees for the Supreme Court and the Constitutional Court.

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

Korea Herald. "Moon names new nominee for Constitutional Court Chief." October 27, 2017. <http://www.koreaherald.com/view.php?ud=20171027000588>

Corruption
Prevention
Score: 7

Following massive corruption scandals involving the two previous governments, the situation in South Korea has improved in this area. Nevertheless, the abuse of power for private gain remains a major problem. As demonstrated by the protests against President Park, the Korean public, civil society organizations and the media are vigilant and ready to protest top-level abuses of power effectively. The Me Too movement has also brought many abuse-of-power cases to light. Courts have been tough on former public officials involved in corruption scandals, handing down prison sentences to many involved, including the two previous presidents. President Moon has promised to strengthen anti-corruption initiatives further, announcing that members of the elite involved in corruption scandals would not be granted pardons. However, the recent scandals surrounding former Justice Minister Cho Kuk showed that the current government too has been subjected to abuse-of-office accusations. On the other hand, the case also showed that checks and balances have improved as there appears to be increasing readiness to investigate serving high-level officials. In the past, public officials were usually investigated and prosecuted only after they left office, as prosecutors have considerable discretion with regard to deciding who to prosecute. President Moon has proposed an institutional reform that would shift the power to investigate and prosecute corruption among high-level officials from the prosecutor's office to a new agency. While this could theoretically make the new agency less opportunistic and more independent from political meddling, it remains to be seen how such independence would be institutionally guaranteed. Positive institutional changes made in past years, such as the "improper solicitation and graft" act (the Kim Young-ran Act), are now showing results, and have effectively limited Korean traditions of gift-giving. Despite the strong campaign against corruption in the public sector, there has been limited success in curbing corruption and influence peddling by big business groups, and courts are much more lenient toward businessmen than toward public officials.

Citation:

ACRC (2019), 2018 Annual Report, <http://www.acrc.go.kr/en/board.do?command=searchDetail&method=searchDetailViewInc&menuId=020504&confId=64&conConfId=64&conTabId=0&currPageNo=1&boardNum=79760>

Governance

I. Executive Capacity

Strategic Capacity

Strategic
Planning
Score: 7

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. President Moon launched the State Affairs Planning Advisory Committee in May 2017. This commission is comprised of key departments specializing in policy and administration, the economy, diplomacy and security, and policy planning. A total of 30 members play an advisory role in assisting the new government in reviewing the structure, function and budget of each government organization. Commission members also help to identify key policies that the government will pursue, and help develop medium and long-term plans to carry out the policies. The plan submitted by the State Affairs Planning Advisory Committee contains policy recommendations to be pursued over the next five years of the Moon administration. The plan includes a national vision of “a Nation of the People, a Just Republic of Korea,” along with 100 concrete policy goals. However, the Moon government has publicized several of the plan’s policies through the Blue House without coordinating the plans with related ministries. Overall, key policies recommended by the committee have not been successful, and its public presence has declined.

Citation:

Korea.net. Policy Roadmap of the Moon Jae-in Administration. July 19, 2017.

Korea.net. President Moon Unveils Five-year Policy Agenda. July 19, 2017. <http://www.korea.net/NewsFocus/policies/view?articleId=148013>

Korea.net. President Launches Advisory Committee on State Affairs. May 22, 2017. <http://www.korea.net/NewsFocus/policies/view?articleId=146390>

Expert Advice
Score: 6

Non-governmental academic experts have considerable influence on government decision-making. Within the State Affairs Planning Advisory Committee, 14 out of 30 members are professors. Indeed, three out of four members of both this group’s policy and administration subcommittee and the

diplomacy and security subcommittee have an academic background. In addition to a presidential advisory committee, scholars are often nominated for top government positions. Academic experts participate in diverse statutory advisory bodies established under the offices of the president and prime minister. Advisory commissions are usually dedicated to specific issues deriving from the president's policy preferences. However, the selection of academic experts is often seen as too narrow and exclusive. The process of appointing experts remains highly politicized, and in the past experts have often been chosen because of their political leanings rather than their academic expertise. The Moon government has ignored criticisms of policy failures offered by experts with different political perspectives than its own, which makes the process of policy consultation less effective. President Moon himself seems to have neither the willingness nor the inclination to meet and have open talks with experts.

Citation:

Korea.net. President Moon appoints senior secretaries. May 11, 2017
<http://www.korea.net/NewsFocus/policies/view?articleId=145963>

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 Prime Minister's Office has sufficient administrative capacity and nonpolitical technocrats to design and implement policies and strategies politically chosen by the Blue House. President Moon has promised to decentralize powers, and plans to hold a referendum to amend the constitution in this manner. As of the time of writing, however, constitutional reform has been stalled due to objections by opposition parties.

