A Review of the Effectiveness of the Anti-corruption and Civil Rights Commission of the Republic of Korea

Arsema Tamyalew
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I would like to extend my deepest thanks to the director of the Anti-corruption Bureau, Deputy Director and staff at the ACRC for their time, valuable insight and generous support.

Author’s e-mail: arsemat@gmail.com
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Abstract

Prior to the establishment of the Anti-corruption and Civil Rights Commission (ACRC) in 2002, successive governments in Korea implemented extensive anti-corruption institutional reforms. While these efforts reduced the level of corruption, it remains relatively high compared to other G20 countries. Nevertheless, the major institutional reforms implemented from 1993 to 2007 helped lay a solid foundation for the ACRC to carry out its functions and combat corruption effectively. The aim of this review is to examine the ACRC’s effectiveness based on closed-end diagnostic questionnaires along with in-depth interviews with the ACRC division management and other relevant personnel and other pertinent parties. The ACRC’s effectiveness is evaluated based on indicators that may be used to assess the effectiveness of preventive Anti-corruption Authorities (ACAs)\(^2\) and the prerequisite conditions necessary for the success of ACAs. The findings of the review show that the ACRC has employed several innovative instruments to fight and prevent corruption effectively. Moreover, it has managed to track the level of corruption and initiate corrective measures to combat corruption-prone areas. Since its establishment in 2002, high-level political support for the ACRC has been constant and strong, as evidenced by implementation of complementary anti-corruption reforms, consistent budgets, implementation of ACRC-suggested codes of conduct and other anti-corruption corrective measures by the central government, local governments, parliament, and government cooperation and enterprises. However, because the ACRC currently focuses more on middle and lower-level public officials it does not cover all aspects of the public sector. In order to do so, its activities should also target high-ranking officials. Furthermore, in addition to combating petty corruption, it must also make efforts to fight and prevent grand corruption as well. Moreover, it should try to include the private sector in its target group, given the fact that one of the main sources of corruption in Korea is related to close ties between business and government.

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1 This paper is one of the case studies completed as a part of a new initiative aimed at increasing our understanding of ACAs. The initiative was launched by the World Bank, in collaboration with the Governance Partnership Facility, the European Commission, the United Nations Office of Drugs and Crime (UNODC) and the US State Department.

2 In this study, an ACA is defined as a specialized entity established by the government for the purpose of fighting corruption.
1. Introduction

The rapid development of the Republic of South Korea (hereafter referred to as Korea), is considered a phenomenal success story among developing countries. In the 1950s, Korea was one of the least developed countries in the world with an annual 1954 GDP of US$1.5 billion and per capita GDP of only US$70. However, since 1962 Korea has carried out a series of five-year economic plans with the goal of industrializing and developing its economy. In 2010, its national GDP was US$1.407 trillion, and its per capita GDP was US$30,200. Today Korea is the 13th largest economy in the world. The government-led development paradigm and coalition between the government and the private sector have been key factors in the rapid development of the country. Another important factor that has led to Korea’s significant economic growth is its information technology infrastructure.

Despite the country’s progress, the government-led development from the 1960s to the 1980 also resulted in complex regulations and unclear administration processes, which are recognized as corruption-causing factors (Hong 2009). Prior to 1992, the government’s anti-corruption efforts were somewhat political—symbolic or limited in its nature. Since 1993, however, the eradication of corruption has been a top priority of each new presidential administration in Korea. In the period of 1993 to 2003, successive governments implemented several important institutional reforms and extensive anti-corruption measures. During this period the Korean government pursued an extensive anti-corruption agenda, automating public services and establishing one-stop shops in order to reduce the opportunities for bribery, with the goal of improving the national integrity system. In addition, in 2008, an Anti-Corruption Authority (ACA), the Anti-Corruption & Civil Rights Commission (ACRC), formerly known as the Korea Independent Commission against Corruption (KICAC), was established by the then-current President, as a result of a merger between the KICAC, Office of the Ombudsman, and the Administrative Appeals Commission.

The aim of this study is to analyze the effectiveness of the ACRC based on its functions, productivity, and the environment in which it operates based on closed-end diagnostic questionnaires along with in-depth interviews with ACRC division management and other relevant personnel. The study consists of five parts, Sections 2–5 of this document. Section 2 discusses a framework that will serve as basis to assess the effectiveness of the ACRC. Section 3 discusses the structure of Korea’s government and anti-corruption policy context, which provides insight into current anti-corruption initiatives and the environment in which the ACRC operates. Section 4 discusses the organizational structure of the ACRC, and is primarily based on data collected through diagnostic surveys, interviews with ACRC division managements, other key ACRC staff and domestic anti-corruption experts, and representatives from academia and non-governmental organizations. In addition, it also examines the ACRC’s main functions and achievements, the political environment in which it operates, and its collaboration with non-governmental organizations. Section 5 analyzes the effectiveness of the ACRC based on the framework discussed in Section 2. Finally, Section 6 summarizes the study’s findings based on the analysis presented in the fifth section.
2. Assessing the Effectiveness of Preventive Anti-corruption Authorities

The framework below illustrates indicators that are can be used to assess the effectiveness of preventive ACAs based on contemporary literature and the United Nation Convention against Corruption (UNCAC). In addition, prerequisite conditions that may impact the effectiveness of ACAs are also mentioned. In this regard, the functions of preventive bodies are diverse; their goal is to prevent corruption before it happens (OECD 2007). Given the wide-ranging nature of the subject, it is impossible for all aspects of corruption prevention activities to be carried out by a single body. The indicators and factors impacting the effectiveness of ACAs’ activities, which are mentioned in the framework below, will provide the basis for an evaluation of the overall success of Korea’s ACRC, which is focused on corruption prevention-related activities. In addition, the different elements of the framework are discussed in the Annex.

FIGURE 1
Framework for Assessing ACRC

Source: Developed by the author.
3. Background: Features of the Government of South Korea

This section discusses the features of the Government of South Korea with an emphasis on the structure of the Korea's government and the anti-corruption policy context.

3.1 STRUCTURE OF THE GOVERNMENT OF SOUTH KOREA

In order to understand the ACRC's mandate and government organizational structure, an examination of Korean government structure is essential. The Government of South Korea is divided into executive, judicial, and legislative branches (see Figure 1). The executive and judicial branches operate primarily at the national level, although various ministries in the executive branch also carry out local functions. The executive branch is headed by the president who is the head of government, head of state, and commander-in-chief of the South Korean armed forces. The Prime Minister and the Presidential Secretariat assist the president in his duties. At the executive level each public organization has an anti-corruption unit to effectively carry out its anti-corruption programs. The ACRC has the mandate to carry out its activities only in the executive branch of government, which includes the President’s Office, Prime Minister’s Office, and line of ministries. Nevertheless, the ACRC receives reports of corruption complaints about acts committed by legislative and judicial branch officials.

The legislative branch consists of the National Assembly of South Korea, which is a unicameral legislature. The National Assembly is charged with deliberating and passing legislation, auditing the budget and administrative procedures, ratifying treaties, and approving state appointments. The judicial branch includes the Constitutional Court, the Supreme Court, regional appellate courts, and local district, branch, municipal, and specialized courts. All courts are under the jurisdiction of the national judiciary; independent local courts are not permitted. The Constitutional Court is the highest level of the judicial branch, and is tasked with constitutional review and deciding cases of impeachment. Other judicial matters are overseen by the Supreme Court. The Supreme Court is the final court of appeal for all cases. Local governments are semi-autonomous, and contain executive and legislative bodies of their own. The judicial branch operates at both the national and local levels.

3.2 ANTI-CORRUPTION POLICY CONTEXT

The government of Korea designed and implemented a government-led development paradigm that focused on export-oriented economic policies with the aim of boosting economic growth. Furthermore, the fostering of close relationships between the government and dominant social forces

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3 Annex 7.2 provides additional information
known as chaebol\(^4\) has also been essential to this policy. The government also gave preferential treatment to export-oriented corporations with respect to credit allocation. As a result, bribery and kickbacks were common between the government and private business companies, which made transparent and accountable lending impossible (Park 2004).

Anti-corruption reform was amid the top priorities of three successive presidents, Kim Young-sam (1993–98), Kim Dae-jung (1998–03), and Roh Moo-hyun (2003–08). The Kim Young-Sam administration adopted a real-name financial transaction policy to cut the politics-business ties and make financial transactions more transparent. Prior to the adoption of the policy, the Korean government allowed false-name financial transactions to increase savings and money circulation. False-name accounts were commonly used to avoid capital gains tax and in money laundering schemes. In addition, this administration also revised the Public Service Act, which expanded the range of public officials who were subject to asset registration and post-employment restrictions from those ranking third grade and higher to those ranking fourth grade and higher. The Kim Dae-jung administration (1998–2003) established an anti-corruption commission under the President’s office in 1999. The same year the President’s Special Committee on Anti-Corruption developed a new Integrity Assessment (IA) system with the aim of overcoming the limits of the existing corruption diagnostic system. The continuous pressure from civil society and a deep financial crisis lead to the passage of the Anti-corruption Act in 2002. As a consequence of this Act, the anti-corruption commission under the president was upgraded from a presidential advisory body to a national level anti-corruption agency, the Korean Independent Commission Against Corruption (KICAC). The administration also established the Special

\(^4\) Chaebol refers to large business conglomerates in South Korea.
Investigation Division of Anti-corruption in the Supreme Prosecutor’s Office. In 2003 a code of conduct for public officials was enacted.

In order to encourage and promote full-scale national integrity, the Roh Moo-hyun administration renamed the KICAC the National Integrity Commission. However, the English name remained the same (Park 2004). Furthermore, the administration revised the Act on the Disclosure of Information by Public Agencies to enhance the transparency of public institutions. In 2005, the government, private sector, and civil society organizations voluntarily joined the Korea Pact on Anti-Corruption and Transparency (K-Pact), which is a pledge to fight against corruption. KICAC, as one of the signatories to the Pact, provides administrative and financial support for K-Pact implementation. Contributions from participating parties are varied: drafting legislation, increasing public awareness through anti-corruption education and campaigns, and research based on voluntary efforts (K-PACT 2005 and 2006 Annual Report). The Lee Myung-bak administration (2008–2013) formed The Anti-Corruption & Civil Rights Commission (ACRC) in February 2008 as a result of the integration of KICAC, the Office of the Ombudsman, and the Administrative Appeals Commission. In addition, on May 29, 2008, the Lee administration abolished K-Pact.
4. The Anti-Corruption and Civil Rights Commission (ACRC)

This section discusses the ACRC’s authority in various areas and its organizational structure and is based on data collected through diagnostic surveys, interviews with ACRC division management, other key ACRC staff, domestic anti-corruption experts, and representatives from academia and non-governmental organizations. It also examines the ACRC’s main functions and achievements, the political environment in which it operates, and its collaboration with nongovernmental organizations.

4.1 RATIONALE FOR THE ESTABLISHMENT OF ACRC

In 2008, in accordance with the Lee Myung-bak administration’s philosophy, “For a small government and for a government serving the people,” the Anti-corruption and Civil Rights Commission (ACRC) was established under the Act on Anti-Corruption and the Establishment and Operation of ACRC (Act no. 9402), by the integration of Office of the Ombudsman, the KICAC, and the Administrative Appeals Commission. The purpose of this integration was to provide citizens with a one-stop service and to save cost associated with having three divisions. According to the ACRC, the merger justified costs associated with the general service division.

The ACRC’s 2010 Annual Report indicates that its primary functions include:

- **Handling Complaints:** Handling public complaints and improving the administration system, which includes addressing public complaints, operating the online petition site and government call centers (see Section 4.5 for a fuller explanation).
- **Fighting Corruption:** Guarding against corruption by preventing and deterring corruption in the public sector, which includes the establishment of anti-corruption policies; recommendations regarding institutional improvements; anti-corruption education/promotion; handling corruption reports; protecting/rewarding whistle-blowers; and implementing codes of conduct.
- **Adjudicating Administrative Appeals:** Protecting people’s rights from unlawful and unfair administrative practices through the administrative appeals system.

4.2 AUTHORITY OF THE ACRC

The ACRC is granted the autonomy it needs to fulfill its duties. In order to streamline its functions of handling people’s complaint and grievances, improving unreasonable administrative systems, and preventing and efficiently regulating corruption, it is established under the Prime Minister’s Office. Before 2008 integration, the Office of the Ombudsman and the KICAC were part of the Office of the President, and the Administrative Appeals commission was part of the Office of the Prime Minister.

Within the executive branch, the ACRC has the authority to make recommendations to the head of any public organization about improvements that are needed within that institution to better prevent...
corruption. After receiving such recommendations, the public organization evaluates and implements specific plans, and informs the ACRC about the measures taken. The ACRC can also examine the status of such implementation. Although any the anti-corruption policy and corrective measure recommendations from the ACRC to public organizations are not legally binding, the ACRC attempts to ensure the implementation of its recommendations by monitoring and following up with the relevant government agencies and encouraging the implementation of its recommendations through on-site visits. To that end the ACRC monitors steps taken by government offices in implementing the ACRC's recommendations, and non-compliance cases that require administrative reform are reported to the Civil Grievances Mediation Meetings of the Presidential Office. In addition, the ACRC disseminates information about non-compliance cases in government publications and the major national press. Additionally, the ACRC refers non-compliance cases for further investigation by the Board of Audit & Inspection or reports the case to the National Assembly and President. In terms of accountability, the ACRC is required to provide an annual status report of its activities to the President and the National Assembly. It is also required to publish status updates and make the documentation available to the general public.

4.3 THE ACRC AND COORDINATION WITH OTHER ANTI-CORRUPTION ACTORS

Besides the ACRC, there are six major state actors involved in anti-corruption related activities; Of these six, the Public Prosecutor’s Office, the BAI, and MOPAS are at the forefront of handling anti-corruption issues. The Public Prosecutor’s Office has the authority to deal with various crimes from investigation to prosecution. In addition, it directs police and other investigative agencies, submits petitions for appropriate application of laws and regulations to the court, and supervises the execution of criminal convictions. The BAI was established on the basis of constitutional law and the BAI Act: it is the supreme audit and inspection organization among governmental units for corruption prevention in Korea. It is situated under the Office of the President, but it performs its duties independently. BAI’s responsibilities include audits of all public expenditures and inspection of government operations and the performance of the duties of civil servants. The MOPAS systematically manages the reporting (for Grade 4 and above) and disclosure (for Grade 1 and above) of civil servants’ personal assets in order to prevent corruption and to improve transparency.

Because the ACRC’s main function is corruption prevention, when it receives corruption-related complaints the information is transferred to either to the Public Prosecutor’s Office or the BAI for investigation. As of today, there is a formal memorandum of understanding (MOU) between the Supreme Prosecutor’s office and the ACRC regarding collaboration between these organizations. The ACRC and MOPAS collaborate on issues related to conflicts of interest. In addition, MOPAS selects almost all new civil service applicants. Nevertheless, if there is a demand for specialized expertise to handle anti-corruption related activities, the ACRC has the authority to appoint a person with a required expertise. According to ACRC personnel, the work of the three aforementioned government agencies does not overlap.

