Role of Anti-Corruption Agencies in Boosting Up Administrative Reform

Submitted by: Korea
Role of anti-corruption agencies in boosting up administrative reform

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1. The relationship between administrative reform and anti-corruption

- The goal of administrative reform: improving government, competitiveness, increasing people's quality of life, and serving social justice.

- Principle of administrative reform: effectiveness, efficiency, democratism, transparency and legitimacy

- Approaches and activities to enhance transparency, legitimacy, effectiveness, eventually lead to solving corruption problems, and vice versa.

- Administrative reform and anti-corruption efforts are inter-dependent

- If the cause of corruption is attributable to social structure and administrative institutions, they should go hand in hand with each other.
2. Anti-corruption policies of different developmental stages

2-1. The First stage (1960~1992)

< Administrative Circumstances and Development Strategy >

- During development stage (1960s to mid 1980s) lacking in capital & technology, Korea adopted 'government-led' development policies

- Economic Planning Board (economic Policies) and Ministry of Interior (administrative Policies) set national development Plans and coordinated Policies of different government agencies

- All government agencies implemented policies according to the plans

<Corruption Situation>

- Korea achieved rapid economic development in a short period of time that came with corruption-prone government structure and administrative institution across the board as a byproduct

2. Anti-corruption policies of different developmental stages

2-1. The First stage (1960~1992)

<Corruption-prone structure formed during the 70s to 80s development stage>

<table>
<thead>
<tr>
<th>sector</th>
<th>Development Strategy</th>
<th>Corruption Factors</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>- Government initiated economic development policies</td>
<td>- Formation of various regulations</td>
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<td></td>
<td>- Financial aid and tax cuts for policy support sector such as export, heavy-chemical industries</td>
<td>- Complicated and not-transparent process</td>
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<td></td>
<td>- A variety of administrative regulations such as authorization and permission were implemented</td>
<td>- Unfair competition</td>
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<td></td>
<td>- Corporate management dependent on government support</td>
<td>- Excessive debt</td>
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<td></td>
<td>- Excessive illegal political fund donation</td>
<td>- Non-transparent accounting and management by founding family</td>
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<td></td>
<td>- A finger-in-every-pie style management</td>
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<tr>
<td>Politics</td>
<td>- High-cost political structure to maintain gigantic political party</td>
<td>- Formation of cozy relationship between politics and business</td>
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<tr>
<td></td>
<td>- Political parity operation dependent on illegal political funds</td>
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</tr>
</tbody>
</table>
2. Anti-corruption policies of different developmental stages

2-1. The First stage (1960~1992)

<Anti-corruption Policies>

- Dependent on detection and punishment regime

  - Establishment of special investigative organizations (i.e., Society Purification Commission in the 1990s), in addition to the Prosecutor's Office and the Board of Audit & Inspection

  - A clear limit in curbing corruption by those in power because of cozy relationship between business and politics

2-2. The second stage (1993~1997)

<Administrative Circumstances>

- Political democratization in the late 1980s and economic opening in the early 1990s

- Productivity was undermined because of government-led policies

<Administrative Reform Policies>

- Direction of administrative reform: guarantee of people's participation in administrative affairs and realization of transparent administration

  - Implementation of local government system (1995)
  - Formation of Administrative Innovation Commission to improve irrational administrative institution
  - Enactment of Act on Administrative Process for predictability of administration and people's participation
  - Enactment of Act on Administrative Information Disclosure
  - Enactment of Act on Basic Administrative Regulation
2. Anti-corruption policies of different developmental stages

2-2. The second stage (1993~1997)

<Anti-Corruption Policies>

- From detection & punishment to basic anti-corruption system nipping corruption in the bud
- Real-name financial transaction system
- Enactment of Act on the Election of Public Officials and the Prevention of Election Malpractices
- Implementation of Act on Public Official Property Registration

- Remaining bureaucratic administrative practice undermined anti-corruption efforts


<Administrative Circumstance>

- Delayed Administrative reform triggered 1997 financial crisis

<Administrative Reform Policies 2003-2007>

- Target of Administrative Reform: realization of small but efficiently serving government
- Government restructuring: reduction in government size, privatization, commission to private sector, laid-offs, deregulation
- Operating system reform: introduction of annual salary system, expansion of open recruitment, responsible operation agency system, budget system on merit
- Perception reform: clean government, transparent and fair administration, serving civil servant

- These are divided into 5 areas: efficient administration, serving administration, transparent administration, harmonious administration, and clean administration
2. Anti-corruption policies of different developmental stages


