South Korea Report
Thomas Kalinowski, Sang-young Rhyu, Aurel Croissant (Coordinator)

Sustainable Governance in the Context of the COVID-19 Crisis
Executive Summary

South Korea was comparably successful both in limiting the spread of the coronavirus pandemic and in limiting its social and economic consequences. As of 15 January 2021, the country had registered 71,820 confirmed Corona cases and 1,217 deaths, and the economy was expected to have shrunk by just 1.9% in 2020. This relative success can be explained by a combination of factors. First, as Korea has relatively few ports of entry, it is relatively easy to restrict international travel and strictly enforce a general quarantine rule of 14 days with the help of the country’s advanced IT infrastructure. Second, Koreans are used to wearing masks, particularly against fine dust pollution, but also following the 2015 outbreak of the Middle East Respiratory Syndrome (MERS) virus. Korea’s domestic production capacity for masks and other medical equipment is substantial. Third, the health sector in Korea is relatively well developed, and there is a universal health insurance system that allows all those who get sick to get treatment. Fourth, government officials were mobilized for overtime work to trace infected people. In the early days, the movement patterns of sick individuals were even posted on the internet in a pseudonymized version, although this practice was later stopped amid privacy concerns. Fifth, while there was no formal lockdown, Koreans are generally willing to follow guidelines set by the government regardless of whether they are legally binding or merely informal. This governance through national mobilization has worked to make the fight against the virus a “national mission,” but also has the downside of widespread social blaming. There is a danger that this national mobilization may be used to suppress dissenting voices even after the pandemic is overcome. One weakness of the Korean response lies in the low number of doctors, nurses and intensive care unit (ICU) beds available for COVID-19 patients, which meant that the health system was stretched even with very low numbers of infections. Korea was also late in acquiring vaccines, which meant that vaccinations were expected to start in February 2021 at the earliest.

Economically speaking, Korea has come through the crisis relatively well. Due to the relatively low number of infections, there was never a formal shutdown, with the exception of a few limited services. While the pandemic did affect exports and global production chains, Korea benefited from the increase in demand for products such as masks, medical equipment, IT products and logistic services. With the rise of interest in K-pop and K-drama, Korea is also
becoming an important exporter of entertainment products, particularly within East Asia. The signing of the Regional Comprehensive Economic Partnership (RCEP) with 15 countries in the region (including Japan and China) is an important first step in building regional institutions to facilitate economic exchange and mitigate economic conflicts. A large fiscal stimulus package also helped to stabilize the economy, and Korea is still benefiting from a relatively low level of government debt. Structurally, however, the Korean economy has weaknesses, as it remains strongly based on fossil fuels and lags behind peers in the ability to innovate.

Politically, the government scored a major victory in the April 2020 parliamentary elections. However, this was overshadowed by a botched electoral reform that was intended to expand democratic representation by increasing the importance of proportional seats, but ultimately further strengthened the major parties over minor ones. Despite its strong majority in the parliament, the government has been struggling to implement promised institutional changes intended to decentralize power and deepening human rights and democracy. Reforms addressing social problems such as precarious working conditions and surging housing prices have also fallen far short of announcements and expectations. While regulations on homeowners and tenant protection have been slightly improved, they have failed to arrest the massive increases in housing costs in the urban centers. Instead of implementing long discussed social and political reforms, the government has spent considerable political capital on the seemingly esoteric issue of diverting power from prosecutors to the police, and on a newly formed anti-corruption agency tasked with investigating and prosecuting high-level officials. Politically, these minor shifts of power between government agencies became highly contentious, as the opposition suspected that the Moon administration wanted to interfere in ongoing and future investigations against allies of the president.

International relations are another field in which the administration is struggling. This administration is the most inward-looking administration in decades, with a strong focus on engaging with and securing a formal peace treaty with North Korea. Moon’s Northern Policies initially appeared successful, but symbolic meetings with Chairman Kim Jung-un have not led to practical improvements. Unfortunately, international engagement in other areas such as the fight against climate change and global poverty have taken a back seat in this administration. On 12 December 2020, the government announced ambitious targets to reach the point of net-zero carbon emissions in 2050; however, it kept its binding nationally determined contributions at a very unambitious reduction of only 24.4% by 2030 compared to 2017.
Key Challenges

South Korea’s most pressing short-term challenges are to build up intensive care capacity, implement a vaccination program and ensure the welfare of those hit hardest by the social consequences of the pandemic. While the country was relatively successful in preventing the spread of the virus, it was slow in securing vaccines, which means that vaccination of vulnerable groups was able to start only in February 2021. As of mid-April 2021, the Korean vaccination rate was still behind many Western OECD countries (Reuters 2021). While South Korea can be described as a success case in terms of its crisis governance and public policy response to the pandemic, some idiosyncratic characteristics of the Korean case may limit the transferability of its approach to other countries. One factor that helped contain the pandemic early on was the country’s relatively isolated location, with a sealed land border in the north, along with the fairly small size of its national territory. Second, most cases between February and November 2020 were clustered, and often related to a small number of high-transmission events or locations, which helped with the success of a meticulous contact-tracing strategy. In addition, South Koreans seem to be more tolerant of soft protection for personal data protection, and more willing to share their data than, for example, the populations in EU countries.

The medium-term political challenge will be to exit crisis mode later in 2021. The goal ahead should be political demobilization and a return of pluralistic political discourses on the future direction of the country. There is a concern that the government might use the crisis mode to strengthen its preferred candidates’ positions in the upcoming Seoul mayoral election in April 2021 and the presidential elections in March 2022. In another scenario, President Moon could be entering a long lame duck period, as he cannot be reelected, and potential successors within his party may start defecting amid increasingly unfavorable approval rates for the Moon administration.

Politically, the key challenge for the Moon administration is to deliver on the promise of a fair society with an increasing quality of life for all. Despite its strong majority in parliament, the Moon administration has still failed to deliver on important institutional changes when it comes to political decentralization, the abolishment of precarious working conditions, the provision of affordable housing, corporate governance reform and the expansion of political freedoms. The housing crisis in particular will be difficult to tackle, because the policies necessary to protect tenants and allow
for affordable and secure rental contracts have led to unintended consequences. Poorly designed regulations and repeated market distortions have led homeowners and tenants alike to lose due to this policy. When it comes to welfare benefits, the key challenge will be to transform the increasing number of targeted benefits into a more comprehensive system that supports the unemployed and socially weak.

Beyond the immediate crisis recovery, key economic challenges include the implementation of the “Green New Deal,” the decarbonization of the economy and the reduction in the country’s dependence on exports. While efforts to bring about income-led growth and pass the Green New Deal are important, the challenge will be to translate them into real institutional changes that go beyond the green industrial policies of the past. As China is catching up technologically, South Korea needs to become more innovative and strongly establish itself as a producer of superior quality and design. The trade war between China and the United States, along with Korea’s own economic conflicts with these countries and Japan, have hampered growth, as the country is not just dependent on all three markets for exports, but needs technology imports from Japan while outsourcing final assembly to China.

Another key challenge will be that of securing a formal peace treaty and improving relations with North Korea. Much will depend on the new U.S. President Joe Biden. If he returns to the hardline course of his Democratic predecessor, this would limit Korea’s options. From South Korea’s perspective it would be desirable for Biden to take advantage of predecessor Donald Trump’s initiative and continue engagement. Unfortunately, it appears that the current government has very little influence on this U.S. decision. More generally, when it comes to international relations, the current government still needs to find a vision for South Korea’s role in the world. Key challenges will be to expand the country’s role on the world stage by strengthening engagement in international organizations and helping to tackle the most pressing global problems of climate change, poverty and – more immediately – a fair distribution of COVID-19 vaccines. South Korea will also need to repair its relations with Japan, while ensuring that atrocities committed during the colonial period are investigated and victims compensated.

Citation:
https://www.sedaily.com/NewsView/1Z6HJ4UTK5
Resilience of Policies

I. Economic Preparedness

Economic Preparedness

South Korea entered the coronavirus pandemic with a healthy growth rate of 2% and a 2019 current account surplus of $59.97 billion in current dollars (IMF 2019). The country’s export-oriented industries are highly competitive and reasonably diversified, encompassing sectors from IT, vehicles, chemical products and medical equipment to cultural exports. However, Korea’s strong dependence on exports (which make up 40% of its GDP, according to the World Bank) has meant that trade conflicts with China, Japan and the United States, as well as declining prices for IT products in 2019, have increased economic vulnerability. While Korean businesses are catching up when in the area of green technologies, the country remains a laggard with regard to carbon productivity, renewable energy production and environmental sustainability in general. Korean companies remain fast followers that are quickly able to mobilize resources for mass production, but lag behind when it comes to cutting-edge product innovations.