1. The President’s Secretary
2. The Office of the Prime Minister
3. The Board Audit and Inspection (BAI)
4. The Public Prosecutor’s Office
5. The Inspector General of each Ministry
6. Minister of Public Administration and Safety (MOPAS)
4.4 ORGANIZATIONAL STRUCTURE

The ACRC’s decision-making body consists of 15 commissioners, including one chairman (minister level), three vice-chairmen (vice-minister level), three standing commissioners, and eight non-standing commissioners (made up of civil society, academic, and practitioners). The chairman leads the commission. Each of the vice-chairmen assist the chairman oversee a specific functional area: complaints and grievances; anti-corruption related activities; and tasks related to the Central Administrative Appeals Commission. The chairman, in collaboration with the commissioners, provides overall planning and leadership to ACRC directors. The ACRC Chairman meets directors every month to receive an update on divisions’ activities and then passes on the information to the 15 commissioners.

The chairman and vice chairman are appointed by the president upon nomination by the prime minister. The president appoints the standing commissioners upon nomination by the chairman and two of the non-standing commissioners upon nomination of the National Assembly and the Chief Justice of the Supreme Court, respectively. The chairman, vice chairman and other commissioners are selected based on the following criteria:

- Persons whose term of services as an associate professor or higher either at college or an authorized research institute is eight years or more;
- Persons whose term of services as judge, public prosecutors or attorney-at-law is 10 years;
- Persons who were or are in office as Grade III public officials or higher;
- Persons whose term of service as a certified architect, certified tax account, certified public accountant, professional engineer or patent attorney is 10 years or more;
- Persons whose term of services as member of any local ombudsman’s office under Article 33(1) is four years or more; and
- Other persons of high social reputation who have knowledge and experience on administrative matters and who are recommended by non-governmental organization(s).

The term in office for the chairman and other members is three years, and these officials may be reappointed for an additional term. According to Article 16, the Chairman of the ACRC shall not be dismissed against his/her will with the exception of having great difficulty in performing his/her duties due to mental or physical difficulties. The president or the prime minister can dismiss the chairman after a resolution has been passed with the approval of not less than two third of the total board members.

The Secretariat of the ACRC is comprised of a Policy and Coordination Office, Ombudsman Bureau, Anti-corruption Bureau, Administration Appeals Bureau, and Institutional Improvement Bureau (Figure 4 illustrates ACRC’s organization chart). The annual budget and manpower of the ACRC in 2010 was KRW 60.74 billion (US$60.74 million) and 466 staff members.

Given that the Anti-corruption Bureau handles only anti-corruption related activity within the ACRC, hereinafter, this study will focus on that department. This focus was suggested by the ACRC personnel, and all interviews were scheduled accordingly.

4.5 THE ANTI-CORRUPTION BUREAU

According to ACRC personnel, activities that were previously conducted by the KICAC are currently conducted by the Anti-corruption Bureau. The Bureau is headed by the Director General for Anti-Corruption Bureau. The Bureau’s main functions are:
**Policy-making**: The Bureau is tasked with formulating national anti-corruption policies and implementing these policies at every level of government. In addition, it also discusses and coordinates government-wide measures designed to prevent corruption in both the short and long term.

**Evaluation**: The Bureau is responsible for assessing the levels of integrity of public sector organizations on an annual basis by surveying citizens who have had firsthand experience with public services and general public sector officials. Moreover, the Bureau also evaluates anti-corruption initiatives carried out by public organizations on a regular basis with the goal of encouraging public organizations to make voluntary efforts to tackle corruption.

**Observation**: The Bureau is charged with protecting whistle-blowers by receiving reports on alleged corrupt acts and protecting and offering rewards to whistle-blowers.
Legal-reforms: The Bureau is responsible for providing recommendations to help government agencies to amend ambiguous, corruption-prone laws and institutions, and regularly confirms the implementation of its recommendations.

Ethics leadership: The Bureau is tasked with promoting ethical values in society by raising public awareness on the risks of corruption, and by enforcing the code of conduct for public sector employees.

Partnership Promotion: The Bureau is tasked with promoting cooperation in the fight against corruption by encouraging civil society and public-private partnership involvement and engaging in the global fight against corruption.

The Anti-corruption Bureau handles all anti-corruption related tasks. The Bureau is made up of the following divisions:

- General Anti-corruption Division
- Anti-corruption Survey and Evaluation Division
- Anti-corruption Education Division
- Corruption Impact Assessment Division
- Inspection Planning Division
- Corruption Inspection Division
- Code of Conduct Division
- Protection and Reward Division

4.6 ACRC SUPPORT UNITS

The following units provide support to all ACRC departments, including the Anti-corruption Bureau:

- The General Institutional Improvement Department
- The Planning and Coordination Office
- The General Services Department

The General Institutional Improvement Department is led by a deputy general. The Department has three sub-divisions:

- General Institutional Improvement Division
- Economic institutional Improvement Division
- Social Institutional Improvement Division

These divisions recommend institutional improvements based on analysis of complaints and review of suggestions made by the citizens and media monitoring. In addition they regularly follow up on the implementation of their recommendation to ensure that the recommendations are incorporated into the legal and institutional framework.

The Planning and Coordination Office coordinates all division tasks and the overall budget of the ACRC. It also provides advice and support to the Chairman on overall planning and leadership of the ACRC. This unit coordinates the budgets of the three bureaus and other divisions at the ACRC and submits a budget proposal to the Ministry of Budget every year in May. After the Ministry of Budget has reviewed the budget, which takes place by the end of October, the budget proposal is submitted to the National Assembly for approval. Once the National Assembly approves the budget, the ACRC has the autonomy to manage its budget. The Planning and Coordination Office is also tasked with receiving civil complaints, and processing and classifying the complaints into corruption reports and administrative-related compliance. It receives complaints by telephone, e-mail, fax, regular mail, and in-person statements. In this regard, it is worth mentioning that informants are prohibited from making anonymous reports in order to prevent abuse of the reporting system. In addition, the ACRC has developed an online portal and call centers that receive inquiries related to reported cases. These mechanisms are discussed below:

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5 Annex 7.3 discusses the role of ACRC in the institutional improvement for corruption prevention.
6 ACRC receives two types of complaints: administrative-related complaints and anti-corruption related complaints.
E-people system (www.epeople.go.kr)—is an online portal system that integrates civil petitions, corruption reports, and administrative appeals to be handled via this channel. This system allows citizens to make a petition or proposal without having to know the specific government agency that will handle their case. Cases of a similar nature are filed with multiple organizations.

110 government call center—is a cross-governmental call service that receives all government-related inquiries. The same number works everywhere in the country, and calls are received by ACRC counselors. In addition to reporting, cases inquiries are directly dealt by the ACRC. One can also access this service online via its website (www.110.go.kr) and make a reservation for call counseling. There is also a video service for those with hearing disability. Moreover, the call center released a mobile application (m.110.go.kr) on July 2010, allowing access to the service by smartphone.

In addition, the Planning and Coordination Office has a division that focuses on facilitating the tackling of corruption by NGOs and businesses. These initiatives aim to:

- **Build a public-private governance framework**—A public-private consultation body called the Policy Council for a Transparent Society was launched to create a more transparent society. The Council’s goal is to strike a balance between political and economic considerations, to enhance transparency and trust, improve the national brand and competitiveness, and to communicate to the national and global society the concerted effort being made by the government and other members of the society in combating corruption. Since its establishment on December 9, 2009, the Council has 26 organizational members from nine sectors including the political, economic, and civil sectors. The head of the Council is from the private sector, and the ACRC acts as an advisor to the Council. The ACRC is not directly involved in the Council’s operations; rather, it maintains a networking relationship with the council and suggests a potential agenda for common areas of interest, shares its plan, activities, and best practices with the council.

- **Assist the private sector to enhance ethical management of businesses**—To promote private-led initiatives the ACRC has been providing a self-diagnostic kit for corporate transparency.

- **Support private sector projects**—Since 2007, competitions have been held to invite creative ideas and initiatives from the private sector. The private initiatives that win the competitions are incorporated in improving and leading the government’s anti-corruption initiatives. The competitions have also been geared towards the development of anti-corruption initiatives such as “Creation of a Transparent City,” which won the 2007 competition.

Furthermore, this unit coordinates international collaboration with other ACAs. The ACRC is member of the Anti-Corruption Agency (ACA) Forum, which was established in 2002. ACA Forum facilitates and promotes dialogue and exchanges of experiences among anti-corruption agencies in the Asia-Pacific region and seeks ways to strengthen the roles and enhance the anti-corruption capacities of those agencies. Currently, the Forum has seven member agencies besides the ACRC which includes: Australia, New South Wales: Independent Commission

<table>
<thead>
<tr>
<th>TABLE 1</th>
<th>Received Calls</th>
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<tr>
<td>2007</td>
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<td>2008</td>
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<tr>
<td>2009</td>
<td>6251</td>
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<tr>
<td>2010</td>
<td>7592</td>
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Against Corruption (NSW ICAC); Hong Kong, China: Independent Commission Against Corruption (ICAC); Indonesia: Corruption Eradication Commission (KPK); Malaysia: Malaysian Anti-Corruption Commission (MACC); Philippines: Office of the Ombudsman and; Singapore: Corrupt Practices Investigation Bureau (CPIB). Member countries meet on a biennial basis. The ACRC serves as Secretariat of the Forum. The forum has enabled member countries to share best practices and has led to Indonesia's KAK adapting the Korean Integrity Assessment.

The General Services Department includes all administrative services and the Human Resources (HR) Division. The ACRC staff is made up of individuals from diverse professional backgrounds including general administration, diplomacy, social welfare, legal affairs, accountants, lawyers, economists, teachers, engineers, and technicians from various fields. MOPAS selects all new civil service entrants based on an individual's field of expertise and their test scores. There are three tests through which one may start a career in the Korean civil service: grade 5, 7, and 9 tests. There are no official educational requirements to sit for an entrance exam but 98 percent of the ACRC employees have a bachelor's or a higher degree (up to PhD level). However, if there is a demand for specialized expertise to handle anti-corruption related activities, the ACRC has the authority to appoint a person with the required expertise. For instance, during 2010, the ACRC hired 18 lawyers and 19 other people on contractual basis. Otherwise, ACRC employees are hired on permanent basis. The ACRC aims to attract qualified staff by providing generous employee benefits in the form of health insurance and other subsidies. As illustrated in the table below, employee benefits are relatively high.

The ACRC's HR department manages staff promotions, which are mainly done based on availability. If a high-level ACRC employee is promoted or leaves, then the promotion is given from the bottom-up along the employment hierarchy chain based on qualification. In order to be promoted, each staff member has to take 100 hours of job-related training annually. If a staff member completes more than 100 hours of job related training, that staff member will be first in line for a promotion. In this regard, 500 hours of job related training is generally considered ideal. The ACRC arranges regular task-oriented training for personnel. The HR Department has a training center that organizes courses and programs on integrity, leadership, and ethics. The courses are very interesting and availability is limited per year, therefore the competition to take these courses is high. Trainings are conducted face-to-face and through e-learning. With regard to salary, there is a requirement that all government job salaries should be on par with 80 percent of private sector market salaries. This criterion has not been fully met. In general, government jobs are very attractive to young people in Korea. The ACRC currently has 469 staff. The Anti-corruption Bureau is composed of 91 permanent staff, and it hires regular term staff. Table 3 shows the total number of staff working on anti-corruption related tasks. It is worth mentioning that during 2008 to 2011, there have been staff exchanges between the ACRC and other government employees even if the total number of staff members did not change during that period.

In the sections that follow, the responsibility and operation of each anti-corruption division will be described in-depth based on interviews conducted with the officials of the respective divisions.

4.7 GENERAL ANTI-CORRUPTION DIVISION

The General Anti-corruption Division creates and coordinates the national anti-corruption (AC) strategy. Both at the national and local level, the AC strategy is focused on prevention. Once this division drafts the AC strategy, it
consults with 20 people consisting of staff associated with civil society organizations, journalists, academia, practitioners, and relevant government agencies. Once the draft is finalized, the division designs an annual implementation and action plan. Public agencies implement the strategy and the commission follows up on the implementation of the strategy and suggests revisions, if necessary. The ACRC measures and monitor the progress of the anti-corruption strategy implementation through the Anti-Corruption Initiative Assessment (AIA) evaluation (for more information on AIA, see Section 4.7).

As a result of the work of the General Anti-corruption Division, The ACRC developed mid- to long-term anti-corruption strategies, which were completed in December 2012. In addition, the ACRC is developing an action plan for the implementation of the strategies. The final mid- to long-term anti-corruption strategies and the action plan will be presented initially to the President and then to the Cabinet Council. The ACRC will be the leading agency in implementing the AC strategy, but will cooperate with all the other relevant government ministries in the implementation process.

### 4.8 ANTI-CORRUPTION SURVEY AND EVALUATION DIVISION

AIA evaluates the integration and implementation of the AC strategy by reviewing current operations and activities plans submitted by public agencies at the beginning and end of the fiscal year. In response to people’s demand for corruption eradication and to create a culture of anti-corruption in the country this division carries out three different measures of the level of corruption: (i) Integrity Assessment (IA), Anti-corruption Initiatives Assessment (AIA), and Corruption Perception Survey (CP). These assessments analyze the perception, level, and causes of corruption based on a series of

---

**TABLE 2**

ACRC Budget (in Korean Won)

<table>
<thead>
<tr>
<th>Categories</th>
<th>2008</th>
<th>% of total</th>
<th>2009</th>
<th>% of total</th>
<th>2010</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Benefits</td>
<td>30,233,000,000</td>
<td>66.23</td>
<td>30,117,000,000</td>
<td>64.78</td>
<td>29,297,000,000</td>
<td>60.26</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>3,123,000,000</td>
<td>6.85</td>
<td>2,894,000,000</td>
<td>6.22</td>
<td>2,881,000,000</td>
<td>5.93</td>
</tr>
<tr>
<td>Anti-Corruption Bureau Operating Costs</td>
<td>6,349,000,000</td>
<td>13.91</td>
<td>5,499,000,000</td>
<td>11.83</td>
<td>7,174,000,000</td>
<td>14.76</td>
</tr>
<tr>
<td>Ombudsman Bureau Operating Costs</td>
<td>5,392,000,000</td>
<td>11.81</td>
<td>7,194,000,000</td>
<td>15.47</td>
<td>8,488,000,000</td>
<td>17.45</td>
</tr>
<tr>
<td>Administrative Appeals Commission Operating Costs</td>
<td>550,000,000</td>
<td>1.20</td>
<td>789,000,000</td>
<td>1.70</td>
<td>778,000,000</td>
<td>1.60</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45,647,000,000</strong></td>
<td><strong>100.00</strong></td>
<td><strong>46,493,000,000</strong></td>
<td><strong>100.00</strong></td>
<td><strong>48,618,000,000</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

**Source:** This information was obtained during interview with the planning and coordination office.

**Note:** Exchange rate as of November 12, 2012 is US$1 = KW1090.5.
4. THE ANTI-CORRUPTION AND CIVIL RIGHTS COMMISSION (ACRC)

institutionalized processes from anti-corruption policies to strategy implementation systems and evaluation of implementation results.

