South Korea Report

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Sustainable Governance Indicators 2022
Executive Summary

In the final stretch of the Moon Jae-in administration – with presidential elections held in March 2022 – several long-term tasks prioritized and set forth by President Moon in his 100 Policy Tasks (2017) and New Deal (2020) remained relevant and important for the future of South Korea.

On the one hand, the Democratic Party’s decisive victory in April 2020, giving it a parliamentary majority, provided a strong mandate for implementing President Moon’s agenda. On the other hand, managing the COVID-19 pandemic overshadowed most other policy priorities throughout this period (2020-2021). Nevertheless, the government implemented several important and promising measures, including creating new jobs in the public sector; continuing the phased reduction of the maximum work week; strengthening family benefits; expanding the social safety net (notably, healthcare and employment insurance); establishing an independent anti-corruption agency; expanding the autonomy of local governments via amendments to the Local Autonomy Act; adopting critical and long-overdue labor rights protections; creating space for SMEs and startups through regulatory easing; committing to more ambitious climate change mitigation targets; enhancing Korea’s role in global governance, particularly in the realm of global public health; and developing a blueprint for Korea’s transition to a digital and green future.

Notably, the administration has been able to achieve this while successfully containing the coronavirus. Through internationally lauded public health and pandemic management protocols, according to the OECD, as of January 2021, Korea recorded the second-lowest incidence of COVID-19 cases in the OECD. Korea’s economy also weathered the COVID-19 crisis well, with an economic downturn of just 0.9% in 2020 (among the smallest such declines in the OECD); and economic growth of 4% in 2021 (which outpaced its average growth rate of 2.9% over the period 2013-2019). Strong demand for Korean digital technology exports in the pandemic era and robust, counter-cyclical government spending facilitated Korea’s resilience during the COVID-19-induced economic crisis.

Notwithstanding some suspension of personal liberties in the interest of pandemic containment, Korea maintained its position as one of the few successful democracies in East Asia. It led the region with regard to rankings
of press freedom and liberal democracy. Indeed, it was the only Asian country ranked in the top 10% of the 2020 V-Dem Liberal Democracy Index. Korea’s civil society continued in 2020 and 2021 to push for removal of remaining limits on civil and political rights. This period saw some improvement in the areas of freedom of expression and association – with the National Intelligence Service stripped of some of its discretionary power; labor-union rights strengthened (via the passage of key ILO conventions); and official union status restored to the Korean Teachers and Education Workers Union. Moon also made some progress on combating corruption and depoliticizing corruption investigations through the launch of a new and independent Corruption Investigation Office. However, these advances fell short of the expansion of civil rights and deepening of democracy that Moon had originally promised. Despite growing public support, Moon was unable to push through a comprehensive Anti-Discrimination Law due to opposition from powerful conservative interest groups. Indeed, on this and other reforms which seemingly enjoy public support, the Moon administration found it difficult to effect change because of the hierarchical organization of society that perpetuates the polarized power struggles between elite blocks at the expense of everyday democracy.

Thus, despite an ambitious agenda and a relatively strong mandate, the Moon administration made only modest inroads into making Korea a more just society. Moon’s proposed reforms had the potential to move the country in the right direction. Relative poverty, old-age poverty and income inequality declined under Moon’s administration. But progress has been limited, painstakingly slow, and is subject to reversal unless bolder and more structural steps are taken. Ultimately, Moon’s desire for a more inclusive, income-led society played tug-of-war with his (and many Koreans’) inability to imagine an economic future that was not dominated by big business, particularly Korea’s flagship business conglomerates.

With regard to international relations, President Moon focused much of his tenure on improving relations with North Korea. This was to some extent successful, as tensions at the end of the period were much lower than under previous governments. However, tangible improvements in political and economic relations remain very limited, as neither a peace treaty nor a normalization treaty between the North and South had materialized. Beyond the North Korea question, the Moon administration was criticized for lackluster engagement and a level of leadership ill befitting the world’s 10th-largest economy. Korea’s contribution to the global COVID-19 pandemic seems to have been a turning point. In the area of global public health, Korea has become more active in global fora, including the G-20. Over the past few years, the Moon administration committed to significantly more ambitious
climate-change, development-cooperation and technological-cooperation goals. A newly announced partnership with the U.S. in the area of technological cooperation is cited by some as one of Moon’s most significant diplomatic accomplishments. It will be interesting to see whether this marks a shift back toward the U.S. orbit, or whether Korea will continue its approach of strategic balance and autonomy, including via enhanced partnerships with middle and emerging powers.

Key Challenges

The review period closed with just a few more months remaining to the Moon administration, leaving it unable to achieve aspects of its 100 Policy Tasks and New Deal. While the Moon administration laid the groundwork for a just and “people-centered” society, the survival of this vision – given the long-term, structural changes required – will be determined by the administration change in 2022.

This is a critical turning point, as many of the New Deal policies remain relevant and important for the future of South Korea.

The reform of core political institutions is another major task that has been identified by most experts as well as politicians of all camps as being important and ever more urgent for enhancing South Korea’s quality of democracy. Above all, it will be necessary to decentralize power away from the “imperial presidency,” for example by strengthening the prime minister, introducing two four-year terms instead of the hitherto single five-year term, and/or placing new limits on the constitutional powers of the president. The reform of the electoral system is another major task needed to ensure more appropriate translation of the voters’ will, for example by extending the share of proportional representational seats at general elections.

What is at stake economically is whether Korea stagnates due to declining productivity and export competitiveness, or whether it is able to refashion itself through concerted efforts to transition to a “fourth industrial economy.” Though key macroeconomic indicators in South Korea remained robust as of the end of the review period (indeed, growth forecasts for 2021-2023 now exceed 3% annually and are higher than the 2% or lower rates forecast in the pre-coronavirus era), the country’s dependence on exports leaves it vulnerable both to global economic volatility and external political conflicts. The tide of global trade protectionism, rising interest rates in the United States, the spreading currency crises in emerging economies, and environmental limits all pose serious challenges for the South Korean economy. The Green and Digital
New Deals developed by Moon offer promising opportunities for Korea to move to a phase of healthy and stable growth. But to achieve this, existing and new New Deal initiatives will have to be more boldly implemented. Reverting to big-business-as-usual – that is, led by oligopolistic and carbon-intensive growth – may help pull Korea out of the immediate crisis, but will not stave off the structural slowdown that was underway pre-pandemic for long.

The ability to transition to a new economic model hinges on Korea’s ability to tackle old social challenges. Several long-standing tasks remain important, including: enhancing social mobility and improving job conditions for non-regular workers, women, and the younger generation; addressing the challenges posed by an aging society; making the transition to a more multicultural society; reforming elitist and inflexible education practices; reducing unsustainable household debt levels; and making housing more affordable. The issues these tasks address all pose major challenges to life satisfaction, social cohesion and, indeed, the socioeconomic vitality of the country. The world’s lowest birth rate and highest suicide rate are red flags signaling the human toll imposed by the past several decades of inequitable, unsustainable growth.

Importantly, President Moon emphasized that the Human New Deal completes and makes possible the realization of the Green and Digital New Deals. The Human New Deal offers a new social compact whereby Korean people can both contribute to and benefit more from the new economy. However, as with the Green and Digital New Deals – perhaps even more so – major structural and cultural shifts are required and must be sustained by the next several administrations to come.

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

Internationally – beyond the issue of relations with North Korea, which is a priority for any South Korean administration – the next administration will
continue to face the tough task of balancing or choosing between the U.S. (its dominant security ally) and China (its largest trade partner). The Moon administration laid the groundwork to pursue the path of strategic autonomy. Throughout his administration – despite the COVID-19 crisis, and even turning this into a diplomatic opportunity – Moon has actively cultivated new partners via the New Southern Policy, the New Northern Policy and various other fora. As with its own domestic situation, Korea faces a crossroads here – it must decide whether to remain invested in the great powers’ game, albeit as a satellite player, aligned with either China or the U.S.; or to embrace a more diverse, inclusive foreign policy collaborating with a broader range of medium-sized and emerging powers. The North Korea issue affects the calculus, given the influence both China and the U.S. wield in determining the trajectory of peninsular relations. As a member of the G-20, and as the world’s 10th-largest economy, Korea may ultimately be asked by its partners to show more leadership in creating a more stable and sustainable global governance system, including by contributing more to reducing global inequalities and averting climate disaster.

Party Polarization

Party polarization in the sense of political and ideological polarization is not a problem in Korea. On the contrary, the main political parties (the Democrats and the conservatives, currently called the People Power Party) are generally criticized for being too similar, with the exception of a few positions on contentious topics such as policy toward North Korea. Indeed, it has not been uncommon for politicians to shift their allegiances between the country’s main political parties, or even to dissolve parties when this has seemed likely to further their political ambitions. Partisanship in Korea is not primarily driven by ideologies or political goals but rather by history. Historically, this stark division between “us against them” (Shin 2020) can be explained by the division into the two camps that have been struggling for power at least since the 1970s: the conservative party representing military rule and its legacy, and the Democratic party representing the fight against military rule. The conservative opposition stokes Cold War-reminiscent fears of the communist enemy and brands any government policies with which it disagrees as “socialist.” The two political camps fight tooth and nail over seemingly minor differences, each portraying its side as the moral defenders of democracy fighting against the dangerous (if not evil) ideas of the opponent (Kim 2020; Shin 2020). For example, the pandemic disaster relief allowance was characterized by some in the then-opposition not just as wasteful but as flirting with socialism (Kim and Kim 2020). For its part, the Democratic party is keen
to link the conservative party to its history of military rule and colonial collaboration to discredit the opposition. As most Koreans identify themselves as “moderately progressive” (38%) or centrist (32%), both sides seem to believe they can benefit from branding their opponent as extremists (Kim 2020). Thus, regardless of the degree of party polarization or the trend of converging policies among parties, Korea’s National Assembly has been notorious for political gridlock. Moreover, even though Korea uses a presidential system, the effects of this parliamentary gridlock were substantial under the Moon government. (Score: 5)

Citation:
Sustainable Policies

I. Economic Policies

Economy

South Korea has weathered the COVID-19 crisis well, with an economic downturn of just 0.9% in 2020 (among the smallest declines in the OECD); and economic growth of 4% in 2021 (which outpaces its average growth rate of 2.9% over the period 2013-2019). Strong demand for Korean digital technology exports (particularly semiconductors and IT products) in the pandemic era and robust, counter-cyclical government spending have helped stabilize the Korean economy.

From the outset, the Moon government’s cornerstone economic initiative was the “people-centered economy,” which focused on job creation, income-driven growth and welfare expansion. Aligned with this priority, one of the three pillars of Korea’s New Deal-based response to COVID-19 was to enhance the social safety net (the Human New Deal). The other two pillars – the Digital New Deal and Green New Deal – focus on accelerating Korea’s economic transformation in line with the Fourth Industrial Revolution.

The government has also promised to reform the country’s business environment by reforming the dominant business conglomerates (chaebol). While progress has been slow and further delayed given the country’s reliance on chaebol-produced exports to lead economic recovery (from the pandemic-induced downturn), Korea has introduced regulatory sandboxes (including 21 regulation-free zones) since 2019 to facilitate market entry and access for new and small firms.

High levels of household debt remain a major economic problem. Korea’s household debt-to-GDP ratio reached a high of 104% in 2021 – the highest among 37 major economies. A significant portion of Korea’s household debt has gone into the real estate sector, which remains overheated despite the
Moon administration’s attempt to regulate the market to make housing more affordable. The Korean stock market remains shallow (few high-quality stocks), volatile and speculative. As the U.S. and China remain mired in trade rivalry, Korea is attempting to pursue strategic autonomy by expanding and balancing its economic networks, including via its New Northern and New Southern Policies.

Citation:

Labor Markets

Despite the COVID-19 pandemic, unemployment rates in Korea remained stable and modest. From 3.8% in 2019, unemployment rose to about 4% in 2020 before returning to 3.6% in 2021. However, while unemployment rates are relatively low, Korea’s employment rate (65.9% in 2020) is below the OECD average – with particularly low labor force participation rates among women (52.7% in 2020) and youth (27.1% in 2020). Some portion of these underrepresented groups become discouraged and drop out of the labor force altogether after long periods of unemployment and/or underemployment. Hence there is the paradoxical combination of a low unemployment rate and a low employment rate. At the same time, Korean workers work the second-longest workweek in the OECD, and the rate of deaths related to overwork and
industrial accidents is among the highest as well. In 2018, the Moon administration did substantially reduce the maximum allowed weekly working hours, from 68 to 52 hours, a change that is expected to increase productivity and employee well-being. This reform was implemented for firms with 300 or more employees in 2019; firms with 50 to 229 employees in 2020; and firms with between five and 49 employees in 2021.

