

# **The Assessment of Bureaucratic Corruption Control in South Korea:**

## **The Importance of Political Will in Government's Anti-Corruption Efforts**

By

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## SUMMARY

The Assessment of Bureaucratic Corruption Control in South Korea: The Importance of Political Will in Government's Anti-Corruption Efforts by Sung-Hwan Kim.

Despite various efforts at corruption control, corruption is a common phenomena in most countries. To explain the rampancy of corruption and its control, scholars concentrated various efforts on studying the causes of corruption and control strategies, along with the functions of corruption. Korea has the same difficulties because of corruption as other countries, but research was not enough and Korean scholars studied mainly fragmented aspects, such as its causes and measures such as strong punishment and adoption of corruption control agencies, etc.

However, this research focuses on the concept that the effectiveness of a certain policy depends on how strongly the government pushes it forward, which can be called 'political will'. In other words, this research stresses that political will in the process of corruption control policies is the most important variable for the success of corruption control whatever the measures adopted.

This research hypothesises that the failure of corruption control in Korea is related to the insufficiency of political will. This research defined political will as the commitment of governmental actors to undertake actions with seriousness to control corruption and to sustain those actions over time. To assess political will, this research set up two key factors, (undertaking actions seriously and sustainability), and five indicators. In addition, a framework was suggested to analyse the results of assessment by indicators.

The corruption control efforts from the First Republic to the Eighth Republic of Korea were analysed for an assessment of each of the Korean Government's corruption control efforts. The results of the assessment were as expected.

This research confirmed that political will should be strong in order that corruption control becomes successful, and the political will model works significantly in the analysis of corruption control efforts.

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# Chapter 1: Introduction

## 1.1 Purpose of Research

### 1.1.1 Introduction

Corruption has been a persistent phenomenon in most countries throughout history although found in diverse forms and degrees. Neither developing countries nor developed countries are free from corruption. Scandals, bribery and other forms of corruption in developed countries have made headlines in the Western media. Similarly, corruption in its various forms exists in the communist states of Eastern Europe and Asia as well. No regime anywhere is ever entirely free from corruption.

Nye (a functionalist theorist) believes corruption may actually improve efficiency and help growth.<sup>1</sup> In developing countries, bureaucratic corruption in particular is considered an inevitable phenomenon as government officials usually have considerable power in allocating resources.

Functionalist literature on corruption suggests that corruption is a by-product of rapid economic development and social change. It is also presumed that corruption occurs during the early stages of a country's development and that it diminishes when a country becomes more developed.<sup>2</sup>

However, empirically, it has been demonstrated that some countries have

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<sup>1</sup> Nye, Joseph S., 'Corruption and Political Development: A Cost-Benefit Analysis.' *American Political Science Review*, Vol 61, June 1967, pp.417-27

<sup>2</sup> Werner, Simcha B., 'New direction in the study of bureaucratic corruption' *Public Republic Review*, Vol. 43, No. 2, March/April 1983, p.146



successfully controlled corruption while others have experienced continuous and often more widespread corruption in the process of rapid economic growth and social development. In addition, if corruption is associated with the process of development that diminishes as a country becomes economically and socially established, corruption should be restricted to non-western countries that are commonly viewed to be less developed. However, as previously stated, corruption is not an exclusive phenomena of non-western countries in contemporary society. Therefore, corruption is not a transitional phenomenon that disappears at higher stages of economic growth and social development. Corruption can be a self-perpetuating social phenomenon that proliferates when not controlled. Thus, it is imperative to examine how corruption has been addressed within specific regions or countries to devise effective means of combating it.

Furthermore, countries all over the world are mobilizing joint efforts against corruption. The Organization for Economic Cooperation and Development (OECD) has taken a major role in this movement. In February 1999, international treaties against corruption in international businesses were put in place. The treaties had been prepared by the OECD for more than ten years. Transparency International (TI), one of the NGOs contributing to the elimination of corruption, publishes a ranking of Corruption Perception Index (CPI) of countries every year. This measures the corruption which is perceived to exist among government officials and politicians. It is clear that corruption is not limited to a specific type of country. A reputation for corruption can also affect the credit and competitiveness of a country.