4.8.1 Integrity Assessment (IA)
The Integrity Assessment (IA) measures the levels of corruption and corruption risks in the public sector, through a survey of ordinary citizens and public officials who use public services that are considered prone to corruption. The assessment criteria consist of various factors including actual experiences with corruption and bribery, adequacy of regulation, information disclosure, and organizational culture. The components of IA consist of external integrity and internal integrity assessments.

■ External integrity assessments are conducted with the people who use public services that are perceived to be corruption-prone. The assessment measures respondents’ perceptions of the level of gratuities and entertainment offers, and the frequency and amount of gratuities and entertainment offered by respondents. Moreover, to recognize the degree of corruption based on individuals’ perceptions, this factor aims to identify what service users hear about the level of corruption such as gratuities offered during work handling process.

■ Internal integrity assessments are carried out with the employees or internal customers of public organizations and measure the level of integrity in internal affairs such as personnel management and budget execution. Public organization employees evaluate the integrity of their own organizations. Internal integrity assessments focus on institutional and cultural aspects to approach structural problems.

External and internal integrity scores are combined to produce the comprehensive score,
which integrates the level of integrity evaluated from both citizens’ and employees’ perspectives. The weight given for external and internal integrity means the relative importance that each assessment has when comprehensive integrity is calculated. Weights for each integrity assessment and each survey item are produced through the Delphi method by academia, experts, civic organizations, target organizations that took part in the improvement of the integrity assessment model in 2008. The target groups of the integrity assessment survey are ordinary citizens and public officials who have had firsthand experience with target public services for the preceding 12 months or more. The Integrity Assessment primarily targets specific functions public organizations such as permission, approval, inspection, licensing, supervision, coordination, support and management, budget deliberation and services whose results have a big impact on the general public. Respondents to the internal integrity assessment are all public sector employees except for organization heads, high-ranking officials of Grade A to C, technical workers, daily workers, irregular workers and public officials with one year or less experience.

The survey is conducted by an outside research agency. The results of the IA are disclosed to the public annually in December and are reflected in the evaluation of the performance of public organizations. The integrity score of each public organization is used as one of the evaluation criteria for the Anti-Corruption Initiatives Assessment (see Section 4.7.2). Since the introduction of the IA, Korea has seen a consistent increase in its overall level of integrity. In 2009, the Comprehensive Integrity score for the surveyed public organizations was 8.51 points on a ten-point scale (where a score of 10 means the least corruption), while it was 6.43 in 2002. The 2009 survey also found that the overall rate of offering bribes and hospitality sharply declined from 4.1 percent in 2002 to 0.6 percent in 2009. The higher the level of integrity, the less likely is the public’s perception of corruption, and the factors that contribute to it.

Although the assessment model reflects the unique characteristics of Korea’s public service, it has been replicated by several countries, including Bhutan, Mongolia, and Indonesia. Thailand is currently in the process of implementing the integrity assessment. The figures below show the trend of the level of integrity over time, which show a marginal increase.

To date, the IA has mainly measured lower-level corruption rather than high-level corruption. In 2010, for the first time, the ACRC designed a survey that assessed integrity level of individual high-ranking officials. The findings of the integrity survey are published annually and available to the general public. Given that from a cultural point of view, being a corrupt organization is considered shameful, heads of public organizations feel pressured to accept ACRC corrective measures.

### 4.8.2 Anti-corruption Initiative Assessment (AIA)

The Anti-corruption Initiative Assessment (AIA) was established in 2002, when the Integrity Assessment was created. The AIA is designed to determine if public organizations have put in place effective systems and mechanisms to prevent and deter corruption. The primary objective of the AIA is to capture efforts made by public agencies to fight corruption as well as to disseminate best practices in the fight against corruption across the public sector. The target group for the AIA includes the central government, local government agencies, and public service organizations. The assessment team

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7 The Delphi method is a structured communication technique, originally developed as a systematic, interactive forecasting method that relies on a panel of experts. For more information: http://www.learn-usa.com/transformation_process/acf001.htm.
is made up of ACRC staff but for areas that require a quantitative evaluation an outside research agency conducts the assessment. The ACRC team also makes onsite visits to organizations subject to the assessment in order to increase the objectivity of the assessment. The targeted public organizations for the AIA are chosen with guidance from the IA results. An analysis of AIA results from 2005 to 2009 shows that organizations with excellent results continue to do well, and those with bad results continue to produce unsatisfactory results. This is due to passive anti-corruption activities that are repeated without taking into account AIA results. The table below provides results of the AIA from 2006 to 2009.

4.8.3 Corruption Perception Survey
Since 2002, ACRC (previously KICAC) has conducted annual Corruption Perception Surveys. These surveys measure public perceptions of corruption. The survey is designed to gauge the perception of general citizens, entrepreneurs, and opinion leaders about corruption levels and anti-corruption measures carried out by the government. In addition, the survey makes it possible to make a time-series analysis of public perception of corruption and to determine the effectiveness of specific anti-corruption measures. The target groups of the survey are citizens, public servants, foreigners, and businesspeople. The survey is conducted by telephone using a structured questionnaire.

4.9 ANTI-CORRUPTION EDUCATION DIVISION
The target groups of the ACRC’s Anti-corruption Education Division consist of public officials, students, and ordinary citizens. Anti-corruption education is provided directly to public officials and students while anti-corruption PR in the form of campaigns and ads target ordinary citizens. This division provides education
face-to-face, online, and also through comic books and other visual learning instruments.

The outreach mechanisms used to reach each target group are discussed in the balance of this section.

4.9.1 Anti-corruption education programs for public officials

The target groups of this sub-category are employees of public organizations, which include central government agencies, local governments, and 653 public service organizations subject to the “Public Sector Ethics Act.” Various methodologies are used to disseminate anti-corruption education for these groups.

Distance education: This type of education targets public officials who cannot attend courses due to time and physical constraints. The ACRC educates 30,000 public officials annually. In addition, it also provides free educational resources to public organizations that want to create anti-corruption courses. The course content includes, among other topics, general anti-corruption education, and codes of conducts for public officials based on actual cases. The learning method for distance education starts by allowing participants to study the course content for 10–15 days.

**TABLE 4**

<table>
<thead>
<tr>
<th>Anti-corruption initiative outcomes</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implemented</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anti-corruption initiatives</td>
<td>93%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(outcomes)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clean Card transparency measure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>suggested by KICACClean Card is a credit card designed to prevent public servants from spending taxpayers’ money in unauthorized or prohibited areas.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of 30 recommendations issued by KICAC in 2007, 3 have been completely implemented and 1 is being processed through the amendment of the relevant Act. The remaining 26 recommendations have been partially implemented.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All of the 85 target organizations that were subject to AIA gave a high priority to the implementation of integrity activities aimed at combating corruption.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All public organizations surveyed developed and implemented their own anti-corruption policy plans. Twenty organizations that became target organizations for the first time made significant efforts related to anti-corruption initiatives. However, a large number of the organizations carried out anti-corruption activities in the form of unilateral education without voluntary participation by employees.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TABLE 5**

Results from the 2010 Perception Survey

| The general public cited “lenient punishment for malpractices and corruption” (29.4%) and “legal systems and institutions conducive to corruption and unreasonable administrative regulations” (19.1%) as the biggest causes of corruption in Korea. |
| Business people perceived “social culture tolerant of corrupt practices” (28.9%) and “lenient punishment for malpractices and corruption” (24.3%) as the primary corruption factors. |
| Public officials and foreigners pointed to “structural corruption in political process including elections” (38.9%) and “social culture tolerant of corruption” (33.0%) as the biggest causes of corruption in Korea. |

Source: Annual report 2011.
followed by a test made of 20 questions when they are ready. Those who complete the general anti-corruption education and the distance education courses receive a certificate.

Specialized offline anti-corruption education: The target groups of this type of outreach are public organizations and elementary and middle school employees, specifically, the officials in charge of audits, ethics-related tasks works and corruption-prone work areas, including principals, vice principals and elementary and middle school ethics teachers. Of those groups, the course targets middle managers, new employees, people promoted, and teachers. The course length is one day, three days, and five days, and the content is delivered via three vehicles:

- **Special lectures**: The course focuses on providing lectures by sharing anti-corruption thoughts and the role of public officials. It also discusses best practices of enhancing integrity level at organization level.

- **Discussion study**: This was introduced in 2009 in order to facilitate a discussion forum for officials in charge of similar work so they can generate solutions to improve corruption cases through discussion. The discussion sessions include, among other topics, lessons about anti-corruption law and systems such as whistle blowing and integrity assessment of anti-corruption initiatives. Moreover, the sessions also include discussions of actual cases, code of conducts for public officials and conflict of interest related issues.

- **Onsite visits**: Official visits are organized at the homes of people known for their integrity. Jeong Yak Yong is an example of a person of integrity and is admired as a public servant. He declared that a man who lacks integrity and honesty cannot serve in government.

Feedback from course participants is obtained through a survey that is completed by participants upon course completion. The survey evaluates the effectiveness of both online and traditional classroom anti-corruption education. Table 7 shows the satisfaction rate of participants.

There is also e-learning or online learning available for public organizations. Courseware software is provided to those agencies that request the ACRC to provide assistance with online

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8 According to the ACRC the following work areas are considered as corruption-prone areas: construction, building, budget execution, contracts, subsidy, police, tax affairs, health medical care, food hygiene, environment, and prosecutors.

9 Jeong Yak-yong (1762–1836, styled Dasan) was a leading Korean philosopher in the late Joseon Dynasty. He has usually been regarded as one of the greatest thinkers of the so-called “Practical Learning” (Silhak) movement. Jeong thought that Neo-Confucianism, the dominant ideology of the time, lacked practicality and relevance to his time, suggesting the need to re-appreciate the spirit of early Confucianism in general. Korean and world experts have celebrated Jeong Yak-yong’s contribution to Korean philosophy. More information could be found in his book Mokminsimseo.
courses. The software is easy to customize to participants’ needs. Every year the ACRC also holds a contest for anti-corruption education best practices in order to select and disseminate creative education ideas of public organizations and to provide incentive to the public organizations.

Starting in June 2013, the Commission opened a dedicated anti-corruption education center to provide anti-corruption related education to public officials. This venue has been established to maximize the total number of participants. The target groups are newly appointed government officials, public school teachers, school principals, and diplomats. The ACRC has provided ethics education to 11,600 officials from 2003 to 2010. High-ranking ACRC officials train high-level government officials. This activity started in 2010, and as of 2011 8,000 high-ranking officials have been trained.

4.9.2 Anti-corruption education for students
The target groups of this sub-category are kindergarten, elementary, middle and high school and university students. There are three types of outreach approaches:

- **Direct anti-corruption education**—exposing students from kindergarten, elementary, middle, high school, and university directly to anti-corruption education.

- **Inclusion of anti-corruption contents in ethics core national curriculum**—upon the approval of the Ministry of Education, Science, and Technology (MEST), the ACRC integrated anti-corruption related content into the ethics core national curriculum for kindergarten, elementary school, middle school, and high school. In addition, the ACRC contributed anti-corruption content to the ethics textbook conducted by the MEST.

- **Operation of pilot schools for integrity education**—the school themselves develop and utilize anti-corruption education programs that fit the characteristic of students of different age. The aim is to boost and influence the students’ anti-corruption values. Currently, 36 schools nationwide (19 elementary, 13 middle, and 4 high schools) are conducting this specific initiative. The ACRC provides budgetary support to the schools for this initiative. One of the successful pilot schools for integrity education operation is the “Praise Bankbook System” and “Unmanned School Supply Kiosk” initiatives conducted by the Jeju Bukchon elementary school from March 2009 to February 2010. In the Praise Bankbook System, students who conduct an anti-corruption act are given a certain amount in their bankbook by their parents and teachers. In the Unmanned School Supply Kiosk, students’ pay with the balance in their praise bankbook, and according to their conscience, they buy school supplies. The aim of this activity is to teach students honest behavior by putting restraint into practice when the clerk is not present. Table 8 shows monthly sales of the unmanned school supply kiosks.

- **Development of teachers’ manuals**—The ACRC has created teachers’ manual and

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**TABLE 7**
Participants’ Satisfaction Rate with Anti-corruption Education

<table>
<thead>
<tr>
<th>Type of education</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online anti-corruption education</td>
<td>87.2 %</td>
<td>87.3 %</td>
<td>87.5 %</td>
</tr>
<tr>
<td>Anti-corruption education course conducted at the ACRC (traditional classroom format)</td>
<td>88.3 %</td>
<td>89.2 %</td>
<td>90.7 %</td>
</tr>
</tbody>
</table>

Source: Annual report 2011.
institutional guidelines on integrity in collaboration with the Ministry of Education, Science, and Technology. In addition, it has also developed an ethics textbook for teachers.

- **Development and dissemination of audio-visual materials for anti-corruption education**—The ACRC develops and provides schools nationwide with audio-visual material customized to the learning capacity of elementary, middle and high school students and their parents such as anti-corruption education materials, behavior manuals, animation, documentary etc. Among others, the ACRC has created a cartoon for anti-corruption education called "Haphazard Moongchi's family." Documentaries on anti-corruption cases in major advanced countries as New Zealand, Finland, Singapore, etc. are introduced, and their situation compared with that of Korea. The documentaries mainly target parents and public officials.

- **Education essay writing contest at elementary school level for public schools**—this contest started three years ago. Each elementary school principal recommends students that have had been writing outstanding integrity related essay to participate in the contest. The commission’s contest is held on site. Each student writes what integrity means. The contribution is published in a form of booklet where each student essay is presented with their picture attached.

- **University Student anti-corruption PR group**—university students who are future members of workforce act as transmitter of anti-corruption culture in campuses and local communities. The ACRC provides budgetary support in the form of traveling expenses, campaign materials, manufacturing costs etc. Major activities conducted by students includes among others anti-corruption blog events; creation and dissemination of an anti-corruption educational cartoon available on the internet (webtoon); interviews with anti-corruption figures; anti-corruption monitoring of schools and public organizations; campaigning on campuses and downtown areas such as pledge petitions to prevent cheating during test periods, citizens’ anti-corruption pledge; anti-corruption classes utilizing storybooks for kindergarten kids and elementary school students and; education of ordinary citizens about anti-corruption through working campaigns.