The most serious and worsening structural issue is Korea’s dual labor market – that is, the coexistence of relatively stable and protected regular employees with precarious non-regular workers (e.g., sub-contracted workers, fixed-term workers, part-time workers). Despite the Moon administration’s attempt to create high-quality jobs and reduce the share of non-regular jobs, the incidence of non-regular employment has been increasing over the past few years. The share of non-regular workers among all workers rose to an all-time high of 38.4% in August 2021 – from 36% in 2019; 33% in 2010; and 27% in 2001. At least part of this increase has been attributed to the Moon administration’s creation of non-regular public sector jobs for senior citizens; as well as its minimum wage hike (see below) which incentivizes companies to hire young people as non-regular workers. Some criticize Moon’s policy for increasing unstable, low-quality jobs for both seniors and young people.

Non-regular workers earn only about 50% the average monthly wage of regular workers and have much lower rates of social benefits coverage. The Moon administration has tried to narrow the gap by increasing the minimum wage to KRW 10,000 by 2020. Accordingly, the minimum wage was increased by 16% in 2018 and 11% in 2019. But following protest by business groups and given COVID-19’s negative effect on small businesses, minimum wage hikes were more modest in 2020 and 2021 – 2.9% and 1.5%, respectively. The government has announced a 5.1% minimum wage hike for 2022, which will bring the minimum wage to KRW 9,160. As for social benefits, the coverage rate for regular workers ranges from 88% to 93% for pensions, health insurance and employment insurance; while the coverage rate for non-regular workers ranges from 38 to 49%. Women are disproportionately more likely to be non-regular workers – 45.3% of women workers are non-regular, compared to 29.3% of male workers – which likely contributes to Korea’s large (largest in the OECD) gender wage gap.

Overall, despite efforts over the past few years to improve labor market policy, reforms have been insufficient to address serious and worsening structural issues.

Citation:
Kim, Yon-se. “[News Focus] Widening Wage Gap Seen between Nonregular, Regular Jobs.” The Korea
Taxes

Korea is among the 10 OECD countries with the lowest tax rates. In 2020, tax revenues totaled about 28% of GDP, a marginal increase from 27% of GDP in 2019 and lower than the OECD average of 33.5% of GDP. That said, Korea has steadily been increasing its tax revenues (as a share of GDP).

Korea collects its tax revenues from: taxes on corporate income and gains (31%); social security contributions (28%); goods & services taxes (24%); property taxes (14%); and personal income taxes (0.3%). Korea ranks 26th (out of 37 ranked OECD countries) on the 2021 International Tax Competitiveness Index – a drop from 25th place in 2020, likely reflecting the increase in the top personal dividends tax rate from 40% to 44%. Relative to OECD averages, Korea has higher corporate and property tax rates, and lower tax rates on personal income and goods and services.

One weakness of the Korean tax system is that the country’s tax base is comparably narrow, with nearly half the population (48.5%) paying no income taxes due to the very high exemption rate. In addition, targeting of taxes and transfers is poor and does not contribute much to the amelioration of social inequalities. Less than 25% of social transfers target the poorest quintile; social transfers only contribute 5% to the total market income of the poorest quintile; and redistributive effects are among the lowest in the OECD. Political calculations have prevented recent governments from lowering the tax exemption rate. Similarly, Korean taxes are not effective in promoting environmental sustainability. With an average effective energy tax rate of 2.3%, Korea ranks 24th among 44 OECD and selected partner countries. It has no (zero) explicit tax rate on carbon; it does not provide tax-based carbon price signals for non-road emissions; and its electricity taxes are among the lowest in the OECD.
Korea is among the top 10 OECD countries with regard to having the most tax treaties in place – making it one of the more attractive tax regimes within the OECD for foreign investors. In 2021, Korea joined 130 countries in signing on to the new global tax plan to tax multinational companies at a minimum rate of 15% regardless of where they are headquartered and where they operate. The global tax plan will have the greatest impact on companies such as Google and Facebook, which have benefited from tax havens and the continued lack of effective tax regulation for digital services. On balance, Korea is likely to benefit from increased tax revenue from such companies, which have significant sales in Korea. While a few of Korea’s largest companies may be subject to higher taxes, the impact is not expected to be large since the Korean corporate tax regime already imposes more than 15% tax, and because Korea’s tax treaties protect Korean companies from double taxation.

Citation:

Budgets

South Korea’s healthy public finances and relatively low public debt levels provided the fiscal space for a large economic stimulus (about 11% of GDP) to mitigate the impact of COVID-19. Some of this stimulus was already planned before the pandemic as part of President Moon’s five-year plan for achieving a people-centered economy. Various pre- and post-COVID budget priorities have been folded into Korea’s New Deal. Beyond an immediate stimulus to the economy, the New Deal constitutes an opportunity to transition to innovative (Green New Deal, Digital New Deal) and inclusive (Human New Deal) growth. Accordingly, from an average government fiscal surplus of 1.5% of GDP for the period 2010-2019, Korea recorded a fiscal deficit of 2.3% of GDP in 2020. Government debt as a share of gross domestic product
(GDP) was 51% in 2021 (11th lowest in the OECD), up from 48% in 2020 and 42% in 2019.

While budgetary oversight mechanisms are generally in place and any expenditure increase is subject to parliamentary approval, the unprecedented level of supplementary spending will need to be reined in as the economy normalizes. To ensure fiscal prudence in the long run, the government set new fiscal rules (effective 2025) limiting government debt to 60% of GDP and the consolidated fiscal balance deficit to 3% of GDP.

While debt at the national level is generally sustainable, an increasing number of local governments and public enterprises are struggling due to insufficient revenues. Local governments differ quite substantially in their ability to provide public services as the central government is reluctant to support poorer local governments.

Citation:

Research, Innovation and Infrastructure

The South Korean government invests heavily in research and development (R&D), particularly in fields which can be directly commercialized. Korea’s R&D spending-to-GDP ratio, which is the second-highest in the OECD, seems to be paying off. Korea has led Bloomberg’s Innovation Index for seven of the nine years that the index has been published, including in 2021. Korea’s internet broadband and mobile-telephone infrastructures are among the world’s best, and it was one of the first worldwide to establish a comprehensive 5G infrastructure. More recently, in response to COVID-19, Korea demonstrated its leadership and innovation capacity in health technology (e.g., contact-tracing, testing, vaccine manufacture). The country has an excellent research infrastructure, with many world-class universities and research institutes that produce internationally competitive research and patents.

One major impediment to innovation is the Korean market’s oligopolistic structure and bureaucratic regulations, which make it difficult for SMEs and...
new entrepreneurs to succeed. SMEs are constrained by a lack of skilled workers in digital fields, limited access to ICT training, and insufficient capacity to translate digital technologies into productivity increases.

The Moon administration aimed for more inclusive and income-led growth, facilitating this via regulatory sandboxes and bottom-up R&D projects that benefit SMEs, academics and other non-chaebol actors. There is increasing interest in and funding for research in areas that address domestic societal needs, such as pollution and aging, rather than just large-scale, top-down R&D to expand national economic output and exports. Basic research grants provided by Korea’s National Research Foundation are set to double by 2022.

Citation:

Global Financial System

While the vulnerability of the Korean financial system has declined considerably since the 2008 crisis, risks still remain, particularly with regard to the country’s weakly regulated non-bank financial institutions. Household debt, largely resulting from real estate price inflation over the last two decades, is a huge problem, although the rate of non-performing loans remains low.

With regard to international engagement, South Korea is implementing international financial-regulation rules such as the Basel III framework. Although it is a member of the G-20, it does not typically take the initiative or actively promote new regulations internationally. Under the Moon administration, South Korea has focused its foreign policies on North Korea, along with the bilateral relationships with the United States and China that are most important in this area. The administration has correspondingly put less emphasis on multilateral coordination mechanisms such as the G-20 – though engagement in G-20 seems to be growing with Korea’s proactive role in the global COVID-19 response.

One contribution by Korea to global financial stability is its early championing of macro-prudential measures such as currency management and capital controls to protect the country against speculative, destabilizing finance. In the
aftermath of several major financial crises, Korea’s once unorthodox (and criticized) position of partial economic liberalization has been vindicated. Such macro-prudential measures are now put forward as viable tools by global economic governance institutions such as the G-20 and the IMF.

Citation:

II. Social Policies

Education policy is a key priority for the South Korean government, and investments have yielded above-average performance on Program for International Student Assessment (PISA) tests and the OECD’s highest tertiary education rate (69.8%) for those aged 25 to 34. However, Korea’s level of public expenditure (3.8% of GDP) on primary-to-tertiary education is below the OECD average (4.1%), though private expenditure (1.3%) is higher than the OECD average (0.8%). Although general access to education is very good, admission processes for elite universities are remain extremely competitive and unfair, as they favor children from privileged families. Many Koreans spend a large share of their income on private schools and tutoring, a practice that puts low-income households at a disadvantage. A 2020 government survey found that 75% of Korean students participate in some form of private education. Average monthly spending is $377, but middle- and higher-income families spend five times more on private education than do lower-income families. This reliance on privately financed education leads to education inequality in Korea, which has been exacerbated by pandemic-related school closures and distance learning. To address the widening gap between the strongest (generally more privileged) and weakest (generally less privileged) students, the Ministry of Education temporarily assigned instructors to ensure that underprivileged students (29,000 primary; 2,300 secondary) did not fall behind due to COVID-19. More structurally, President Moon vowed to do away with elite schools – either by closing or converting them into public schools. This reform stalled after a group of elite schools filed a petition with the Constitutional Court in 2020 to block the measure. The court’s decision is expected in 2022.
While reforms of elite schools and the university entrance examination system have initially faltered due to insufficient public consultation and support, educational reforms have been folded into the New Deal launched by Moon in the wake of the COVID-19 crisis. Specifically, the Human New Deal includes measures to upgrade and reorient teaching to foster critical thinking, analytic skills, creativity, interpersonal skills and digital technology competence – so that human resources are better aligned with Korea’s transition toward green and digital economies. To promote inclusivity in this period of transition, the Human New Deal will provide specialized support for disadvantaged learners (e.g., disabled, multi-racial, rural and low-income people).

Social Inclusion

Korea still has among the lowest rates of social spending and highest rates of poverty and inequality in the OECD. Within the OECD, Korea has the ninth-highest Gini coefficient (0.345 in 2018); fifth-highest incidence of relative poverty (16.7% in 2018); highest elderly poverty rate (43.4% in 2018); and second-highest share of temporary (precarious) workers (26% of employees in 2020).

That said, the Moon administration strongly championed the issue of social inclusion and made some modest progress on narrowing the gap between rich and poor. To bolster income-led growth, the government raised the minimum
wage by 16% in 2018 and 11% in 2019 (followed by much smaller increases in the COVID-hit years of 2020 and 2021), significantly increased the earned income tax credit benefit, increased the basic pension entitlement and created more than 2 million new jobs. The government also increased social spending from 9.9% of GDP in 2016 to 12.2% in 2019. These efforts have corresponded with modest declines in poverty and income inequality during the period 2017-2020.

Although formally regarded as equal with men, women are still underrepresented in the overall workforce and particularly in leadership positions. Within the OECD, Korea has the largest gender wage gap (31.5% in 2020); and women are disproportionately more likely to be hired as non-regular (precarious) workers. The growing share of non-regular workers (which rose to an all-time high of 38.4% in August 2021) and the precariousness of non-regular work (non-regular workers earn only about 50% the average monthly wage of regular workers and have much lower rates of social-benefit coverage) are also serious challenges to the Moon administration’s vision of a just and inclusive society.

COVID-19 is likely to have further widened these gaps – that is, between rich and poor, men and women, regular and non-regular workers, etc. Rates of unemployment, underemployment and/or labor market exit have been particularly high among non-regular workers and women during the pandemic. Overall, COVID-19 highlighted the inadequacy of Korea’s social spending of 12.2% of GDP (compared to the OECD average of 20%) with regard to providing automatic stabilizers in times of crisis. The pandemic exposed gaps in social protection coverage, for instance among the large number of self-employed people that do not have employment insurance to buttress pandemic-related income losses. To mitigate COVID-related job and income losses, the government created public jobs and distributed several rounds of Emergency Relief Allowance to households. This experience spurred the government to consider more permanent social safety net enhancements as part of the Human New Deal. It remains to be seen whether the next administration will continue to try to create a more inclusive and equitable society, or instead bow to vested interests and revert to the longer-term trend of social polarization between the (so-called) gold/silver spoons and dirt spoons.

Citation:


Health

South Korea’s healthcare system is characterized by universal coverage and one of the highest life expectancies in the world. The World Health Organization (WHO) rated Korea’s universal healthcare (UHC) coverage at 85.7 (i.e., 85.7% of the population has basic coverage) in 2017, higher than the OECD average of 80. Korea’s healthcare system performed well on the stress test provided by COVID-19. As of January 2021, Korea had the second-lowest number of COVID-19 cases (per 100,000 people) in the OECD. Indeed, Korea has been internationally lauded for its rapid and effective pandemic containment, in particular its testing, contact-tracing and quarantine procedures.