While South Korea was economically better prepared than other OECD countries, this had less to do with a clear economic policy framework than with the flexibility of discretionary government interventions. This flexibility allowed Korea to implement green industrial policies based on a corporatist state-business network even when there was little public support or even discussion about climate change and sustainability (Kalinowski 2020). This state-led approach makes economic policies in Korea highly flexible but also prone to collusion.
The Korean labor market remains deeply divided between a population enjoying strong stability and a large share of employees and self-employed who work under very precarious conditions. While the unemployment rate was relatively low before the pandemic, at 3.7% in December 2019, the labor-force participation rate was the fourth-lowest among the OECD countries. Women are still underrepresented in the workforce, as conservative social values and a male-dominated corporate culture discourages women from entering the workforce. Due to the country’s dual labor market and highly different rates of productivity between large and small firms, income equality is increasing. Even in large firms, temporary workers earn just 65% of what regular employees do, despite doing the same jobs. While the Moon administration has attempted to place a top priority on the creation of high-quality jobs and reduce the share of non-regular jobs, the proportion of the latter actually increased in 2019. To address wage inequality, the government substantially increased the minimum wage in 2018 and 2019. A report from OECD shows that raising minimum wage did reduce inequality. However, the decline in employment in low-skilled and labor-intensive jobs in the service sector, for instance in retail stores, restaurants and hotels, led to skeptical views toward the success of the wage hike (Pulse News 2019). After protests from business groups, the government largely abandoned the pledge of a two-digit annual wage increase, originally aiming to reach a minimum wage of KRW 10,000 by 2020. To cope with old-age poverty partly caused by the forced retirement of workers in their fifties, the government increased the mandatory retirement age to 60 in 2016-2017, and offered non-regular public sector jobs to senior citizens under a fiscal employment program. However, the scarcity of jobs for youth, and especially new graduates, is another problem. The Korean Education Development Institute reported in 2018 that 38% of graduating college students had failed to find jobs. However, it is perplexing that small and medium-sized enterprises still face difficulties in hiring these young people. The country’s labor-market policy focuses on protecting jobs by making the cost of dismissal high, rather than on protecting people; one consequence is the prevalence of low-quality employment (IMF 2018). The reduction in maximum weekly working hours to 52 hours was further
postponed for small and medium-sized businesses after they protested. Thus, Korea continues to have the second-longest workweek in the OECD, with deaths related to overwork and industrial accidents also among the highest.

Citation:
https://www.reuters.com/article/us-southkorea-jobs-kmove-insight-idUSKCN1SI0QE

**Fiscal Preparedness**

South Korea’s government spending levels still lag far behind those of other developed countries. In the past, successive governments expanded government spending across the board. As its export-driven economy was undermined by the global economic slowdown in 2019, South Korea had planned the most expansionary budget since the 2008/9 global financial crisis for its 2020 spending year. The budget’s goals were to expand the welfare system; create more jobs; and invest in projects related to the environment, research and development. This latter area was supposed to become the country’s new growth engine, a key to economic sustainability in the future. However, the plan was criticized as placing a priority on consumption expenditure simply for the purposes of achieving short-term policy goals (EAF 2020).

With a comparably low level of public debt, Korea can afford the fiscal expansion made necessary by the coronavirus pandemic and the transition toward an economy with net-zero emissions. However, local governments differ quite substantially in their ability to provide public services, as the central government is reluctant to provide support to poorer local governments. In general, the legal basis for long-term fiscal sustainability was established though the Enforcement Decree of the National Public Finance Law, passed in the wake of the global financial crisis (OECD 2019). The national debt target during the 2018 – 2022 period would be set at 40% to GDP. Although public spending rose, tax revenue in 2020 was expected to increase by just 1.2%, due to a slowdown in the semiconductor business that affected corporate tax collection. The country’s continues to have one of the lowest tax rates in the OECD. In general, governments have been reluctant to increase tax rates and broaden the tax base, which is currently very narrow. While budgetary oversight mechanisms are generally in place, and expenditure
increases must win the parliament’s consent, the large amount of targeted
government projects addressing the welfare system’s shortcomings make it
difficult to ensure budgetary transparency.

Research and Innovation

South Korea has a strong research and innovation policy. While the country is
still catching up technologically in many areas, the government plays an
important role in this catching-up process. Since 2012, the country has been
ranked second in the OECD in terms of gross domestic spending on research
and development (R&D) (Croissant, Kalinowski & Rhyu 2020). In 2013, the
National Science and Technology Council (NSTC) was established. The
NSTC is tasked with reviewing and coordinating government and private
R&D efforts, and also manages the public R&I budget (Kang, Jang, Kim and
Jeon 2019). While South Korea’s R&I policy is widely considered to be very
successful, some concerns have been raised concerning the future adaptability
of the administration’s science and technology system, along with the
possibility of increasing the NSTC’s budget allocation (ibid.)

Even before the pandemic hit, South Korea had actively prepared its research
and innovation policies for economic uncertainties caused by trade disputes. In
the KRW 513.5 trillion budget for 2020, a total of KRW 24.1 trillion was
earmarked for R&D, up 17.3% from 2019, and the highest such increase in the
past 10 years. The main focus of this R&D spending was on the localization of
key industrial materials, parts and equipment in order to lessen the economy’s
heavy dependence on supplies sourced from Japan, and also to secure its new
growth engines, such as the bio-health, AI, future automobile and 5G-related
service sectors. However, despite this massive investment in research, the
country has struggled to translate this investment into productivity increases.
Moreover, the oligopolistic economic structure has prevented small and
medium-sized enterprises from succeeding. The country’s stellar IT record is
largely concentrated within large corporations, while use of such technology
lags in small businesses, which face difficulties in hiring skilled workers and
training their employees. This has translated into market vulnerabilities for
these small enterprises, particularly when forced to navigate the effects of the
pandemic.
II. Welfare State Preparedness

Education System Preparedness

Education policy is a key priority for the South Korean government. Investments have yielded above-average Program for International Student Assessment (PISA) test results and tertiary-education completion rates of 65% for those aged between 25 and 34 (the second-highest rate in the OECD, and far above the OECD average of 45%; OECD 2021). This has been achieved with public expenditure on education on par with the OECD average (5% of GDP), as well as exceptionally high levels of private expenditure. University tuitions are high, representing a major burden for many families, and the government has to date failed to offer a comprehensive scholarship program or force the mostly private universities to lower their fees in return for public funding. Thus, while access to general public education is very good, this is supplemented by private education. Almost 75% of students participated in some kind of private education in 2019, which means that many Korean households spend a large share of their income on private schools or tutoring academies (hagwons) (Statistics Korea 2020). This practice – as well as the operation of elite high schools – disadvantages low-income students and favors children from privileged families in the process of university matriculation. Seeking to level the playing field, the Moon Jae-in administration announced in late 2019 that the elite high school system would be abolished by 2025, and recommended that university admissions reduce their reliance on extracurricular achievements, internships and contests, which are more readily available to children of wealthy families (Korea Times 2019). However, such a move may further increase the importance of standardized tests such as the College Scholastic Ability Tests (CSAT, or Suneung). This could conflict with broader efforts to reform curricula to rely less on cramming and rote learning, and instead enhance critical thinking, analytic skills, discussion and creativity (NOVAsia 2020).
South Korea has a very good ICT network, with 99% of the territory covered with 4G signals, one of the fastest average internet speeds in the world and an internet penetration rate of 99.5% of households. Coupled with the nation’s prioritization of education, this makes implementation of online education relatively easy. There is also widespread acceptance of the use of IT technology among students, teachers and parents.

Citation:

Social Welfare Preparedness

Rising inequality rates; the seventh-highest Gini coefficient in the OECD; precarious working conditions for non-regular workers; and discrimination based on gender, age and ethnicity remain major problems (OECD 2020). The old-age poverty rate (at 50%) is the highest in the OECD (OECD 2021a). Old-age poverty also manifests in the high level of employment among senior citizens. As many elderly people do not have access to sufficient safety-net programs (pensions, welfare, etc.), and are additionally forced to retire from regular jobs by 60, they rely on low-paid, non-regular work well after the age of retirement (OECD 2020). A problem specific to South Korea is that employers discriminate against older employees by pressuring them to accept early retirement packages (ibid.). Although formally given equal rights, women are still underrepresented in the overall workforce, and particularly in leading positions. Korea has the OECD’s largest gender pay gap, and the sixth-largest gender-based employment gap, with 53.5% of women working compared to 73.5% of men (OECD 2021b).