Citation:

Government Performance Evaluation Committee, <http://www.psec.go.kr>
 The Korea Institute of Public Administration (KIPA), <http://www.kipa.re.kr>
 Kong, Kanga. "Moon Seeks to End South Korea's 'Imperial' Presidential System." Bloomberg.com, Bloomberg, Mar. 2018, www.bloomberg.com/news/articles/2018-03-22/moon-seeks-to-end-south-korea-s-imperial-presidential-system.

Line Ministries
 Score: 9

Executive power is concentrated in the president's hands. Thus, line ministries have to involve the Blue House in all major policy proposals. The president

has the authority to, and often does rearrange, merge and abolish ministries according to his or her agenda. For example, President Moon created a Ministry of SMEs and Startups; renamed the Ministry of Science, ICT and Future Planning as the Ministry of Science and ICT; and merged the National Security Agency and the Ministry of Public Administration and Security into a single Ministry of the Interior and Safety. He also (re-)established the National Fire Agency and the Korea Coast Guard abolished by his predecessor. However, while Moon has promised to decentralize power, there have as yet been few signs of any weakening of the role of the Blue House. The Blue House gets involved with and coordinates certain policies by exerting its political dominance rather than through administrative capability. This is particularly true for policy areas falling outside the president's main priorities, for which the Blue House does not possess sufficient knowledge or human-resources capacity to act effectively.

Cabinet
Committees
Score: 7

Formally, the cabinet is the executive branch's highest body for policy deliberation and resolution. In reality, the role of the cabinet is limited because all important issues are discussed bilaterally between the Blue House and the relevant ministry. However, bureaucratic skirmishing takes place on many issues. The Blue House's capacity to contain rivalries between the various ministries tends to be relatively high early in a given president's official term. However, coordination power becomes weaker in a lame-duck administration. Committees are either permanent, such as the National Security Council, or created in response to a particular issue. As many government agencies have recently been moved out of Seoul into Sejong city, the need to hold cabinet meetings without having to convene in one place at the same time has been growing, and the law has therefore been amended to allow cabinet meetings in a visual teleconference format.

Ministerial
Bureaucracy
Score: 7

Civil servants from different ministries regularly coordinate on policies of common concern. This coordination and cooperation among related civil servants across ministries can be either formal or informal, hierarchical or horizontal. Unfortunately, attitudes in the ministries are shaped by departmentalism that obstructs coordination. Different ministries use their policies to compete 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 being "second tier." Key issues given a high priority by the president can be effectively coordinated among concerned ministries.

Some attempts to improve coordination among ministries are being made. Various interministerial coordination mechanisms have been implemented on the basis of sector and theme, such as the interministerial coordination system for ODA. Moreover, it is expected that the efficiency of and communication

between government agencies will be improved by the introduction of a new records-retrieval system. The National Archives and Records Administration (NIS) has announced that it will establish a search and retrieval service in consultation with the Ministry of Patriots and Veterans Affairs. However, in spite of the Blue House's political dominance, the Moon government has exhibited numerous cases of coordination failure among relevant ministries. For example, the Blue House; the Ministry of Land, Infrastructure and Transport; and the Ministry of Strategy and Finance have frequently failed to communicate and coordinate effectively on real-estate policy, a fact that has helped produce skyrocketing prices and increasing inequality.

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 interministerial coordination is both formal and informal in Korea. Informal coordination is typically, if not always, 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 to further specific policies. However, these practices can also lead to corruption and an inefficient allocation of resources. The Moon government has been criticized for working within relatively small networks of key staffers; moreover, in a number of cases of failed implementation, it has emerged that informal networks and coordination have overridden formal policy.

Citation:

Seungjoo Lee and Sang-young Rhyu, "The Political Dynamics of Informal Networks in South Korea: The Case of Parachute Appointment" (2008), *the Pacific Review*, 21(1): 45-66.

Digitalization for
 Interministerial
 Coordination
 Score: 9

The South Korean government utilizes e-government software (the Policy Task Management System) to monitor the implementation of policies in real time. In the UN E-Government Survey 2018, Korea was ranked at third place internationally for the implementation of e-government.

Citation:

UN E-Government Survey 2018, <https://publicadministration.un.org/egovkb/en-us/Reports/UN-E-Government-Survey-2018>

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. In its 2018 Regulatory Policy Outlook, the OECD praised Korea for improvements in its RIA processes since the previous report in 2015, and placed the country at or even above the OECD average in most categories. However, the report also highlighted some weaknesses, particularly with regard to RIAs concerning regulations initiated by the legislature, a category that is currently excluded. The Federation of Korean Industries, which advocates deregulation on behalf of corporate sectors, has proposed that the government apply RIAs to regulatory acts initiated by lawmakers.