<2003~2007 Korea's Administrative Reform>

Promoted by Presidential Commission on Government Innovation established in 2003

<table>
<thead>
<tr>
<th>Sector</th>
<th>Reform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficient Administrative Affairs</td>
<td>- Formation of national evaluation infrastructure&lt;br&gt;- Improvement of ways of work through work re-design&lt;br&gt;- Redesign of government organization, construction of inter-ministerial system for policy coordination&lt;br&gt;- Design of independent government organization</td>
</tr>
<tr>
<td>Serving Administration</td>
<td>- Standard in administrative service&lt;br&gt;- Capacity improvement of frontline government agencies&lt;br&gt;- Improvement in administrative service commission to private sector&lt;br&gt;- Improvement in handling of complaints</td>
</tr>
<tr>
<td>Transparent Administration</td>
<td>- Expansion in administrative openness&lt;br&gt;- Improvements in disclosure of information&lt;br&gt;- Real-name policy&lt;br&gt;- Improvement in administrative transparency&lt;br&gt;- Expansion of internet-based complaint service&lt;br&gt;- Reinforcement in administrative transparency</td>
</tr>
<tr>
<td>Participating Administration</td>
<td>- Activation of policy community&lt;br&gt;- Introduction of professional ombudsman system&lt;br&gt;- Construction of infrastructure for voluntary activities&lt;br&gt;- Improvements in environment for civic group participation</td>
</tr>
<tr>
<td>Clean Administration</td>
<td>- Improvements in irregularity-inducing structure&lt;br&gt;- Preparation of anti-corruption measures in different sectors&lt;br&gt;- Betterment of code of conduct&lt;br&gt;- Improvements in public official ethics system</td>
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</table>

Basic direction: enhancement of people's trust in the government, anti-corruption policies for productivity gain
- To this end, anti-corruption agencies and system were established and anti-corruption policies were driven forward

For anti-corruption system
- Enactment of anti-corruption acts and establishment of Korea Independent Commission Against Corruption
- Enactment of anti-money laundering acts
- Establishment of Financial Intelligence Unit

To synthetically promote anti-corruption policies
- Formation and operation of anti-corruption agencies meeting
- Formation and implementation of national-level anti-corruption policies
- Formation of improvement system for laws and administrative regimes that induce corruption
- Evaluation of anti-corruption policies by all public organizations
3. The role of anti-corruption agency for administrative reform

3-1. The nature and function of anti-corruption agency

- Given comprehensive authority to reform bureaucratic administrative system and corruption-prone social structure formed during development era

<The Functions of KICAC>
- Making and implementing anti-corruption policies
- Recommending institutional improvements to public organizations to prevent corruption
- Evaluating public organizations’ anti-corruption efforts
- Planning and implementing anti-corruption education promotion
- Receiving and handling of corruption cases
- Protecting and rewarding whistle blowers
- Implementing and operating public official’s code of conduct

- Mandated to make national anti-corruption policies, and to evaluate and coordinate anti-corruption policies of different government agencies
- Seeking cooperation with Government Innovation Commission (GIC) by reflecting KICAC policies on GIC tasks

3-2. Formation and Operation of Anti-corruption System

(1) Operation of anti-corruption agencies meeting

- Function: formation and operation of government-level anti-corruption policies

- Composition: President, KICAC, the Supreme Prosecutors’ Office, Board of Audit and Inspection, Financial Supervisory Commission, Fair Trade Commission, the Ministry of Finance and Economy, the Ministry of Government Administration and Home Affairs, National Tax Service, National Policy Agency

- Mode of Operation: president chairs and KICAC organizes the meeting
3. The role of anti-corruption agency for administrative reform

3-2. Formation and Operation of Anti-corruption System

<Measures taken in anti-corruption organization meeting>
(February 2004~September 2007) -73 tasks in 6 sectors-

<table>
<thead>
<tr>
<th>Sector</th>
<th>Key tasks</th>
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</thead>
<tbody>
<tr>
<td>Construction of anti-corruption basis(10 tasks)</td>
<td>Construction of comprehensive corruption information system, plans to operate corruption assessment system, introduction of corruption impact assessment system</td>
</tr>
<tr>
<td>Political reforms(5)</td>
<td>Measures for permitting heads of municipalities to make donation, measures to block illegal political funding, ways to enhance fairness and transparency in private elections</td>
</tr>
<tr>
<td>Institutional improvement in corruption-prone areas(16)</td>
<td>Improvements in national defense acquisition operating system, countermeasures for local re-development/ re-construction irregularities, ways to improve tax investigation, improvements in pharmaceutical distribution irregularities</td>
</tr>
<tr>
<td>Improvement in public official's ethics(13)</td>
<td>Reinforcement in examination of property registration, improvements in retired officials' employment restriction, expansion of code of conduct implementation</td>
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<tr>
<td>Improvement in corporate transparency(10)</td>
<td>Corporate transparency improvement, reinforcement in corporate accounting supervision, improvements in public corporation personnel system, measures for improving accounting irregularities in small and medium companies</td>
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<tr>
<td>Establishment of anti-society atmosphere(17)</td>
<td>Introduction of resident lawsuit, ways to get rid of influence peddling, improvements in corruption-prone culture including paternalism</td>
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3. The role of anti-corruption agency for administrative reform