The Moon administration has prioritized social inclusion from the beginning, and has made some inroads in this regard. It transferred many non-regular workers in the public sector to regular status, though it has largely failed to force the private sector to follow suit. The government also raised the minimum wage by 16.4% in 2018 and again by 10.9% in 2019; significantly increased the earned-income tax-credit benefit; and increased the basic pension entitlement (Hankyoreh 2020).
Notwithstanding these reforms, the coronavirus crisis has further exposed the vulnerability of certain segments of the labor market. Non-regular workers—a disproportionate share of which are women and the elderly—do not have access to the same level of benefits as regular workers. Many are not entitled to or must pay more for unemployment, sick-leave, pension and health insurance benefits. Moreover, the incidence of job layoffs has been much higher among non-regular workers (12% to 14% year-on-year as of April 2020) than for regular workers (no decline as of April 2020). It thus seems that the pandemic has aggravated the long-standing problem of labor-market duality in South Korea. Already-disadvantaged non-regular workers have been disproportionately impacted by the pandemic. Their incomes had fallen by an average of 17% year-on-year as of the second quarter of 2020, as compared to an average decline of 4% for the highest-income earners (Hankyoreh 2020). Overall, the pandemic has illustrated the inadequacy of South Korea’s social spending of 12.2% of GDP (the fourth-lowest such rate in the OECD), as this fails to provide sufficient automatic stabilizers in times of crisis, particularly for the most disadvantaged segments of society.

The rise in migration to South Korea—with migrant quotas increased partially in order to address workforce gaps caused by the shrinking population—has also revealed many shortcomings when it comes to social integration in Korea. The government’s policy regarding migrants is somewhat “passive” (Seoul 2018); that is, it seems to tolerate (due to workforce needs) rather than welcome and protect the rights of migrants. In criticizing South Korea’s lack of a comprehensive anti-discrimination law, the Office of the United Nations High Commissioner for Human Rights (UNOHCHR) noted that the country’s government does not do enough to curb discrimination against migrant workers by their employers (UNOHCHR 2018). The treatment of migrants has further worsened during the coronavirus pandemic. A survey commissioned by the National Human Rights Commission (South Korea’s human rights watchdog) and the Joint Committee found that more than 70% of migrants in Korea said they had been discriminated against as part of the South Korean government’s coronavirus response (The Korea Bizwire 2020). Examples cited included the exclusion of foreign citizens from access to emergency disaster-relief funds and supplies (e.g., free/subsidized masks), and a lack of translated disaster-related information.

Citation:
Healthcare System Preparedness

South Korea’s healthcare system has been recognized for achieving universal coverage. It produces one of the highest life expectancies in the world, despite featuring overall health expenditure levels that are among the OECD’s lowest. Korea has a high number of hospitals and hospital beds, and a large domestic healthcare industry, including considerable protective-gear production capacity. The country already produced very high numbers of masks before the pandemic, as Koreans routinely use masks to protect themselves against fine dust pollution. Previous experiences with the MERS virus outbreak in 2015 meant that hospitals and authorities had experience with managing epidemics (Ha 2016; Kim et al. 2021).

Yet despite these strengths, the Korean health system has a few key weaknesses, such as a relatively low number of doctors, and a low number of ICU beds. In particular, hospitals and doctors are concentrated in the urban centers, with rural areas suffering from a shortage of both. Most hospitals are privately run, and thus focus on profit generation, while being reluctant to provide beds for emergencies. Another shortcoming is the high level of copayments required in the health system. South Korea’s National Health Service plan covers only about 60% of all healthcare costs, one of the lowest such coverage rates in the OECD. The “Mooncare” healthcare plan announced in 2018 aims to bring the coverage rate to 70% by 2022 (Jang 2018). The relatively low level of generosity within South Korea’s public healthcare system means that people spend more out of pocket. South Koreans face the highest risk of personally “catastrophic” (i.e., exceeding available resources) health spending in the OECD, and are more likely to be driven into poverty due to private health spending than are their counterparts in most other OECD countries. This risk is highest for socioeconomically disadvantaged groups such as low-income households, elderly people (with more healthcare needs), vulnerable workers, and the unemployed (Visualizing Korea 2020).

Citation:
Families

South Korea has one of the lowest fertility rates in the world. Women report seeing the social, economic and cultural environment as a hindrance to parenthood, marriage and even partnership (Bak 2019). For many years, governments have unsuccessfully tried to address the issue of low fertility by providing cash benefits. Since 2008, the government has paid a cash allowance of KRW 100,000 per child to all families except those in the top 10% income bracket (Chin et al. 2011). In 2019, it expanded paternal leave to 10 days, and in 2020 it began expanding the availability of childcare centers and kindergartens.

As the labor-market participation rate among women is low, the burden of childcare during school lockdowns fell primarily on women. The combination of parenting and employment is still not regarded as a desirable goal by many. Particularly among the older generation, traditional ideas about families are still widespread, with the housewife role seen as the norm for women. Many Korean employers prefer their employees to come to the office, and make it difficult to work from home. The small size of Korean apartments makes a dedicated home office a privilege that few can afford. According to a recent study, single parents and unwed single mothers in particular are “more likely to be living in poverty, and to be socially isolated and less likely to utilize health- and mental healthcare” (Choi, Byun and Kim 2020). They are have also been one of the most vulnerable groups during the coronavirus pandemic “in terms of childcare, financial crisis and mental health.”

Citation:
Bak, H-U. 2019. Low Fertility in South Korea: Causes, Consequences, and Policy Responses. DOI: https://doi.org/10.1007/978-3-319-31816-5_3804-1
III. Economic Crisis Response

Economic Response

Due to the relatively low number of infections, workplaces in South Korea remained open throughout the course of the pandemic, and lockdowns were limited to large events, churches, schools and specific businesses such as karaoke bars and coffee shops. Restaurants and bars remained open, although beginning in late December, they were required to close at 9pm. This meant that the Korean economy was generally less affected by the crisis than was the case in most other countries. In addition, Korea implemented a large stimulus package of about 16% of GDP, and provided substantial credit guarantees to private companies. This reaction was substantial and timely, with the government passing four successive supplementary budgets between March and September that amounted in total to KRW 66.8 trillion.

According to the OECD, “thanks to the government’s prompt response to the pandemic, Korea is experiencing the shallowest recession among OECD countries…(S)wift and effective measures to contain the virus and protect households and businesses” have “limited the damage to its economy from the COVID-19 crisis” (OECD 2020a). About 70% of the recovery funds went to support companies, helping them to survive and invest for future growth. Subsidies for consumption were quickly distributed to Korean nationals in 21.71 million households, with almost all of them (98%) receiving the funds by the end of May (OECD 2020b). Subsidies were distributed to all citizens rather than targeting the most vulnerable, although their use was limited to certain shops and products, the goal being to support small businesses in particular. Nonetheless, small businesses still suffered tremendously from the reduction in turnover. Despite the consumer subsidies, the provision of incentives for rent reductions, and the granting of credit guarantees and low-interest loans, many of these small businesses will probably not survive the crisis.

Citation:
http://www.mofa.go.kr/eng/brd/m_22742/view.do?seq=35&archFr=&archTo=&archWord=economic&archTp=0&multi_tnm_seq=0&itm_seq_1=0&itm_seq_2=0&company_cd=&company_nm=&page=1&titleNm=
OECD (2020a). Korea: Keep supporting people and the economy until recovery fully under way.
https://www.oecd.org/korea/korea-keep-supporting-people-and-the-economy-until-recovery-fully-under-
Sustainability of Economic Response

South Korea directed a large share of the recovery package to the Korean New Deal, which consists of the Digital New Deal and the Green New Deal. In its third supplemental budget, the government allocated KRW 5.1 trillion for the Korean New Deal, with the goal of creating new jobs and pushing country’s economy in a digital and green direction. The hope is that the Digital New Deal (KRW 2.7 trillion) and Green New Deal (KRW 1.4 trillion) will prepare the country for global structural changes in which demand for an environmentally friendly economy and digital contactless services rise, and in which rapid labor-market changes are likely to widen the income gap. With this spending, the country has sought to use the crisis as an opportunistic transition, aiming to enhance growth and turn its economic structure in the direction of sustainability and equality.

Some have argued that the majority of policy areas in the current Green New Deal are little different from those in the 2009 Green Growth Strategy, which also focused on strategies designed to transition to a green industrial sector. However, the Green New Deal is still seen as necessary, because this time, more policy focus is being placed on issues such as sustainability and social equality rather than purely on economic growth, the former policy’s priority (Lee and Woo 2020). The new policy emphasizes three areas: transitioning to a green infrastructure (e.g., using equipment that runs on renewable energy), developing a low-carbon and decentralized energy supply (e.g., establishing a smart grid and supporting a fair transition), and supporting environmentally friendly innovation (e.g., incentivizing the creation of green businesses, establishing a low-carbon and green industrial sector). President Moon has also announced that Korea would reduce its greenhouse-gas emissions to a net-zero status in 2050. However, for its binding nationally determined contributions to the Paris accord, the country has submitted very unambitious reductions of just 24.4% by 2030 compared to 2017 levels. The Green New Deal can also be criticized as lacking specificity, particularly with regard to measures that would make CO2 emissions more costly. In fact, the Moon administration has even announced that it would lower electricity costs further for households with high rates of consumption, while abolishing subsidies for frugal ones. While public transportation in the urban areas is very good, most transportation policies evolve around the car. Bike lanes are scarce, and bicycles are still not seen as a major mode of transportation although they have become popular for recreational activities. In sum, the Green New Deal is
substantial when it comes to green industrial policies, but weak when it comes to actually ensuring a transition toward a sustainable net-zero economy.