Yet while some laud Korea for achieving this with relatively low public health expenditure (5% of GDP in 2019 compared to the OECD average of 6.6%), Korea’s low public spending is augmented by high levels of private spending. Levels of out-of-pocket spending by Korean households are among the highest in the OECD. In 2019, the WHO reported that 22% of the households spend around 10% of their total consumption on health; and 4% of households spend 25% of total consumption on health. These figures are significantly (3-4 times) higher than the OECD average – which indicates that many more households in Korea are at risk of catastrophic (unaffordable, poverty-inducing) health spending.

Since the launch of the more generous “Mooncare” healthcare plan in 2017, the government share of total healthcare expenditure has increased from 59%
in 2016 to 62% in 2020. Moreover, private, out-of-pocket outlays declined from 33% of total health spending in 2016 to 29% in 2020. Mooncare’s ongoing expansion of healthcare to cover all medical treatments rather than just four major diseases (cancer, cardiac disorders, cerebrovascular diseases and rare incurable illnesses) – is likely to reduce the incidence of catastrophic healthcare spending by Korean households.

Mooncare has come at a cost. The National Assembly Budget Office projects that government healthcare insurance expenditures will more than double between 2020 and 2030. The financial balance of the health insurance system, which recorded a surplus for seven straight years through 2017, went into deficit in 2018 (when Mooncare was introduced).

**Families**

Despite substantial effort, the government has not been very effective in enabling women (or men) to combine parenting with participation in the labor market, which helps explain the low labor market participation rate among women. Cultural (traditional family values that view women as mothers and housewives) and socioeconomic factors such as a gender-based pay gap and a pervasive lack of social mobility discourage women from entering or reentering the workforce. As a result, while the population of college graduates is split fairly evenly between men and women, the employment rate for female graduates is lower than for male graduates. Furthermore, South
Korea is the only country in the OECD in which the employment rate among female college graduates is lower than that among women with no more than compulsory education. COVID-19 exacerbated these gender gaps, as disproportionately more women than men were laid off and/or exited the workforce. Women’s rate of employment declined twice as fast as of men in 2020, as measured on a year-over-year basis in August 2020.

In 2021, Korea experienced its first-ever population decline – in part due to the low birthrate and in part due to declining immigration. High housing prices, high childcare and education costs, and precarious job and wage conditions contribute to young couples’ decisions not to have children. In 2020, the fertility rate reached a record low of 0.84, the lowest in the world. This rate is expected to have dropped further to 0.82 in 2021. This is in spite of the Moon administration’s efforts to strengthen family policy, including an expansion of childcare centers and kindergartens; an increase in childcare leave to one year for both women and men (up from 90 days and 20 days, respectively); the provision of subsidies during childcare leave; the provision of subsidies to encourage employers to allow flexible working arrangements; an increase in the scope of coverage of KRW 100,000 allowances for all children aged seven and under; the provision of a new KRW 300,000 monthly allowance for children less than 12 months old (effective 2022); and the provision of a new KRW 2 million bonus for newborns (effective 2022). Many local governments and churches have also offered additional incentives in an effort to raise fertility rates in their jurisdictions.

Citation:
Old-age poverty is a major problem in South Korea, which still has the OECD’s highest poverty rate among retirement-age individuals, even though this rate has fallen from a high of 45% in 2016 to 43% in 2018. Pensions are small, and most older adults today lack coverage under a national pension system that excluded a large share of the workforce until its expansion in 1999. The government has also failed to enforce mandatory participation in the system, and many employers do not register their employees for participation. National pension benefit levels are still very low (with an average monthly pension of KRW 520,000, equivalent to $440), and employees in private companies are often pressured to retire long before the legal retirement age of 60 (which will gradually increase to 65 by 2033). Thus, pension reform has been one of the Moon administration’s top priorities, although changes have been slow. The basic pension will gradually increase from its current maximum of KRW 206,050 to KRW 300,000 a month by 2021, with benefit eligibility coming at the age of 65. This pension will be provided to the 70% of elderly classified as low-income. Currently, the South Korean government is expending only 3.0% of its GDP for pensions, a very low share compared to the OECD average of 7.7%. Individual contributions to the National Pension have been kept at 9% of income since 1998, which is low compared to the OECD average of 20%. In comparison, National Health Insurance premiums have increased by about 3% per year since 2008. The combination of increasing pension benefit amounts, an increasing old-age dependency ratio and low individual contributions have led experts to predict a depletion of the pension fund by 2056. Various pension reform proposals have been considered since 2018 – including a proposal to raise just the individual contribution, a proposal to raise both contributions and benefits, and a proposal to increase the contribution period / retirement age. However, the process has stalled and is likely to be rolled over to the next administration.

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

Since the 1990s, South Korea has evolved from a net-emigration to a net-immigration society. In 2018, South Korea experienced a particularly large increase in the number of foreigners resident in Korea of nearly 9%. However, the net-immigration trend reversed for the first time in a decade in 2020 due to coronavirus-related immigration controls. In 2020, the number of foreigners in Korea declined to a 5.5 year low. The number of migrant workers fell from an annual average of 50,000 to 7,000, and the number of immigrant marriages decreased by 35%. In late 2021, as the country shifted to “living with COVID-19,” and in an effort to address labor shortages, Korea relaxed entry restrictions on migrant workers that had been in place for the past two years.

Despite improvements in the legal conditions and official support provided to immigrants, the country’s cultural, education, and social policies still fail to systematically address the role of migrants in Korea. Foreign investors, ethnic Koreans with foreign passports, and highly educated foreigners are treated more favorably, while migrant blue-collar workers (who are often treated as “disposable labor”), multicultural families, North Koreans and asylum-seekers face considerable discrimination. From a legal perspective, migrant workers are accorded rights very similar to those enjoyed by native Korean employees, but employers routinely infringe these rights. While courts have offered some protection to migrant workers, the government has not actively pursued enforcement measures against employers that exploit the precarious status of migrant workers. In 2021 – spurred by the deaths of several migrant workers living in vinyl greenhouses assigned to them as living quarters – the Ministry of Labor made an inspection and found that nearly 70% of migrant farm/fisheries workers live in makeshift structures. Migrant workers also reported more than KRW 150 billion (6.6 million) in unpaid wages for 2020. Experts suggest that Korea’s Act on the Employment of Foreign Workers and Employment Permit System contribute to making migrant workers vulnerable. Because their visas are tied to specific employers, migrants have limited bargaining power and options for recourse when unfairly treated by their employers. Granting migrants the freedom to choose and change employers could help improve their working conditions. One expert suggests providing permanent residential status for foreign workers so that there is more incentive to integrate migrants into Korean society.

South Korea has a poor record with regard to fulfilling its obligations under the Geneva Refugee Convention of 1951. From 1994 to 2020, less than 2% of
the 71,042 applicants for refugee status have received approval, prompting criticism by the United Nations Refugee Agency. A further 3% of applicants were granted “humanitarian stay” visas, which afford less protection. In 2018, the government gave in to anti-refugee protests by granting humanitarian stay visas to approximately 500 Yemeni refugees that arrived in Korea. Again in 2021, Korea accepted approximately 300 Afghans as “special contributors” rather than as refugees. In 2020, Korea revised the Refugee Act in ways that raise the bar for asylum-seekers and make it easier to reject refugee applicants – prompting some to call this revision a “refugee refusal policy” or “K-Deportation” policy.

Foreigners in Korea have also faced COVID-19-related discrimination, both officially and informally. Informally, foreigners have been treated as more likely to be carriers of the virus, and in some instances (particularly during the early waves of the pandemic) have been barred from restaurants and other social venues. There have also been cases of official discrimination by the government. Several local governments targeted foreign (particularly migrant) workers for selective COVID-19 testing. On the other hand, many foreigners have been selectively excluded from receiving COVID-19 disaster relief funds. Responding to petitions lodged by a coalition of migrants’ rights groups, the National Human Rights Commission of Korea (NHRCK) found in May 2020 that excluding foreign residents from local government disaster relief programs was discriminatory, as local governments are obliged by the Local Autonomy Law to provide equal administrative benefits to all residents. The NHRCK accordingly instructed the Seoul metropolitan government and Gyeonggi provincial government to provide relief funds to all registered foreign nationals. However, in November 2020, NHRCK did not recognize the exclusion of foreigners from state disaster relief programs as discrimination, because the central government has the discretion to determine the range of its program beneficiaries. Migrants’ rights groups plan to file another petition in early 2022, as many migrants were excluded once again from another round of disaster relief provided by the state in September 2021. They argue that all foreign residents who have been paying taxes to the state should be eligible for state disaster relief programs. They also note that the country’s policies go against recommendations from international agencies such as the International Organization for Migration that all migrants should be given equal access to COVID-19-related support.

In sum, government immigration and integration policies are mixed. Migrants seem to be tolerated because of the need to address workforce gaps caused by the shrinking population. Experts have for some time flagged the need for a comprehensive anti-discrimination law to strengthen protection and inclusion of migrants and other marginalized groups.

Safe Living

Korea remains a very safe country with regard to the risk of violent crime. There have been no terror attacks or terrorist activities in Korea in recent years. Nevertheless, extensive media reports about violent crime, along with rumors spread on social media, have led to an increasing subjective feeling of insecurity. Despite low levels of violent crime, perceived levels of personal insecurity are high and trust in the police is low. This might have to do with a seemingly high level of fraud, including white-collar crimes and cyber-crimes.
(whose perpetrators take advantage of South Korea’s excellent broadband infrastructure and lax online-security measures).

Online sexual exploitation is particularly prevalent. According to a survey by the Korea Communications Commission, nearly 30% of respondents reported having been victims of online violence; while nearly 17% were online abusers. A high-profile case in 2020 in which women and young girls were coerced into producing sexual abusive videos prompted widespread social outcry. This has contributed to strengthening of laws to authorize undercover investigations of digital sex crime cases and legally punish online grooming of minors. Financial scams (“phishing”) are another growing area of concern. A 2018 survey by Korea Financial Investors Protection Foundation found that almost one in five Koreans has been (or was nearly) a victim of financial fraud. In 2020, the government began an interagency effort to strengthen phishing prevention. In 2021, the country experienced a remarkably high incidence and prevalence of physical violence against children. In February 2021, the Act on Special Cases Concerning the Punishment, etc. of Child Abuse Crimes was strengthened, so that those who abuse children and unintentionally cause death can face the death penalty or imprisonment for seven years to life.

The external threat posed by North Korea persists, although the Moon administration’s policies of engagement have successfully calmed the situation following recent years’ more bellicose rhetoric.


**Global Inequalities**

South Korea seeks to share its own development experience – in which it rose from one of the world’s most impoverished countries in the world in the 1950s to become the 10th-largest economy worldwide in 2020 – through its
development cooperation. The OECD Peer Reviews of Korea’s development cooperation in 2012 and 2017 positively evaluated the role of Korea as a key bridge between developing and developed countries, as well as its leadership in pushing for greater development effectiveness. However, Korea has yet to deliver on its commitment to increase overseas development assistance (ODA) to 0.7% of GNI. Nor has it attained its specific target of reaching 0.2% of GNI by 2020. In fact, ODA disbursement increased only marginally under the Moon administration (as compared to the levels under the prior administration). However, the Moon administration actually committed – for each of the years 2017, 2018, 2019, 2020 and 2021 – to much larger increases. At least for the Moon administration, it seems that there was a gap between its commitment and ability to deliver ODA. As of the time of writing, preliminary data suggested that Moon might close out his tenure on a high note for development cooperation with an unprecedented 41% increase from 2020 levels.

South Korea’s development and trade cooperation – which it sees as necessarily interlinked – has become increasingly focused on Southeast Asia and India under its New Southern Policy (NSP), launched in 2017. The Moon administration aimed to double ODA to priority NSP countries by 2023, and to increase trade with NSP (ASEAN) countries by 2020. Some criticize Korea for imposing somewhat unfair trade relations on a growing number of developing (including NSP) countries via bilateral preferential trade agreements. Due to product-market regulations and the oligopolistic structure of many market segments, market access for products from developing countries remains limited. On the other hand, Korea – particularly under the NSP – offers cooperation with partner countries on emerging and innovative technologies. Technological cooperation has the potential to help partner countries to escape the dependency trap and leapfrog into the Fourth Industrial Revolution.

Of course, Korea also sees expanded economic relations with more prosperous and stable NSP countries as a way for the country to achieve a degree of strategic autonomy, especially from China (its largest trade partner) and the U.S. (its dominant security partner). Korea has for some time highlighted its win-win, mutual benefit approach to development cooperation. But that notwithstanding, given that its own development success was built on both ODA and trade, Korea likely sees its concerted ODA and trade focus on NSP countries as a credible strategy to support the development and prosperity of these countries.