- **'Mother' anti-corruption protectors’ activities**—Given that mothers play an important role in the formation of values, students are made to act as anti-corruption missionaries in their homes and society. The ACRC offers learning opportunities on anti-corruption through workshops, and other venues. An anti-corruption agreement has been signed between mother

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**TABLE 8**

Sales of Unmanned School Supply Kiosks

<table>
<thead>
<tr>
<th></th>
<th>Amount of gift certificate paid</th>
<th>Amount sold</th>
<th>Amount supposed to be left</th>
<th>Amount actually left</th>
<th>Amount lost</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>278,000</td>
<td>112,000</td>
<td>166,000</td>
<td>153,00</td>
<td>-13,000</td>
</tr>
<tr>
<td>May</td>
<td>191,000</td>
<td>120,000</td>
<td>71,000</td>
<td>59,000</td>
<td>-12,000</td>
</tr>
<tr>
<td>June</td>
<td>234,000</td>
<td>206,000</td>
<td>28,000</td>
<td>19,000</td>
<td>-9,000</td>
</tr>
<tr>
<td>July</td>
<td>195,000</td>
<td>184,000</td>
<td>11,000</td>
<td>7,000</td>
<td>-4,000</td>
</tr>
<tr>
<td>September</td>
<td>201,000</td>
<td>188,000</td>
<td>13,000</td>
<td>10,000</td>
<td>-3,000</td>
</tr>
</tbody>
</table>

Source: Data was obtained from the ARCR anti-corruption education division.
anti-corruption protectors and local office of education PR for local residents through street campaigns. During 2010, 8 teams consisting of 38 people disseminated anti-corruption education to students in 16 cities and provinces nationwide.

4.9.3 Anti-corruption education campaigns for ordinary citizens

This aims to reach ordinary citizens by conducting anti-corruption campaign, airing anti-corruption ads through TV and the Internet, and providing information on how to report corruption by using various PR materials. The purpose of this activity is to raise anti-corruption awareness of ordinary citizens and to make anti-corruption a way of life so a culture of anti-corruption can grow into national movement. In addition, it aims to make citizens recognize that anti-corruption and integrity are a positive value that enhance the quality of life.

4.10 CORRUPTION IMPACT ASSESSMENT DIVISION

This unit’s main function is to review whether draft laws or existing laws include factors that cause corruption. In 2006, corruption impact assessments were introduced with the amendment of the Corruption Prevention Act, which provides an analytical framework designed to identify and remove corruption-causing factors in draft and existing laws and regulations. Corruption impact assessment of existing legislation is conducted on an annual basis. The ACRC determines the subject to be assessed for each agency through consultation and establishes mid-to-long term corruption impact assessment plans. Thereafter, it conducts corruption-impact performance assessments based on the materials prepared and submitted by each agency. Every year agencies decide on the tasks for corruption impact assessments and report them to the ACRC. Thereafter, the ACRC finalizes assessment tasks based on overall review of the tasks reported by each agency and consultation with such agencies. The acceptance rate of ACRC suggestions related to existing laws is lower. Table 9 shows assessed bills from 2006 to 2010. Since 2006, the ACRC has identified 402 corruption-causing factors in 24 existing laws.

In addition, the ACRC has made efforts to support voluntary corruption impact assessment for public enterprises. Among other activities, it has produced and disseminated manuals and conducted training.

4.11 INSPECTION PLANNING DIVISION

Once a corruption report is received by the ACRC it is transferred to the Inspection Planning Division

TABLE 9

Corruption Impact Assessment on Draft Legislation

<table>
<thead>
<tr>
<th>Year</th>
<th>Bills received</th>
<th>Agreed to original bills</th>
<th>Total bills that had corruption—causing factors</th>
<th>Identified cases of the 1024 proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>609</td>
<td>490</td>
<td>119</td>
<td>359</td>
</tr>
<tr>
<td>2007</td>
<td>1,168</td>
<td>909</td>
<td>259</td>
<td>737</td>
</tr>
<tr>
<td>2008</td>
<td>1,368</td>
<td>1099</td>
<td>269</td>
<td>496</td>
</tr>
<tr>
<td>2009</td>
<td>1,394</td>
<td>1165</td>
<td>229</td>
<td>508</td>
</tr>
<tr>
<td>2010</td>
<td>995</td>
<td>847</td>
<td>148</td>
<td>325</td>
</tr>
<tr>
<td>Total</td>
<td>5,534</td>
<td>4510</td>
<td>1024</td>
<td>2425</td>
</tr>
</tbody>
</table>

Division. This unit reviews all allegations that meet the final approval of the commission and transfer corruption cases for investigation to the Supreme Prosecutors’ Office, the Board of Audit and Inspection and other investigative authorities. An investigative agency that receives an allegation of corruption is required to complete an audit, criminal investigation, or inspection of the allegations within 60 days and must report the result to the ACRC within 10 days of the completion of the investigation. Upon receipt of such notice, the ACRC should promptly provide the reporter with the summary of the audit, investigation, or inspection findings. If the audit, investigation, or inspection made by the investigation authority in question is deemed insufficient, the ACRC may request these said authority to perform a reinvestigation by presenting reasonable grounds, for example, submitting new evidence.

Table 10 shows the total number of incoming reported cases from 2002 to 2010.

Of the 19,573 cases received, the ACRC transferred 749 cases to investigation agencies, notified the accused of 228 violation of code conduct, transferred 8,426 cases to government agencies, and closed 10,098 cases. Out of the 749 reports transferred to investigative agencies, 53 cases were undergoing investigation as of 2011. As of the end of December 2010, 696 cases were processed, of which 315 were whistle-blowing cases.

As indicated in Table 11, 490 corruption cases were substantiated by investigative agencies. The total amount of financial collection due to detected corrupt activity reached 171.2 billion KRW. The breakdown of the main investigative agency that handled the 749 cases that were transferred is as follows:

- The police handled 242 cases
- The Supreme Prosecutors’ Office handled 226 cases
- The Board of Audit and Inspection handled 113 cases
- Central administrative agencies handled 98 cases
- Local government agencies handled 57 cases and 13 cases were handled by various other government agencies.

Corruption reports are transferred to the Board of Audit and Inspection if an audit is deemed necessary under the Board of Audit and Inspection Act. Reports are transferred to the investigative authorities if there are criminal charges or if there is a need for investigation or to the competent supervisory authorities. The table below shows the cases handled by investigative authorities from 2006 to 2010.

The ACRC Act restricts employment of government officials who have been dismissed for
corruption. From 2005 until the first half of 2010, 1,519 public officials were dismissed because of corruption: 629 from the central government, 413 from local government, 359 from state-owned enterprises, and 118 from local offices of education. In a term of removal from office, 704 officials were expelled from office, 526 were dismissed, and 289 were forced to retire. In terms of the nature of corruption, receiving bribery and entertainment was the most common type of corruption—970 officials received some type of bribery and entertainment. Three hundred and fifty-one officials were charged with embezzlement and misuse of public funds, 56 were charged with abuse of authority and dereliction of duty, 30 were charged with forgery and manipulation of a document and 112 were charged with other violations of budget and financial regulation. The ARCRC monitors the employment status of public officials dismissed for corruption through the National Health Insurance Corporation (NHIC) based on reports submitted by agencies twice a year.

TABLE 11
Number of Cases Transferred to Investigative Agencies and Detected

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>Subtotal</th>
<th>Substantiated</th>
<th>Unsubstantiated</th>
<th>Under investigation</th>
<th>Rate of conviction (Subtotal / Substantiated)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>749</td>
<td>696</td>
<td>490</td>
<td>206</td>
<td>53</td>
<td>70.4</td>
</tr>
<tr>
<td>2002</td>
<td>74</td>
<td>74</td>
<td>47</td>
<td>27</td>
<td></td>
<td>63.5</td>
</tr>
<tr>
<td>2003</td>
<td>100</td>
<td>100</td>
<td>67</td>
<td>33</td>
<td></td>
<td>67.0</td>
</tr>
<tr>
<td>2004</td>
<td>66</td>
<td>66</td>
<td>48</td>
<td>18</td>
<td></td>
<td>72.7</td>
</tr>
<tr>
<td>2005</td>
<td>82</td>
<td>82</td>
<td>53</td>
<td>29</td>
<td></td>
<td>64.6</td>
</tr>
<tr>
<td>2006</td>
<td>83</td>
<td>83</td>
<td>63</td>
<td>20</td>
<td></td>
<td>75.9</td>
</tr>
<tr>
<td>2007</td>
<td>92</td>
<td>92</td>
<td>70</td>
<td>22</td>
<td></td>
<td>76.1</td>
</tr>
<tr>
<td>2008</td>
<td>65</td>
<td>65</td>
<td>44</td>
<td>21</td>
<td></td>
<td>67.7</td>
</tr>
<tr>
<td>2009</td>
<td>106</td>
<td>96</td>
<td>67</td>
<td>29</td>
<td>10</td>
<td>69.8</td>
</tr>
<tr>
<td>2010</td>
<td>81</td>
<td>38</td>
<td>31</td>
<td>7</td>
<td>43</td>
<td>81.6</td>
</tr>
</tbody>
</table>


TABLE 12
Corruption Reports Processed by Investigative Agencies

<table>
<thead>
<tr>
<th>Processing</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Received</td>
<td>83</td>
<td>92</td>
<td>65</td>
<td>106</td>
<td>81</td>
</tr>
<tr>
<td>Public Prosecutors’ office</td>
<td>20</td>
<td>25</td>
<td>19</td>
<td>31</td>
<td>46</td>
</tr>
<tr>
<td>Police</td>
<td>37</td>
<td>42</td>
<td>30</td>
<td>42</td>
<td>22</td>
</tr>
<tr>
<td>Board of Audit &amp; Inspection</td>
<td>7</td>
<td>4</td>
<td>6</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Other national government agencies</td>
<td>7</td>
<td>4</td>
<td>6</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Local governments</td>
<td>7</td>
<td>4</td>
<td>15</td>
<td>8</td>
<td></td>
</tr>
</tbody>
</table>

4.12 CODE OF CONDUCT DIVISION

This department creates codes of conduct guidelines for public officials at the national and local government levels. The department also provides an advisory service that supports each agency in implementing their own code of conduct through the provision of assistance and interpretation of various questions on code of conduct for public organization employees and by providing a guideline of code of conduct for public officials. It receives approximately 2,500 inquiries a year via telephone or official documents, an average of some 200 per month.

Based on commission guidance, a code of conduct for national and local government public officials was enacted on February 18, 2003, as a presidential decree. It was entered into force on May 19, 2003. On the same day, local governments and each central government established their own code of conduct. The ACRC established the code of conduct guideline for public officials to establish a culture of integrity and ethics in public service. The aims of the code of conduct are to help public officials maintain fairness in conducting their duties and to prevent them from taking ill-gotten gains. In addition, in September 2003, all judicial offices including the court, the national election committee and the constitutional court—with exception of the national assembly—adopted their own version of code of conduct based on the ACRC guideline. At the request of government agencies, training sessions were provided on site; a total of 27 in 2009 and 48 in 2010. In addition, the ACRC developed a training booklet titled “Understanding the code of conduct for public officials.” Eight hundred of these booklets were distributed during integrity training sessions for high-ranking officials, as well as onsite and external integrity training sessions. The ACRC conducted seminars and trainings to facilitate a sound implementation of code of conduct. Table 13 indicates the number of inquiries and consulting sessions that have been requested by public organizations in relation to code-of-conduct efforts. With the amendment of Article 8 of the anti-corruption Act in July 2005, the code of conduct for public officials expanded to public organization employees. This amendment led to all state-owned enterprises and organizations establishing and implementing a code of conduct for public organization employees as a form of official policy with approval from boards of directors or heads of organizations. The ACRC amended the standard code of conduct guideline for public officials on December 31, 2008 to support the aforementioned organizations in implementing a successful code of conduct. As of December 2010, 659 state-owned enterprises and organizations were upholding the code of conduct for public organization employees.

The ACRC developed a proposal for code of conduct for local parliament members in January 2010. The proposal was widely consulted among central government ministries and local parliament, and the ACRC received feedback from 556 government agencies. The feedback was included in the proposal, and the ACRC also worked closely with Ministry of Public Administration and Security, and the Ministry of Government legislation to finalize the proposal. After ongoing reviews, a notice

<table>
<thead>
<tr>
<th>Year</th>
<th>Inquiry/consulting sessions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>37</td>
</tr>
<tr>
<td>2005</td>
<td>40</td>
</tr>
<tr>
<td>2006</td>
<td>125</td>
</tr>
<tr>
<td>2007</td>
<td>129</td>
</tr>
<tr>
<td>2008</td>
<td>192</td>
</tr>
<tr>
<td>2009</td>
<td>203</td>
</tr>
<tr>
<td>2010</td>
<td>209</td>
</tr>
</tbody>
</table>

of legislation, which had approval from all the committee members' meetings and the cabinet meeting was proclaimed on November 2, 2010, to be entered into force on February 3, 2011. The code of conduct for local parliament members stipulates 15 ethical standards that local parliament members must abide by, and includes detailed descriptions of administrative procedure of implementing the code.

The ACRC disseminates and shares best practice for codes of conduct to public organizations. In 2010, it received 229 practices from 78 agencies. These codes of conducts were reviewed by a committee comprised of ethics officials and anti-corruption experts, who selected 23 exemplary practices out of 229 recommended these practices 965 agencies for adaptation. The results were also published and distributed as "2010 Best Practices of Code of Conduct for Public Officials." In addition, the document is used as educational material and 140 agencies adopting 349 practices.

Any violation of code of conduct can be reported to the ACRC. When a charge is substantiated by investigation, the result must be reported to the head of the violator's agency or the head of a relevant supervisor organization, which must then report the follow-up action back to the ACRC. In accordance with Article 9 of the ACRC Act on Enactment and Implementation of the Code of Conduct, the ACRC also conducts investigations and monitors implementation of codes of conduct by public organizations. To ensure effective implementation of codes of conduct, the ACRC takes the following measures:

- Conducts a detailed implementation plans and systems to implement codes of conduct
- Provides training related to code of conduct implementation, and publishes training materials such as case study books of violations and reviews of individual code of conduct and recommending changes and inspecting and monitoring code of conduct implementations
- Provides on-site consulting
- Identifies best practices and further disseminates lessons learned
- Introduction of the "Integrity Mileage" program to encourage public officials to make voluntary anti-corruption efforts. Under this program, individual public officials can receive a promotion and bonus when they demonstrate a good record of anti-corruption performance and compliance with the code of conduct.

4.13 PROTECTION AND REWARD DIVISION

The Anti-corruption Act (2002) stipulates protection of corruption informants. The ACRC is responsible for the protection of whistleblowers, including both internal and external informants. It should be noted that the protection system is limited to the public sector and does not cover informants who report various infringements of public interest in the private sector. However, this issue is currently being addressed—t the ACRC is in the process of enacting a bill on the protection of public interest whistleblowers.