Citation:
https://www.mdpi.com/2071-1050/12/23/10191?type=check_update&version=1
https://www.reuters.com/article/us-southkorea-environment-newdeal-analys-idUSKBN23F0SV

**Labor Market Response**

The COVID-19 outbreak in March was followed by the biggest drop in employment levels since the Asian Financial crisis in 1999. In December 2020, it was estimated that about 628,000 jobs had disappeared compared to the previous year. Preexisting inequalities in the labor market were intensified once the crisis began undermining the economy, with those in the weakest labor-market positions disproportionately hurt. To cope with this issue, the government announced several employment measures in April and May, increasing labor-cost subsidies to businesses with the aim of preventing layoffs, and expanding subsidies to businesses that were forced to reduce employees working hours. The government financially supported low-income workers and job seekers by providing payments of KRW 500,000 per month to individuals who were actively seeking employment, and offering low-interest loans to low-income workers. As a result, in October 2020, the unemployment rate was just 2.2%, the second-lowest such rate in the G-20 (OECD 2020)

Citation:
http://english.hani.co.kr/arti/english_edition/e_national/953623.html#:~:text=The%202021%20minimum%20wage%20has%20been%20increased%20to%2019.888.

**Fiscal Response**

The government responded to the coronavirus crisis by injecting temporary fiscal stimulus with the aim of helping the economy recover, while also increasing investment spending tied to long-term economic strategy. The budget balance, consequently shifted from a surplus of 0.37% of GDP in 2019...
to a deficit of approximately 3.2% in 2020 (Ministry of Finance 2020). The government will continue its expansionary fiscal policy in 2021, seeking to revitalize an economy that was damaged by the outbreak. As a result, overall government expenditure will continue to increase following its prior jump of 9.1% in 2020 and 9.5% in 2019. According to the finance minister, total spending for 2021 will increase by 8.5%; however, revenue is expected to increase by just 0.3% due to the income lost by businesses hurt by the crisis. The government recently raised the tax rate for the highest income bracket (above KRW 1 billion per year) from 42% to 45%. The administration also plans to sell KRW 172.9 trillion of bonds in 2021, with KRW 89.7 trillion of this sum earmarked to cover the deficits (Bank of Korea 2020). As overall public debt remains comparably low, there are as yet no major concerns with regard to the sustainability of public debt. However, there is no strategy for exiting this fiscal expansion, and it is expected that government spending will ultimately converge gradually with the higher levels seen in other OECD countries. Nonetheless, the government has proposed new fiscal rules that will take effect in 2025, limiting government debt to 60% of GDP and capping consolidated fiscal-balance deficits at just 3% of GDP. Consequently, tax increases and tax-base broadening will most likely become contentious political issues in the coming years.

Citation:
https://www.oecd-ilibrary.org/sites/88df4e5-en/index.html?itemId=/content/component/88df4e5-en#section-d1e3050
https://www.reuters.com/article/southkorea-economy-budget-idUSKBN25S3CY
https://www.bok.or.kr/eng/single/pblictn/view.do?nttId=10060237&searchOptn10=TALK&menuNo=400204&pageIndex=1

Research and Innovation Response

As a part of its response to the outbreak, the country rapidly earmarked supplementary budget funds for R&D. The total amount allocated for coronavirus-related R&D was KRW 10.9 billion in March 2020, focused on topics such as rapid diagnosis, re-creation of therapeutics, analysis of COVID-19’s unique characteristics, acquisition of research resources and virus-spread prediction. The Korea Centers for Disease Control and Prevention (KCDC; expanded and renamed in September 2020 as the Korea Disease Control and Protection Agency (KDCA)), which has autonomy and authority in dealing with infectious-disease control, can respond by promoting public-private medical partnerships, authorizing emergency use of testing kits and allowing health authorities to collect data needed for contact-tracing of infected persons.
The government also established an Epidemiological Investigation Support System to rapidly identify the paths of confirmed cases and the modes of transmission. Under the Infectious Disease Control and Prevention Act, contract-tracing procedures are allowed to utilize mobile-phone GPS data and other advanced technologies, such as credit-card transaction records and CCTV footage, to track the movement of people who have come into close contact with confirmed cases. In addition, on 26 June 2020, the KDCA started providing researchers with access to the clinical epidemiological data associated with confirmed COVID-19 cases.

Following forums and discussions with a number of science, technology and innovation-related organizations and groups in April – June 2020, the government realized the large-scale global changes in societal structure that were likely to be caused by the pandemic. It then announced the “Post COVID-19 Science and Technology Policy Direction for the New Future,” identifying innovation led by the science and technology sectors as the key mechanism by which the country would deal with future uncertainty. The government forecasts that the post-pandemic future will feature a digital transformation, with widespread demand for virtual services, and with health and biotechnology taking on increased importance. The country plans to invest around KRW 5 trillion in R&D projects in 2021, an increase of 19% from its already high 2020 share. However, South Korea still lags in terms of cutting-edge research relating to mRNA vaccines and even more traditional type of vaccines. That said, the country has a large vaccine-production capacity for traditional vaccines, and both the Russian Sputnik V and the AstraZeneca vaccines are produced under license in Korea.

Citation:
https://en.yna.co.kr/view/AEN20201229000700320
http://www.mofa.go.kr/eng/brd/m_22747/view.do?seq=16&srchFr=0&srchTp=0&srchWord=safeguarding0&multi_titm_seq=0&itm_seq_1=0&itm_seq_2=0&company_cd=&company_nm=&page=1&titleNm=

IV. Welfare State Response

Education System Response

South Korea responded quickly and effectively to ensure education continuity during the pandemic, but a heavy reliance on online schooling gave a significant advantage to families that could afford expensive private tutoring.
South Korea was very strict in implementing sustained school closures, but at the same time, online courses went on without major interruption at the elementary, middle and high school levels. Universities also moved most courses online or offered hybrid classes. The country has a very good broadband network, with one of the fastest average internet speeds in the world (World Economic Forum 2020). To facilitate effective delivery of remote classes, the Ministry of Education expanded ICT infrastructure (i.e., upgraded servers of two national online-education platforms), created television-based learning for first- and second-grade students, provided guidelines to teachers, and provided technical support to teachers and students (Ministry of Education 2020). To ensure equitable access to remote learning, the government subsidizes access to digital devices and internet service for socioeconomically disadvantaged students, and many educational websites have temporarily been made available free of charge. Additional support (e.g., translated/tailored educational materials) is provided to help students from multicultural families and students with disabilities. Nonetheless, home schooling put children of working parents and single parents at a disadvantage. The pandemic also elevated the role of private cram schools, which were fast to adapt to the changing demand, giving an advantage to parents that could afford expensive private tutoring. This too is likely to deepen existing educational inequalities.

Citation:


Social Welfare Response

The coronavirus pandemic highlighted the need for South Korea to bolster its limited social protection system. While Korea has a universal health insurance program, the crisis highlighted the weakness of the unemployment insurance system, which covers only about half of the country’s employees. To plug this gap, the government had to adopt emergency measures such as emergency unemployment allowances for those not covered by unemployment insurance. This experience has spurred the government to consider longer-term social-safety-net enhancements.
Promulgated after the April 2020 parliamentary elections, South Korea’s Green New Deal recovery package includes plans to expand unemployment insurance and otherwise increase benefits for a larger section of the population. To further help people earn their livelihoods via stable employment, the Green New Deal includes job training and matching programs, employment subsidies (for employers), and new public jobs (Lee and Woo 2020). Together with the Digital New Deal, it is the centerpiece of the Moon administration’s Korean New Deal.

In contrast to other OECD countries, where “green” policy packages are primarily seen through the lens of environmental and sustainability policies, in South Korea they emerged as a response to the coronavirus pandemic, with one key aim being to eradicate poverty and social inequality. This also means that the Korea New Deal is different from previous initiatives such as “Green Growth” (ibid.). Various organizations including the OECD (2020) have acknowledged that the Korean New Deal has the potential to shift the country to a more environmentally sustainable growth model and a knowledge-based economy, while additionally improving social inclusion. However, it is obviously too early to engage in any robust assessment of its effectiveness in any of these dimensions.