Citation:
III. Environmental Policies

Korea’s environmental problems remain very serious, though it did drastically improve its rank on the Yale Environmental Performance Index in 2020 to 28th place (out of 180 countries) from 60th in 2018. It continued to perform poorly with regard to per capita GHG emissions (158th), ecosystem services (100th), and biodiversity (84th). Problems with fine dust exposure improved, raising the country to 45th place. As of 2019, Korea was the world’s eighth-largest emitter of CO2, and the share of energy production accounted for by renewables is the second-lowest in the OECD.

Environmental policies remain unable to protect the environment and ensure sustainable resource use. The main problem appears to be a lack of ambition. Environmental policies largely do not match the scale of environmental challenges. And while “green growth” is widely touted as a policy priority, Korea is more focused on growth than it is on protecting the environment. The Green New Deal announced in 2020 and updated in 2021 allocates KRW 1.4 trillion to the transition to a green economy. However, the Green New Deal is primarily focused on developing and producing greener products – such as energy-efficient buildings and electric / hydrogen cars – and less ambitious with regard to the transition to a carbon-neutral economy. Environmental policies have not been accompanied by an environmental-tax reform. The final deal did not introduce a carbon tax as promised. With no explicit tax rate on carbon and no electricity taxes, the tax regime does not provide price signals for reducing emissions. While Korea has introduced a substantial emissions-
trading system, the market has thus far failed to increase emission prices appreciably. Despite Korea’s 2020 pledge of becoming carbon neutral by 2050, there is as yet no comprehensive strategy for achieving net-zero emissions. Environmental measures that have been implemented, such as the bans on free plastic bags and paper cups, usually have a relatively quick and tangible impact. However, the integration of environmental policies is a major problem, as measures seem to be ad hoc and fragmented.

Citation:


Global Environmental Protection

Although South Korea typically ratifies international agreements regarding environmental protection issues, it does not tend to take the initiative in this area, and the agreements do not play an important role in domestic political decisions. The country ratified the Paris Agreement of 2015 on 3 November 2016, hosts both the Global Green Growth Institute and the Green Climate Fund (GCF), and in October 2019, President Moon promised to double Korea’s contribution to the GCF.

While the Moon government demonstrated greater ambition in targeting reduced emissions than it did in targeting other areas relevant to protecting the environment, the challenges ahead remain substantial. The Moon administration – like previous governments – did not place a particularly high priority on its global environmental responsibilities. Instead of articulating a comprehensive strategy for a transition to a carbon-neutral society, the government was quick to give in to populist demands for low electricity and fuel prices.

Korea is the world’s eighth-largest emitter of carbon-dioxide emissions, and 12th-largest with regard to total greenhouse gas emissions. In 2021, Korea officially announced that it would cut its domestic emissions to a level 40% below 2018 levels by 2030. This is a significant improvement compared to its previous target of 24.4% below 2017 levels. In 2020, Korea committed (and enshrined in law) to achieving carbon neutrality by 2050. Nevertheless, the
Climate Action Tracker (CAT) notes that with its current policies and measures – including an emissions-trading system for key sectors, a green building plan, an incentive system supporting electric and hybrid vehicles, and measures supporting environmentally friendly public transportation – Korea is unlikely to achieve its nationally determined contribution target. To achieve this, CAT estimates that Korea needs to reduce domestic emissions by at least 59% by 2030.

The 17th Climate Change Performance Index (CCPI, published November 2021) – which evaluates climate policy and implementation among the 64 countries responsible for 90% of global greenhouse gas emissions – ranks South Korea at 59th place. Korea is thus not only near the bottom of the list (with only five countries ranked lower), but it also dropped three places compared to 2020.

Korea is the world’s second-largest investor in the global coal-finance market, following China. International environmental NGOs have for years pushed Korea’s government to stop funding coal power in developing countries such as Indonesia. As a result, Korea committed in 2021 to stop coal financing, albeit with some exceptions for retrofitting and approved projects. Following this, major Korean financial groups (e.g., KB, Shinhan, Hana and Woori) announced plans to make their investment portfolios carbon neutral by 2050.

Citation:


Robust Democracy

Electoral Processes

The National Election Commissions, an independent constitutional organ, manages the system of election bodies. Registration of candidates and parties at the national, regional and local levels is done in a free and transparent manner. However, deposit requirements for persons applying as candidates are relatively high, as are ages of eligibility for office. In December 2021, the age of eligibility for running for parliamentary and regional office was lowered from 25 to 18. Also in 2021, the revised Article 6 of the Political Funds Act took effect, allowing (preliminary) candidates for local council elections (in addition to local government heads) to designate supporters’ groups for the purposes of campaign fundraising.

In 2019, the parliamentary election process was reformed to distribute proportional representation seats to better reflect voter preferences and boost the presence of minor parties. The aim was to compensate smaller parties for their disadvantage vis-à-vis large parties due to the first-past-the-poll races in electoral districts. Unfortunately, the reform actually worsened the situation, because in a legally dubious move, former members of major parties created satellite parties to help major parties benefit from the new election system. Thus, the two satellite parties connected to the major parties won 36 of 47 proportional representation seats in the April 2020 parliamentary elections, while truly independent parties fared poorly.

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

Citation:
Hanelt, Etienne. “In the Orbit of Democracy: Satellite Parties in South Korea’s 2020 Parliamentary...
The opaque character of South Korean election law concerning allowable support for candidates during the election period, which can last for up to 180 days before an election, represents an electoral gray area. According to some interpretations of Article 93 of the election law, all public expressions of support for candidates or parties are illegal during that period unless one is registered as an official campaigner. This can be seen as a disadvantage for smaller candidates who do not have the same access to traditional media. In general, small parties have a difficult time gaining coverage in the mainstream media. However, YouTube and other social networks have become an influential and equalizing means of public communication for all candidates and parties.

On the other hand, the use of social media to illicitly interfere in elections has become a matter of concern. It has even come to light that the Korean National Intelligence Service (NIS) used social media posts to support President Park’s election in 2012. Demonstrating its stance against social media manipulation, the ruling Democratic Party (DP) in 2018 expelled two members involved in an online opinion-rigging scandal that aimed to benefit the Moon administration.

The immensely controversial National Security Law also applies to online media, creating significant limitations regarding the freedom of expression. Under past conservative administrations, the Korea Communications Standards Commission and the National Election Commission have sought to block accounts or fine online users for online comments critical of the government or the ruling party.

Citation:
“Do you know the dismissed journalists?” Journalists Association of Korea, January 20, 2016. (in Korean) http://www.journalist.or.kr/news/article.html?no=38319
All citizens of South Korea aged 18 and over have the right to cast ballots, provided that they are registered as voters at their place of residence in South Korea or in another country. The voting age was lowered from 19 to 18 in December 2019. There had been growing public support for this change since the candlelight demonstrations against President Park in 2016 – 2017. Overseas citizens are able to vote in presidential elections and in National Assembly general elections. Overseas citizens are defined as Korean citizens residing in foreign countries in which they are permanent residents or short-term visitors. Moreover, Korea was the first country in Asia to grant voting rights in local elections to foreign residents who have lived in the country for three or more years. However, voter turnout rates among foreigners are still low. Legally incompetent individuals and convicted criminals still serving prison terms are deprived of active voting rights. The same applies to individuals whose voting rights have been suspended by a court verdict, who have violated election laws, who have committed specified crimes while holding one of a set of public offices, and who have violated the law on political foundations or specific other laws. National elections are national holidays, making it easier for all citizens to vote. Citizens can appeal to the National Election Commission and the courts if they feel they have been discriminated against.

Citation:

Since its enactment in 1965, the Political Fund Act in Korea has undergone 24 revisions for the purpose of guaranteeing that political funding is fairly and transparently provided. According to financial reports submitted by political parties in 2015, the total amount of membership fees collected from party members was $52 million, representing only 25.8% of the parties’ total income of $201.3 million. Parties also receive public subsidies according to their share of the vote in the most recent previous election. However, a larger share of campaign financing comes from private donations. Today, many election candidates raise funds in the form of special investments. A system encouraging people to report illegal electoral practices, introduced in 2004, has played a positive role in reducing illegal campaign financing. Although election laws strictly regulate political contributions, efforts to make the
political funding process more transparent have had only limited success. Many violations of the political funding law emerge after almost every election, and many elected officials or parliamentarians have lost their offices or seats due to violations. By law, lawmakers lose their National Assembly membership and are not allowed to run for public office for five years if they receive a fine of KRW 1 million or greater due to violations of the election law. Even though breaking the election law carries little stigma, monitoring systems and sanctions are becoming more effective.

An interesting development is the use of cryptocurrency for fundraising by two Democratic Party (DP) candidates, including presidential hopeful Lee Jae-myung. As of the time of writing, Lee planned to issue non-fungible tokens (NFTs) to campaign donors. The DP stated that the National Election Commission confirmed that the use of NFTs for fundraising purposes did not violate the Political Funds Act or the Public Official Election Act.

Citation:

Popular Decision-Making
Score: 5

Citizen referendums can be conducted at the local and provincial levels, requiring the support of at least 5% to 20% of voters to be called, and a turnout of at least 33% to be valid. However, results are not legally binding. There have been several binding recall votes at the local level, although the rate of success for such efforts is very low, because voter turnout rates have typically been lower than the required 33.3%. At the national level, only the president can call a referendum, but this has never taken place. In 2017, President Moon announced a referendum addressing amendments to the constitution that would improve people’s basic rights and provide local governments with greater autonomy. However, the referendum was rejected by the opposition party in the parliament, and thus could not take place. In 2019, National Assembly Speaker Moon Hee-sang and President Moon again proposed to hold a referendum on constitutional revision, suggesting that people be allowed to vote on the proposal during the April 2020 general election.

In 2017, the Blue House also introduced a petition system under which the government is required to address a certain topic if at least 200,000 citizens sign a petition. Figures released by the Blue House regarding the first two years of the policy indicate that almost 700,000 petitions were submitted
(more than 800 petitions per day), that younger generations were far more engaged than their elders, and that the site was visited by almost 250,000 visitors per day. As of April 2020, the Blue House had posted responses to at least 80 petitions.

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

Access to Information

In 2020 and 2021, Korea was ranked 42nd in the World Press Freedom Index – down one spot from 2019, but still ahead of all other Asian countries. However, some issues remain problematic. For example, Reporters without Borders criticizes the system by which managers are appointed at public broadcasters. Editorial independence is also underdeveloped at many outlets. While media freedom is constitutionally guaranteed, government influence and agenda-setting efforts remain strong, especially among TV broadcasters. Most major newspapers outlets have a strong conservative and pro-business bias, making it difficult to have access to diverse opinions. The politicization of 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, which they portrayed as a direct cause of South Korea’s role as the next COVID-19 hotspot after China.

Korea also has very problematic anti-defamation laws that can result in harsh prison terms for those convicted of defamation – even if the statements are true – if the statements are seen as being contrary to “the public interest.” Defamation suits are frequently filed as a means of preventing critical reporting. Reporting on North Korea remains censored by the National Security Law. All North Korean media are jammed, and North Korean websites are not accessible from South Korea. In general, internet censorship remains widespread, with “indecent” internet sites blocked. Consequently, Freedom House ranks South Korea among the countries in which the internet is only “partly free.”

One critical issue being debated is if and how to control the spread of misinformation, or “fake news.” The Moon administration introduced a revision of the Press Arbitration Act that would allow courts to impose
punitive damages on media outlets that publish fake news “by intent or through grave negligence,” or that infringes on aims to push media to be more serious and thorough in fact-checking what they publish. The bill encountered much resistance, including from Human Rights Watch and the United Nations special rapporteur for freedom of expression and opinion. The concern is that the vague definition of “fake news” and the associated hefty penalties could deter journalists from investigating corruption, while increasing censorship and self-censorship. At the same time, there are serious concerns about the increasing incidence of fake news. Between 2009 and 2018, more than 2,000 civil lawsuits were filed seeking compensation for harm caused by fake news. Given the ongoing, contentious debate, the bill has been shelved to allow more discussion and negotiation.

Notwithstanding these controversies, media manipulation seemed 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. These and other actions led to Korea dropping to as low as 70th place on the World Press Freedom Index during the decade prior to Moon’s election. Freedom House also bumped up Korea’s internet freedom score in part due to “less systematic manipulation of online content by the (current) government.”