Citation:

OECD Regulatory Policy Outlook 2018, https://read.oecd-ilibrary.org/governance/oecd-regulatory-policy-outlook-2018_9789264303072-en#page208

OECD, Government at a Glance Database, <http://www.oecd.org/gov/government-at-a-glance-2017-database.htm>

Korea Herald. Analytic tools crucial in improving regulatory practices: US adviser. October 13, 2017. http://khnews.kheraldm.com/view.php?ud=20171013000737&md=20171016003056_BL

Quality of RIA
Process
Score: 6

The Regulatory Reform Committee (RRC) is the primary institution overseeing the RIA process. Stakeholders are consulted during the RIA process, which includes regular meetings with foreign chambers of commerce, for example. The general public and specific stakeholders can be integrated into the process via online channels such as the Regulatory Information Portal, Regulatory Reform Sinmungo, and the e-Legislation Center. The e-Legislation Center gives the general public the opportunity to propose a bill, submit opinions on regulatory bills or request clarification of how laws have been interpreted. However, RIA committees are often criticized for not being fully autonomous and for being influenced by political and economic interests. Divergent interests and voices from business circles and radical labor organizations are big obstacles in implementing RIA. Other criticisms offered by the OECD include a lack of sufficient time to carry out assessments, insufficient staff, and a lack of expertise and financial resources. The OECD also recommended that the scope of civil society participation in the RRC be widened, and that the committee's steering capacity be strengthened rather than allowing it to micromanage RIA processes.

Citation:

OECD, 2017. OECD Reviews of Regulatory Reform Regulatory Policy in Korea: Toward Better Regulation. May 23, 2017.

OECD Regulatory Policy Outlook 2018, https://read.oecd-ilibrary.org/governance/oecd-regulatory-policy-outlook-2018_9789264303072-en#page208

www.better.go.kr/zz.main.PortalMain.laf
www.lawmaking.go.kr

Sustainability
 Check
 Score: 6

The assessment of policy-implementation sustainability in South Korea is regulated by the 2007 Sustainable Development Act and overseen by the Presidential Commission on Sustainable Development, which reports to the Ministry of Environment. This body's task is to implement, promote, share, educate, network, monitor and make policy proposals on sustainable development. 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. The Moon administration has promised to focus more strongly on sustainability-related issues, including reductions in youth unemployment rates, air pollution and greenhouse-gas emissions. For example, the Moon administration has promised to build no new nuclear power plants and has temporarily closed 10 coal-fired power plants (although only during months with low electricity demand). At the same time, the government appears to be considering a continuation of previous governments' problematic practice of prioritizing economic growth, for example by issuing waivers for regulations governing economic development or apartment construction within green-belt areas. While President Moon has promised to highlight environmental sustainability, the actual effects on the RIA process remain to be seen.

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>

Quality of Ex
 Post Evaluation
 Score: 7

In a recent OECD assessment of ex post evaluation, Korea was ranked third behind Australia and United Kingdom. While there is an effective evaluation system in place, the effect on policy revision has been limited to date. In recent years, real-estate policy has been broadly unsuccessful, contributing to historically high and skyrocketing prices by repeatedly imposing low-quality short-term regulations without effective ex post evaluation. Soaring prices have produced adverse effects by increasing economic inequality.

Citation:
 OECD, Government at a Glance Database,
https://www.oecd-ilibrary.org/sites/9789264303072-en/1/2/2/index.html?itemId=/content/publication/9789264303072-en&_csp_=46cd5ed37844c9dc6cf21c84716ab307&itemIGO=oecd&itemContentType=book

Societal Consultation

Public
Consultation
Score: 7

There have been major improvements with regard to consultation with societal actors since President Moon took office. President Moon's interactions with the public are also significantly different than those of his predecessor. He has emphasized the importance of being more open and communicative with the public. He is holding frequent discussions with civil society groups and top business leaders, and allows Q&A sessions during press briefings. The Blue House also introduced a petition system in which the government is required to address a certain topic when at least 200,000 citizens have signed the petition. The Moon government has also tested so-called deliberative democracy processes, in which all stakeholders participate in three- or four-night debates, as a means of drafting controversial policies in areas such as nuclear energy or university admissions. While the government is trying to improve contacts with civil society, not all such attempts have been successful. For example, the tripartite process with labor unions and business groups has suffered a setback, with one of the largest umbrella labor-union umbrella organizations (KCTU) refusing to participate.