The Republic of South Korea (hereafter 'Korea') is suffering from corruption like many countries elsewhere. Corruption has been one of the causes for radical change in political and public administrative history in Korea. For example, the April Revolution

(i.e. the student revolution in 1960) was a giant revolt against President Lee's corrupt republic. However, until recently, corruption has still been one of the predominant issues in the Korean media. After the experience of a severe economic downturn in 1997, the corruption of government officials was deemed to be a major factor leading to the economic crisis.

In conclusion, the elimination of corruption has become an increasingly essential factor in sustaining Korea's social / economic position. Finding ways to eradicate it is not only beneficial but vital.

#### 1.1.2 Limitations of the Studies of Korean Corruption

To date, there have been insufficient studies regarding corruption in Korea, even though corruption issues feature prominently in the media. This is because corruption issues have not attracted public concern in Korea, as they were concealed by rapid economic growth until the economic crisis of 1997. Fortunately, this economic crisis drew public attention to the origins of corruption that were linked primarily to the actions of Korean politicians and government officials.

There are several articles from overseas which have addressed this issue. Those that do, mainly focus on the causes of corruption, general strategies to control it, and on the relationship between economic development and corruption. This focus on the relationship between economic development and corruption is linked particularly to Korea's rapid economic growth that has been achieved despite widespread corruption.

Caiden and Kim<sup>3</sup> suggested a strategy to combat official corruption in South Korea. One aspect of their strategy was to institutionalise effective accountability mechanisms which include; an independent anti-corruption agency, stronger legislation, a more open government, investigative journalism, citizen watchdogs, a strengthening of the audit function, and protection for whistleblowers. Another strategy is de-bureaucratisation which may be achieved by; deregulation, privatisation, decentralisation, and improvements in public management. The final strategy is a change of administrative culture which can be done by; fostering a public service ideology, improving political morality, and promoting civic virtue with a re-emphasis on Confucian ethics.

Moran<sup>4</sup> compared the relationship of corruption to political and economic development in Korea and the Philippines. He argued that corruption is a manifestation of specific sets of state-society relations, political systems, and development trajectories. He indicated that corruption in these contexts should not be seen as a pathological phenomenon but as deeply integrated into the particular path of political and economic development. He also underlined the fact that the co-existence of corruption with economic development has, if not short-term implications, then longer-term implications, in his other case study of Korea.<sup>5</sup>

Kong analysed the relationship between corruption and economic and political change. He came to the conclusion that the effect of democratisation and liberalisation

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<sup>3</sup> Caiden, Gerald E. and Kim, Jung H., 'A new anti-corruption strategy for Korea' *Asian Journal of Political Science*, Vol 1, No 1, June 1993

<sup>4</sup> Moran, Jon, 'Patterns of corruption and development in East Asia', *Third World Quarterly*, Vol 20, No 3, 1999

<sup>5</sup> Moran, Jon, 'Corruption and NIC development: A case study of South Korea', *Crime, Law & Social Change*, Vol 29, 1999, pp.161-177

in Korea has been to strengthen one side of the government-business relationship rather than to undermine the dominance of that nexus *per se*.<sup>6</sup>

Quah analysed South Korea's experiences in curbing corruption as its political systems gradually move towards democratisation after many years of military rule. He insisted that the transition from authoritarian military rule to democratisation in South Korea had not minimised but widened the scope for corruption, which is already a way of life because of the prevalence of vote buying and low salaries of civil servants and political leaders.<sup>7</sup>

Two PhD theses undertaken at non-Korean academy deal with the issue of bureaucratic corruption in Korea. They are entitled, "A model building of bureaucratic corruption in developing countries: The case of Korea"<sup>8</sup> and "Bureaucratic corruption in the Republic of Korea"<sup>9</sup>.

The former thesis focused on building three creative conceptual corruption models: bureaucratic culture, neo-bureaucratic culture, and anti-corruption models, which can be applied to interpret corruption phenomena in Korea. In addition, it attempted to find the trends in corruption from empirical data by analysing the content of major newspapers.