The ACRC has established a protection system for whistleblowers to guarantee their confidentiality, employment, and physical safety and provide them with financial rewards in accordance with the anti-corruption act. If the whistleblower files for protection of information, the ACRC notifies the relevant agencies and officials to minimize causes attributable to the information and ensures that the person reporting the corruption does not experience any negative repercussions due to the reporting. The ACRC conducts training and seminars to facilitate cooperation among government agencies in handling cases requiring information protection. Moreover, the ACRC signed an MOU with the Korean Neuropsychiatric Association in 2010 for medical support, in
addition to establishing and implementing guidelines for medical and legal assistance for informants of corruption, which allows informants suffering psychiatric problems to seek free medical assistance. From 2002 to December 2010 a total of 116 cases per year required protection of information for their cooperators (see Table 14).

Table 15 shows fines levied for violation of identity protection regulation and the total reached KW56.5 million at an average of KW4.35 million per case. In total, 16 requests for physical protection were filed from 2002 to 2010. Eleven of these requests were approved, two were dismissed, and three were deposited. During the same period the ACRC awarded 33 informants for their contribution to corruption prevention in the form of government and ACRC recognition. Those who reported cases that resulted in promotion of the public interest, brought substantial financial benefits to public organization, or prevented the public organization from incurring financial losses received financial award for their services. The total reward for whistleblowers has increased from about KW200 million to about KW2 billion. A total of KW2.37 billion was paid as a monetary reward for 131 cases from 2002 to 2010, which represents 92 percent of total 142 cases for which the ACRC received requests for reward. Of the 11 requests that were not approved, eight requests did not meet the payment criteria, two requests were suspended for further review, and one request was withdrawn by an applicant.

### Table 14

<table>
<thead>
<tr>
<th>Type of Request</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guarantee of position</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>20</td>
<td>12</td>
<td>15</td>
<td>18</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Physical protection</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Guarantee of confidentiality</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7</td>
<td>2</td>
<td>6</td>
<td>22</td>
<td>15</td>
<td>17</td>
<td>20</td>
<td>14</td>
<td>13</td>
</tr>
</tbody>
</table>


### Table 15
Cases Related to Violation of Identity Protection Regulation

<table>
<thead>
<tr>
<th>Year</th>
<th>Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>2</td>
</tr>
<tr>
<td>2004</td>
<td>4</td>
</tr>
<tr>
<td>2006</td>
<td>1</td>
</tr>
<tr>
<td>2007</td>
<td>2</td>
</tr>
<tr>
<td>2009</td>
<td>3</td>
</tr>
<tr>
<td>2010</td>
<td>1</td>
</tr>
</tbody>
</table>


### 4.14 Political Commitment

On December 17, 1997, Korea signed the OECD Anti-Bribery Convention, and deposited the instrument of ratification with the OECD on January 4, 1999. On December 28, 1998, it enacted implementing legislation in the form of The Act on Preventing Bribery of Foreign Public Officials in International Business Transactions ("FBPA"), which entered into force on February 15, 1999. On December 10, 2003, Korea signed the UN convention against corruption, and ratified the UN convention against corruption in March 2008. According to ACRC personnel, the current government commitment to fighting corruption is both consistent and strong. In addition, it is clear from the anti-corruption policy section that high-level government commitment and support to anti-corruption related activities and reforms has been strong over time. Since 1993 anti-corruption has been a slogan of each of...
Korea’s political leaders. Table 16 below illustrates that the government has provided relatively consistent funding to anti-corruption measures over time. Moreover, all of the ACRC directors interviewed indicated that they have full access to information from the government. It is important to note that there is no formal memorandum of understanding on how collaboration between the ACRC and other government agencies should take place. However, in general, there is a positive and informal relationship between the ACRC and other government bodies. The ACRC directors also indicated that the institution functions independently from the Korean government. The ACRC also has budget autonomy to allocate its approved budget according to its work strategy. Since the 1990s, the Korean government has introduced measures that prevent public officials from inappropriately accumulating means and conducting illegal financial transactions. Among these instruments, the code of conduct and post-employment restrictions on corrupt public officials are in force under the Anti-Corruption Act, while the Public Service Ethics Act stipulates the blind trust system and the registration of personal assets and restrictions on the employment of senior public officials. Moreover, the Criminal Code criminalizes the major forms of corrupt activity, including active and passive bribery, attempted corruption, extortion, bribing a foreign official, money laundering, and abuse of office.

4.15 CIVIL SOCIETY AND THE MEDIA

4.15.1 Civil Society
Korea has a vibrant democracy and an active civil society. Civil society organizations have played an active oversight role in monitoring and assessing the activities of both the government and companies. Freedom of Information legislation has, to a great extent, been the result of civil societies’ advocacy work. The government of South Korea supports the anti-corruption activities of civil society organizations by providing financial support. In order to provide readers with insight into how the ACRC collaborates with national civil societies, two well-known civil society organizations were interviewed: Korea Manifest Center and Transparency International.

**Korea Manifest Center**: The Manifest Center was established in February 2006. The Manifest Center has 16 different NGOs in provinces across the country. Each Manifest Center NGO is managed independently; however, there is a network that connects them and enables them to meet and share ideas. In total, the Manifest Center has 13 permanent staff. One hundred four members work at universities as professors, and supply funding in the form of members contributions. The annual budget of the Manifest Center is KW150 million. The Manifest Center recognizes that a successful fight against corruption requires that people’s attitudes must change, and therefore it focuses its work on changing people’s mindset.

The Manifest Center focuses on education about anti-corruption and election monitoring activities. As an election observer, it constantly monitors pre-election, ongoing election and post-election activities to detect possible acts of corruption. It also monitors any monetary support from the chaebol or business networks provided to presidential candidates. The Manifest Center educates the general public on political election systems and on how to choose the right president based on the right mindset and reliable facts. It informs the general public that it has a right to report any corrupt activities among politicians and that this empowers the public to make change. For instance, if a political party carries out a corrupt act, the public has the right to report the act to the election commission. If the politician/party is found guilty of corruption, the politician/party can lose their seat in the national assembly.

Through the media, the Manifest Center provides education about anti-corruption education to
TABLE 16
KICAC and ACRC Budget and Personnel Information (2005 – 2010)*

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Personnel</td>
<td>Budget</td>
<td>Personnel</td>
<td>Budget</td>
<td>Personnel</td>
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<tr>
<td>Central</td>
<td>135,215,587</td>
<td>572000</td>
<td>146,962,504</td>
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<td>156,517,719</td>
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<tr>
<td>Government</td>
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<tr>
<td>KICAC</td>
<td>18049</td>
<td>172</td>
<td>19696</td>
<td>205</td>
<td>22840</td>
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<td>ACRC (total)</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Benefits</td>
<td>30233</td>
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<td>29297</td>
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<td>(ACRC as whole)</td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Administrative</td>
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<td></td>
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<tr>
<td>Expenses</td>
<td>3123</td>
<td>2894</td>
<td>2881</td>
<td></td>
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</tr>
<tr>
<td>(ACRC as whole)</td>
<td></td>
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</tr>
<tr>
<td>Anti-Corruption</td>
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<tr>
<td>Bureau</td>
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<td>190</td>
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<td>Costs</td>
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<tr>
<td>Ombudsman</td>
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<tr>
<td>Operating</td>
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<td></td>
<td></td>
</tr>
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<td>Costs</td>
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<td>Administrative</td>
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<td>778</td>
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<td>Commission</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Costs</td>
<td></td>
<td></td>
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<tr>
<td>ACRC/KICAC</td>
<td>0.01%</td>
<td>0.01%</td>
<td>0.01%</td>
<td>0.03%</td>
<td>0.03%</td>
<td>0.03%</td>
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<tr>
<td>Budget as %</td>
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<td>National</td>
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<tr>
<td>Budget</td>
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</tbody>
</table>

Source: Annual report from 2005 to 2011.
* Budget in KRW 1 Million (Won 1,000,000); KICAC—Korea Independent Commission Against Corruption (2005–2008) and ACRC—Anti-Corruption and Civil Rights Commission (2008–to date).
private-sector and public-sector employees and provides classroom education for university students. The Manifest Center has also developed an ethics curriculum for the Kyunghee University, where it sends its members to educate university students. Its target group is college freshmen, and so far 5,000 people have taken the course. In Korea, local elections are as important as the presidential election. The ACRC collaborates with the Manifest Center to organize education about the public pledge to integrity. The Manifest Center shares its ideas with the ACRC—in fact, the idea to collaborate at the local level came from the Manifest Center, which the ACRC agreed to. The following activities were conducted:

- Monitor the collaboration between the business network and politician during the elections
- Publish election-related materials pre- and during election; these activities have made an impact on the private sector market.

Transparency International Korea (TI Korea): This organization was founded in August 24, 1999 by a coalition of civil society organizations. The goals of TI Korea are to contribute to the building of a non-corrupt society through its anti-corruption initiatives and to change peoples’ mindsets toward collective and ethical thinking. TI Korea’s main activities include research and development of anti-corruption policies and legislation, and introduction and implementation of a Citizen Ombudsman, as stated on the official website of the organization.

TI Korea collaborated mainly with the KICAC where TI Korea members used to be one of the non-standing commissioners. In addition, KICAC used to provide financial support. Currently, TI Korea is one of the six major civil society organizations that collaborate with the ACRC. However, since the establishment of the ACRC, TI Korea has been invited to meet with the ACRC management team only twice, which means that the ACRC and TI Korea have not initiated any practical collaboration yet.

4.15.2 The Media

The media delivers in-depth and investigative reports on governance and corruption related issues. For instance, the media has covered subjects related to investigative reports on political funding, asset discloser of high-ranking public officials and bureaucratic corruption and others (TI Korea 2006). The Broadcasting Act and the Act on the Guarantee of the Freedom and Function of the Press grant freedom and independence for both print and broadcast media. At the same time, both the acts impose a social responsibility to contribute to the public interest and to maintain fairness in delivering news and opinions, thus protecting readers’ and viewers’ rights.

The ACRC collaborates with both private and state media broadcast companies by creating anti-corruption related content that informs the general public by means of TV shows, written materials and talk shows. In addition it conducts regular media campaigns on corruption issues.
5. Analysis

This section will analyze the effectiveness of the ACRC based on the indicators and prerequisite conditions mentioned in Section two. It also draws on information from the anti-corruption policy context mentioned earlier in the paper.

Policy development: As mentioned in the general anti-corruption section, the ACRC has taken the lead in designing, creating, coordinating, and monitoring implementation of Korea’s national AC strategy. The AC strategy creation process includes all relevant stakeholders. Moreover, the ACRC has an effective monitoring system related to the implementation of the AC strategy. It is based on AIA, which allows for an assessment of current and planned operations and activities conducted by the public sector organizations. The only aspect of the AC strategy implementation process that limits the ACRC’s impact is that it does not have the authority to enforce its recommendations. Nevertheless, during interviews with ACRC personnel, it was mentioned that the acceptance rate of ACRC suggestions by public sector organizations is high. Seventy percent of the suggested corrective measures are actually implemented by the public sector organizations. Non-compliance cases that require administrative reforms are reported to the Civil Grievances Mediation Meetings of the President’s Office, and the ACRC also disseminates information concerning non-compliance cases through government publications and the national press.

Review of existing and new anti-corruption laws: The ACRC has created an analytical framework designed to identify any corruption-causing factors laws and regulations, both those in draft and those that have been enacted. This mechanism allows the ACRC to screen draft laws that may have corruption-causing factors and leads to their elimination. Figure 5 below shows assessed bills from 2006 to 2010. During this period, the ACRC received requests for assessments of 5,534 legislative proposals for amendment. Among the 1,024 proposals assessed, the ACRC identified 2425 corruption-causing factors and recommended that the agencies concerned address these factors. In an interview, the director of the Impact Assessment Division pointed out that 92 percent of ACRC suggestions on draft bills have been accepted by various public organizations, while the acceptance rate for the existing law is much lower.

Disseminating knowledge on corruption prevention: As a whole, the ACRC’s anti-corruption education strategy aims to foster a corruption-free society by educating Korean citizens about anti-corruption related issues starting with kindergarten students. The outreach activities, including training and education, aim to reach public officials, students (from kindergarten to high school), and school employees at the kindergarten, elementary, middle, and high school levels. As evident in Section 3.2, one of the sources of corruption in Korea is the close relationship between the business community and the public sector. With this in mind, the ACRC should disseminate corruption prevention education to the business community as well. At the same time, it should be recognized that the ACRC has conducted several anti-corruption programs that have had a significant impact. For instance, in order to reach the younger Korean generation, it has included anti-corruption education in the core national
ethics curriculum. In addition, it has created anti-corruption standard knowledge customized for different ages of students. The ACRC has also created innovative anti-corruption education initiatives by funding different activities, such as the “unmanned school kiosk” mentioned in Section 4.8. Not only does it teach students about honesty but it also allows them to translate the theoretical anti-corruption education they have learned into practice in their daily lives through a unique learn-by-doing approach.

The ACRC offers various types of anti-corruption education for public officials. It provides classroom style education to provide basic anti-corruption knowledge; for those who prefer to have discussion sessions, it facilitates events for officials who work in the same area, enabling them to interact and learn from each other. It also arranges on-site visits of historical integrity related venues and online learning for interested officials and those with physical limitations. These different learning vehicles offer officials the opportunity to choose suitable learning tools based on individual preferences. In addition, the ACRC assists public officials in conducting their own anti-corruption education, which allows officials to focus on areas of interest. Figures 6 and 7 below illustrate the number of distance anti-corruption education courses conducted by the ACRC and public organizations: the figures show that the total numbers of courses and participants have increased significantly between 2007 and 2010. In addition, different incentives are given to public officials to participate in anti-corruption related course. For instance, in order to be promoted, staff members are required to participate in job-related training; they are rewarded for their efforts certificates upon course completion.

The ACRC further evaluates participants’ feedback related to anti-corruption courses with the aim of measuring the satisfaction rate and the level of impact. As shown in Figure 8, the satisfaction rate of both the distance education courses and the classroom anti-corruption education conducted by the ACRC is very high, with 90.7 and 87.5 percent respectively.
Moreover, the satisfaction rate associated with distance education is slightly higher than the classroom style education conducted by the ACRC, which may be due to time convenience.

Unlike other anti-corruption agencies (ACAs), the ACRC evaluates the impact of anti-corruption education provided to government agencies based on corruption integrity results and anti-corruption initiative assessment results.

**Corruption level assessment and sociological survey as an instrument to monitor the level of corruption:** The ACRC uses three instruments to monitor the level of corruption and to assess anti-corruption initiatives: the Integrity Assessment (IA), Anti-corruption Initiative Assessments (AIA), and Corruption Perception Survey. IAs and the survey focus mainly on middle and lower management, but in 2010, IAs were introduced for top-level officials as well. AIAs are strictly focused on public organizations, while IAs include ordinary citizens and public officials in the sample. The Corruption Perception Survey sample is more comprehensive. In addition to ordinary citizens and public officials, it also includes business people and foreign residents. Civil society and other non-governmental actors who previously applied for license and permission, received financial support from the governments, and/or used public services, are all included as the samples of the three above-mentioned anti-corruption measures.