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

Korea Herald. Second-largest labor union to stage strike, rally. June 29, 2017. <http://www.koreaherald.com/view.php?ud=20170629000963>

Yonhap News. Moon promises frequent and frank communication with biz leaders. July 27, 2017. <http://english.yonhapnews.co.kr/national/2017/07/27/0301000000AEN20170727001852315.html>

Korea Times, Construction of Shin-Kori 5 and 6 reactors resumes, http://www.koreatimes.co.kr/www/biz/2017/10/367_238189.html

Policy Communication

Coherent
Communication
Score: 6

President Moon has placed a high priority on communication with citizens. He engages in more frequent press briefings than did his predecessors, and holds public hearings where he is likely to have more opportunities to have direct conversations with citizens. Ministries do occasionally issue mutually contradictory statements, but rarely openly contradict statements issued by the presidential office, which in Korea's presidential system dominates the government strategy. The Moon administration has not been successful in its goal of inducing bureaucrats to work harder and better, since high-ranking politically appointed officials in the Blue House have dominated the policy process in a comparatively less professional way.

Citation:

KBS News. "Activate the ministerial meetings for better collaboration." July 28, 2017. (In Korean) <http://news.kbs.co.kr/news/view.do?ncd=3523871>

Implementation

Government
Effectiveness
Score: 5

The Moon administration has shown slight improvements over its predecessor with regard to the implementation of policies, although implementation still falls far short of the president's ambitious goals. Moon has developed a very detailed list of 100 policy goals that he wants to implement during his tenure. Yet despite the strong personal mandate deriving from his decisive election victory and strong popularity, Moon's Democratic Party lacked a majority in parliament through the end of the review period. Nevertheless, the president has far-reaching powers and Moon has implemented several important measures such as the increase in the minimum wage, the creation of more stable jobs in the public sector and the reduction of the maximum work week to 52 hours. However, Moon has also postponed or abandoned some of his original agenda items, such as the constitutional reform designed to decentralize power, election reform and chaebol (business conglomerate) reform. Compared to his first year in office, President Moon's reform drive has substantially slowed, and his administration has even backtracked on some of its already achieved goals. For example, amid criticism from the business sector, Moon has promised to reduce the pace of minimum-wage increases, and has promised more "flexibility" in reducing maximum allowed weekly work hours. As policy objectives are associated with individual politicians rather than deriving from comprehensive party programs, the controversy over and subsequent resignation of Justice Minister Cho Kuk in 2019 served as a distraction that slowed many of the reforms envisioned by President Moon.

Citation:

"S. Korea 'bureaucracy risk' derails economic innovation," Maeil Business Newspaper, March 26, 2014
Yonhap News. "S. Korea committed to pursuing goal of inclusive growth." May 06, 2019
<https://en.yna.co.kr/view/AEN20190505000200320>

Ministerial
Compliance
Score: 9

Ministers in South Korea do not have their own political base, and thus depend almost solely on the support of the president. The president has the authority to appoint and dismiss ministers, and frequently reshuffles the cabinet. This high degree of turnover limits ministers' independence, as they are unable to develop their own voice to pursue their own or institutional policy ideas. The recent resistance to reform from within the prosecutors' ranks showed that implementation mechanisms have not worked successfully in this area.

Monitoring
Ministries
Score: 8

In general, 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 is more influential than e-government, and is the usual tool used to

supervise ministries. Ministries have little leeway in policy areas that are important to the president. However, while ministerial compliance is largely assured in the Korean system, the ministerial bureaucracy has a certain degree of independence deriving from its members' status as tenured civil servants. Because ministers have a comparatively short tenure, it is difficult for them to guide and monitor compliance in the bureaucracy. Generally, the degree of independence within the bureaucracy varies substantially, and is stronger in areas that are comparatively less important to the president. "Liberal" administrations such as the current government tend to face greater challenges in controlling the traditionally conservative bureaucracy than do their conservative counterparts.

Monitoring
Agencies,
Bureaucracies
Score: 6

The Prime Minister's Office annually monitors and evaluates the performance of 42 governmental agencies. The ministries effectively monitor the activities of all executive agencies, with each minister holding responsibility for the compliance of the agencies under his or her purview. Once again, the top-down structure of the government typically 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. Each ministry sets its own performance and implementation indicators and reports its annual progress. The indicators can be used as a monitoring tool for the activities of bureaucracies and executive agencies with regard to implementation. However, ministries fail in some cases to monitor executive agencies' implementation activities effectively. By contrast, bureaucrats have often responded to strong political pressures with an apathetic attitude.