Citation:

South Korea has a vibrant and diverse media sector that includes various cable, terrestrial and satellite television stations, and more than 100 daily newspapers in either Korean or English. As the country has the world’s highest internet penetration rates, a great number of readers today gain news exclusively from online sources. Yet despite the great variety of offerings, the diversity of content remains limited. The print media is dominated by three major newspapers: Chosun Ilbo, Dong-a Ilbo and Joong Ang Ilbo. Although the combined market share of these three outlets is declining, it remained at about 65% in 2014, according to the Korea Press Foundation. Smaller alternative newspapers also exist. The major newspapers are politically
conservative and business-friendly, partly because they depend to a very large
degree on advertising revenues. While there is more pluralism in the
broadcasting sector due to the mix of public and private media, the diversity of
political opinions in this arena is threatened by government influence over
broadcasters’ personnel policies. In general, media pluralism is hampered by
a widespread belief that criticism and critical questions are necessarily negative.
In May 2019, KBS journalist Song Hyun-jung was threatened by supporters of
President Moon who claimed that he had been rude while interviewing the
president. They claimed that Song’s questions were “inappropriate,” and a
petition was started to demand an apology from or even punishment of Song
and KBS. Beyond the traditional media, internet-based news services are
widespread and very diverse. The reach of these alternative media outlets is
potentially quite large, as Korea’s social media penetration rate (87%) is the
third-highest in the world.

Citation:
Kang, Tae-jun. 2019. “South Korean Journalist Under Fire for Being ‘Rude’ to President Moon.” The
Shim, Woo-hyun. “Korea’s Social Media Penetration Rate Ranks Third in World.” The Korea Herald,

The Act on Disclosure of Information by Public Agencies regulates access to
government information. It makes available all documents described by the
act. Information can also be accessed online at the Online Data Release
System. If an individual requests the disclosure of information, the agency in
possession of that information must make a decision on the petition within 15
days. While this is a reasonable level of exception in theory, “national
security” is often interpreted very broadly. Decisions by as public institution to
not disclose information can be challenged by administrative appeal (to an
administrative appeals commission comprised of administrative agencies
which supervise the public institution in question) and/or via administrative
litigation (administrative court).

A recent reform of the Act on Disclosure of Information by Public Agencies
that took effect in December 2020 expanded the scope of information
disclosure to include quasi-governmental institutions, local public corporations
and regional corporations. Moreover, it strengthened the status of the relevant
investigation bodies (the Ministry of the Interior and Safety and the
Information Disclosure Committee that was established under the prime
minister).
In the 2017 Open Data Barometer’s implementation section, Korea obtained 90 out of 100 points for having a detailed government budget, but only five points with regard to publishing detailed data on government spending. It received 50 points in the legislative category. The National Assembly has proved reluctant to disclose information about its spending, a fact that has triggered considerable public criticism. Moreover the 2018 Global Right to Information Index gives Korea an average rating, citing constraints on access to government information including the existence of other acts that exempt information from disclosure, vague procedural safeguards and limited public interest overrides.

Citation:

Civil Rights and Political Liberties

Despite the courts’ relatively effective performance in protecting civil rights, and the election of a former human-rights lawyer as president, inadequate rights are accorded to certain populations such as migrant workers, refugees and sexual minorities. South Korea also maintains the possibility of the death penalty, though there has been a moratorium on executions since 1997. On a positive note, in November 2018 the Korean Supreme Court for the first time accepted “conscience or religious beliefs” as a justifiable reason for conscientious objection to the country’s mandatory military service. Unfortunately, the government has to date been slow to offer alternatives to military service for conscientious objectors. In April 2019, the Constitutional Court strengthened women’s rights, ruling that Korea’s 65-year ban on abortion was unconstitutional. In October 2021, stronger workplace harassment penalties were adopted, and beginning in 2022, employees will for the first time be able to petition the Labor Relations Commission for relief and damages in gender discrimination and sexual harassment cases. Migrant workers and refugees continue to face considerable discrimination in Korea (see “Integration” and “Anti-Discrimination”). Personal data privacy has emerged as a sticky issue in the COVID-19 era. As in many countries, South Korea’s COVID-19 response has raised questions regarding the correct balance between personal privacy and public safety. In the wake of MERS,
South Korea amended legislation to allow authorities to access personal data without court approval during pandemics. This facilitated South Korea’s successful COVID-19 contact-tracing system, which relies on personal data from mobile phones, GPS, credit cards and CCTV footage. Initially, much of this data was made available to the public, leading to discrimination against infected persons and sometimes against entire groups, such as churches and the LGBTQ+ community, because they were linked to specific infection clusters. Following critique by Korea’s National Human Rights Commission, the government has since limited the information it publicizes to as to protect personal privacy.

Citation:
Freedom in the World 2021
https://freedomhouse.org/country/south-korea/freedom-world/2021

Political liberties are protected by the constitution, but infringements do take place. The National Security Law is considered one of the main obstacles to freedom of expression, association and assembly, as it authorizes the National Intelligence Service (NIS) to punish persons and shut down groups if they are deemed to hold pro-communist views. In 2020, the National Assembly stripped the NIS of its authority to conduct criminal investigations into violations of the National Security Law (effective 2024). Some, however, criticize the amendment for not going far enough (i.e., by abolishing the National Security Law altogether) and/or for creating ambiguity that could be exploited by the NIS to increase its surveillance of citizens and NGOs that have dealings with foreigners involved in international financial transactions. Criticism notwithstanding, the intent of this reform is, as stated by President Moon, to “completely separate powerful institutions from domestic politics and install systems to make any such institutions unable to wield omnipotent power.”

There are also some limits on the freedoms of association and assembly. Labor unions still face difficulties, including legal limits on their freedom to organize and engage in political activities. Businesses can sue labor unions for compensation for “lost profits” during strikes. Outdated regulations exist that can be used by union busters to curb the power and reach of labor unions. For example, in 2013, the conservative government shut down and for years refused to legalize the Korean Teachers and Education Workers Union (KTU),
because it allowed employees who had been fired to remain members. In 2020, under the progressive Moon administration, the KTU finally regained its status as a labor union. Moreover, in 2021, 30 years after Korea joined the International Labour Organization (ILO), Korea finally ratified three core ILO conventions: No. 29 (Forced Labor), No. 87 (Freedom of Association and Protection of the Right to Organize), and No. 98 (Right to Organize and Collective Bargaining). The bill on ratifying Convention 105 (Abolition of Forced Labor) was withdrawn due to unresolved conflicts with domestic laws regarding prison labor.

The need to contain COVID-19 led to some restrictions and even bans on public demonstrations and other gatherings (e.g., church services) during the reporting period. Some groups, particularly those on the right wing of the political spectrum, accused the government of using the pretext of public health and safety to ban anti-government demonstrations.

Notwithstanding some suspension of some liberties in the interest of pandemic containment, Korea maintained its position as one of the few successful democracies in East Asia. It led the region’s rankings in the areas of press freedom and liberal democracy. Indeed, it was the only Asian country ranked in the top 10% of the 2020 V-Dem Liberal Democracy Index, and its liberal democracy score was higher than more than half of OECD members. In general, the frequency of infringements of political rights by the state declined under the Moon administration, and there is today greater space for and respect accorded to open political debate and diverging political opinions.

The Korean constitution states that “there shall be no discrimination in political, economic, social or cultural life on account of sex, religion or social status” (Art. 11). Unfortunately, Korea still lacks a comprehensive anti-discrimination law that would enforce these constitutional rights. In fact, discrimination remains a major problem in South Korea for groups as diverse as women, migrants, handicapped persons, LGBTQ+ people and North Korean defectors. Women are still underrepresented in the labor market, comprising only 43% of the labor force despite having an average education level similar to that of men. The Global Gender Gap Index for 2021 ranks South Korea at 102nd place out of 156 countries evaluated. The gender pay gap remains the largest in the OECD, and the COVID-19 shock disproportionately affected female workers, as they outnumber men in the service sector and in irregular jobs, the areas most affected by the pandemic. In terms of leadership positions, the proportion of women in managerial positions in state-funded and large private companies was 19.8% in 2019, while 19% of National Assembly seats are held by women, both rates below the global average. Having promised to improve gender equality, President Moon appointed women to comprise about one-third of the cabinet – a considerably higher share than in any previous Korean cabinet.

Discrimination against irregular workers, North Korean defectors and ethnic Koreans from other countries (principally China) remains widespread. According to a study by the National Human Rights Commission of Korea, half of the North Korean defectors in South Korea have suffered from discrimination. Discrimination against migrants intensified during COVID-19, as migrants were excluded from disaster relief payments and services (e.g., provision of subsidized masks) that the government provided to all Korean nationals. While courts have strengthened some rights for the LGBT community, the government has failed to take decisive actions to reduce discrimination. The Constitutional Court is reviewing (for the fourth time) the constitutionality of Article 92-6 of the Military Penal Code, which criminalizes sexual relations between members of the same sex within the armed forces.

For the 11th time since 2007, the National Assembly is considering passage of a comprehensive anti-discrimination law that would prohibit discrimination based on gender, disability, medical history, age, origin, ethnicity, race, skin color, physical condition, marital status, sexual orientation and gender identity. Despite widespread public support for such a law and presidential backing, the National Assembly Legislation and Judiciary Committee did not complete its review by the original November 2021 deadline. It extended the review period to May 2024.
Rule of Law

While government actions are generally based on the law, discretionary interpretation and application of laws (particularly new laws) remains a challenge. Foreign companies sometimes complain that regulations are interpreted inconsistently because they lack sufficient detail. In Korea, personal relationships influence decision-making, while legal rules are sometimes seen as an obstacle to flexibility and quick decisions. While Korea has consistently scored 0.73 (on a scale of 0-1) on the World Justice Project Rule of Law Index since 2016, its government corruption score (0.67) is one of the lowest components of its score.

Throughout his tenure, President Moon took steps to strengthen the rule of law, including by “completely separat[ing] powerful institutions from domestic politics and install[ing] systems to make any such institutions unable to wield omnipotent power.” In December 2020, the National Assembly adopted three legislative reforms to this effect. These included: 1) a major police law revision that introduces a local autonomous police system and allows the establishment of a national investigation office; 2) a revision of the National Intelligence Service Act which strips the National Intelligence Service of its authority to conduct criminal investigations into violations of the National Security Law; and 3) a bill establishing the new Corruption...
Investigation Office for High-ranking Officials (CIO). The establishment of the CIO is part of Moon’s efforts to check the power of the Supreme Prosecutor’s Office, while also preventing it from interfering in politics. Prosecutors in South Korea lead the investigation of criminal cases, and also have considerable flexibility in deciding whether to prosecute a suspect or not. Unlike judges, prosecutors are not independent, and there have been cases in which they have used their power to harass political opponents. Typically, prosecutors appear more reluctant to investigate acting government officials than the representatives of previous governments. Under President Moon’s directive, two ministers of justice (Cho Kuk and Choo Mi ae) pursued prosecutorial reform in 2019 and 2020. Having been chosen expressly to lead this reform, former Minister of Justice Cho was forced to resign after only a few weeks in office after the Supreme Prosecutors Office turned the tables and charged several members of Cho’s family with corrupt and illicit activities. Cho’s replacement, Minister Choo, then sought to suspend Prosecutor General Yoon Seok Youl on grounds of ethical misconduct. Yoon successfully challenged his suspension; but eventually resigned, as did Minister Choo. Thus far, the establishment of the CIO (to which prosecutors are now to cede some of their investigative authority) is the most concrete step toward prosecutorial reform.

In general, courts in South Korea are highly professional, and judges are well trained. The South Korean judiciary is fairly independent, though not totally free from governmental pressure. In a demonstration of judicial independence, the Seoul Administrative Court in December 2020 ruled against the government after Prosecutor General Yoon challenged his suspension by the minister of justice.

Under South Korea’s version of centralized constitutional review, the Constitutional Court is the only body with the power to declare a legal norm unconstitutional. The Supreme Court, on the other hand, is responsible for reviewing ministerial and government decrees. However, in the past, there have been cases with little connection to ministerial or government decree in which the Supreme Court has also demanded the ability to rule on acts’ constitutionality, hence interfering with the Constitutional Court’s authority.
This has contributed to legal battles between the Constitutional and Supreme courts on several occasions. On the whole, the Constitutional Court has become an effective guardian of the constitution, although it has been comparatively weak on anti-discrimination issues and the defense of political liberties on issues relating to the security threat posed by North Korea.

With COVID-19 restrictions heading into a third year, the number of complaints and lawsuits brought against the government for violation of individual or collective rights is growing. Businesses forced to close have mostly petitioned the president. Civic groups and churches have filed court cases regarding the legality of government bans on political rallies. Courts have largely ruled in favor of the government and upheld the bans. However, in some instances, courts have overturned government decisions and allowed rallies to proceed. In October 2021, the Seoul Administrative court noted that a complete ban on outdoor rallies in Seoul was excessive, and pointed to the double standard of allowing in-person church services and other personal events (e.g., weddings). Such rulings suggest that courts are carefully considering the justifiable limitations of constitutional rights.