The main focus of the latter thesis is to review some of the major contributing factors of bureaucratic corruption in Korea. Among many contributing factors highlighted were human nature and public attitudes. Furthermore, this thesis

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<sup>6</sup> Kong, T., 'Corruption and its Institutional Foundations: the Experience of South Korea' (IDS Bulletin 27, 2, 1996), pp. 48-56

<sup>7</sup> Quah, J. 'Combating Corruption in South Korea and Thailand' in Schedler, A., Diamond, L. & Plattner, M. eds. *The Self-Restraining State. Power and Accountability in New Democracies*, London, Boulder: Lynne Rienner, 1999, pp. 245-256

<sup>8</sup> Kim, Young -Jong, *A model building of bureaucratic corruption in developing countries: The case of Korea*, (Ph.D. Thesis, The Florida State University, 1985)

<sup>9</sup> Hwang, Kee-Chul, *Bureaucratic corruption in the Republic of Korea*, (Ph.D. Thesis, University of Southern California, 1996)

emphasised the importance of public ethics and civic virtue as effective deterrents against corruption in the future. Also, it recommended long-term and consistent strategies for the prevention of corruption.

There is also a domestic literature which has studied corruption in Korea. According to the Korean National Assembly Library and the National Library, there are several books, articles and dissertations which have studied corruption in Korea.

Existing studies examining corruption in Korea have tended to focus on: finding the causes of corruption, analysing the characteristics of corruption and suggesting anti-corruption measures to root out the causes. Causes of corruption have been linked to environmental, institutional and human factors. Most of the causes of corruption in Korea referred to in this literature are attributed to cultural factors.

For example, Jeon, Soo-Il<sup>10</sup> detected the causes of corruption in Korea by studying the cultural characteristics of Korea, and highlighted the importance of conscience and ethical conduct in reducing corruption. On the other hand, Kim Young-Jong<sup>11</sup> determined the causes of corruption in Korea after studying the political administrative system and Korean culture. Subsequently he highlighted the importance of the installation of an anti-corruption institution.

To date there has been little literature dealing with government anti-corruption policies; only three academic papers and a few articles. These studies have included two M.A degree dissertations and a PhD thesis. However, they simply explain the content, trend, and approach of previous anti-corruption policies. Nor do other articles logically

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<sup>10</sup> Jeon, Soo -Il, *Bureaucratic Corruption*, (Seoul: Sun Hak Sa, 1999)

<sup>11</sup> Kim, Young -Jong, *Corruption: Cause and Measure*, (Seoul: Soongsil University Press, 1996)

analyse government anti-corruption policies or draw conclusions for how to eradicate corruption.

Kim, Jong-Reol<sup>12</sup> and Lee, Kang-Hyuk<sup>13</sup>, in describing the contents of anti-corruption policies, simply introduced for their M.A degrees a small number of representative anti-corruption movements led by the past three governments (4<sup>th</sup>, 5<sup>th</sup> and Sixth Republic).

For his PhD degree Park, Yong-Ho<sup>14</sup> attempted to analyse and compare the policies of past regimes' to cope with corruption which analysed the approaches of political regimes since the establishment of the Republic of Korea. He suggested three methods of approach: incremental, drastic and the existing one, and described the characteristics of each approach.

In conclusion, most of the literature published has been limited in its research subjects and aims. These research studies simply analysed the outward corruption phenomena and anti-corruption policies. However, they have not studied the Governments' activities for corruption control. In other words, even if the above researchers analysed various aspects and suggested various countermeasures, they insufficiently studied actual activities of the Governments'. For example, whether the efforts of that government were enough to eradicate corruption, or, if it were not enough, why the efforts were ineffective. This research aims to discover the causes of

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<sup>12</sup> Kim, Jong -Reol, 'A study on the changing processes of policies corresponding with corruption in Korea' (M.A dissertation, Daegu : Keimyung University, 1993)

<sup>13</sup> Lee, Kang-Hyuk, 'A study for bureaucratic corruption prevention of Korean public servant' (M.A dissertation, Seoul: Dongguk University, 1996)

<sup>14</sup> Park, Yon g-Ho, 'Controlling Corruption in Korea' (PhD dissertation, Seoul: Seoul National University, 1999)

corruption's continuation through the analysis of the different aspects of Governments' efforts.

### 1.1.3 Purpose and Significance of This Study

In Korean history, for example, in the Yi Dynasty, the ideal public servant was the “poor nobleman”, a person of power whose poverty testified to his rectitude. Bribery and corruption were not approved of in Korean culture.