An Emergency Relief Allowance (ERA) gave households one-time payments of $350 – $900 (depending on the number of Korean nationals in the household). The ERA did not include foreign residents regardless of their status. In general, migrant workers were excluded from many of the coronavirus-related benefits, although free testing was available to all, including migrants without legal status. Beginning on 1 January 2021, foreign nationals regardless of their status were required to present a negative COVID-19 test in order to board a flight to Korea; however, Korean citizens were exempted from this additional test.

Healthcare System Response

South Korea was able to respond to the COVID-19 pandemic rapidly and effectively, keeping coronavirus incidence and mortality rates among the OECD’s lowest. At the same time, the country’s excess mortality rate is relatively higher than that of other OECD countries, which might indicate a comparatively larger number of undetected COVID-related deaths. As the official number of infections was relatively low, a relatively small share of the population has been tested for COVID-19. Amid the relatively low number of infections, Korea has been comparatively effective in identifying and containing infection clusters. It has achieved this through its so-called 3T (test, trace, treat) approach. Led by a scientifically driven epidemic control center that was empowered following the MERS outbreak, and with the cooperation of the private sector, South Korea was rapidly able to develop testing and treatment capabilities for the coronavirus. It is also renowned for its highly effective contact-tracing system, made possible by legislation adopted following MERS, which allows for extraordinary levels of data collection during times of crisis. Key COVID-19-related good practices include easy and free access to testing centers, along with innovative strategies such as drive-through test stations. Initially, Korea’s strategy was to hospitalize all coronavirus patients regardless of their symptoms, although this practice was abandoned during the second wave in December 2020 (Kim et al. 2020).

Because of the country’s small size, there were no significant or meaningful regional imbalances with regard to healthcare system quality, or the ability of public and private health bureaucracies to implement suitable measures. Nor was there a shortage of critical equipment (PPE, etc.) (Ariadne Labs 2020). However, one weakness of the national hospital system has been a shortage of ICU beds available to critically ill coronavirus patients. In the whole of Korea, only 511 ICU beds were available at hospitals designated by the government as treatment centers for COVID-19 patients, while most private hospitals were not required to accept COVID-19 patients. Korea’s hospitals are largely privately owned and driven by the profit motive, and the government has been hesitant to force private clinics to make beds available to COVID-19 patients (Oh 2020; Ariadne Labs 2020). However, because the government was able to contain the spread of the virus before it could overwhelm the health system, this weakness remained manageable.

Korea has relatively few doctors to serve a population of its size, particularly outside the major urban areas. While the government has sought to increase the number of doctors by expanding the number of medical students, this has
been met by fierce resistance on the part of doctors and current medical students concerned about losing their current privileged positions. In response, doctors went on strike, and students staged a boycott of their medical exams until the government abandoned the plan to increase the profession’s ranks (Global Legal Monitor 2020).

Citation:

Family Policy Response

Given South Korea’s limited family policies, the government has had to put in place a number of emergency measures, mainly to help parents cope with school closures. Emergency childcare services have been made available to families in which both parents work (Ministry of Labor and Employment 2020). Employees who take family care leave (normally unpaid) are now entitled to a daily subsidy for up to 10 days. The government is also providing subsidies to employers that allow flexible working arrangements (e.g., work from home, work during different hours) so that employees can care for family members.

Despite these measures, the coronavirus crisis has widened Korea’s already large gender gap. In 2019, Korea had the fifth-largest gender-based labor-force participation gap in the OECD, with 53.5% of women employed vs. 73.5% of men (a 20-point gap) (OECD 2021). This gap has likely widened, as the coronavirus-driven labor-market contraction has disproportionately affected women. On a year-over-year basis, the employment rate among women had declined twice as fast as that among men as of August 2020 (ILO 2020). This was driven by a confluence of factors, including the shift to online education, the insufficiency of public childcare, the lower wages commanded by women (which induce more women than men to leave the workforce to care for their families) and the high incidence of non-regular work among women (63.5% of temporary workers are women), which makes them more vulnerable to layoffs (ILO 2020; OECD 2021; Stangarone 2020). The Korea Labor Institute reported that more women than men voluntarily exited the labor force in 2020, and that 62.1% of family-leave takers were women (Stangarone 2020).
Policy measures thus far have seemed ineffective in addressing either the gender gap or the declining birth rate, both of which have worsened due to the coronavirus crisis. Without greater attention to gender-equitable family policies and services, the country is unlikely to reverse its demographic decline.

Citation:

International Solidarity

The Moon administration has been South Korea’s most inward-looking in many years. International relations have largely been focused on pure economic interests and North Korea. The country’s contributions to international solidarity in the fight against global poverty and in providing support for the Global South during the pandemic have been very limited. After many years of rapid increase, official development aid has stalled at 0.14% of GDP in 2017 (down from 0.16% in 2016). This is far below the OECD Development Assistance Committee (DAC) average of 0.31%. Unfortunately, the Moon administration has not emphasized Korea’s role as a donor to the same extent as the previous government. While Korea relies on the COVAX facility for the supply of its own vaccines, its $10 million donation to the Gavi global vaccination alliance is comparably small. As of September 2020, South Korea was providing $100 million of COVID-related development assistance, distributed across more than 100 countries. At the November 2020 G-20 meeting, President Moon reiterated South Korea’s commitment to development cooperation by pledging support for international organizations critical to the COVID-19 response such as the World Health Organization and the International Vaccine Institute, and further said the country would aid in providing vaccines to developing nations (Yonhap New Agency 2020).

While South Korea has not been at the forefront in terms of international financial help, it has been very active in sharing its comparably successful experiences and knowledge with the international community. Korean public
health authorities have participated regularly in international task forces and meetings, and have additionally published various handbooks, including “All About Korea’s Response to COVID-19,” which comprehensively outlines its whole-of-government response. The aim in this regard is to contribute to global knowledge- and resource-pooling to combat the pandemic (see Government of the Republic of Korea 2020; Ministry of Foreign Affairs 2020).

Citation:
Resilience of Democracy

Media Freedom

In 2020, South Korea ranked 42nd (out of 180 countries) in the annual World Press Freedom Index. South Korea continued to lead Asian countries in this regard, with Taiwan, Japan, Hong Kong and China respectively ranking 43rd, 66th, 80th and 177th. While media freedom is constitutionally guaranteed, the government continues to have a strong influence, especially for TV broadcasters. Most major newspaper outlets have a strong conservative and pro-business bias, shrinking the diversity of the opinions communicated. The politicization of the media was evident in COVID-19 reporting. Conservative media were quick to blame the ruling liberal administration for its failure to ban visitors from China, portraying this policy decision as likely to lead to South Korea becoming the next COVID-19 hotspot after China. By contrast, liberal media have focused on the government’s more successful measures, such as the 3Ts (test, trace, treat) and the country’s K-quarantine strategy.

Having learned from the MERS outbreak – during which fake news spread rapidly – South Korea was relatively successful at providing accurate, credible and timely information via the Korea Centers for Disease Control’s Office of Risk Communication. There was little politicization of official COVID-19 information by the media, and KCDC data seems highly regarded as trustworthy, neutral and evidence-based.

One long-standing concern is that the freedom of the press and the freedom of speech are limited by laws prohibiting fake news and the expansive defamation rules. The vague standards and subjective interpretation of fake news and defamation in Korea pose the danger of arbitrary official censorship as well as self-censorship. For example, some criticize the Korea Communications Standards Commission (KCSC) for making biased, discretionary judgments based on vaguely defined standards rather than sound
legal reasoning (Freedom House 2020). The National Union of Journalists expressed concern over the KCSC’s decision to remove a dozen or so fake news stories about President Moon on the grounds that they could cause social disorder (Ibid.). Critics believe that such ambiguous criteria have the potential to lead to abuse (Ibid.).

Notwithstanding these controversies, government manipulation of the media seems much less rampant under the Moon administration than under the two prior conservative administrations of Park Geun-hye and Lee Myung-bak. The Park and Lee administrations were found to have secretly funded pro-government media, blacklisted 10,000 critics, and utilized the National Security Agency to conduct online smear campaigns against opponents (Freedom House 2020). These and other actions led to Korea dropping as low as 70th place (compared to 42nd place in 2020) in the World Press Freedom Index during the decade prior to Moon’s election (Reporters Without Borders 2020). The Freedom House also increased Korea’s internet freedom score in part due to “less systematic manipulation of online content by the (current) government” (Freedom House 2020).