Citation:

The appointment process for Constitutional Court justices generally serves to protect the court’s independence. Judges are exclusively appointed by different bodies without special majority requirements, although there is cooperation between the branches in the nomination process. The process is formally transparent and adequately covered by public media, although judicial appointments do not receive significant public attention. All nine judges are appointed by the president, with three of the nine selected by the president, three by the National Assembly and three by the judiciary. By custom, the opposition nominates one of the three justices appointed by the National Assembly. The head of the court is chosen by the president with the consent of the National Assembly. Justices serve renewable terms of six years, with the exception of the chief justice. The National Assembly holds nomination hearings on all nominees for the Supreme Court and the Constitutional Court.

Citation:
Article 111 of the Korean Constitution
The Korea Independent Commission Against Corruption, established under the Anti-Corruption Act, handles whistleblowers’ reports, recommends policies and legislation for combating corruption, and examines the integrity of public institutions. The Public Service Ethics Act is designed to prevent high-ranking public officials from reaping financial gains related to their duties both during and after their time of public employment. Existing laws and regulations on the issue are generally effective in holding politicians and public servants accountable and in penalizing wrongdoing. Courts have also been tough on those involved in corruption scandals, handing down prison sentences to many involved, including ex-President Park and her predecessor Lee Myung-bak. That said, there are ways around these regulations. For example, after obtaining special permission from public service ethics committees, it is not uncommon for retired bureaucrats to receive golden-parachute appointments in the same industries they were charged with regulating.

President Moon promised to strengthen anti-corruption initiatives further, announcing that members of the elite involved in corruption scandals would not be granted pardons. While the 2019 scandal surrounding former Justice Minister Cho Kuk showed that the Moon government was not above abuse-of-office accusations, the case also showed that checks and balances have improved, as there appears to be increasing readiness to investigate serving high-level officials. In the past, public officials were usually investigated and prosecuted only after they left office, as prosecutors have considerable discretion with regard to deciding who to prosecute. During the Moon administration, in addition to the investigation into Minister Cho, there were various high-profile investigations of ruling party members, including the 2019 conviction of the South Chungcheong Province governor for sexual assault, and the April 2020 resignation of the mayor of Busan after admitting to sexual harassment. Throughout his tenure, President Moon took steps to “separate powerful institutions from domestic politics and install systems to make any such institutions unable to wield omnipotent power.” One such reform was the launch in 2021 of the new Corruption Investigation Office for High-ranking Officials (CIO). This institutional reform shifts the power to investigate and prosecute corruption among high-level officials from the prosecutor’s office to a new agency. The intent is for the new agency to be less opportunistic and more independent from political meddling.
Despite the strong campaign against corruption in the public sector, there has been minimal success in curbing corruption and influence peddling by big business groups. One serious concern is the massive degree to which economic power is concentrated, and the lack of respect that some economic elites show for the law. Courts are much more lenient toward businessmen than toward public officials. In February 2018, an appellate court reduced the five-year prison sentence handed down to Samsung Electronics Vice Chairman Lee Jae-yong to a suspended sentence of two-and-a-half years. This was seen as extremely lenient when compared to the long jail sentences given to former public officials. In January 2021, following a retrial, Lee Jae-yong was sentenced to an additional two-and-a-half years. He was released on parole in August 2021. Relatedly, many were surprised by President Moon’s decision to pardon former President Park Guen-hye in December 2021.
Good Governance

I. Executive Capacity

Strategic Capacity

Strategic planning remains an important priority in South Korean governance. Strategic priorities are set by the powerful presidential office, although the fact that the president only serves a single five-year term makes it difficult to plan beyond a single electoral cycle. President Moon launched his five-year vision and plan (“100 Policy Tasks: A Nation of the People, A Just Republic of Korea”) in September 2017. This was supplemented and reinforced in December 2019 by the longer-term “2045 Vision for an Innovative, Inclusive Nation.” To help him develop implement these plans, President Moon relied on the Presidential Commission on Policy Planning, including a policy unit comprised of the Future Policy Research Center (responsible for research and support on national mid- to long-term policies) and the State Affairs Tasks Support Group (provides respective research and support). In total around 100 committee members, mostly professors or other experts, work in one of the six subdivisions addressing the issues of people’s sovereignty, national growth, inclusive society, sustainability, decentralization, and peace and prosperity. In addition, the two special committees on income-led growth and the New Southern Policy help to identify key policies that the government will pursue, and help develop medium- and long-term plans to carry out the policies.

While managing the COVID-19 pandemic overshadowed other policy objectives for most of 2020, the Moon administration took the opportunity of developing a COVID-19 response and recovery plan to review and reinvigorate his administration’s strategic plan. The administration launched the Korean New Deal in 2020 and updated it in 2021. The New Deal – with its three pillars Digital, Green, Human – is consistent with the five-year strategy. The New Deal incorporates and reinvigorates key policy priorities such as fostering a more inclusive, innovative and green economy; improving social protections; and implementing balanced regional development. Moreover, the
New Deal seems to strike an appropriate balance between short-to-medium-term response and recovery and long-term transformation.

Citation:

Expert Advice
Score: 6
Non-governmental academic experts have considerable influence on government decision-making. Expertise is sourced from external experts at research institutes and universities. A large portion of the Presidential Commission on Policy Planning is staffed with professors and other experts, and most of the other members have an academic background. In addition to the Presidential Commission on Policy Planning, scholars are often nominated for top government positions. Academic experts participate in diverse statutory advisory bodies established under the offices of the president and prime minister. Advisory commissions are usually dedicated to specific issues deriving from the president’s policy preferences. However, the selection of academic experts is often seen as too narrow and exclusive. The process of appointing experts remains highly politicized, and in the past experts have often been chosen because of their political leanings rather than their academic expertise. Some fault the Moon administration for ignoring criticisms of policies provided by experts with different political perspectives than its own, which makes the process of policy consultation less effective.

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

Interministerial Coordination

South Korea’s presidential system has a dual executive structure, with the president serving both as head of state and head of government. The prime minister is clearly subordinate to the president and is not accountable to parliament. The presidential office, known as the Blue House, has the power
and expertise to evaluate draft bills. As the real center of power in the South Korean government, the Blue House has divisions corresponding with the various line-ministry responsibilities. The Prime Minister’s Office has sufficient administrative capacity and nonpolitical technocrats to design and implement policies and strategies politically chosen by the Blue House. President Moon has promised to decentralize powers, and plans to hold a referendum to amend the constitution in this manner. As of the time of writing, however, constitutional reform has been stalled due to objections by opposition parties.

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

Executive power is concentrated in the president’s hands. Thus, line ministries have to involve the Blue House in all major policy proposals. South Korea’s constitution grants substantial powers to the executive in general, and the president in particular. Most observers agree that the South Korean presidential system is a paradigmatic example of an “imperial presidency,” at least during times when the party of the president holds a majority in the unicameral South Korean parliament, as was the case after April 2020. The president has the authority to, and often does rearrange, merge and abolish ministries according to his or her agenda. For example, President Moon created a Ministry of SMEs and Startups; renamed the Ministry of Science, ICT and Future Planning as the Ministry of Science and ICT; and merged the National Security Agency and the Ministry of Public Administration and Security into a single Ministry of the Interior and Safety. He also (re-)established the National Fire Agency and the Korea Coast Guard abolished by his predecessor. However, while Moon has promised to decentralize power, there have as yet been few signs of any weakening of the role of the Blue House.

That said, South Korean staff within bureaucracies are highly trained and competent, which helps ensure a degree of continuity. However, strategic planning is weakened by frequent changes in leadership positions. Ministers and state secretaries are often replaced by the president, and staff rotations occur frequently inside ministries. Thus, ministerial staff have little opportunity to acquire expert knowledge and contribute meaningfully to long-term strategic planning.
Conflicts between ministries are frequent but do not substantially affect overall policymaking for high priority policy areas, due to the coordinating role of the president’s office. The fragmentation of government activities in policy areas that are not prioritized by the president is a frequent subject of criticism, and ministries often fail to coordinate activities in these fields.

Formally, the cabinet is the executive branch’s highest body for policy deliberation and resolution. In reality, the role of the cabinet is limited because all important issues are discussed bilaterally between the Blue House and the relevant ministry. However, bureaucratic skirmishing takes place on many issues. The Blue House’s capacity to contain rivalries between the various ministries tends to be relatively high early in a given president’s official term. However, coordination power becomes weaker in a lame-duck administration.

Committees are either permanent, such as the National Security Council, or created in response to a particular issue (e.g., Presidential Committee on Carbon Neutrality). As many government agencies have recently been moved out of Seoul into Sejong city, the need to hold cabinet meetings without having to convene in one place at the same time has been growing, and the law has therefore been amended to allow cabinet meetings in a visual teleconference format.

Civil servants from different ministries regularly coordinate on policies of common concern. This coordination and cooperation among related civil servants across ministries can be either formal or informal, hierarchical or horizontal. Unfortunately, attitudes in the ministries are shaped by departmentalism that obstructs coordination. Different ministries use their policies to compete for support and approval from the office of the president. There is also a clear hierarchy delineating the ministries. Civil servants in important ministries, such as the Ministry of Strategy and Finance, consider civil servants from other ministries, such as the Labor Ministry or the Environment Ministry, as being “second tier.” Key issues given a high priority by the president can be effectively coordinated among concerned ministries.

Some attempts to improve coordination among ministries are being made. Various interministerial coordination mechanisms have been implemented on the basis of sector and theme, such as the interministerial coordination system for ODA. Moreover, it is expected that the efficiency of and communication between government agencies will be improved by the introduction of a new records-retrieval system. The National Archives and Records Administration (NIS) has announced that it will establish a search and retrieval service in consultation with the Ministry of Patriots and Veterans Affairs. However, in spite of the Blue House’s political dominance, the Moon government has exhibited numerous cases of coordination failure among relevant ministries. For example, the Blue House, the Ministry of Land, Infrastructure and
Transport, and the Ministry of Strategy and Finance have failed to communicate and coordinate effectively on real estate policy, a fact that has contributed to skyrocketing prices and increasing inequality. A particularly contentious interagency battle took place in 2019-2020, as the Ministry of Justice pushed for and the Supreme Prosecutor’s Office blocked President Moon’s prosecutorial reform initiative.

Citation:

Interministerial coordination is both formal and informal in Korea. Informal coordination is typically, if not always, more effective. There is also a clear hierarchy structuring the ministries. Staffers at the Ministry of Strategy and Finance see themselves as the elite among civil servants. However, the leading role of the Ministry of Strategy and Finance is defined by the president’s mandate.
In addition, informal coordination processes tend to be plagued by nepotism and regional or peer-group loyalties, particularly among high-school and university alumni. Personal networks and loyalties are sometimes considered to be more important than institutions. Informal networks between the president and powerful politicians can work very effectively to further specific policies. However, these practices can also lead to corruption and an inefficient allocation of resources. The Moon government has been criticized for working within relatively small key networks. Moreover, in a number of cases of failed implementation, it has emerged that informal networks and coordination have overridden formal policy.

Citation:

The South Korean government utilizes e-government software (the Policy Task Management System) to monitor the implementation of policies in real time. In the UN E-Government Survey 2020, Korea was ranked at second place internationally for the implementation of e-government mechanisms. Korea also ranks at the top of the OECD countries on the OECD’s OUR Data Index, which examines the issue of open, usable and reusable government data.

Evidence-based Instruments

RIA has been mandatory for all new regulations since 2005 and is applied to older regulations if they are strengthened in any way. RIAs assess proposals’ socioeconomic impacts and provide cost-benefit analyses. In its 2021 Regulatory Policy Outlook, the OECD placed the country above the OECD average in all categories. However, the report also highlighted some weaknesses, particularly with regard to RIAs concerning regulations initiated by the legislature, a category that is currently excluded. The Federation of Korean Industries, which advocates deregulation on behalf of corporate sectors, has proposed that the government apply RIAs to regulatory acts initiated by lawmakers.

OECD Regulatory Policy Outlook 2021, https://www.oecd-ilibrary.org/sites/38b0f6b1-en/index.html?itemId=/content/publication/38b0f6b1-en

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

The OECD has noted several recent improvements in the quality of RIA processes. A 2018 reform requires analysis to be proportionate to the significance of the regulation, and requires alternative regulatory options to be assessed for all subordinate regulations. RIA for SMEs has been enhanced through the introduction of an impact reporting system and revision of a related guideline in 2020, and the transparency of consultation processes overall has improved.
The assessment of policy-implementation sustainability in South Korea is regulated by the 2007 Sustainable Development Act and oversees by the Presidential Commission on Sustainable Development, which reports to the Ministry of Environment. This body’s task is to implement, promote, share, educate, network, monitor and make policy proposals on sustainable development. The act addresses environmental quality, vulnerability to environmental degradation, environmental degradation level, the social and institutional capacities to respond, and responsibility sharing with the international community. The Moon administration promised to focus more strongly on sustainability-related issues, including reductions in youth unemployment rates, air pollution and greenhouse gas emissions. For example, the Moon administration promised to build no new nuclear power plants, and additionally promised to close 30 coal-fired power plants (10 by 2022; 20 by 2034). At the same time, the government appeared to be considering a continuation of previous governments’ problematic practice of prioritizing economic growth, for example by issuing waivers for regulations governing economic development or apartment construction within green-belt areas.