However, for some time now, government officials have been regarded as corrupt. Every past regime in Korea has made diverse efforts to change this undesirable situation. Why then is corruption still one of the big issues in Korea? What was the cause of the failings in the efforts of past regimes? Were the efforts enough? What will be the way for controlling corruption in the future? The purpose of this thesis is to determine the answer to these questions by assessing past governments' efforts to deal with corruption. This thesis also aims to pin point the precise limitations of previous government policy to effectively deal with corruption.

There are several causes that bring policy failure. Judging from previous research, it can be classified into three major causes; human, structural and circumstantial. Among them, the human cause can be classified into several sub-causes which include irrational attitude, sense of values of policy makers, limitation of perception ability, insufficient knowledge and information, etc.<sup>15</sup> In same ways, structural and circumstantial causes can be divided into several sub-causes. In particular,

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<sup>15</sup> Edward S. Quade, Analysis for decisions, (New York: Elsevier Science Publishing Co., 1982), pp.3-4  
An, Hae-Gyun, The principles of policy, (Seoul: Da San Publishing Co., 1986), pp.490-94

circumstantial causes can be divided into many sub-causes such as cultural, political and economic causes. Each of the above causes will have an affect on the success of the corruption control policies.

However, this research considers that the effectiveness of a certain policy also depends on how strongly the government pushes it forward, which can be called 'political will'. Political will is generally defined as the commitment of actors to undertake actions to achieve a set of objectives and to sustain those actions over time.<sup>16</sup> Therefore, it may say that 'political will' in corruption control includes both initiating the fight against corruption with seriousness in the first place, and subsequently sustaining the battle over time until results are achieved. In this research, actors are confined to so called governmental actors, such as elected or appointed government leaders and public agency senior officials whose work is related to corruption control. Therefore, political will in this research is defined as the commitment of governmental actors to undertake actions to control corruption with seriousness and to sustain those actions over time.

In other words, insufficient political will of a government is the most important cause of policy failure, because it can be said that a goal is much more likely to be achieved (than not), if the government frequently promotes the measures in a sustained fashion even under the same human, structural and circumstantial conditions. Especially, in corruption control policies, high-ranking officials and politicians' political will is considered as the more important variable to influence policy success (because it is quite within the realms of possibility that most of high-ranking officials and politicians are not free from corruption.)

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<sup>16</sup> Brinker hoff, Derick W., 'Assessing political will for anti-corruption efforts: An analytic Framework', *Public Republic and Development*, Vol.20, 2000, p 242



In other words, it is necessary to assess the government's efforts mainly from the point of political will to find out the cause of policy failure. This point of view will increase the effectiveness of a public policy which is surrounded by a complicated system. Many analysts and activists neglected to study political will in corruption control activities, though they agree that strong political will is key for the success of anti-corruption activities<sup>17</sup>.

Thus, this thesis attempts to assess Korean governments' corruption control efforts in terms of political will on the hypothesis that the political will in corruption control efforts of Korea was not enough to eradicate corruption. Past policies and the process of making those policies will be analysed systematically and logically in order to identify how appropriate these efforts were.

To this end, the initial objective of this thesis should be to identify the outline of bureaucratic corruption and institutionalisation of anti-corruption policies in Korea as a first step to analyse the past governments' corruption control efforts. The second objective should be to analyse past cultural, political and economic elements, which are related to corruption, to find out how those elements themselves affected the political will for corruption control. The final objective of this research is to find out whether the political will for corruption control of past Korean regimes was enough to root it out.

This thesis will highlight the importance of political will in the policy making process, especially in terms of corruption control policies, and suggest an integrated analytical framework in 1.4 for assessing political will that partitions the concept into a set of indicators. The framework traces the links among the indicators of political will

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<sup>17</sup> Brinkerhoff, Derick W., *op.cit.*, p.240.

and their resulting influence on the outcomes of anti-corruption reforms. In addition, this analysis will also contribute to a better understanding of Korean corruption control. Furthermore, this research will shed light on the reasons, why Korean governments have failed to identify and eliminate corruption in Korea. As mentioned above, Korean corruption studies have mainly focused on discovering the causes of corruption and the general strategies for controlling it corresponding to the causes. Almost all the previous studies did not systematically analyse Korean corruption control policies in an attempt to account for the lack of progress. This research will supplement the neglected part of Korean corruption control studies by analysing the political will of the efforts of past governments.

## 1.2 Definition of Terms

There has been interest in the subject of corruption for at least 20 years. However, there has not been a corresponding concern with the definition of corruption. Many analysts have suggested different definitions of corruption. So it is difficult to find a definition shared by scholars both because the phenomenon of corruption varies and because the concept of corruption has changed with time.