Task Funding
Score: 5

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 governments play an important role in providing services to citizens and respectively account for about 35% of government spending in 2017. However, local and state governments have relatively little ability to raise their own revenue and thus depend on central-government support. The fiscal self-reliance ratio in over 90% of the local governments (220 out of a total of 243) was under 50% in 2016. In addition, local administrations are understaffed, and central-government employees are often delegated to subnational authorities. President Moon has highlighted the importance of decentralizing state power in order to allow local municipalities and provinces to be run more autonomously. Under the 2018 budget proposal, KRW 3.5 trillion (.1 billion) in subsidies was to be provided to provincial governments. The question of who is responsible for funding the mandatory high-school education system continues to produce conflict, with the provincial and central governments each trying to shift responsibility for costs to the other. The Ministry of Education and the Ministry of Economy and Finance have also been at odds over the issue.

Constitutional
Discretion
Score: 6

Citation:

OECD, Government at a Glance Database, <http://www.oecd.org/gov/govataglance.htm>

“High welfare-related costs stymie local governments,” Korea JoongAng Daily, Oct 14, 2014

Korea Herald. Moon vows efforts for greater local autonomy. June 14, 2017. <http://www.koreaherald.com/view.php?ud=20170614000743>

While autonomous local governments are protected by the constitution, the constitution does not clearly define specific competencies and rights. A major obstacle to subnational self-government is the lack of fiscal autonomy accorded to local governments. Due to the very high dependence on transfer grants from the central government, most regional and local governments are vulnerable to central-government interference. 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.

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)

Korea Times. Moon and Local Authority. September 26, 2017. http://www.koreatimes.co.kr/www/opinion/2017/10/625_237037.html

National
Standards
Score: 7

The Ministry of Public Administration and Security, created through a merger of earlier agencies, is in charge of ensuring that local governments maintain national minimum standards. However, many local governments, particularly in rural areas, have much lower professional standards than does 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) areas like Seoul and the country’s southeast and those less prosperous (i.e., dependent on transfer payments) regions in the southwest. For instance, a number of local governments have recently begun paying child benefits greater than those dictated by national standards. As local-government autonomy develops, a greater number of customized policies are being introduced for residents.

Effective
Regulatory
Enforcement
Score: 5

Government agencies enforce regulation, but are usually biased in favor of certain groups and vested interests. The big business conglomerates and foreign investors are naturally the most powerful vested interests, and most policies take the interests of the big business sector and foreign investors into account. For example, environmental and safety regulations imposed on large businesses such as carmakers or domestic and foreign humidifier makers have been very lenient. SMEs have similarly emerged as a powerful interest group. Here, SMEs have managed to obtain very generous exclusions, even from the very modest reduction of maximum allowed weekly work times from 68 to 52

hours. Collusion between management and labor unions has also led to circumvention or exploitation of government regulations. For example, by excluding regular (non-performance-based) bonuses from the calculation of the minimum wage, even workers with relatively high total wages were able to benefit from the minimum-wage increase.

Citation:

Rhyu Sang Young, Moon Jae-in and the Politics of Reform in South Korea, Global Asia 2018, https://www.globalasia.org/v13no3/cover/moon-jae-in-and-the-politics-of-reform-in-south-korea_sang-young-rhyu

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 in 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 official development assistance (ODA) in order to meet global standards in the near future. For example, it was the first Asian donor to join the International Aid Transparency Initiative (IATI), an initiative for enhancing aid transparency. However, the country's degree of adaptability largely depends upon compatibility with domestic political goals. Korea seems to be falling behind particularly with regard to the transition to greater environmental sustainability. On a positive note, Korea has notified the United Nations that it will ratify four key International Labor Organization (ILO) conventions on the freedom of association and the prohibition of forced labor, although this ratification was still pending as of the time of writing.

Citation:

KOICA. "The Republic of Korea Joins IATI." December 29, 2015. http://www.koica.go.kr/english/board/focus_on/1321226_3563.html
"South Korea set to ratify four key ILO conventions," Hankyoreh, Nov.21,2017

International
Coordination
Score: 7

As a member of the United Nations, the World Trade Organization and the G-20, South Korea helps to shape global rules and foster global public goods, but it rarely plays a leading role in international cooperation. The Moon administration has further shifted the attention from multilateral institutions to bilateral negotiations, with a particular focus on North Korea. Nevertheless, Korea does play a role in international organizations; for example, it is currently contributing 627 individuals to UN peacekeeping missions. Korea

does engage in development cooperation, and joined the OECD Development Assistance Committee (DAC) in 2009, although initial goals of spending 0.25% of GNI for the purposes of development cooperation have not yet been met. Korea is committed to the Sustainable Development Goals (SDGs), and has signed the Paris Agreement on reducing greenhouse-gas emissions. However, Korea can hardly be seen as a leader in these fields, as national sustainability and emissions-reduction goals are underwhelming. For example, while the European Union has promised to reduce greenhouse-gas emissions to 40% below 1990 levels, Korea has only pledged to reduce emissions to 37% below business-as-usual projections, which would represent an increase of 81% compared to 1990.