While President Moon promised to highlight environmental sustainability, the actual effects on the RIA process remain to be seen.

In a recent (2021) OECD assessment of ex post evaluation, Korea was ranked fifth. Recent changes include making ex post evaluation mandatory for all regulations developed by the executive and central ministries; requiring a quality control process for packaged reviews of ex post evaluations; and conducting reviews with the aim of reducing burdens on new industries and SMEs. While there is an effective evaluation system in place, the effect on policy revision has been limited to date. In recent years, real estate policy has been broadly unsuccessful, contributing to historically high and skyrocketing prices by repeatedly imposing low-quality short-term regulations without effective ex post evaluation. Soaring prices have produced adverse effects by increasing economic inequality.
Societal Consultation

There have been major improvements with regard to consultation with societal actors since President Moon took office. President Moon’s interactions with the public are also significantly different than those of his predecessor. He has emphasized the importance of being more open and communicative with the public. He is holding frequent discussions with civil society groups and top business leaders, and allows Q&A sessions during press briefings. The Blue House also introduced a petition system in which the government is required to address a certain topic when at least 200,000 citizens have signed the petition. The Moon government has also tested so-called deliberative democracy processes, in which all stakeholders participate in three- or four-night debates, as a means of drafting controversial policies in areas such as nuclear energy or university admissions.

South Korea has a lively civil society with an average range of interest groups, reflecting most social interests. However, some powerful interests have privileged access to the corridors of power. Business is well represented by networks of interlocking and expertly staffed interest groups. Labor unions are traditionally much weaker, and lack the same kind of access to the government. However, with President Moon’s more accommodating stance on labor unions, he was able to bring the Korean Confederation of Trade Unions (KCTU) back to the tripartite dialogue table for the first time since KCTU’s withdrawal in 1999. President Moon also appointed many former civil society activists to government positions, and frequently utilized the expertise of civil society groups.

During the COVID-19 crisis, the government held public consultation through a social dialogue body called the Economic, Social and Labor Council (ESCL), in which labor, management, government and public interest groups meet and deliberate on public policies. Following these talks, they issued the “Tripartite Declaration to Overcome the Crisis Caused by Spread of COVID-19” in March 2020, which emphasized the need to support workers, public life and health, vulnerable groups, SMEs, and small merchants.
Policy Communication

In Korea’s presidential system, the president’s office dominates the government communication strategy. Ministries do occasionally issue mutually contradictory statements, but rarely openly contradict statements issued by the presidential office. Early in his tenure, President Moon placed a high priority on communication with citizens. He engaged in more frequent and more direct communications with the public, including meetings with citizens over beer at a bar in Seoul. Moon also launched a presidential petition system, which has been widely used by citizens, particularly youth. The government responds to all presidential petitions with more than 200,000 signatories. However, President Moon’s communication with the public dwindled in more recent years. A survey (by an opposition party member) reported that Moon held fewer press conferences than his liberal predecessors Kim Dae-jung and Roh Moo-hyun (though a similar number as conservative predecessors Park Geun-hye and Lee Myung-bak), and fewer such engagements than other heads of state (e.g., French President Emmanuel Macron or Japanese Prime Minister Shinzo Abe). In early 2021, Moon’s new chief of staff said that President Moon wanted to expand his public and media engagement going forward – citing COVID-19 as one factor in Moon’s less-active-than-promised engagement in 2020.

The Moon administration was lauded for its responsive communication policy during the COVID-19 pandemic. Korea’s emphasis on communicating accurate and up-to-date information to the public helped manage the spread of misinformation and inspire public trust. At the height of the pandemic, the government held twice-daily, televised press briefings. It also operates a 24-hour hotline and portal site. This transparent and timely communication encouraged voluntary public compliance and bolstered the policy legitimacy of the Moon administration. Koreans’ rate of acceptance of the government’s performance in dealing with the pandemic is above average compared to 14 high-income countries.

Citation:
In South Korea’s presidential system, power is concentrated in the office of the president. However, presidents are also limited to a single five-year term, which means that they can become lame ducks even after completing only half of their term. The Moon administration was somewhat more effective than its predecessor with regard to the implementation of policies, although implementation still fell far short of the president’s ambitious goals (i.e., 100 Policy Tasks). Despite the strong personal mandate deriving from his decisive election victory and strong popularity, Moon’s Democratic Party lacked a majority in parliament until the April 2020 parliamentary elections. Moreover, managing the COVID-19 pandemic overshadowed most other policy priorities in 2020. Nevertheless, the president has far-reaching powers and Moon implemented several important measures that he had promised, including increases in the minimum wage; the creation of new jobs in the public sector; a reduction in the maximum workweek to 52 hours; an expansion of the social safety net; the establishment of an independent anti-corruption agency; the expansion of the autonomy of local governments via amendments of the Local Autonomy Act (e.g., autonomous local police, increased local fiscal authority, enhanced local councils); the adoption of critical and long-overdue labor rights protections; the creation of space for SMEs and startups through regulatory easing; the establishment of more ambitious climate change mitigation targets; the enhancement of Korea’s role in global governance, particularly in the realm of global public health; and the development of a blueprint for Korea’s transition to a digital and green future. However, Moon also postponed or failed to achieve some of his original agenda items, such as the constitutional reform designed to decentralize power, election reform, pension reform, real estate reform and chaebol (business conglomerate) reform.

Moreover, President Moon managed to deliver on these promises while successfully managing the COVID-19 crisis. Indeed, Korea’s COVID-19 response is a compelling example of well-coordinated policy execution – across sectors, levels of administration and the political aisle. Meetings of the Central Disaster and Safety Countermeasures Headquarters (CDSCHQ) meetings, which gather together representatives of all relevant ministries and 17 provinces and major cities, have been held regularly in order to maintain a united national effort in dealing with the spread of the coronavirus. These
meetings allow for regular coordination among the highest-level officials and between the central and local governments, which is crucial for jointly identifying problems, blockages and solutions. The regular meetings support the concerted implementation process and the effective allocation of central government resources, and enable rapid local adaptation to changing circumstances when needed. Attesting to the strength of the system, there were no relevant COVID-related disruptions of basic public services. Since the beginning of the pandemic, the government has been able to mobilize the public administration to ensure testing, tracing and quarantine enforcement. While COVID-19 necessitated emergency measures – such as temporary suspension of personal data privacy and association rights – these have been implemented in accordance with relevant laws and by appropriate, designated authorities. The executive and other branches of government have functioned effectively and within their designated authority.

Ministers in South Korea do not have their own political base, and thus depend almost solely on the support of the president. The president has the authority to appoint and dismiss ministers, and frequently reshuffles the cabinet. This high degree of turnover limits ministers’ independence, as they are unable to develop their own voice to pursue their own or institutional policy ideas. Conflicts between ministries are frequent but do not substantially affect overall policymaking within high priority policy areas, due to the coordinating role of the president’s office. The fragmentation of government activities in policy areas that are not prioritized by the president is a frequent subject of criticism, and ministries often fail to coordinate activities in these fields. “Liberal” administrations such as the Moon government tend to face greater challenges in controlling the traditionally conservative bureaucracy than do their conservative counterparts. This dynamic was on display in the 2019-2020 battle between the Ministry of Justice (which pushed for President Moon’s prosecutorial reform initiative) and the Supreme Prosecutor’s Office (which blocked it).

In general, the offices of the president and the prime minister effectively monitor line-ministry activities. The South Korean government utilizes e-government software (the Policy Task Management System) to monitor the implementation of policies in real time. However, political monitoring or pressure is more influential than e-government, and is the usual tool used to supervise ministries. Ministries have little leeway in policy areas that are
important to the president. However, while ministerial compliance is largely assured in the Korean system, the ministerial bureaucracy has a certain degree of independence deriving from its members’ status as tenured civil servants. Because ministers have a comparatively short tenure, it is difficult for them to guide and monitor compliance in the bureaucracy. Generally, the degree of independence within the bureaucracy varies substantially, and is stronger in areas that are comparatively less important to the president.

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

While South Korea remains a unitary political system, a rather elaborate structure of provincial, district and neighborhood governments has been in place since 1995. Local governments play an important role in providing services to citizens and respectively account for about 35% of government spending in 2017. However, local and state governments have relatively little ability to raise their own revenue and thus depend on central-government support. The financial independence of provinces and municipalities has steadily decreased over the past decade. The fiscal self-reliance ratio dropped from 56.3% in 2003 to 52.5% in 2016. The share of local government revenues raised via local tax revenues decreased from 35.5% in 2006 to 30.7% in 2019.

The Moon administration aimed to transfer additional fiscal authority to local governments. In October 2019, it announced a plan to restructure the relative size of national and local budgets from 8:2 to 7:3. The plan included transforming part of the national value-added tax into a local consumption tax.

“High welfare-related costs stymie local governments,” Korea JoongAng Daily, Oct 14, 2014
While autonomous local governments are protected by the constitution, the constitution does not clearly define specific competencies and rights. A major obstacle to subnational self-government is the lack of fiscal autonomy accorded to local governments. Due to the very high dependence on transfer grants from the central government, most regional and local governments are vulnerable to central-government interference. In addition, local administrations are understaffed, and central-government employees are often delegated to subnational authorities. The reality of inadequate budgetary and functional authority in many local areas, as well as the disproportionate influence of city and provincial authorities, often leaves local administrators and governments short on revenue and effective governing capacity.

President Moon highlighted the importance of decentralizing state power in order to allow local municipalities and provinces to be run more autonomously. Under the 2018 budget proposal, KRW 3.5 trillion (.1 billion) in subsidies was to be provided to provincial governments. While the broader effort to achieve regionally balanced development was delayed, the Moon administration did push through some reforms via amendments to the Local Autonomy Act (e.g., autonomous local police, increased local fiscal authority, enhanced local councils).

The Ministry of Public Administration and Security, created through a merger of earlier agencies, is in charge of ensuring that local governments maintain national minimum standards. However, many local governments, particularly in rural areas, have much lower professional standards than does the city government of Seoul or the central government. While the provision of basic services is similar in all regions, there is a huge difference in the provision of additional services such as recreation facilities between affluent (i.e., self-sufficient) areas like Seoul and the country’s southeast and those less prosperous (i.e., dependent on transfer payments) regions in the southwest. For instance, a number of local governments have recently begun paying child benefits greater than those dictated by national standards. As local-government autonomy develops, a greater number of customized policies are being introduced for residents.
Effective Regulatory Enforcement Score: 5

Government agencies enforce regulation, but are usually biased in favor of certain groups and vested interests. The big business conglomerates and foreign investors are naturally the most powerful vested interests, and most policies take the interests of the big business sector and foreign investors into account. For example, environmental and safety regulations imposed on large businesses such as carmakers or domestic and foreign humidifier makers have been very lenient. SMEs have similarly emerged as a powerful interest group. SMEs have managed to obtain very generous exclusions, for example from the reduction of maximum allowed weekly work times from 68 to 52 hours. Collusion between management and labor unions has also led to circumvention or exploitation of government regulations. For example, by excluding regular (non-performance-based) bonuses from the calculation of the minimum wage, even workers with relatively high total wages were able to benefit from the minimum-wage increase. Since 2019, Korea has introduced regulatory sandboxes (including 21 regulation-free zones) to ease the regulatory burden on new and smaller firms.

Adaptability

The government’s ability to engage in policy learning is generally high, but institutional learning is far more limited. Non-governmental academic experts have considerable influence on government decision-making. In addition to their participation on the presidential advisory committee, scholars are often nominated for top government positions, although their tenure seems to be relatively short. The process of appointing experts remains highly politicized, and in the past experts have often been chosen because of their political inclination rather than their academic expertise. The Moon government did not give sufficient attention to criticisms of policy failures stemming from experts with a different political perspective, which makes the process of policy consultation less effective. The short-lived tenures of two ministers of justice (Cho Kuk and Choo Mi ae) and their contentious relationships with the Prosecutor’s Office illustrate the limitations of the echo-chamber approach.

International and supranational developments that affect South Korea directly can trigger rapid and far-reaching change. For example, South Korea has
reacted to the global financial and economic crisis with decisive action and massive government intervention. Global standards play a crucial role in the South Korean government. Reports and criticism issued by international organizations such as the OECD or the IMF, or by partners such as the United States or the European Union, are taken very seriously. The government has also declared its intention to increase its provision of official development assistance (ODA) in order to meet global standards in the near future. For example, it was the first Asian donor to join the International Aid Transparency Initiative (IATI), an initiative for enhancing aid transparency. However, the country’s degree of adaptability largely depends upon compatibility with domestic political goals. For example, given its large manufacturing sector, Korea was slow to transition to greater environmental sustainability. However, with its shift to a green and digital economy, environmental standards have also been raised in recent years.