Etymologically corruption stems, from Latin origins, meaning rottenness, decay, and degeneration. Before it became the subject of modern social science, corruption was used primarily as a term of moral condemnation.<sup>18</sup> In moral terms, to corrupt means to pervert, degrade, ruin and debase. In the moral realm, an act identified as corrupt is something to be condemned. However, modern social science has not adhered to only the moral perspective on corruption.

Heidenheimer classified the definition of corruption, which has been generally accepted by scholars, into three types<sup>19</sup>: a public-office-centred definition, a market-centred definition and a public-interest-centred definition.

In the public-office-centred definition, corruption is a deviation from legalistic and public rules to get money or any other private benefit. Nye stated that “corruption is behaviour which deviates from the formal duties of a public role because of private-regarding (personal, close family, private clique), pecuniary or status gains; or violates

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<sup>18</sup> Robert Williams, ‘New concepts for old?’ *Third World Quarterly*, Vol 20, No 3, June 1999 . p.504

<sup>19</sup> Arnold J. Heidenheimer, *Political Corruption: Reading in Comparative Analysis* (New York : Holt, Reinhart and Winston, Inc., 1989), pp. 8-11

rules against the exercise of certain types of private-regarding influence.”<sup>20</sup>

This definition assumes that behaviour is corrupt when it violates some formal standard or rule of behaviour set down by a political system for its government officials. Laws and/or regulations provide the appropriate measure for government officials’ corrupt acts. While these definitions are useful for courts or tribunals, they do not cover situations in which the prevailing laws are ambiguous or out of fashion for one reason or another, but changes in laws and regulations may allow us to compare the political processes and value conflicts involved in setting rules of behaviour.<sup>21</sup>

The public-office centred definition has been criticised by many scholars as too narrow or restrictive to cover a wider range of corrupt acts. This legally based definition is not comprehensive. That is, this definition focuses only on the government official as a bribe recipient, although the briber must be involved with the corrupt act as well. In addition, it is a problem that this definition does not consider the bribery of non-governmental persons. For example, the bribery of a teacher who works in a private school is not considered corruption. In other words, it cannot account for some important determinants of corruption, such as public interest and public opinion nor does it identify which norms are important in distinguishing corrupt from non-corrupt acts. Corruption is not only the function of illegal acts and behaviours, but, it involves extralegal or even technically legal activities.<sup>22</sup> Although this definition can serve certain specific ends, it does this at the expense of other important determinants, for example, non-legal issues such as questions of judgement and opinion.

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<sup>20</sup> Recited from Arnold J. Heidenheimer, *op.cit.*, p.9

<sup>21</sup> Johnston, Michael, ‘The Political Consequences of Corruption: A Reassessment.’ *Comparative Politics*, Vol. 18, July 1986, p.460

<sup>22</sup> Berg, Larry L., Hahn, Harlan, and Schmidhauser, John R., *Corruption in the American Political System*, (Morriston, New Jersey: General Learning Press, 1976), p.6

In the market-centred definition, rent seeking is an important concept in examining corruption. Corrupt government officials are motivated to maximise their own benefit by using a public position. They regard public position as an item to be traded in a market.

Contributions in this category borrow from basic economic and market theory to establish definitions for bureaucratic corruption. Leff, when exploring the consequences of corruption on economic development in developing countries, limited his discussion to the practice of buying favours from the bureaucrats responsible for formulating and administering the governments' economic policies. As a result he defined corruption as "an extra-legal institution used by individuals to gain influence over the actions of bureaucracy".<sup>23</sup>

In the public interest-centred definition, corruption is defined as any acts that violate the public interest. Corruption involves the subversion of the public interest or the common good by private interest.