Citation:

The government of Korea. 2016 National Voluntary Review Year One of Implementing the SDGs in the Republic of Korea: From a Model of Development Success to a Vision for Sustainable Development. [https://sustainabledevelopment.un.org/content/documents/10632National%20Voluntary%20Review%20Report%20\(rev_final\).pdf](https://sustainabledevelopment.un.org/content/documents/10632National%20Voluntary%20Review%20Report%20(rev_final).pdf)

Climate Action Tracker. South Korea Profile. <http://climateactiontracker.org/countries/southkorea.html>

Organizational Reform

Self-monitoring
Score: 6

The president's office monitors institutional governance arrangements. The president frequently reorganizes ministries and government agencies when inefficiencies are detected. At the same time, institutional reforms are often driven by individual high-ranking government officials rather than being part of a comprehensive plan. For example, the recent controversy over the creation of a new government agency tasked with investigating and prosecuting high-level government officials was primarily driven by former Justice Minister Cho Kuk. However, the initiative did not provide adequate assessment as to how this new institution would be more independent than the existing public prosecutor's office from political meddling, or how it would improve investigations of high-level officials overall.

Institutional
Reform
Score: 6

The Moon administration is expected to carry out some institutional reforms during his term. Most importantly, the new president has pledged to decentralize the political system by transferring previously centralized powers to national ministries and agencies as well as to regional and local governments. Moon also proposed transforming the current five-year, single-term presidency into a four-year, double-term (contingent upon reelection) system, and has envisioned reforming national institutions including the National Intelligence Service (NIS), the judiciary and various public agencies. He has said he would request the support of the National Assembly in developing the reforms. In 2019, proposed reforms of the public prosecutor's office triggered a major political struggle. As of the end of the review period, however, most far-reaching institutional reforms had stalled due to the

president's lack of a parliamentary majority. More importantly, the prosecutorial reform will require the president and his allies to show more determined leadership and strategic capacity.

Citation:

Korea Herald. What Moon Jae-in pledged to do as president. May 10, 2017. <http://www.koreaherald.com/view.php?ud=20170509000521>

Yonhap News. Moon reaffirms commitment to military reform, reinforcement. August 20, 2017. <http://english.yonhapnews.co.kr/national/2017/08/20/0301000000AEN20170820001651315.html>

Martial law probe falters as suspect can't be found, Joong Ang Daily, Nov 8, 2018

II. Executive Accountability

Citizens' Participatory Competence

Political
Knowledge
Score: 7

The candlelight revolution of 2016 – 2017 revealed a high level of political information and interest among the Korean public. In particular, it is remarkable that many young people and students participated in the protests. Nevertheless, many citizens remain poorly informed about the details of many government policies. Political discussions are often conducted emotionally, and are focused on personalities rather than policy. The spectrum of published political opinions remains very narrow, limiting the scope of political discussion and making it hard for citizens to develop their own opinion. The immense pressure to do well on exams in schools and at universities has left political education and discussions underdeveloped. The low level of trust in government announcements and in the mainstream media provides fertile ground for the dissemination of rumors. Misinformation spreads quickly in Korea, as was evident in the online campaigns against refugees from Yemen. The discussion about refugees also revealed that the public generally knows less about international topics or the international context than it does about purely domestic subjects. However, numerous NGOs and enlightened netizens, acting on behalf of citizens, are playing a pivotal role in monitoring the public and private sectors by getting and sharing information from the government.

Citation:

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

Share Hub. One out of every two Seoul citizens has heard of "Sharing City" policy – results of a survey of the public awareness of Sharing City Seoul policy. July 19, 2016

<http://english.sharehub.kr/one-out-of-every-two-seoul-citizens-has-heard-of-sharing-city-policy-results-of-a-survey-of-the-public-awareness-of-sharing-city-seoul-policy/>

Open
Government
Score: 8

According to the Open Government Partnership (2018), “the disclosure and usage of public data could make a big impact such as enhancing government transparency, delivering effective and efficient services to public and contributing to the nation’s economic growth.” Korea ranks at the top or near the top of OECD countries on the OECD’s OUR Data Index, which examines the issue of open, usable and reusable government data. A government information portal has been introduced to provide access to government data and information. However, some institutions have proved uncooperative in providing access to information requested by members of the public, making the government less accountable.

Citation:

OECD, Government at a Glance 2017 Database, OUR Data Index

The Government of Republic of Korea. 2017. “100 Policy Tasks: Five-year Plan of the Moon Jae-in Administration.” Korean Culture and Information Service: Seoul.