Citation:

Civil Rights and Political Liberties

The government resisted calls from opposition parties for an emergency order in response to the pandemic, arguing that the situation did not meet the requirements imposed in Article 76 of the Korean Constitution (Lee 2020). As in many countries, South Korea’s coronavirus response has raised questions regarding the right balance between personal privacy/freedom and public safety (Oh 2020; Kim 2020). In the wake of MERS, South Korea amended national legislation to allow authorities to access personal data without court approval during the outbreak of diseases. This provided the basis for South Korea’s successful COVID-19 contact-tracing system, which relies on personal data from mobile phones, GPS, credit cards and CCTV footage. In the early days of the pandemic, much of this data was made available to the public, leading to discrimination against those infected, and even against
whole groups such as Shincheonji church members and the LGBTI community because they had been linked to specific clusters of infection (Thoreson 2020). Following critique, the government limited the amount of information published so as to maintain the anonymity of those infected. The government was also criticized by conservatives for banning anti-government demonstrations, particularly by right-wing groups, using the pretext of fighting COVID-19 even during periods during which the daily infection rate was low. The strong social mobilization to fight the virus had the side effect of some individuals being singled out based not on their behavior, but due to their membership in a certain group. The government has not done enough to prevent scapegoating, and to some extent has even supported this kind of discrimination, for example by requiring COVID tests from foreigners entering Korea, but not from Korean nationals. The discrimination faced by marginalized groups have reinforced earlier calls for South Korea to adopt comprehensive anti-discrimination legislation. For example, many LGBTI individuals hide their sexual orientation, as the confluence of conservative societal norms and weak protections against discrimination makes them vulnerable. The threat of exposure (via the overly detailed release of public information) and subsequent discrimination (e.g., hate crimes, job loss) has led LGBTI individuals to use false names when entering clubs, and prevented some from coming forward for testing during a coronavirus cluster outbreak linked to a nightclub frequented by the LGBTI community (Thoreson, 2020).

Once the pandemic is contained through vaccination, it will be crucial for Korea to fully restore and extend civil and political liberties. The government needs to reduce discriminatory rules concerning testing, and make sure that vaccines are available for the most vulnerable first, regardless of their ethnicity or social status.

Citation:

Judicial Review

Korean courts are independent, and relatively self-confident in demonstrating this independence. In a recent high-profile case, the Seoul Administrative Court ruled against the government December 2020, after Prosecutor General Yoon appealed his suspension by the Minister of Justice (Shin 2020).
Neither the pandemic nor the government’s policies affected the working of the judiciary in any significant or meaningful manner. South Koreans initially accepted coronavirus-related restrictions, but since the beginning of the second wave in December, the number of lawsuits by businesses forced to close has increased. As of the time of writing, courts had not yet issued a decision on this issue. Most complaints alleging a violation of individual or collective rights by the government during the pandemic have been brought via presidential petition rather than in the courts. One exception has been court cases relating to the ban on political rallies. In this case, courts largely upheld these bans and their consequent infringement of political rights. However, in its ruling on this matter, the Seoul Administrative Court implied that a ban would be a justifiable limitation of constitutional rights only if the organizers lacked a sound plan for preventing infections at the rallies.

Citation:

Informal Democratic Rules

South Korea does not suffer from ideological polarization; in fact the major parties are very similar when it comes to ideology and policies. Consequently, the two camps took relatively similar approaches to the coronavirus pandemic. In most cases the opposition limited itself to criticizing the government’s ostensible incompetence, without questioning the measures as such. One of the few exceptions was the Moon administration’s initial hesitation in restricting entry to travelers from China, which the opposition depicted as trying to “curry favor” with communist China (Korea Times 2020). The ban on demonstrations by conservative groups was another extremely contentious issue. Partisanship in Korea is not primarily driven by ideologies or political goals, but rather by history. Historically, this stark “us against them” (Shin 2020) division has featured two camps struggling for power at least since the 1970s, with the conservative party representing military rule and its legacy, and the democratic party representing the fight against military rule. The conservative opposition stokes fear of the communist enemy reminiscent of the Cold War reminiscent, and brands any government policies with which it disagrees as being “socialist.” The two political camps fight tooth and nail over seemingly minor differences, with each portraying its side as the moral defenders of democracy fighting against the opponent’s dangerous (if not outright evil) ideas (Kim 2020; Shin 2020). For example, the pandemic disaster-relief allowance was characterized by some in the opposition as not
just wasteful, but as a flirtation with socialism (Kim and Kim 2020). For its part, the ruling party is keen to link the conservative party to the history of military rule and colonial collaboration. As most Koreans identify themselves as “moderately progressive” (38%) or centrist (32%), both sides seem to believe they can benefit from branding their opponents as extremists (Kim 2020).

Citation:
Resilience of Governance

I. Executive Preparedness

Crisis Management System

After South Korea’s slow response to the Middle East Respiratory Syndrome (MERS) in 2015, the country reformed its inadequate preventive and protective systems (Choi and Lee 2016). The government established a joint mission with the WHO and followed their recommendations, implementing measures focused on identifying infections speedily, tracing infected persons’ contacts, improving medical and laboratory facilities, and training experts and medical staff in infection control and prevention. The Korean Centers for Disease Control and Prevention (KCDC) reformed its measures and organizational structure so as to prepare for future diseases. The system was decentralized, with local governments assigned more responsibilities for observing and preventing the spread of diseases. The country’s laboratory network was expanded nationwide. As a result, the early detection of coronavirus cases was ensured through rapid testing and a fast contact-tracing process. Although the KCDC was initially operating under the supervision of the Ministry of Health and Welfare, it served as the country’s primary disease-control entity, and unified all related national functions, including prevention, protection, response and research. After the emergence of COVID-19, it was promoted to the status of a standalone government agency to better cope with the epidemic, and renamed the Korea Disease Control and Prevention Agency (KDCA). The government has invested in the capacity to monitor and detect disastrous events, and has developed emergency warning systems. It utilizes recent technology to identify threats and infectious diseases rapidly. The KCDC had previously identified 11 high-priority infectious diseases and had stockpiled personal protection equipment and other medical necessities in five national stockpile centers. It had additionally developed a plan to distribute these goods to local entities, and had conducted regular drills. In sum, the country’s reformed disease monitoring and prevention system, which was in place before the pandemic hit, was already strong (OECD 2020).
II. Executive Response

Effective Policy Formulation

South Korea’s policy formulation was based on expert scientific and socioeconomic advice, though decision-making is of course not free of political calculations (see for example the nexus between the proposal of the Korean New Deal and the legislative election of April 2020). As in other countries, the government is more receptive to experts whose views are aligned with its own perspective; indeed, some critics argue that experts who are not friendly to the Moon government are sometimes excluded from providing advice or communicating with the administration.

Prior to the crisis, the Presidential Advisory Council of Science and Technology (PACST) had been established according to constitutional guidelines. This body was tasked with supporting the country’s scientific and technological innovation, for instance in the process of decision-making. The Special Committee on Biotechnology, a subcommittee of PACST, became a source of expert knowledge for coronavirus policy decisions. This expertise, combined with the effective monitoring performed by the Korea Centers for Disease Control and Prevention (KCDC), allowed the government to rapidly issue and implement policy responses to cope with the outbreak and surge of infections. Only three days after the presence of COVID-19 had been confirmed in Wuhan, China, Korea’s National Infectious Disease Risk Alert level was increased to level 1. Within a month after the first confirmed case in Korea was registered, the country raised the alert status to level 3, and introduced the practice of social distancing, based on a statistical data model predicting the spread of COVID-19. As the virus can be transmitted by asymptomatic or mild cases, the government has put a high priority on testing, tracing, and treatment (the three 3Ts), as well as on early detection. The government has also sought advice regarding the pandemic’s socioeconomic impact from a research group called the National Research Council for...
Economics, Humanities and Social Sciences (NRC). The NRC created an internal COVID-19 Response Research Group to support the production of research particularly about coronavirus-related issues. While Korea’s response was quick and effective in curbing the spread of the virus, the government as slow to introduce a vaccine program, which is seen by experts as the key to ultimately defeating COVID-19. As a result, vaccination in Korea started only on 26 February 2021 (AP NEWS 2021).