Unlike the definitions mentioned in the previous two categories, the definitions in this third category use public interest as the proper yardstick for measuring corruption. Arnold Rogow and Harold Lasswell hold an act corrupt when it violates responsibility toward at least one system of public or civic order and is in fact incompatible with (destructive of) any such system. A system of public or civic order exalts common interest over special interest; violations of the common interest for special advantage are corrupt.<sup>24</sup>

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<sup>23</sup> Leff, N. H., 'Economic Development Through Bureaucratic Corruption', *American Behavioural Scientist*, Vol.8, November 1964, p.8

<sup>24</sup> Arnold A. Rogow and Harold D. Lasswell, *Corruption and Rectitude*, (Englewood Cliffs, NJ: Prentice-Hall, 1963), p.132

This definition broadens the range of behaviour to be investigated by addressing the notion of public interest, but it also leaves us with the responsibility of determining what the public or common interest is before assessing whether a particular act is corrupt. In addition, the public interest-centred definitions allow individuals the opportunity to justify any act as “in the public interest.”

These definitions are respectively focused on a specific aspect among many diverse and complicated aspects. In addition to these definitions, there are many other definitions of corruption. However, every definition has its own limitations. Corruption in one society may not be seen as such within another society. Corruption in the past can become the target of criticism later. There is no all-purpose definition appropriate for all kinds of research, though some analysts still hope for a definitive definition. Ultimately, the definition of corruption depends on the perspective of the definers and their purpose in defining it.<sup>25</sup> Furthermore, corruption is a phenomenon, which is practised in relation to the administrative system and culture of a country, so, it can be defined in several different ways. Also, the issue of corruption should be dealt with in connection with the environment surrounding the republic.

Perry strives to analyse corruption through the juxtaposition of geography, or more specifically through cultural relativism.<sup>26</sup>

According to Perry, reliance upon culture as a source of corruption is not truly reliable as it can be too limiting. In essence, corruption is not an indigenous

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<sup>25</sup> Robert Williams, *op.cit.*, p 512

<sup>26</sup> Perry. Peter John. *Political Corruption and Political Geography*. (Aldershot. England : Ashgate, 1997).

characteristic of some cultures but rather permeates every society, regardless of cultural traditions and practices. Yet, through analysis of culture, Perry feels that the origins of traditions and specifically “gift-giving” can be a determinant of corrupt practices. Perry points to the significance of cultural relativism as a way of heightening the understanding of corruption in both developing and developed countries.

As seen in the above, the purpose of this research is to deal with government officials’ corruption. Governments actually judge government officials’ acts, whether corrupt or not, by law and code of conduct which is one of the legalistic norms. In other words, statistics cited in this thesis are the count of disciplinary punishment because of the violation of law and code of conduct. Accordingly, in this research, bureaucratic corruption is defined as the abuse of public office and the neglect of civic duty by government officials, which should be performed in accordance with Korean law and codes of conduct. This includes bribery, extortion, embezzlement, and other types of malfeasance that government officials should not carry out, and excludes corruption by other subjects, for example general civilians.

Another term that should be defined in this thesis is corruption control. Generally, the meaning of control is to restrain or adjust something. In other words, it may be said that control is based on the idea that it is possible to change intentionally the acts of an object. Controlling corruption is complicated in that corruption is difficult to control directly. A large part of the causes of bureaucratic corruption are related to the system or structure of an republic which is beyond personal cause. Therefore, a wide range of indirect ways should be used to reduce and restrain corruption. In addition, this thesis

deals with governments' anti-corruption policies. Therefore, the subject of corruption control in this thesis is restricted to the governments' efforts to limit corruption.

Accordingly, in this thesis, corruption control is defined as reform activities by government targeting of government officials, administrative systems and the environment, to reduce and restrain bureaucratic corruption.



## 1.3 Controlling Corruption

It can be said that the most difficult problem facing students of corruption is the selection of an appropriate analytical framework. As there is no single coherent theory of corruption, students of corruption have utilised a variety of approaches and conceptual frameworks to define, explain and control corruption.

This section will outline the dominant conceptual approaches to the study of corruption control, and the importance of political will, thus paving the way for devising an analytical framework in the next section.

### 1.3.1 Approaches for Corruption Control

The approaches to explain corruption phenomena are diverse. Accordingly, the strategies for controlling corruption are different in each approach. Symptomatic treatment that regards certain corruption phenomena as a sort of crime focuses on analysing the direct cause of the corruption and taking measures against it. However, it is also important to understand the indirect causes, which form the background of corruption, in order to control it.

Three kinds of major approaches can be identified from previous studies. The focus and basic logic are different for understanding and controlling corruption phenomenon in each of these three approaches.