3-2. Formation and Operation of Anti-corruption System

(2) Formation and operation of anti-corruption plans

- Every year KICAC formed national anti-corruption plans

- Major contents

  - Agendas all government agencies should pursue
  - Agendas individual agencies should voluntarily pursue
  - The plans are confirmed by anti-corruption agencies meeting, and guidelines are passed onto each government agency at the start of a year
3. The role of anti-corruption agency for administrative reform

3-2. Formation and Operation of Anti-corruption System

(3) Recommendation for system improvement

- KICAC recommends government agencies to improve corruption-prone structure (anti-corruption act)

- Contents of recommendation
  - Abolition of unnecessary or excessive regulations, reinforcement of transparency and accountability in administrative procedures, introduction of fair competition and check and balance system for anti-corruption

- Process of institutional improvement
  - KICAC and government agencies work together with KICAC taking the lead
  - KICAC: dealing with issues related to many agencies or chronic and systemic corruption
  - Agency in Charge: issues concerning all government agencies should be resolved by the central administrative agency
  - Individual Agencies: institutional improvement issues that all agencies try to resolve voluntarily

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### <2006 Institutional Improvement Tasks>

<table>
<thead>
<tr>
<th>Areas of tasks and name of tasks</th>
<th>organization in charge</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key tasks (5 areas)</strong></td>
<td></td>
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<tr>
<td>Improvements in tax investigation process</td>
<td>KICAC</td>
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<tr>
<td>Improvements of standards in construction contract</td>
<td>KICAC</td>
</tr>
<tr>
<td>Improvements of transparency in guidance and enforcement administration and of resident participation</td>
<td>KICAC</td>
</tr>
<tr>
<td>Improvements of fairness in personnel committee of public corporations</td>
<td>KICAC</td>
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<tr>
<td>Prevention of nabatas in import export logistics</td>
<td>KICAC</td>
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<tr>
<td><strong>Public official's ethics</strong></td>
<td></td>
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<tr>
<td>Introduction of blind trust</td>
<td>Ministry of Government Administration and Home Affairs</td>
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<tr>
<td>Reinforcement in public official's property examination</td>
<td>Ministry of Justice</td>
</tr>
<tr>
<td>Expansion of code of conduct</td>
<td>Ministry of Government Administration and Home Affairs</td>
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<tr>
<td>Restriction of corrupt individuals from becoming public official</td>
<td>Ministry of Justice</td>
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<tr>
<td>Consideration of enactment of lobbying</td>
<td>Ministry of Justice</td>
</tr>
<tr>
<td><strong>Improvements in administrative transparency</strong></td>
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<tr>
<td>Expansion of real-name administration</td>
<td>Ministry of Government Administration and Home Affairs</td>
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<tr>
<td>Introduction of administrative information disclosure</td>
<td>Ministry of Government Administration and Home Affairs</td>
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<tr>
<td>Decrease in the target of administrative information non-disclosure</td>
<td>Ministry of Government Administration and Home Affairs</td>
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<tr>
<td>Embodiment of e-government such as online system for public complaint</td>
<td>Ministry of Government Administration and Home Affairs</td>
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<tr>
<td><strong>&lt;Improvement in administration and accountability&gt;</strong></td>
<td></td>
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<tr>
<td>Introduction of residential recall</td>
<td>Ministry of Government Administration and Home Affairs</td>
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<tr>
<td><strong>&lt;Reinforcement in punishment&gt;</strong></td>
<td></td>
</tr>
<tr>
<td>Preparation of disciplinary punishment standards</td>
<td>Ministry of Government Administration and Home Affairs</td>
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<tr>
<td>Expansion of compensation, range and introduction of reward system</td>
<td>KICAC</td>
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<tr>
<td>Anti-corruption civic cooperation</td>
<td>KICAC</td>
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<tr>
<td>Restriction of corruption company from government contract</td>
<td>Ministry of Finance and Economy</td>
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</table>
3. The role of anti-corruption agency for administrative reform

3-2. Formation and Operation of Anti-corruption System

(4) Introduction of corruption impact assessment system

- To recommend improvement of corruption-prone factors in the related laws and regulations in advance if there is any such factors in the process of enactment and revision of laws and regulations (preventive measure)

(5) Introduction of integrity assessment system

- Assessing integrity of government agencies and making public the results
- Target and methods of assessment: telephone interview on those who have civil applications to government agencies
- Contents of Integrity Assessment: experience of bribing, transparency of administrative system and behavior of public officials. (Comprehensive 3-dimensional assessment)