1. The Integrity Assessment (IA): The ACRC uses IA to measure the overall degree of corruption in Korea, to diagnose the degree and location of corruption and the potential vulnerabilities of each organization. The IA is different from other well-known corruption control measures such as Transparency International’s Corruption Perception Index (CPI) and The World Bank Institute’s Control of Corruption Index. It differs from those corruption control measures because it measures corruption based on a survey of ordinary citizens and public officials who have experienced corruption first-hand, while the CPI and Control of Corruption consists of an index of perceived corruption that is aggregated from multiple sources based on expert assessments or surveys of businesspeople and households. The CPI and Control of Corruption Index are widely used by researchers and policymakers to conduct cross-country analysis. Nevertheless, there have been discussions about the unreliability of both tools for measuring changes within countries. For instance, as mentioned in Section 3.2, a series of institutional reforms were introduced during the administrations of Presidents Kim Young-sam (1993–98), Kim Dae-jung (1998–2003), and Roh Moo-hyun (2003–08). However, Korea’s score in the cross-national measures of CPI and the Corruption Control Index

**FIGURE 7**
Distance Anti-corruption Education Courses Participants (2007–2010)

<table>
<thead>
<tr>
<th>Year</th>
<th>ACRC</th>
<th>Public organizations offering Self-training</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>1,311</td>
<td>5,325</td>
</tr>
<tr>
<td>2008</td>
<td>18,133</td>
<td>20,340</td>
</tr>
<tr>
<td>2009</td>
<td>90,875</td>
<td>80,018</td>
</tr>
<tr>
<td>2010</td>
<td>215,580</td>
<td>16,145</td>
</tr>
</tbody>
</table>


**FIGURE 8**
Participants’ Satisfaction Rate of the Cyber and Integrity Educations

<table>
<thead>
<tr>
<th>Year</th>
<th>Distance anti-corruption education courses</th>
<th>Classroom style anti-corruption courses conducted at the ACRC</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>87.20%</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>87.30%</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>88.30%</td>
<td></td>
</tr>
</tbody>
</table>

were not impacted by these extensive anti-corruption efforts. However, the results of the IA show that the frequency of corruption declined during and after the implementation of the anti-corruption reforms (see Figure 9), capturing the trend of corruption in Korea more accurately than the CPI and Control of Corruption Index.

IA is therefore useful for the purpose of assessing changes over time within a country and providing cross-time comparisons within a country. As seen in Figure 10, the CPI and Control of Corruption scores are correlated. This is because both of these measures use the same sources. Moreover, the sources of the CPI and Control of Corruption measures have inter-correlation and the aggregation is perceived to help reduce measurement errors. However, it has been questioned whether aggregation actually reduces measurement errors since the sources are not independent (Knack 2006). In this regard, measurement errors are an important element for the purpose of trend analysis within a country (You 2009).

The IA measures the level of corruption in public organizations that have functions such as permission, approval, inspection, licensing, budget deliberation, and services that have big impact on general public. Therefore, it merely measures petty corruption rather than grand corruption. However, petty corruption is just as important as grand corruption since basic service delivery to the general public is also affected by petty corruption.

The reliability of the IA may also be called into question given that the ACRC may want to show progress and manipulate the survey results. However, the opportunity for manipulation of the IA is very limited because the survey, including the procedures of collecting the sample, is conducted by reliable independent agencies such as Gallup Korea and Korea Research.

2. Anti-corruption Initiative Assessment (AIA): The ACRC uses the annual AIA to monitor the implementation of its recommendations by the government agencies to which it makes such recommendations and to reflect on their performance. The AIA evaluates the integration of corruption impact assessment in newly implanted laws, existing laws, and other corrective anti-corruption measures recommended by the ACRC. AIA uses the IA results to

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**FIGURE 9**

Integrity Assessment Results

<table>
<thead>
<tr>
<th>Year</th>
<th>Comprehensive integrity assessment score (0–10)</th>
<th>Provided money or entertainment (result from IA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>6.43</td>
<td>1.50</td>
</tr>
<tr>
<td>2003</td>
<td>7.71</td>
<td>3.50</td>
</tr>
<tr>
<td>2004</td>
<td>8.38</td>
<td>1.50</td>
</tr>
<tr>
<td>2005</td>
<td>8.68</td>
<td>0.90</td>
</tr>
<tr>
<td>2006</td>
<td>8.77</td>
<td>0.70</td>
</tr>
<tr>
<td>2007</td>
<td>8.89</td>
<td>0.50</td>
</tr>
<tr>
<td>2008</td>
<td>8.20</td>
<td>0.50</td>
</tr>
<tr>
<td>2009</td>
<td>8.51</td>
<td>0.30</td>
</tr>
<tr>
<td>2010</td>
<td>8.44</td>
<td></td>
</tr>
</tbody>
</table>

Source: ACRC Annual Report 2011. Note: Detail information about the result from IA: From 2002 to 2007 the figures cover money and entertainment and from 2008 to 2010 the figures cover money, entertainment and favors.
target public organizations. The AIA aims to identify the issues behind the low scores of the IA and provides guidelines and action plans on how to implement the corrective measures. According to the AIA results, the acceptance rate of the ACRC corrective measures is very high: about 70 percent of suggested corrective measures are implemented.

3. Corruption Perception Survey- As illustrated in Figure 11, the sample distribution shows that ordinary citizens make up 56 percent of the sample distribution. This survey covers all stakeholders except civil society and other nongovernmental organizations, which are important in terms of shedding light on society's perception of corruption.

The survey allows the input of the sample group to be included in the anti-corruption policies formulation given that the result of the survey is used to determine top priorities for corruption policies. Results from the perception surveys from 2007 to 2009 show that more than 50 percent of ordinary citizens who were surveyed perceived that the public service was corrupt, along with 33 percent of business people surveyed. These figures indicate that corruption is an important issue in Korea.

**Code of conduct:** ACRC has created guidelines concerning codes of conduct for public organizations. In 2003 the ACRC created guidelines of code of conduct for public officials central and local government. With the help of ACRC guidelines, consultations, and training sessions, these agencies established their own codes of conduct. As illustrated in Figure 12, since the implementation of the code of conduct in 2003, inquiries and consultation sessions requested by public organizations have steadily increased. In addition, the ACRC has developed...
substantial training materials related to codes of conduct. It also has conducted onsite training. In 2010, the ACRC assisted 659 state-owned enterprises with implementing codes of conduct for employees of public organizations. Moreover, the ACRC developed a code of conduct proposal for the parliament, and after lengthy reviews, the code of conduct was implemented. The aforementioned activities clearly illustrate the high acceptance rate of ACRC suggestions in implementing and adapting codes of conduct. In addition, the ACRC monitors the implementation of codes of conduct by creating implementation plans and investigating code of conduct violations.

Receiving corruption complaints from citizen: The general public may submit complaints by telephone, e-mail, fax, and regular mail and in-person statements. In addition, the ACRC uses a unique online portal called e-people to receive complaints. E-people integrates civil petitions, corruption reports, and administrative-related issues and handles them through a single channel. This system provides an opportunity for the citizens to make a report without having to know the relevant agency. In addition, the ACRC has a call center called 110 government call center, which allows citizens to inquire about complaints. Furthermore, 110 government call center provides a video system for the hearing disabled. It also tries to attract young people by creating mobile applications, which allow the services to be accessed by smartphone. As Figure 13 shows, incoming calls have significantly increased since 2007, which demonstrates that the general public uses the system.

To guard against abuse of the reporting system, the ACRC does not permit anonymous reporting. This limits incoming reports; there may be some people who would prefer to make an anonymous report due to fear of reprisals or a lack of trust in the outcome of the process. However, at the same time, it is worth mentioning that the value of anonymous complaints is often limited. If a matter is noteworthy, the agency must seek additional information to proceed with its investigation. Therefore, the inability to contact the complainant makes this process more difficult. Nevertheless, anonymous complaints can also help, particularly with trend analysis.

The ACRC further analyzes complaints it receives as one of the inputs for institutional improvement recommendations that may be incorporated into the legal and institutional framework. This allows citizens’ input to be included in anti-corruption related policies and reforms, thereby encouraging citizens to report corrupt acts. While the number of complaints filed and reported to the ACRC has increased since 2002, corruption-related cases are relatively low compared to general grievances (see Figure 14). From 2002 to 2010, 19,573 cases were reported; of these, the ACRC has transferred 749 cases to investigation agencies. Of the 749 cases, 70 percent were substantiated (see Figure 15), which shows that the investigative agencies operate effectively.
It is also important to emphasize that the ACRC encourages whistleblowers by providing monetary compensation of up to KW2 billion. The Act on Protection of Specific Crime Informants, which entered into force on June 1, 2000, protects the witnesses. Furthermore, the ACRC Act provides the protection for whistleblowers and cooperators who state opinions and submit material in connection with corruption reports. A 2009 report by Global Integrity states that civil servants who report alleged corruption are not adequately protected from retribution, and many of them fear negative consequences, particularly through unofficial means. However, a new Act on the Protection of Public Interest Whistleblowers came into force on September 30, 2011 and is designed to protect individuals who report violations of the public interest to certain prescribed bodies (e.g., their employer) and suffer ‘disadvantageous measures.’ According to the 2011 OECD Anti-Bribery Convention Phase 3 report for Korea the new whistleblower law is considered to be more effective. The Act applies effectively both public and private sector employees and also should increase reporting suspicions of foreign bribery.

As illustrated in figure 16, the average conviction rate between 2002–2010, 70.9 percent, is relatively high.

**Political Commitment**—As discussed in Section 3.2, anti-corruption reform was among the top priorities of the administrations of Kim Young-Sam (1993–1998), Kim Dae-Jung (1998–2003) and Roh Moo-hyun (2003–2008). During those administrations, several institutional anti-corruption reforms were introduced that now form the basis for current anti-corruption initiatives. Among others, these reforms included the introduction of the real name financial transaction system, the requirement of asset declaration for high-level officials, the Freedom of Information Act, reform of corporate governance and accounting, the comprehensive Anti-Corruption Act, the creation of a code of conduct for public officials, and the establishment of the Korea Independent Commission Against Corruption (KICAC). In addition, several politicians including former presidents
Chun Doo-hwan (1980–87) and Roh Tae-woo (1988–92) and sons of two former presidents Kim Young-sam and Kim Dae-jung have been prosecuted and convicted of corruption (see Annex 8.2). In general, Korea has a solid legal framework and judiciary system. The criminal code criminalizes the major forms of corrupt activities, and the court system is relatively effective.

According to ACRC personnel, the current government’s political commitment is very steady and strong. First of all, the government has supported the ACRC with a consistent budget. Secondly, the merger of KICAC with the Administrative Appeals and Ombudsman has not changed the former KICAC’s function. Rather, according to ACRC personnel, the merger has contributed to an effective administrative management of the three agencies. However, in spite of the cost savings, the merger of the agencies was greatly criticized by international organizations such as Transparency International, OECD and some civil society organizations, mainly because it was felt that the merger might result in less focus on anti-corruption activities.

**Independence:** The ACRC is situated in a separate institution that is not subject to the presidential administration and governmental structure. Therefore, it is not dependent on any specific government officials. The ACRC budget is reviewed by the Ministry of Strategy and Finance along with other central government budgets. The National Assembly then examines and approves the budget. After the budget approval, ACRC has the authority to direct its own budget.

Since its establishment in 2002, the ACRC has undergone changes in connection with various administrations. As mentioned in the anti-corruption policy section, President Roh Moo-Hyun (2003 to 2008) renamed the KICAC the National Integrity Commission with the aim of promoting full-scale national integrity. The
current president, Lee Myung-bak (2008–2013), also renamed the National Integrity Commission to the ACRC by merging KICAC with Ombudsman and Administrative appeal with aim of minimizing operational cost. These constant changes have impacted the ACRC’s operations given that it makes it impossible for the commission to make a long-term plan.

The ACRC reports annually to the National Assembly and also makes reports available to the public. As mentioned earlier, the chairman reports to the prime minister. The chairman and vice chairman are appointed by the president upon nomination by the prime minister. The term in office for the chairman and vice chairman is three years, and these officials may be re-appointed for an additional term. The president or prime minister can dismiss the chairman after a resolution has been passed with the approval of not less than two third of the total board members. Given that the ACRC operates solely at the executive branch level, ideally the appointment and dismissal of the chairman and vice chairman should be performed by an independent agency for instance, by the National Assembly. Because the president appoints and supervises the prime minister, there is lack of checks and balances, given that they alone perform the appointment and dismissal of high-level officials.

Resources: As a result of strong political commitment, the ACRC’s budget has been consistent over the past seven years. To assess the adequacy of the budget, the ACRC’s budget may be compared with those of the Brazilian and Slovenian preventive ACAs and the Hong Kong ICAC, which is regarded as “best practice” for anti-corruption agencies. As shown in Table 17, the ACRC compared to the Brazilian and Slovenian preventive ACAs, taking into account the population size of the countries and the geographic size, with a per capita expenditure of US$1.25, the ACRC has the most funding. The Hong Kong ICAC has relatively higher funding, with a per capital expenditure of $14.56.

Figure 17 shows the KICAC and ACRC budget from 2005 to 2010 in KW. The increase in 2008 is due to KICAC’s merger with the Ombudsman and Administrative Appeal agencies, which required the integration of the three agencies’ budgets. The budget has been constant except for some adjustments for inflation.

Staff Capacity—The ACRC’s staff is made up of individuals from diverse professional backgrounds such as law, finance, economics, accounting, civil engineering, etc. The education level among ACRC staff is very high; 98 percent of its staff have a bachelor’s or higher degree. In addition, interviews with ACRC personnel indicated that they have the necessary knowledge and skills to successfully prevent corruption offenses. An entrance test is also required for all

<p>| TABLE 17 |
| Macroeconomic Indicators: Korea, Brazil, Slovenia, &amp; Hong Kong—2010 |</p>
<table>
<thead>
<tr>
<th>Population</th>
<th>Gross Domestic Product (purchasing power parity)</th>
<th>Permanent Staff</th>
<th>Budget</th>
<th>Per Capital Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea</td>
<td>48,636,068</td>
<td>US$1.459 trillion</td>
<td>469</td>
<td>US$60,748,000</td>
</tr>
<tr>
<td>Brazil</td>
<td>201,103,330</td>
<td>US$2.172 trillion</td>
<td>992</td>
<td>US$53,000,000</td>
</tr>
<tr>
<td>Slovenia</td>
<td>5,470,306</td>
<td>US$556.58 billion</td>
<td>28</td>
<td>US$1,627,048</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>7,089,705</td>
<td>US$325.8 billion</td>
<td>1300</td>
<td>US$103,219,147</td>
</tr>
</tbody>
</table>

Source: The macro data and population are taken from World Bank country data while the budgets of the respective countries are taken from ACA website, https://www.acauthorities.org/diagnostic-survey
ACRC employees, ensuring that a minimum standard is met by all employees. Furthermore, in Korea, young people view government jobs, including positions at the ACRC, as prestigious. Employee benefits, health insurance, and other subsidies are also attractive incentives. These factors help ensure that highly qualified staff are attracted to the ACRC. In addition, the ACRC regularly provides training to staff, and promotions are tied to training: each staff member needs to take 100 hours of job-related training annually. In general, although ACRC staff salaries are not comparable to the private sector, compared to other government agencies, it is relatively high. Figure 18 shows the total number of ACRC staff working on anti-corruption related issues from 2005 to 2011.