#### a) Corruption Control by Institutionalisation

This approach is related to the standpoint that corruption is an inseparable by-

product of modernisation and development, which is generally insisted on by “functionalists”<sup>27</sup>. Generally, the interest of functionalists in corruption concerns function rather than causation. They emphasise positive functions of corruption in political and economic development rather than negative ones. For example, they insist that corruption decreases uncertainty, increases investments, raises efficiency and works as a hedge against bad policies in developing countries.<sup>28</sup>

Huntington insisted that the differences in the level of corruption that may exist between the modernised and politically developed societies and developing societies reflect their differences in political modernisation and political development.<sup>29</sup> One of the causes of corruption in his view is that modernisation creates new values which clash with the existing values of society, and behaviour which was acceptable and legitimate according to traditional norms becomes unacceptable and corrupt when viewed through modern eyes. He contended that the complications between one group who had an old sense of values and another group with differing values caused corruption.

Generally, the point that is emphasised by this functionalistic approach is the lack of institutions in developing countries. A common factor of developing countries compared with that of developed countries is that the former does not have enough

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<sup>27</sup> Huntington, Samuel P., ‘Modernisation and Corruption’ in ed. by Heidenheimer, Arnold J., etc. *Political Corruption*(New Brunswick and Oxford :Transaction Publishers, 1989), pp.377-88; Nye, Joseph S., ‘Corruption and Political Development: A Cost-Benefit Analysis.’ *American Political Science Review*, Vol 61, June 1967, pp.417-27; Bayley, David H., ‘The Effects of Corruption in a Developing Nation’ in ed. by Heidenheimer, Arnold J., etc. *Political Corruption*(New Brunswick and Oxford :Transaction Publishers, 1989), pp.935-954; Scott, James C., *Comparative Political Corruption*, (Eaglewood Cliffs, N.J.: Prentice-Hall Inc.) 1972

<sup>28</sup> Leff, Nathaniel H., ‘Economic development through bureaucratic corruption’ in ed. by Heidenheimer, Arnold J., etc. *ibid*, pp.394-97

<sup>29</sup> Huntington, Samuel P., *op.cit.*, p.377

institutions that can fulfil the increasing desires of the people in the modernisation process. That is, modernisation is the process of making institutions that are able to fill the gap between traditional norms and new values. Current institutions are still based on traditional values, whereas new values are flowing rapidly into industrialising countries where people are relying upon informal ways to fulfil their desires. These informal ways lead to corruption. For example, it is not easy to escape from the temptation of corruption when the national income and consumption rise because of industrialisation while the salaries of government officials remain at the same levels of ten years ago. It is a fact that Korea's institutional requirements were not satisfied because of growth-oriented policy. Furthermore it can be supposed that corruption was mass-produced because of incomplete institutionalisation. There are many scholars who emphasise the weakness of institutions as a cause of corruption in Korea.<sup>30</sup>

Therefore, the strategy to control corruption emphasised in this approach is to reform institutions to reflect the values, which should be instilled for a non-corrupt society. Furthermore, the criterion of assessing corruption control policies in this approach is whether anti-corruption institutions are institutionalised properly.

#### b) Corruption Control by Punishment

This approach focuses on the idea that corruption is a result of rational choice. It contends that corruption occurs when the profits from being corrupt are larger than that of the cost of being corrupt.<sup>31</sup>

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<sup>30</sup> Kim, Young Jong, *Corruption: Cause and Measure*, (Seoul : Soongsil University Press, 1996), pp.27-34

<sup>31</sup> Gardiner, John A.. and Lyman, Theodore R., 'The Logic of Corruption Control' in ed.

Generally, corruption increases with the rise of opportunities and motivation for corruption. The opportunity for corruption means how easily government officials can become involved in corruption, which is not subjective but objective reality. This opportunity would increase, for example, in the enlargement of a public servant's discretion, greater secrecy in the decision-making process and less regulation on the public servant's conduct. Motivation reflects the extent of psychological burden of the corrupt official, who judges the benefit and cost of illicit conduct. Incentive is determined by various internal and external factors, for example, the level of salary, the possibility of being detected, and the level of punishment.

The above factors can be considered on a personal level. Firstly, economic benefit and subjective satisfaction from being corrupt or not, can be earmarked as one variable. Other variables are the probability of being detected and the severity of punishment. It can be assumed that the decision to be corrupt or not is affected by the functional relation between these variables. In other words, corruption can be reduced when the intensity of punishment is increased.