Open Government Partnership. 2018. “10 Open National Priority Data.” Retrieved November 7 (<https://www.opengovpartnership.org/countries/south-korea>).
www.open.go.kr

Legislative Actors’ Resources

Parliamentary
Resources
Score: 6

Members of parliament have a staff of nine, including four policy experts, three administrative staffers and two interns. Given the large quantity of topics covered, this staff is scarcely sufficient, but is enough to cover legislators’ main areas of focus. Tight schedules and the record-high number of agencies monitored by the National Assembly have generated skepticism regarding the effectiveness of legislative oversight. Observers familiar with parliamentary affairs have voiced concern that parliamentary audits are inevitably superficial, as lawmakers have little time to study dossiers thoroughly or prepare their questions. Moreover, some lawmakers lack the capacity and willingness to monitor government activities effectively.

Obtaining
Documents
Score: 8

Parliamentary committees are legally able to obtain the documents they request from the government. The government, including governmental agencies and public institutions, is required to deliver these documents within 10 days of a request from a member of the National Assembly. Documents pertaining to commercial information or certain aspects of national security can be withheld from the parliament. Moreover, problematic issues do arise in the process of requesting documents. For example, because of the frequency of requests from parliamentarians, there have been numerous cases reported in which agency officials have had to work overtime to meet the document requests.

Parliamentarians can also summon the officials concerned as witnesses. However, bureaucrats are sometimes reluctant to offer the documents and information requested in an effort to protect their organizational interests. The

inability to override witnesses' refusal to answer questions remains an issue that must be addressed. Under 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. Under the Moon government, government institutions have become more cooperative in response to parliamentary committees' document requests.

Summoning
Ministers
Score: 9

The parliament has the constitutional right to summon ministers to appear before parliamentary hearings, and indeed frequently exercises this right. Regular investigation of government affairs by parliament is an effective means of monitoring ministers. Almost every minister has been summoned to answer parliamentarians' questions in the context of a National Assembly inspection. However, the role of the minister in the South Korean system is relatively weak, with the professional bureaucracy trained to be loyal to the president. In addition, the ruling party and ministers can agree not to invite ministers or to cancel hearings on politically controversial issues. In many cases, opposition parties summon irrelevant ministers simply as a means of furthering political confrontation with the president.

Summoning
Experts
Score: 8

Parliamentary committees are legally able to, and frequently do, invite experts to parliamentary hearings. The Park Geun-hye and Choi Soon-sil scandals generally strengthened parliamentary committees, as refusals to attend or false testimony are now more commonly subject to punishment. According to the Act on Testimony, Appraisal, etc., Before the National Assembly (2017):

“any witness who fails to attend, any witness who intentionally evades the service of a written request for attendance, any person who refuses a request for reporting or presentation of documents, or any witness or appraiser who refuses an oath, testimony or appraisal, without any justifiable ground, shall be punished by imprisonment with labor for not more than three years or by a fine of not less than 30 million won but not more than 10 million won.”

Citation

ACT ON TESTIMONY, APPRAISAL, ETC. BEFORE THE NATIONAL ASSEMBLY, Act No. 14757, Mar. 21, 2017
https://elaw.klri.re.kr/eng_service/lawView.do?hseq=42837&lang=ENG

Task Area
Congruence
Score: 9

The task areas of parliamentary committees and ministries mostly correspond. As of October 2019, there were 18 standing committees and one ad hoc committee tasked with examining bills and petitions falling under their respective jurisdictions and with performing 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.).

Media

Media Reporting
Score: 6

South Korea’s main media-related problem is the low quality of many outlets, which renders them unable 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 the area of political journalism. Newspapers and TV rely heavily on advertising revenues. Most prominent TV stations produce a mix of infotainment and quality information about government policies. Information on international events in particular receives little coverage in the Korean news media. The major newspapers clearly lean to the political right, although alternatives do exist. Traditional media such as newspapers and broadcasting outlets are aggravating the situation by providing superficial, short-term-focused coverage, and by propagating extreme partisan content as a means of securing subscribers and viewers. The headlines given to newspaper editorials are becoming increasingly provocative, while broadcasters are treating current-affairs news into entertainment. People describing important social issues in conspiratorial terms are being given an increasing public platform in the media. The internet news sector is dominated by two major news portals, Naver and Daum, although there are alternatives such as Newstapa, an investigative journalism network. In general, political reporting tends to be framed in the context of personalized power politics, diverting attention away from important policy issues. The recent scandals surrounding former Justice Minister Cho Kuk illustrated this focus on personalities, as supporters and opponents of President Moon focused on personally attacking each other instead of addressing the underlying political issue of judiciary reform.

Citation:

Sang-young Rhyu, “McCarthyism in South Korea: The Naked Truth and History of Color Politics,” East Asia Foundation Policy Debates, No.68 (March 28, 2017).