Pandemic management is one area in which the government has demonstrated its capacity for institutional learning and innovation. The government learned from its failures in handling MERS by updating and/or adopting various policies and mechanisms. Measures such as strengthening the role of the Korea Centers for Disease Control, fast-tracking approval for emergency medical supplies, and enhancing communication and the transparency of information helped Korea to respond far more effectively to COVID-19 than it did to the MERS outbreak. Thus, at the beginning of the pandemic, the learning curve was less steep for the Korean government than for other governments. Later, however, the government failed to secure the timely delivery of vaccines. In fact, for some time, the government was a bit too self-confident in its ability to contain the pandemic, and believed that Korea would not need an early vaccination campaign.

Citation:

As a member of the United Nations, the World Trade Organization and the G-20, South Korea helps to shape global rules and foster global public goods, but it rarely plays a leading role in international cooperation. The Moon administration has further shifted the attention from multilateral institutions to bilateral negotiations, with a particular focus on North Korea. Nevertheless, Korea does play a role in international organizations; for example, it is
currently contributing 627 individuals to UN peacekeeping missions. Korea
does engage in development cooperation, and joined the OECD Development
Assistance Committee (DAC) in 2009, although initial goals of spending
0.25% of GNI for the purposes of development cooperation have not yet been
met. Korea is committed to the Sustainable Development Goals (SDGs), and
has signed the Paris Agreement on reducing greenhouse gas emissions.
However, Korea can hardly be seen as a leader in these fields, as national
sustainability and emissions-reduction goals are underwhelming. For example,
while the European Union has promised to reduce greenhouse gas emissions to
40% below 1990 levels, Korea has only pledged to reduce emissions to 40%
below business-as-usual projections, which would represent an increase of
81% compared to 1990.

Following the adoption of its Digital, Green, and Human New Deals in 2020,
Korea seems ready to take more of a proactive role in international
cooperation. At a summit in 2021, President Moon and President Biden agreed
on a U.S.-Korea technology partnership. In 2020, Korea pledged to achieve
carbon neutrality by 2050; and at COP26 in 2021, it scaled up its NDC target.
In line with President Moon’s inclusive, human-centered vision for Korean
society, the administration finally pushed through three key ILO conventions
for which labor rights activists have been advocating for decades. Moreover, it
pledged to contribute significantly increased amounts to global health
initiatives such as GAVI and the Global Fund.

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

Organizational Reform

The president’s office monitors institutional governance arrangements. The
president frequently reorganizes ministries and government agencies when
inefficiencies are detected. At the same time, institutional reforms are often
driven by individual high-ranking government officials rather than being part
of a comprehensive plan. For example, the recent controversy over the
creation of a new government agency tasked with investigating and
prosecuting high-level government officials was primarily driven by former
Justice Minister Cho Kuk. However, the initiative did not provide adequate
assessment as to how this new institution would be more independent than the
existing public prosecutor’s office from political meddling, or how it would
improve investigations of high-level officials overall.
The Moon administration was expected to carry out some institutional reforms during his term. Most importantly, President Moon pledged to decentralize the political system by transferring previously centralized powers to national ministries and agencies as well as to regional and local governments. While the broader effort to achieve regionally balanced development was delayed, the Moon administration did push through some reforms via amendments to the Local Autonomy Act (e.g., autonomous local police, increased local fiscal authority, enhanced local councils). Moon also took concrete steps to reform national institutions including the National Intelligence Service (NIS), the police and the Supreme Prosecutor’s Office. In 2019, proposed reforms of the public prosecutor’s office triggered a major political struggle. While prosecutorial reform will require greater and more politically strategic efforts by the president and his allies, the launch of the new Corruption Investigation Office in 2021 is a first step in curtailing the power of the prosecutor’s office.

II. Executive Accountability

Citizens’ Participatory Competence

South Korea’s civil society is one of the most vibrant in Pacific Asia. Civil society organizations (CSOs) and engaged citizens are active in monitoring and holding accountable the public and private sectors. The 2016-2017 candlelight protests which ultimately led to the impeachment of former President Park Geun-hye, as well as the 2019 protests both for and against former Minister of Justice Cho Guk, revealed a high level of political information and interest among the Korean public. In particular, many young people and students participated in these protests. Younger generations are also responsible for the bulk of the more than 1 million petitions that have been filed with the Blue House since the presidential petition system was launched in 2017. The Korean public, civil society organizations and the media are vigilant and ready to protest top-level abuses of power effectively. The #MeToo movement has also brought many abuse-of-power cases to light.
Nevertheless, many citizens remain poorly informed about the details of some
government policies. Political discussions are often conducted emotionally,
and are focused on personalities rather than policy. The spectrum of published
political opinions remains very narrow, limiting the scope of political
discussion and making it hard for citizens to develop their own opinion. The
immense pressure to do well on exams in schools and at universities has left
political education and discussions underdeveloped. The low level of trust in
government announcements and in the mainstream media provides fertile
ground for the dissemination of rumors, including via proliferating channels of
fake and/or unverified news. Misinformation spreads quickly in Korea, as was
evident in the online campaigns against refugees from Yemen in 2018. The
discussion about refugees also revealed that the public generally knows less
about international topics or the international context than it does about purely
domestic subjects.

CSOs are diversified and cover the whole range of the society from labor
unions to human rights groups and environmental NGOs. Access by CSOs to
formal state decision-making processes often depends on their loyalty to the
government. CSO staffers have often gone on to government jobs, particularly
in administrations led by progressive presidents, for instance under the Moon
government. Unfortunately, the cooptation of CSOs by governments tends to
undermine their independence, as personal loyalty often comes to matter more
than ideals. Despite successes, the overall level of social trust remains
relatively low, and there is a general expectation that it is the government’s
role to fix problems.

Citation:
Cho, Min-jung. ‘현대판 신문고’ 靑 국민청원 4년…104만개 청원에 2억명 동의.. Yonhap News, August
Korea Center for Freedom of Information and Transparent Society at http://www.opengirok.or.kr/
Share Hub. One out of every two Seoul citizens has heard of “Sharing City” policy – results of a survey of
the public awareness of Sharing City Seoul policy. July 19, 2016
http://english.sharehub.kr/one-out-of-every-two-seoul-citizens-has-heard-of-sharing-city-policy-results-of-a-

Korea ranks first among OECD countries on the OECD’s OUR Data Index,
which examines the issue of open, usable and reusable government data. A
government information portal has been introduced to provide access to
government data and information. However, some institutions have proved
uncooperative in providing access to information requested by members of the
public, making the government less accountable. The government seems
particularly reluctant to share detailed spending information. Thus, the 2017
Open Data Barometer gives Korea 90 out of 100 points for having a detailed
government budget, but only five points with regard to publishing detailed
data on government spending.
Legislative Actors’ Resources

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

Parliamentary committees are legally able to obtain the documents they request from the government. The government, including governmental agencies and public institutions, is required to deliver these documents within 10 days of a request from a member of the National Assembly. Problems do arise in the process of requesting and obtaining documents. Documents pertaining to commercial information or certain aspects of national security can be withheld from the parliament. Bureaucrats are sometimes reluctant to provide the documents and information requested in an effort to protect their organizational interests. And because of the frequency of requests from parliamentarians, there have been numerous cases reported in which agency officials have had to work overtime to meet the document requests.

The parliament has the constitutional right to summon ministers to appear before parliamentary hearings, and indeed frequently exercises this right. Regular investigation of government affairs by parliament is an effective means of monitoring ministers. Almost every minister has been summoned to answer parliamentarians’ questions in the context of a National Assembly inspection. However, the role of the minister in the South Korean system is relatively weak, with the professional bureaucracy trained to be loyal to the president. In addition, the ruling party and ministers can agree not to invite ministers or to cancel hearings on politically controversial issues. In many cases, opposition parties summon irrelevant ministers simply as a means of furthering political confrontation with the president.
The inability to override witnesses’ refusal to answer questions remains an issue that must be addressed. Under current law, the National Assembly can ask prosecutors to charge those who refuse to take the witness stand with contempt of parliament. However, this carries only light penalties, such as fines. The National Assembly should work to reform the hearing system to make it a more effective tool in probing cases of national importance. Under the Moon government, government institutions became more cooperative in response to parliamentary committees’ document requests.

Parliamentary committees are legally able to, and frequently do, summon experts to parliamentary hearings. The National Assembly Act provides that besides expert advisers who are assigned to individual committees, a committee may provide commissions with up to three experts in the relevant matter as assistants in connection with the examination of important matters or matters requiring expert knowledge. In other instances, the National Assembly summons interested parties to be questioned about their own activities. For example, during a 2021 audit, the National Assembly summoned the heads of Kakao, Coupang and Naver to question them about excessive market dominance and abuse of power over small businesses. Refusals to attend or false testimony are subject to punishment based on the 2017 Act on Testimony, Appraisal Before the National Assembly.

The task areas of parliamentary committees and ministries mostly correspond. As of December 2022, there were 17 standing committees tasked with examining bills and petitions falling under their respective jurisdictions and with performing other duties as prescribed by relevant laws. With the exception of the House Steering Committee and the Legislation and Judiciary Committee, the task areas of these parliamentary committees correspond with the ministries. As a consequence of the strong majoritarian tendency of the political system, committees dominated by the governing parties tend to be softer on the monitoring of ministries, whereas committees led by opposition parliamentarians are more confrontational. However, in general, the legislature is a “committee parliament” and the committees are quite effective and efficient.
Media

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

Citation:
Newstapa, https://newstapa.org/

Parties and Interest Associations

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

Business associations such as the Korean Employers Federation and the Federation of Korean Industries, as well as labor-union umbrella groups such as the Federation of Korean Trade Unions and the Korean Confederation of Trade Unions (KCTU), have some expertise in developing policy proposals. They are supported by think tanks that provide scholarly advice. However, these groups are relatively weak in comparison to their most powerful members – that is, business conglomerates and company-level trade unions. Some individual businesses such as Samsung, LG and Hyundai have their own think tanks that produce high-quality research and are able to analyze and provide alternatives to government policies. Under the Park government, major business organizations supported by large conglomerates had significant influence over the formulation of policies. Under the Moon administration, the influence of business groups has remained strong, if somewhat contradictory. Labor organizations have come to wield considerable power in formulating major social and economic policies, thanks to the Moon government’s more labor-friendly stance.

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

Independent Supervisory Bodies

The Board of Audit and Inspection is a national-level organization tasked with
auditing and inspecting the accounts of state and administrative bodies. It is a
constitutional agency that is accountable to the president. It regularly reports to
the parliament. The National Assembly regularly investigates the affairs of the
audit office, as it does with other ministries. Demands to place the audit office
under the leadership of the National Assembly, thus strengthening the
institution’s autonomy, have gained parliamentary support. However, tired of
repeated political gridlocks and political confrontations, civil society
organizations have instead proposed making the audit office independent. In
its stalled constitutional-reform bill, the Moon government too proposed
making the audit office independent.

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

Citation:
Anti-Corruption and Civil Rights Commission of Korea (ACRC), www.acrc.go.kr
Office of the Foreign Investment Ombudsman, ombudsman.kotra.or.kr
South Korea’s comprehensive Personal Information Protection Commission was established in September 2011, and aims to protect the privacy rights of individuals by deliberating on and resolving personal data-related policies. Data protection is regulated by the Personal Information Protection Act (PIPA). Compared to the European Union’s General Data Protection Regulation (GDPR), data protection rules are weak, and the issue remains a problem particularly in the private sector. For example, PIPA lacks the right to be forgotten and the right to refuse profiling. Maximum fines for violations are also much lower in Korea, set at €40,000 as compared to €20 million under the GDPR. Concerns about personal data privacy came to a head in 2020 during the COVID-19 pandemic. South Korea’s legislation allows authorities to access personal data without court approval during pandemics. This facilitated South Korea’s successful COVID-19 contact-tracing system, which relies on personal data from mobile phones, GPS, credit cards and CCTV footage. Initially, much of this data was made available to the public, leading to discrimination against infected persons and sometimes against entire groups such as churches and the LGBTQ+ community, because they were linked to specific infection clusters. Following critique by Korea’s National Human Rights Commission, the government has since limited the amount of information it publicizes so as to protect personal privacy.

Data security in the private sector remains a significant problem in Korea, where companies have been slow to adapt to international security and encryption standards. In November 2019, Korea started a trial run of an “open banking” system that would make it easier and cheaper for financial institutions to exchange information; however, some observers have raised concerns about the potential for data leaks.

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South Korea Report. Sustainable Governance Indicators.  
Bertelsmann Stiftung: Gütersloh.  
https://doi.org/10.11586/2022117

As a living document, this report is updated and revised on an annual basis. The authors cited here are the most recent authors to have contributed to this report.

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