3. The role of anti-corruption agency for administrative reform

3-2: Formation and Operation of Anti-corruption System

<Contents of Integrity Assessment System>

<table>
<thead>
<tr>
<th>Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corruption experience</td>
</tr>
<tr>
<td>Provision of money and entertainment</td>
</tr>
<tr>
<td>Corruption-prone structure</td>
</tr>
<tr>
<td>Adequacy of administrative procedure, level of information disclosure</td>
</tr>
<tr>
<td>Behavior of public officials</td>
</tr>
<tr>
<td>Anticipation of bribery</td>
</tr>
<tr>
<td>Corruption control system</td>
</tr>
<tr>
<td>Level of anti-corruption efforts, possibility of filing objection</td>
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</tbody>
</table>

- Administrative transparency and accountability in the assessment will be reinforced
3. The role of anti-corruption agency for administrative reform

3-2. Formation and Operation of Anti-corruption System

<Trend of Integrity Index of Public Organization>

4. Major anti-corruption programs for administrative reform

(1) Regulatory reforms

- Legal basis: basic law on administrative regulation (1997)
- Foundation of the Commission: Regulatory Reform Committee under Prime Minister (private-government commissioners)
- Contents of regulatory reform: abolition of unnecessary or excessive regulations that disrupt economic activities and people’s livelihood
- Results of regulatory reform
  - From 1998 to 2003 in the first round of intensive regulatory reform, 5,958 of 11,125 regulations were lifted (53.6%) and 2,981 were better revised.
  - Regulatory reform continues afterwards
4. Major anti-corruption programs for administrative reform

(2) Administrative Information Disclosure System

- Legislation: law on disclosure of information of public organizations
- Target of information disclosure: all public information except for information barred from being disclosed such as information on national security, individual's privacy, and operating secret of corporations
- Information Disclosure Deliberation Committee: composed of private commissioners from each organization deliberating on what is requested
- Announcement of administrative information: even without request, administrative bodies should release following information
  - Information that has significant impact on the people's life
  - Information on large-scale projects that require government fund
  - Research report that is produced while major policies such as national tasks or core tasks are carried out
  - Various results or statistics needed for administrative monitoring

(3) Civil application handling system based on electronic technology

- Function of the System
  - Reception of civil application online
  - Issuance of official documents online
  - Release of the whole process of handling civil application through the Internet

- Today most administrative affairs filed with public organizations are addressed online
4. Major anti-corruption programs for administrative reform

(4) Administrative affairs and policies on real-name basis

- Signature of drafter, mid-deciding officer, end-deciding officer on all policy documents
- Construction and operation of electronic system that never deletes draft even when it is revised by e-approval system
- Mandatory record-keeping system that holds all decision-making process including all proceedings
4. Major anti-corruption programs for administrative reform

(5) Public official's ethics

- Code of ethics for public officials (Anti-corruption Act and implementation ordinances)
  - Avoidance of works that induce conflict of interest
  - Prohibition of concessions, arbitration, influence peddling by public officials
  - Prohibition of giving and receiving money, gifts, entertainment
  - Prohibition of utilization of information from work
  - Prohibition of illegal use of budget

- Blind stock trust (act on public official's ethics)
  - When public officials have stocks more than certain amount, stocks are sold off or they should be put in the custody of trust organization

- Restricting public officials from getting a job (act on public official's ethics, anti-corruption act)
  - Until after 2 years of retirement, public officials are barred from getting a job that is closely related to the job he held for 3 years before his retirement
  - If public officials are dismissed for irregularities, for 5 years they are barred from landing a job that is closely related to the job they held for 3 years before their dismissal

5. Lee Myung-bak government's administrative reform and the role of anti-corruption agencies

- As of February 29th, 2008 Korea Independent Commission Against Corruption, the Ombudsman of Korea and Administrative Appeals Commission were consolidated to make way for Anti-corruption and Civil Rights' Commission

  - For small and efficient government, similar functions are integrated and linkage between works strengthened

- Administrative affairs rationalized and transparency enhancement put together
6. Conclusion

- Inter-dependence and independence of anti-corruption policies in Korea
  - In policy direction: anti-corruption policies driven in conjunction with administrative reform
  - Specific anti-corruption measures driven with independency.

- Anti-corruption policies at different stages
  - Detection and punishment policies → introduction of basic anti-corruption institutions → enactment of anti-corruption laws and foundation of anti-corruption organizations → construction of anti-corruption system and operation

- By settling down policies for enhancing administrative transparency and transparency, eliminate any possibility of corruption

- Seeking to attain 2 goals of enhancing administrative productivity and integrity at the same time

Thank you for listening