**Internal and External Coordination:** Based on interviews with ACRC directors, it is clear that the ACRC’s various divisions work in close collaboration. For instance, the anti-corruption initiative assessment is used to monitor whether the recommendations of ACRC’s different divisions are implemented by government agencies: this means that the Impact Assessment Department works with the Anti-corruption Survey and Evaluation Division to obtain information regarding the implementation of its suggestions. While the ACRC does not have a formal MOU concerning collaboration with different government agencies, it does have the legal right to obtain any type of document from government agencies at the executive level. In addition, it is part of the ACRC’s mandate to coordinate anti-corruption efforts both at the national and local levels. It is of note that, according to ACRC staff, there are informal arrangements between the ACRC and other government agencies, including the Supreme Prosecutors’ Office and BAI, which have been in place for some time, and which limit the overlap of these agencies’ work.

**Leadership and Management:** ACRC’s management is selected through a competitive selection process. Specific skills are required for the management team. For instance, the chairman, vice chairman, and other commissioners, who are the principal decision-makers at the ACRC, are selected based on criteria such as the requirement to have held a position as an associate professor or lead researcher at a research institution for eight years or more, experience as a judge, or a good reputation and solid knowledge and experience with administrative matters, and the endorsement of non-governmental organization(s). Based on interviews with ACRC staff, it is clear that the ACRC’s management team is highly qualified in terms of leadership and technical expertise.
6. Conclusion

The ACRC’s objective is to build a corruption-free society by preventing and deterring corruption in the public sector, which includes the establishment of anti-corruption policies, dissemination of anti-corruption education, handling of corruption reports, protection of whistle-blowers and provision of institutional improvement recommendation and measures. The ACRC pursues the aforementioned goals independently, without government intervention. High-level political support for the agency has been constant and strong since its establishment in 2002, which is demonstrated by the implementation of complementary anti-corruption reforms, consistent budgetary support, and the implementation of the ACRC’s proposed code of conduct and anti-corruption corrective measures by the central government, local governments, parliament, and government cooperation and enterprises. Furthermore, the human resources capacity at the ACRC is very high—98 percent of employees have a bachelor’s degree or higher. With regard to resources, the ACRC is well funded compared to the Brazilian and Slovenian preventive ACAs although compared to Hong Kong’s ICAC, it is relatively underfunded.

The ACRC has created measures to track the acceptance of its recommendation and the level of corruption in the public sector and society, specifically by conducting annual Corruption Perception and Integrity Assessment surveys, and Anti-corruption Initiative Assessment measures. The Integrity Assessment survey, compared to other widely used corruption control indicators, manages to capture the trend and frequency of corruption in Korea more accurately. Since it measures corruption based on a survey of ordinary citizens and public officials that have experienced corruption firsthand rather than an index of corruption aggregated from multiple sources based on expert assessments or surveys of business people and households. Furthermore, the result of the IA and CPI surveys are published and made available to the general public. Given that the ACRC does not have enforcement power, in terms of the implementation of its recommendations, the publication of the results of these instruments pressure public organizations to accept and carry out the corrective measures it suggests. This is due to the fact that in Korea, it is considered dishonorable to be seen as a corrupt official. In addition, the ACRC has the ability to report noncompliance to the Civil Grievances Mediation Meetings of the Office of the President, and also disseminates information about non-compliance cases through government publications and the major national press. The acceptance rates of the ACRC’s anti-corruption policy recommendations are relatively high; 70 percent of the Commission’s recommendations are adopted.

The ACRC offers anti-corruption education by means of different learning vehicles to public officials, including traditional classroom style courses, e-learning, and discussion study. Moreover, the ACRC has made it possible for anti-corruption related issues to be included in the national ethics curriculum for kindergarten, elementary, middle, and high school. The ACRC further effectively monitors the impact and satisfaction rates of the participants in anti-corruption educations by conducting evaluation surveys and anti-corruption initiative assessments. On average, 80 percent of participants are satisfied with the anti-corruption education provided by the ACRC.
The ACRC has widely available mechanisms the citizens to file corruption cases, including innovative instruments like the e-people system and government call centers. In addition, it also offers traditional channels to report corruption, which include telephone, e-mail, fax, regular e-mail and in person statements. However, the ACRC prohibits anonymous reporting to guard against abuse of the reporting system. This limits incoming reports given that there may be some people who would prefer to report anonymously due to fear of reprisals or lack of trust in the outcome of the process. The ACRC encourages whistleblowers by providing monetary compensation up to KW2 billion. According to international watchdogs, however, civil servants who report cases of corruption are not adequately protected from recrimination, and many of them fear negative consequences, particularly through unofficial means. In addition, private sector whistleblowers are sufficiently protected from recrimination in practice, and may face negative consequences if they report on corruption. Nevertheless, the ACRC is currently in the process of revisiting the whistleblowers and witnesses protection law.

Given that the ACRC focuses only on the public sector, it misses the opportunity to work closely with the corporate/private sector. Currently, the ACRC has only one initiative related to the private sector, the public-private governance framework, in which it is not an active participant. Given that one of the main sources of the spread of corruption in Korea is the close relationship between the public sector and private sector, the ACRC should strive to develop a closer relationship with this sector.

As discussed in this report, the ACRC is operating effectively to prevent corruption. It has initiated several innovative instruments to fight and prevent corruption. It has managed to track the level of corruption and corruption-prone areas and has initiated corrective measures to address loopholes. However, in order to cover all aspects of the public sector, it must include high-ranking officials in its activities, since current measures currently target middle and lower-level public officials. Moreover, it should also focus its activities on fighting and preventing all types of corruption, including grand corruption.
**Annex**

**FRAMEWORK FOR ASSESSING ACRC'S EFFECTIVENESS (DETAIL DESCRIPTION OF FIGURE 1)**

**TABLE A-1**
Framework for Assessing ACRC's Effectiveness

<table>
<thead>
<tr>
<th><strong>Output evaluation based on main functions results</strong></th>
<th><strong>Policy development:</strong> An important indicator of an ACA's effectiveness in this context is its ability to have its policy suggestions adopted by public sector institutions, which depends on the government's will to adopt the suggested strategy as well as sufficient resources. ACAs should have the mandate to oversee and follow-up on the implementation of the suggested recommendation.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Anti-corruption education and PR:</strong> The level of ACA efforts can be assessed by quantifying the following:</td>
</tr>
<tr>
<td></td>
<td>- Anti-corruption education events carried out and people reached</td>
</tr>
<tr>
<td></td>
<td>- Anti-corruption guidelines and materials disseminated</td>
</tr>
<tr>
<td></td>
<td>- Teaching and training institutions visited</td>
</tr>
<tr>
<td></td>
<td>- Institutions adopting anti-corruption topics in their curricula</td>
</tr>
<tr>
<td></td>
<td>- Public and private sector companies and institutions reached</td>
</tr>
<tr>
<td></td>
<td><strong>Codes of conduct development:</strong> Codes of conduct are established to provide guidance to public officials and clarify what conduct is expected from them. An important indicator in this context is whether or not an ACA suggests a code of conduct, and if so, to what extent it is adopted by the target group. The impact of the guidelines suggested should also be evaluated.</td>
</tr>
<tr>
<td></td>
<td><strong>Receiving corruption complaints:</strong> ACAs should provide channels for citizens to report corrupt acts. If cases are not investigated, or if the conviction rate is very low, it may negatively impact public trust and confidence in the ACA. It may also lead to lower corruption reports.</td>
</tr>
<tr>
<td><strong>Evaluation of the usefulness of tools and analysis produced</strong></td>
<td><strong>Review of anti-corruption laws:</strong> There are two types of legislation review designed to prevent the spread of corruption. The first involves reviewing existing laws with the aim of eliminating factors that cause corruption. The second has to do with reviewing draft bills proposed by other government agencies. In both cases, an important indicator of an ACA's effectiveness is the acceptance and implementation rate by government agencies of the proposed recommendations.</td>
</tr>
<tr>
<td></td>
<td><strong>Survey as instrument to monitor the level of corruption:</strong> ACAs that conduct such surveys can be assessed based on the following items,</td>
</tr>
<tr>
<td></td>
<td>- The outreach of the survey</td>
</tr>
<tr>
<td></td>
<td>- The frequency of the survey, which can provide historical data that can be used to evaluate the corruption trend in a given country over time</td>
</tr>
<tr>
<td></td>
<td>- The substantive usefulness of the results of the surveys. For instance, it is important to know for what purpose survey results are used and whether or not the results have helped to detect corruption-prone areas.</td>
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<td>- The result of the survey should be communicated to the general public.</td>
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</tbody>
</table>

(continued on next page)
### TABLE A-1
Framework for Assessing ACRC’s Effectiveness (continued)

<table>
<thead>
<tr>
<th>Evaluation of the usefulness of tools and analysis produced (continued)</th>
<th>Risk analysis: Preventive ACA agencies create preventive measures aimed at identifying, detecting, and preventing corruption in systems and procedures. In this regard, important indicators of effectiveness are:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>■ The number of systems that have been examined,</td>
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<td></td>
<td>■ Changes in the systems evaluated</td>
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<td></td>
<td>■ The implementation and adoption of recommendations.</td>
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<td></td>
<td>■ The perception of changes in the quality of services delivery in the system resulting from the changes implemented in the system.</td>
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<tr>
<td></td>
<td>Prevalence conditions necessary for the ACAs’ success</td>
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<tr>
<td></td>
<td>Political commitment—If there is political will an incumbent government can, through legislation, empower ACAs and implement anti-corruption laws. The government can also provide ACAs with consistent funding, assist them by working closely through various agencies, and continuously give political support to achieve concrete results.</td>
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<td></td>
<td>Sufficient internal and external coordination: Most ACAs carry out various anti-corruption functions. Therefore, carrying out such functions must be well coordinated in order for ACAs to operate effectively. In addition, ACAs must develop relationships with other agencies that conduct anti-corruption related activities in order to avoid duplication of anti-corruption initiatives.</td>
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<td></td>
<td>Rule of Law: Effective detection and punishment through relevant anti-corruption laws discourages individuals from engaging in corruption-related activities. The effectiveness of the anti-corruption law enforcement depends in part on the effectiveness of a court system.</td>
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<td></td>
<td>Sufficient resource: Most ACAs operate with limited financial resources. Without sufficient resources, it is difficult to attract qualified personnel. This is especially so in developing countries, which often results in low-quality outputs. Inadequate budgetary resources can also mean disconnected and inefficient outputs. For instance, partial investigations or the inability to implement planned prevention programs due to a lack of funding.</td>
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<td></td>
<td>Adequate leadership and management: Weak leadership or an inadequate or lack of a management strategy affects ACAs’ performance and efficiency. If there is insufficient leadership, then the institution’s results and ability to implement ideas will be compromised. This will ultimately impact the effectiveness of the ACA.</td>
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<td></td>
<td>Participation of civil society and media: An important factor impacting the effectiveness of ACAs is building cross sectional-sectoral support to create a significant mass of public official, civil society groups, and private firms. In this regard, a free media and nongovernmental organizations acting as watchdogs play a vital role in developing public awareness and monitoring ACAs’ activities.</td>
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<td></td>
<td>Permanence—Permanence is an important factor in reducing corruption over time, creating an institution that learns from its mistakes, and generating advance technical capacity to combat corruption. It is also important to take into account that time is needed to select and train personnel in order to establish both operational and functional systems.</td>
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<td></td>
<td>Independence: Independence refers to an ACAs degree of independence to freely detect corruption prone areas. The independence of an ACA may be evaluated based on the following considerations:</td>
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<tr>
<td></td>
<td>■ A permanent agency, unit, or commission that exists separately and outside of government agencies has greater independence than an ACA established as a unit or department within an institutional structure of a selected ministry (e.g., Ministry of the Interior).</td>
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<td></td>
<td>■ The selection process of the head of an ACA should be transparent and based on consensus among different high-level decision-makers, such as the president and parliament. Laws against dismissal should also protect the head of an ACA.</td>
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<td></td>
<td>■ Implementation of laws that prohibits a decrease in the current year’s budget from that of the previous year.</td>
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TABLE A-1
Framework for Assessing ACRC’s Effectiveness (continued)

<table>
<thead>
<tr>
<th>Prerequisite conditions necessary for the ACAs’ success (continued)</th>
<th>Accountability</th>
<th>Human resource capacity and training</th>
<th>Public confidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>The integration of specialized anticorruption institutions into the system of checks and balances is essential for democratic governance. Independence should not amount to a lack of accountability in the release of its duties and powers. ACAs should strictly obey to the principles of the rule of law. Forms of accountability of ACAs should be tailored to the level of their specialization, functions, and mandates. In all instances, such institutions are required to submit regular performance reports to high-level executive and legislative bodies. Additionally, they enable and proactively facilitate public access to information on their work.</td>
<td>Most ACAs do not have a clearly defined human resources strategy that assesses human capital based on a set of predetermined criteria. Also, sufficient training is often not provided to enhance staff skills both due to a lack of capacity and funding.</td>
<td>If there is trust on the part of the general public, ACAs can easily mobilize public support in the fight against corruption, which, among other factors, will contribute to the public reporting of corrupt acts with full confidence.</td>
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</tbody>
</table>

Source: Developed by the author.

ANTI-CORRUPTION POLICY CONTEXT

In order to understand and assess current anti-corruption initiatives in Korea, it is important to understand the anti-corruption policy context.

Park Chung-Hee administration (1962–1979)

In 1963, President Park Chung-Hee initiated the first corruption prevention mechanism in Korea by establishing the Board of Audit and Inspection (BAI), which merged the Board of Audit and the Commission of Inspection to serve as a direct check on the economic bureaucracy (Quah 2009). In addition, President Park Chung-Hee also launched the first five-year economic plan (1962 to 1967), whose aim was to improve the base economy before initiating an export-oriented industrialization policy. After the first economic development plan was completed in 1967, increasing exports became crucial to the success of the second five-year development plan. Due to a lack of capital and advanced technology, initially the government promoted labor-intensive light industrial exports. As the economy grew along with the increases in exports, the government gradually moved its focus from light industries to heavy-chemical industries. Given that heavy-chemical industries were expensive and risky, the dependence of business on the government for credit allocation increased. As a result, government-business ties deepened. In this regard, to implement its export-oriented growth policy, the Korean government controlled the financial sector by giving preferential treatment to export-oriented industries, increasing domestic savings, and managing the exchange rate. These actions led to the Korean government purchasing bank stocks and owning the main banks, which reinforced the state’s autonomy and gave it power over credit allocation. In 1965, in order to establish complete control over credit allocation, the government announced a law that limited interest rates (Park 2004).