Citation:
OECD, https://stip.oecd.org/stip/countries/SouthKorea

Policy Feedback and Adaptation

South Korea never implemented a full lockdown, but swiftly adapted its measures based on careful ongoing monitoring, with findings reflected in the shifting status of the five-level National Infectious Disease Risk Alert System. The Ministry of Health and Welfare has the authority to adjust the risk-alert level based on the assessment of the public health risks, and adjust response measures accordingly. It frequently used this authority to adjust measures depending on the changing epidemiological situation. As the government rapidly tried to implement an intensive testing and contact-tracing system to prevent the further spread of the virus in February, a network of drive-through screening stations was introduced, ultimately accounting for 8% of the country’s 599 screening stations. The government also established regional centers for disease control and prevention in major provinces to support local governments’ groundwork nationwide. In addition to the early adoption of testing and contact tracing, the country’s strong social distancing measures in the early period of outbreak also helped to control the spread of the disease successfully. When the number of new cases dropped, the government shifted its focus to economic recovery, loosening the strict social distancing measures in order to help businesses regain customers. However, when case numbers surged again in November, the government issued tougher social distancing measures, banning private gatherings of five or more people, despite some criticism from the business sector. As a result, the third COVID-19 wave was brought promptly under control by mid-January 2021. A number of local measures were developed to cope with the high demand for treatment in medical centers and hospitals, such as Gyeonggi Province’s use of a Kyonggi University dormitory as a temporary medical center for patients. While there is significant agreement among public health experts that the Korean
government’s swift and deliberate reaction included a high level of willingness to reevaluate the usefulness and effectiveness of measures on an ongoing basis, especially in the area of public health, it is also true that “at present, it is not possible to estimate the extent to which each measure has contributed to low case counts in South Korea” (Dighe, Cattarino and Cuomo-Dannenburg, et al. 2020).

Citation:

Public Consultation

In South Korea’s centralized political system, public consultation is relatively weak. Important decisions are made in a top-down manner, with little public consultation beforehand. Consequently, despite the relative success in containing the pandemic, substantial criticism of the government emerged in the form of petitions and public protest. This led to ex post consultations that was largely limited to those who were raising their voice. In the early stage of domestic infections, the government faced public criticism for its decision not to close travel routes from China, leading more than 700,000 people to sign a petition to the president on the issue (Reuters 2020). More than 1 million citizens signed a petition calling for the closure of the Shincheonji church, the religious sect that was blamed for contributing to the spread of the virus (Richey 2020). However, after the government successfully contained the infection in the first half of 2020, public trust in central and local governments improved substantially. South Koreans’ rate of approval of their government’s performance in dealing with the pandemic is above average when compared to 14 high-income countries. In terms of socioeconomic policies dealing with the crisis, the government engaged in public consultation through the social dialogue body, the Economic, Social and Labor Council (ESCL), in which labor, management, government and public interest groups meet and consult to make public policies. The participants in these meetings subsequently issued the Tripartite Declaration to Overcome the Crisis Caused by Spread of COVID-19 in March 2020, which addressed the need to support workers, public life and health, vulnerable groups, SMEs, and small merchants (ILO 2020).
Citation:

Crisis Communication

The South Korean government has generally done relatively well in communicating with citizens about the coronavirus situation (You 2020). Beginning on 30 January 2020, after the country had had five confirmed cases, press briefings on the issue began being held twice a day, in the morning and the afternoon, with one featuring Ministry of Health staffers, and the other jointly led by the director of KCDC and the director of the Korea National Institute of Health (KNIH). The press releases provided updates on the number of confirmed and suspected cases, the number of tests performed, sources of transmission, the results of epidemiological investigations, the number of contacts under quarantine, and other statistics. This data as made available online on the KCDC and Ministry of Health and Welfare websites. The government also set up a 24-hour COVID-19 hotline (1399) for people who had inquiries regarding the virus, symptoms and risk levels, or wanted to ask whether they had to be tested at a designated screening station. The administration did well in communicating what personal measures should be taken to prevent the infection, producing infographics that were carried on social media channels, a mobile application and posters in public spaces, while additionally operating the emergency alert system. The recommended measures included washing hands frequently, wearing face masks and practicing social distancing. During the face-mask shortage, the government’s rapid and transparent communication went hand in hand with the private sector’s face-mask production and distribution capacity (Tworek 2020). Although the government faced some criticism regarding sluggish distribution methods in the first few days of the shortage, its attempts to adapt and communicate the new and clear solution restored civic trust and encouraged
the population to engage in a communal effort to prevent the spread of the virus. While measures were communicated well, the rationale behind them was not always equally well explained, which might lead to problems unwinding the measures. Reports often relied on harnessing people’s fear of infection, while failing to explain the rationale behind mask wearing and social distancing. There has also been a certain nationalist bias in which Korean successes were praised, with few references to successful examples outside South Korea.

Citation:

Implementation of Response Measures

The implementation of coronavirus-related rules in Korea was swift and impartial. One of the strengths of Korea’s centralized systems is that the central government can mobilize a large number of public sector workers for special purposes such as disaster relief. The flexibility of rules allowed swift responses such as rapid emergency-use authorization for virus test kits developed by the private sector, leading to prompt and effective implementation of the 3T strategy (test, trace and treat) (Jeong et al. 2020). The government enhanced the status of the KCDC, which was previously operating under the Ministry of Health and Welfare, to that of a standalone agency in September 2020, renaming it the Korea Disease Control and Prevention Agency (KDCA. This entity was granted the authority to formulate and execute policies related to infectious diseases, was given control over budgetary, personnel and organizational issues in this area. The central government was able to provide resources, public health officials and healthcare workers to regions experiencing a spike in cases (Lee, Yeou and Na 2020). While South Korea’s healthcare system ranks second in the OECD in terms of the overall number of hospital beds per people, it relies strongly on private providers. After experiencing a bed shortage, the government decided to hospitalize only the “severe” and “critical” patients in designated isolation hospitals with full equipment. To alleviate workloads and infection risks for medical staff, a mobile application was utilized to monitor the conditions of patients with mild symptoms, which notified staff only when treatment was needed. While the overall number of COVID-19 tests has remained relatively low, this has more to do with the low overall number of infections than with administrative capacity. While South Korea was slow to start its vaccination
program, this too was not an implementation problem, but rather due to the government’s failure to acquire sufficient vaccines rapidly.

Citation:

**National Coordination**

Within South Korea’s centralized government system, regional and local governments are required to implement instructions from the central government. After the disease crisis level was raised to “serious” in February 2020, the government established the Central Disaster and Safety Countermeasures Headquarters (CDSCHQ), chaired by the prime minister and operating under the Ministry of the Interior and Safety. This entity’s main mission is to coordinate governmental responses in the areas of preventing, preparing for and recovering from large-scale disasters, with authority granted under the Framework Act on Disaster and Safety Management. All relevant ministries and 17 provinces and major cities participate in the CDSCHQ so as to maintain a united national effort in dealing with the spread of the virus. During times at which case levels were high, meetings were held on a daily basis. These meetings allowed for regular communication between the highest-level central and local government officials, which was crucial for identifying problems, bottlenecks and solutions in real time. The regular meeting facilitated a concerted process of implementation, effective allocation of resources from the central government, and rapid local adoption when needed.

Citation:

**International Coordination**

In general, the pandemic has further exacerbated the Moon administration’s inward-looking perspective. Domestically, there was a strong focus on advertising Korea’s successes, but less interest in coordinating actions with international partners. However, while international coordination is not a
priority, South Korea did participate in various multilateral efforts. The 
country’s foreign minister attended the EU-led Coronavirus Global Response 
International Pledging Conference, committing the country there to helping 
with the international coordination effort, while additionally sharing the 
country’s experience in responding to the surge of infection. To support 
international collaboration, the Ministry of Health and Welfare and the Health 
Insurance Review and Assessment Service provided researchers worldwide 
with open access to the country’s anonymized COVID-19 patient data through 
the #opendata4covid19 project in March. The government additionally 
supplied testing kits to international health organizations and partner 
organizations. In addition to attending several international meetings, 
including the G-20 meetings of health ministers, the 73rd World Health 
Assembly and the ADB Joint Ministers of Finance and Health Symposium, the 
government also initiated the establishment of the “Group of Friends of 
Solidarity for Global Health Security” at the United Nations. This grouping is 
dedicated to supporting joint international efforts and promoting the exchange 
of crisis-related knowledge (MOFA 2020). The country’s pandemic 
management model was seen as both an internal and external asset in 
international relations. To build on this success, South Korea became a 
supporter of multilateral approaches, such as using the World Health 
Organization as a platform and supporting related conversations in the G-20 
and MIKTA (an informal partnership between Mexico, Indonesia, South 
Korea, Turkey and Australia), to deal with the pandemic. It quickly tailored 
the country’s development cooperation activities to the pandemic context by 
developing the ABC Program (Agenda for Building Resilience against 
COVID-19 through Development Cooperation), supporting its partner 
countries in the Global South though the provision of diagnostic kits, and 
sharing the know-how developed in the country’s pandemic management 
(Government of the Republic of Korea. 2020).
Learning and Adaptation

South Korea has learned from its past crisis experiences, leading to a reformation of its emergency system that allowed it to prepare effectively for the crisis. Despite the adequate number of hospital beds in the country, the government failed to respond rapidly to the outbreak of MERS in 2015; this was due to a delayed response to early cases, a lack of transparency with regard to sharing information, and ineffective distribution of medical equipment by the serving government. To learn from this failure, the country’s public health authorities conducted a thorough evaluation, implemented internal reviews and participated in a WHO Joint External Evaluation (Lee, Yeo, and Na 2020). Recommendations based on these reviews led to the development of specific legislation and guidelines for the implementation of a common operating framework in times of crisis. Consequently, the country actively made policy changes to improve its pandemic preparedness and response system. The government strengthened its ability to collect and analyze a wide range of data types, and put in place systems facilitating information sharing. Korean citizens too were also generally concerned about the pandemic early in the outbreak, with their experiences in the past epidemic crisis persuading them to conform to the government’s prevention protocols. The transparency of information sharing promoted public learning and encouraged contributions by the private sector in coping with the crisis. For example, the information disclosed by the government was utilized by private actors to develop informative applications and websites that have supported the country’s prevention system, for instance by providing information on virus transmission routes and mask supplies.