Newstapa, <https://newstapa.org/>

Han-yong Sung, “The Crisis in the South Korean Press: What Should Be Done?,” East Asia Foundation Policy Debates, No. 127 (November 05, 2019).

Parties and Interest Associations

Intra-party
Decision-Making
Score: 5

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. Parties are organized in a top-down fashion, and typically led by a few powerful individuals (who may or may not hold official party offices). Parties often disband, rename and regroup around these leaders without the comprehensive involvement of members. In general, ordinary party members have very little say. While the selection of presidential candidates has become more democratic since the introduction of the primary system in 2015, issue-oriented participation by party members remains anemic, and party organizations remain weak. Only some of the smaller parties not represented in the parliament, such as the Green Party, are organized in a bottom-up way. Organizing local party chapters remains illegal in Korea, making it almost impossible to build grassroots organizations. Due to their focus on personalities, parties tend to be ill-prepared to govern, and thus depend on co-opting political outsiders that have little experience in the political arena.

Association
Competence
(Employers &
Unions)
Score: 7

Business associations such as the Korean Employers Federation and the Federation of Korean Industries, as well as labor-union umbrella groups such as the Federation of Korean Trade Unions and the Korean Confederation of Trade Unions (KCTU), 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 their most powerful members – that is, business conglomerates 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 had significant influence over the formulation of policies. Under the Moon administration, the influence of business groups has remained strong, if somewhat contradictory. Labor organizations have come to wield considerable power in formulating major social and economic policies, thanks to the Moon government's more labor-friendly stance.

Association
Competence
(Others)
Score: 6

The rise of civil society organizations has been one of the last decade's most important political trends in South Korea. The massive peaceful protests against President Park were largely organized by civil society groups that have proven their ability to mobilize the public and their competence in organizing peaceful protests on a massive scale. 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, corporate reform, welfare policies or human rights. They provide reasonable policy proposals and are supported by a large group of academics and professionals. They also provide a pool of experts for the government. President Moon has appointed several former members of civil society groups to government positions. Unfortunately, this increased level of influence has to some extent undermined their ability to criticize the government. For example, People's Solidarity for Participatory Democracy has lost some of its independence, acting to suppress internal criticism of key former members who had become members of the government, such as former Blue House Secretary and Justice Minister Cho Kuk. Highly competent international NGOs such as Transparency International, Amnesty International and Save the Children are also playing an increasingly prominent role in their respective fields.

Independent Supervisory Bodies

Audit Office
Score: 2

The Board of Audit and Inspection is a national-level organization tasked with auditing and inspecting the accounts of state and administrative bodies. It 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 with other ministries. Demands to place the audit office under the leadership of the National Assembly, thus strengthening the institution's autonomy, have gained parliamentary support. However, tired of repeated political gridlocks and political confrontations, civil society organizations have instead proposed making the audit office independent. In its revised constitutional-reform bill, the Moon government too has proposed making the audit office independent.

Ombuds Office
Score: 5

The South Korean parliament does not have an ombudsman office but the Ombuds Office of the Anti-Corruption and Civil Rights Commission of Korea (ACRC) may be seen as a functional equivalent to a parliamentary ombuds office. The Improper Solicitation and Graft Act, which was initiated by the ACRC, has had a huge impact in changing the culture. The commission's independence is guaranteed by law, but the standing members of the commission are all appointed by the president. Most ACRC members are drawn from the legal profession, which could limit its ability to serve proactively and independently as an ombuds office in diverse areas. People can also petition the government directly without approaching the parliament or the ombudsman. A Foreign Investment Ombudsman (FIO) system hears complaints by foreign companies operating in Korea. 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. 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. It can also carry out other tasks needed to assist foreign companies in resolving their grievances.

Citation:

Anti-Corruption and Civil Rights Commission of Korea (ACRC), www.acrc.go.kr
Office of the Foreign Investment Ombudsman, ombudsman.kotra.or.kr

Data Protection
Authority
Score: 5

South Korea's comprehensive Personal Information Protection Commission was established on 30 September 2011, and aims to protect the privacy rights of individuals by deliberating on and resolving personal data-related policies. Data protection is regulated by the Personal Information Protection Act (PIPA). Compared to the European Union's General Data Protection Regulation (GDPR), data protection rules are weak, and the issue remains a problem particularly in the private sector. For example, PIPA lacks the right to be forgotten and the right to refuse profiling. Maximum fines for violations are also much lower in Korea, set at €40,000 as compared to €20 million under the GDPR. Data security in the private sector remains a significant problem in Korea, where companies have been slow to adapt to international security and encryption standards. In November 2019, Korea started a trial run of an "open banking" system that would make it easier and cheaper for financial institutions to exchange information; however, some observers have raised concerns about the potential for data leaks.

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