Chun Doo-whan administration (1980–1988)

In 1980 contrary to the wishes of the Korean people for a democratic regime, Major General Chun Doo-whan came to power. Thousands of people took to the streets to protest against the Chun government and demand democracy. The discontent peaked following the accidental death of a college student, which was caused by a policy beating (Kim 2007). At the time, thousands of Koreans participated in demonstrations to protest against the Chun government and to demand a direct election for the next president.
On June 29, 1987, the government announced that it would take steps towards a transition to democracy (Kim, 2007). These steps included: (i) a direct election of the president, (ii) a guarantee of human rights, (iii) guarantees of freedom of speech, (iv) local autonomy, and (v) securing freedom of political parties. With 93 percent support for a direct presidential election in a referendum, the constitutional amendment to change the president election process was approved on October 29, 1987. This enabled Kim Dae-Jung, a life-long opposition leader, to join the presidential race in 1987. In addition, Kim Young-Sam, a political competitor of Kim Dae-Jung, was also determined to run for presidency. Given the possibility of a split vote due to both candidates running for president, the probability of electing a civilian president was greatly reduced. Therefore, the two Kims attempted to have a single candidate, but failed. As a result, the direct presidential election resulted in a victory by the government party’s candidate, Roh Tae-woo.

Roh Tae-woo administration (1988–1993)

Despite the fact that President Roh Tae-woo was elected through the popular election, his administration’s legitimacy was still questioned because of his military background and support provided by the previous authoritarian regime of Chun Doo-whan. In addition, the National Assembly’s audit found serious evidence of corruption by President Chun Doo-whan. Thus, although the Roh administration attempted to separate itself from Chun’s authoritarian regime, it was not successful. Due to President Roh’s unpopularity, the opposition party enjoyed the majority in the National Assembly, which caused difficulties for the new administration to pass policy reforms. To remedy the situation, President Roh approached the two opposition leaders, Kim Young-sam and Kim Jon-Pil, which resulted in a three-party merger. Not only did the party merger help the Roh Tae-woo administration to pass policy resolutions in the National Assembly, but also it helped Kim Young-sam to become a candidate in the next presidential election. During the Roh Tae-woo administration a public official election act was passed in 1992 to curb illegal election activities. Moreover, in 1993, Korea began requiring public disclosure of the financial interests of public officials.

Kim Young-Sam administration (1993–1998)

On December 18, 1992, Kim Young-Sam became the first civilian president to come to power through a direct election. With the motto of “creating a new Korea,” President Kim focused on three areas, which included eradicating corruption, strengthening the economy, and establishing national discipline. President Young-Sam reopened the corruption case of Presidents Chun Doo-whan and Roh Tae-woo on June 3, 1993 (You 2009). Chun Doo-whan was sentenced to life in prison, and Roh Tea-woo was sentenced to seventeen years in prison for the December 1979 military coup, brutal oppression, and embezzlement. In addition, the Kim Young-Sam administration adopted a system of self-government to further democratize the country, which reduced the central government’s involvement in local policy-making. This change made significant contributions to democracy in South Korea. The Kim Young-Sam administration began liberalizing the economy through deregulation and a decrease in government intervention. As noted earlier, prior to the Kim Young-Sam’s administration, it was common for there to be close ties between politicians, government officials, and businessmen. Therefore, to cut the politics-business ties and make financial transactions more transparent, the Kim Young-Sam administration adopted the real name financial transaction policy. Prior to the adoption of the policy, the Korean government allowed false name financial transactions to increase savings and money circulation. False name accounts were commonly used to avoid capital gain taxes as well as in money laundering schemes. In addition to the adoption of the real name financial transaction policy, a real-name property ownership policy was
also adopted (You 2009). The Kim Young-Sam administration also revised the public service act, which expanded the range of public officials who were subject to asset registration and post-employment restrictions from those ranking third grade and higher to those ranking fourth grade and higher. The revision of the act further required top-ranking officials to disclose their assets. As a result, all high-ranking public officials, their spouses, and children must disclose ownership of real property, intangible property, and shares in private business entities. Furthermore, the act also resulted in the publication of property declarations of most of these public officials and their families in a public bulletin, which must be done within one month of their submission. A further measure to make the public service more transparent was the Administration Procedure Act and Act on the Disclosure of Information by Public Agency, which were both introduced in 1996. This administration also created a corruption prevention committee that functions as an advisory body for the Board of Audit and Inspection (BAI). At the time these measures were taken, public concern about corruption was relatively high, and civil society movements were formed to advocate for the establishment of an anti-corruption law. This action was initiated by the leading civil society activist group, which received support from about 40 NGOs (Park 2004).


The Kim Dae-Jung administration responded to public demand for an anti-corruption law by establishing an anti-corruption commission under the president’s office in 1999. The same year the President’s Special Committee on Anti-Corruption developed a new Integrity Assessment (IA) system with the aim of overcoming the limits of the existing corruption diagnostic system. The system consisted of an external integrity assessment that surveys citizens and public officials who receive services provided by public organizations. The model was improved in 2005 to reflect actual corruption cases. To date the model has remained unchanged except for some improvements that reflected changes in the social and political environment and people’s expectations.

In 1999, Korea ratified the OECD Anti-Bribery Convention. The Open System, an anti-corruption initiative, was introduced in 1999, which made it possible for the civil affairs administration to provide services to citizens online without face-to-face interference (Park, Kim, and Lee 2001). The continuous push and efforts by civil society as well as the deep financial crisis lead to the passage of the Anti-corruption Act in 2002. This law deals solely with general public institutions and officials, while the Public Service Ethics Act focuses on high-ranking officials. As a consequence of this Act, the anti-corruption commission under the president was upgraded from a presidential advisory body to a national level anti-corruption agency, the Korean Independent Commission Against Corruption (KICAC). The Kim Dae-Jung administration also established the Special Investigation Division of Anti-corruption in the Supreme Prosecutor’s Office. In addition, during Kim Dae-Jung’s administration, electronic systems were introduced to increase transparency and accountability instruments. In 2003 the Public Procurement Services (PPS) introduced a nationwide online system called the Government e-Procurement System (GEPS). Under the system, public institutions can submit offers for bids or contracts and obtain information on companies that want to conduct business with them. This online system also allowed the public to track civil applications and obtain data. Furthermore, in 2003 a code of conduct for public officials was enacted.

**Roh Moo-hyun administration (2003–2008)**

In order to encourage and promote full-scale national integrity, the Roh Moo-hyun administration renamed the KICAC the National Integrity Commission. However, the English name remained the same (Park 2004). Furthermore, the
administration revised the Act on the Disclosure of Information by Public Agencies to enhance the transparency of public institutions. The Act requires institutions to establish clear standards regarding information disclosure and also established information disclosure review committee. This was the first amendment since its establishment in 1998. In 2003, Korea signed the UN Convention against Corruption (UNCAC).

President Roh’s administration also introduced an act that touched the business sector, the Securities-Related Class Action Act, which became partially effective in 2005. Under this act, individual investors whose economic interests were negatively impacted by corrupt acts are permitted to bring a class action lawsuit against the company. Such a class action covered insider trading, market manipulation and accounting fraud. The company proven to have conducted such an activity must pay monetary compensation to all investors who are classified as victims in the lawsuit. In 2005, the government, private sector, and civil society organizations voluntarily joined the Korea Pact on Anti-Corruption and Transparency (K-Pact), which is a pledge to fight against corruption. KICAC, as one of the signatories to the Pact, provides administrative and financial support for K-Pact implementation. An initiative led by the Korean Transparency International, K-Pact aims to increase transparency by amending Korea’s Anti-corruption Act to provide for greater information disclosure, improved corporate transparency, and greater participation of civil society. The participating parties in K-Pact have made several contributions through various activities such as drafting legislation, heightened public awareness through anti-corruption education and campaigns, and research based on voluntary efforts (K-PACT 2005 and 2006 Annual Report).

Lee Myung-bak administration (2008–2013)

Following 10 years of liberal policies, Lee Myung-bak, a strong pro-business leader, was elected. Lee’s victory was due to the public’s overwhelming desire for a corporate executive-style president to improve the economy. As Table A-2 shows, the chaebol has provided illegal contributions during presidential elections through bribing voters with money, gifts, meals, and tours (Schopf 2004). Although the illegal campaign contributions continued through the 2002 presidential election, the amount of illegal contributions appears to have declined significantly. According to the National Election Commission (NEC) voter surveys have disclosed that the majority of voters still believe that some businessmen are making illegal political contributions before nation elections. In the 2007 survey result, 59.9 percent of voters said that they believed that there were illegal political funds from business involved in the 2007 election, and 69.9 percent of voters expressed the same view concerning the 2008 National Assembly election. However, President Lee Myung-bak declared that he did not receive any illegal money from chaebol to his 2007 election campaign. He further noted that it would be the first time in Korea’s presidential election that a major candidate did not receive illegal contributions from chaebol.11 The Anti-Corruption and Civil Rights Commission (ACRC) was formed by the Lee administration in February 2008 as a result of the merger between the Korea Independent Commission Against Corruption (KICAC), the Office of the Ombudsman, and the Administrative Appeals Commission. With the consolidation of these three organizations, the

10 The National Election Commission (NEC) is an independent constitutional agency established in 1992 for the purpose of managing fair elections. The NEC has conducted pre- and post-election surveys of voters’ perceptions for four presidential and National Assembly elections. The NEC has commissioned the survey to World Research, Association for the Study of Korean Election, Insight Research, and the 12th Century Institute for Policy Development.

ACRC aims to provide citizens with one-stop service for addressing public complaints, filing administration appeals, and fighting corruption in a more efficient and convenient manner. Moreover, Korea ratified the UN Convention against Corruption in March 2008. In addition, on May 29, 2008 the Lee administration sent an official notice to K-Pact’s main office, informing them that support for K-Pact from the public sector would be discontinued as of the second quarter for the purposes of the establishment of an efficient new model for government-civilian cooperation corresponding to the new presidency’s administrative philosophy. As result, in 2008 K-Pact was completely abolished. This action was criticized by several civil organizations given that K-Pact was the only collective effort between the business community, civil society and the government aimed at fighting since 2005. On December 9, 2009, a public-private consultation body called the Policy Council for a Transparent Society was launched to create a more transparent society. The Council’s goal is to strike a balance between political and economic considerations, to enhance transparency and trust, improve the national brand and competitiveness, and to communicate the concerted effort being made by the government and other members of the society in combating corruption to the national and global society. Since its establishment, the Council has 26 organizational members from nine sectors including the political, economic, and civil sectors. The head of the Council is from the private sector, and the ACRC acts as an advisor to the Council. The ACRC is not directly involved in the Council’s operations; rather, it maintains a networking relationship with the council and suggests a potential agenda for common areas of interest, shares its plan and activities and best practices with the council.

INSTITUTIONAL IMPROVEMENT FOR CORRUPTION PREVENTION

As a supervisory and coordinating authority governing pan-governmental institutional improvement for corruption prevention, the ACRC sets up mid to long-term institutional improvement plans, draws up anti-corruption guidelines (giving them to public organizations at all levels every year), presents the direction of government’s institutional improvement, reviews and manages institutional improvement efforts by public organizations at various levels, and checks and supervises efforts by organizations at all levels.

The ACRC creates institutional improvement measures for structural and chronic corruption-prone areas and for areas whose corruption control effect applies to all administrative agencies, and recommends such measures to organizations concerned. Organizations at all levels, in turn, voluntarily identify corruption-causing factors in their laws and systems, analyze such factors and draw up their own institutional improvement measures.

Institutional improvement for structural and chronic corruption-prone areas: After considering political and social circumstances, every year the ACRC three to five structural and chronic corruption-prone areas where people feel improvement is urgently needed or areas where corruption happens constantly and repetitively. According to the principle of "Selection and Concentration," the ACRC conducts institutional improvement and makes timely choices about pressing corruption issues when they occur and carries out institutional improvement for such issues.

Major areas of institutional improvement by year:

- 2005: Five areas of personnel affairs, education, judicial affairs, corporate finance support, and prevention of corruption transactions in the private sector
- 2006: Three areas of regional development,
national policy fund support, structural collusion, and corruption in organizations related to public service

2007: Three areas of construction and building, establishment of public service ethics, and the and supervision outsourcing of government works to the private sector

2008: Five areas of irrational burden, waste of government budget, exclusive position, one-size-fits-all standards, and commonplace irregularities

2009: Four areas of construction, State Owned Enterprise area, outsourcing to the private sector and authorization, education area

Voluntary institutional improvement by organizations: Public organizations at all levels set up their anti-corruption institutional improvement plans and carry them out led by their own taskforces. They voluntarily identify corruption-causing factors and deal with them on their own responsibility. For its part, the ACRC reviews institutional improvement plans submitted by various organizations for a corruption link, ripple effect, and level of efforts to resolve problems. The ACRC confirms new improvement tasks and notifies them of new tasks. The ACRC ensures early implementation through periodic review of both new tasks and tasks under way.

Follow-up measures for institutional improvement: The ACRC has public organization submit implementation result of institutional improvement on a regular basis, and checks implementation rate and effectiveness by comparing the result with the plan. The ACRC analyzes improvement measures by checking if they are implemented in the field, their practicality and the level of improvement felt by interested parties. If there are improvement tasks that were not implemented satisfactorily or tasks with limited improvement effects, the ACRC encourages public organizations to implement them effectively, devises supplementary measures, and reflects implementation results in the comprehensive corruption prevention evaluation.

Process of Institutional Improvement

Task selection

- Identification in advance of structural corruption-prone areas through analysis of various basic data
- Identification of operation status of related laws and systems and corruption-causing factors
- Analysis of corruption causes and problems based on collected data and selection tasks
Data collection and fact-finding investigation

- Contact with various interested parties such as related business community, complainants, experts, public officials, etc.

Identification of direct motive to provide bribery and corruption links

- Fact-finding investigation through joint task-force of related organizations if needed

Drawing up improvement draft

- Drawing up improvement draft based on basic data and result of fact-finding investigation

Opinion collection and consultation among related organizations

- For objectivity and fairness of improvement draft, opinions are collected from business community, interested parties, experts, and public officials, in addition to consultation among related organizations
- When interests conflict severely, an open discussion is held

Internal report and bringing in an agenda in the ACRC

- Based on fact-finding investigations and various opinions collected, improvement measures are prepared and then confirmed through internal reports.
- Improvement measures are brought to ACRC's sub-committee and committee of the whole before being decided

Institutional improvement recommendation & re-deliberation

- After a vote by the committee of the whole and internal approval, the ACRC gives improvement recommendations to the public organizations concerned
- When organizations concerned request re-deliberation, the ACRC carries out re-deliberation and notifies them of the result

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13 Review results from outsourced research and experts’ reviews are included in the improvement draft.
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