The administration has also encouraged researchers to learn from the data collected during the coronavirus crisis by the Central Disease Control Headquarters and the National Medical Center, to develop effective public health measures for use in future incidents. The KCDA has provided researchers with open access to anonymized clinical epidemiological data relating to approximately 5,500 confirmed COVID-19 cases. However, after the country entered the third wave of infections, the government faced criticism that its actions had actually lagged behind expert medical advice, and that its approach had been reactionary rather than preventive.

Citation:
https://ourworldindata.org/covid-exemplar-south-korea
Under South Korea’s Infectious Disease Control and Prevention Act, the public has a right to be informed about disease outbreaks, with information provided on the development of epidemics and government responses to control the infection. As a result, the government largely disclosed its actions and plans, and was transparent even about difficulties that threatened to increase public levels of frustration, such as the mask shortages in the early days of the coronavirus outbreak. The detailed data on the pandemic’s progress, including information on new confirmed cases, cases being tested, mortality statistics and so on were publicized through twice-daily press briefings, a mobile-phone emergency alert system and on the KCDC website. The government placed a strong focus on openness and transparency due to the country’s past failure during the 2015 MERS outbreak, which was in large part driven by a lack of transparency and public trust (Moon 2020; Lee and Lee 2020). The data-sharing programs have also proved useful for innovative private responses. The open data provided by KCDC and related local governmental bodies were utilized by private companies and IT developers to create mobile applications and websites that visualized the routes of confirmed patients for the public, and reported on real-time mask inventories in shops. For its part, the Ministry of Interior and Safety developed an application for people undergoing self-quarantine, helping these individuals to monitor their own health conditions. High-risk individuals were encouraged to get COVID-19 tests free of charge (Lee and Lee 2020). The Korea Internet Pass (KI-Pass), a QR-code-based system, was developed later to keep records of visitors to facilities with a high risk of mass infection, thus supporting the contact-tracing campaign. This two-way information sharing between the government and the public has helped to build mutual trust and cooperation.
Pandemic.” Transportation Research Interdisciplinary Perspectives 5:100111.

**Legislative Oversight**

Much of South Korea’s success in controlling COVID-19 infection has resulted from voluntary measures, in which the public has followed guidelines from the government that extended beyond the legal rules. This strong reliance on informal rules has made legislative oversight difficult, as such processes apply only to formal rules.

In general, Korea’s centralized system, featuring a powerful president with strong executive powers, makes legislative oversight difficult. In addition, members of parliament have comparatively scarce resources, though these usually suffice to cover legislators’ main areas of focus (Croissant, Kalinowski, Rhyu 2020). The pandemic has not improved the infrastructural conditions for legislative oversight, but neither has it diminished the National Assembly’s oversight capabilities. Nonetheless, 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 (Lee 2020). Moreover, some lawmakers lack the capacity and willingness to monitor government activities effectively. This is particularly true during times when the president’s party has a clear majority in the parliament, which has been the case since the April 2020 parliamentary elections. Legislation, including coronavirus-related measures, has mostly been initiated by the government and not by the parliament itself. A number of laws related to the management of the pandemic, including the IDCPA, the Quarantine Act and the Medical Service Act, were all passed by a plenary session of the National Assembly on 26 February 2020. Article 49(2) permits the restriction or prohibition of performances, assemblies, religious ceremonies or any other large gathering of people. The government invoked these provisions to shut down approximately 400 Shincheonji worship facilities temporarily, since the church was not following virus transmission-prevention guidelines. A ban on rallies of 10 or more people was also imposed on August 21, following mass anti-government rallies in Seoul that were subsequently identified having been superspreader events across the country. After the emergence of the third coronavirus wave in November 2020, the country decided to place a strict ban on private gatherings of five or more people, in order to prevent virus transmission over the holiday season. This restriction remained in from 24 December 2020 through 31 January 2021.
Independent Supervisory Bodies

All four rounds of the government’s supplementary budget proposals between March to September were submitted to the National Assembly and passed with some adjustments. The National Assembly’s annual inspection of government and state agencies was held during 7 – 26 October 2020. The Board of Audit and Inspection (BAI), South Korea’s main audit institution, was established in 1963. It has an independent legal status and is independent from the government. Generally, the BAI is effective, although the large number of supplementary budgets in 2020 limited its ability to scrutinize government finances effectively. The organization’s audit of the government’s response to the 2015 MERS outbreak revealed the weaknesses in the government’s activities at that time, including a lack of transparency and inadequate coordination among central and local governments. This BAI audit led to improvement and transformation of the infection control system. During the coronavirus crisis, the BAI played a role in giving approval to KCDA for the prepurchase of COVID-19 vaccines in November 2020 (BAI 2020).

[News Focus] Who is responsible for Korea’s late entry in vaccine race? (EDITORIAL from JoongAng Daily on Oct. 19)
What does the coronavirus pandemic mean for Supreme Audit Institutions?
Parliamentary inspection of gov’t, state bodies to kick off this week amid pandemic
(LEAD) Finance chief renews calls for creating rules for fiscal soundness

South Korea’s Personal Information Protection Commission (PIPC) was established on 30 September 2011. Its goal is to protect individual privacy rights by drafting personal-data-related policies. Data protection is regulated
under 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 has no right to be forgotten or right to refuse profiling. In November 2019, Korea started a trial run of an “open banking” system that would make it easier and cheaper for financial institutes to exchange information; however, critics have noted concerns about the potential of data leaks (Croissant, Kalinowski and Rhyu 2020).

Under the Infectious Disease Control and Prevention Act, the government can utilize mobile GPS data and other advanced technologies to track individuals who have come into close contact with people confirmed to have contracted the coronavirus, in order to place them under self-quarantine and ensure they are tested. This COVID-19 Epidemiological Investigation Support System is operated jointly by the Ministry of Land, Infrastructure and Transport; the Ministry of Science and ICT; the KCDC, the Korean National Police Agency (KNPA); and telecommunications companies in South Korea (Government of the Republic of Korea 2020).

When implementing such practices, the Korean government has taken due care to protect and anonymize personal information and data before disclosing them to the public. The investigation process begins with a request for information on the confirmed case, followed by approval from KNPA and the Credit Finance Association for the provision of information on the individual whose infection has been confirmed. Following this, information on that individual is collected for the purpose of tracking his or her movements. After identifying potential transmission routes based on contacts, the Central Disaster and Safety Countermeasures Headquarters (CDSCHQ) and local governments initially jointly publicized information on the confirmed case and the individual’s movements. After this system was criticized for exposing too personal information, potentially leading to social stigmatization and the disruption of individuals’ private lives, this guideline was revised. The scope of information disclosure is now limited to information on patients with an infectious disease as defined in Article 2 (13) of the Infectious Disease Control and Prevention Act, meaning a person whose case has been confirmed by a diagnosis or by a laboratory test. The scope of disclosure includes only such information that is deemed relevant to the prevention and control of the infectious disease, with a time frame of two days before the onset of symptoms to the date of isolation. To address the concerns on privacy, the government followed the recommendation of the National Human Rights Commission of Korea by limiting the time frame to a maximum of 14 days, and limited the scope of accessible information by anonymizing the personal information.
Citation:
Byoung-il Oh. 2020. COVID-19 and Privacy in South Korea: How Can We Protect Human Rights and Democracy?. East Asia Foundation Policy Debates, No.147 (October 13).
Address | Contact

Bertelsmann Stiftung
Carl-Bertelsmann-Straße 256
33311 Gütersloh
Germany
Phone +49 5241 81-0

Dr. Christof Schiller
Phone +49 5241 81-81470
christof.schiller@bertelsmann-stiftung.de

Dr. Thorsten Hellmann
Phone +49 5241 81-81236
thorstern.hellmann@bertelsmann-stiftung.de

Pia Paulini
Phone +49 5241 81-81468
pia.paulini@bertelsmann-stiftung.de


www.bertelsmann-stiftung.de
www.sgi-network.org