This kind of approach seems to be supported by the fact that in Korea most high-ranking government officials' corruption is punished lightly<sup>32</sup>. This means that one of the reasons for current corruption in Korea is weak punishment.

#### c) Corruption Control by Cultural Change

This approach starts from the idea that corruption is a result of historically formed

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by Heidenheimer, Arnold J., etc. *Political Corruption*(New Brunswick and Oxford :Transaction Publishers, 1989), p.827

<sup>32</sup> Park, Cheol -Hyun, *A Study on the Cause of Corruption in Korea*, (Research Report 98-14, Korean Institute of Criminology, 1999), p.37

culture rather than inadequate social institutions, etc. In other words, it is said that corruption can be explained by cultural causes separate from institutions, whether it is the culture preferring objective rules to subjective judgement or not.

The aspects of culture susceptible to corruption suggested by many scholars are, for example; personal relationships, tribal and kinship loyalties, and gift giving.<sup>33</sup> Greenberg wrote, “The prevalence in the society of personalism, primary loyalties being directed toward one’s family and friends rather than toward government or administrative entity, has an important effect on the level of corruption”<sup>34</sup>. In other societies, for example in Africa, Kotecha mentioned that tribal and kinship loyalties might create a climate conducive to corruption.

.... *‘Members of the African political elite corrupt themselves not only for personal gain but also for their immediate families and for those who belong to the same kinship group or tribe that make up their clientele’...*<sup>35</sup>

The custom of gift giving is regarded as one aspect of culture leading to corruption. This gift giving culture permeating public service hinders fair execution of duty and the distinction between public and private matters.<sup>36</sup>

However, this cultural approach is being attacked by several scholars on the grounds that it is a Western-centred idea. Tignor, an African historian, points out that the

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<sup>33</sup> Klitgaard, Robert, *Controlling Corruption*, (LA: University of California Press, 1988), p.62

<sup>34</sup> Greenberg, Martin H., *Bureaucracy and Development*, (Lexington, Mass.:D.C.Heath, 1970), p.70

<sup>35</sup> Kotecha, Ken C., with Adams, Robert W., *African Politics: The Corruption of Power*, (Washington, D.C.: University Press of America, 1981), p.95

<sup>36</sup> Scott, James C., *Comparative Political Corruption*, (Eaglewood Cliffs, N.J.: Prentice-Hall Inc., 1972), pp.11-13

cultural approach is biased:

*The Europeans interviewed insisted that much of the corruption and bribery that took place was only traditional gift-giving.....that what was called corruption was the result of the misapplication of European norms of good government to quite dissimilar societies....*<sup>37</sup>

In order for the cultural approach to have validity, there are specific social conditions and cultural factors that need to be discussed. Without these, it is hard to explain the cases of some countries in which current corruption levels are higher or at least the same as the past, although the influence of traditional culture has been reduced.

Apart from the above discussion, the measures that can be adopted in this cultural approach are to change the culture of society and to instil a collective belief in anti-corruption.

#### d) Conclusion

The above-mentioned approaches each have important value within an analytical framework to explain corruption phenomena. In reality, we can see that many countries which have developed rapidly or are still developing have had severe experiences of corruption, although there are some exceptional countries such as Singapore. It is also a disputable claim that light punishment and cultures tolerant of a little corruption are some of the major reasons for the failure of effective corruption control.

In the case of Korea, many scholars point out the fact that lack of institutions, light

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<sup>37</sup> Tignor, Robert L., 'Colonial Chiefs in Chiefless Societies' in *Bureaucratic corruption in Sub-Saharan Africa: Toward a search for causes and consequences*, ed. Ekpo, Monday U., (Washington, D.C.: University Press of America, Inc. 1979), p.200

punishment and undesirable culture are some of the major reasons of continuous bureaucratic corruption.<sup>38</sup>

Each approach above has a reasonable explanative logic in its own way. At the same time, the approaches have their own limitations in explaining kinds of corruption and effective means of dealing with them. Corruption needs to be analysed by not only one criterion but by the use of various criteria. In the same way, an integrated approach needs to be adopted to control corruption effectively because the phenomenon of corruption is a result of various causes.

In addition, the above approaches placed an emphasis on the substances of corruption control activities, like high-level institutionalisation, strong punishment and cultural changes, but a government's efforts shown in the process of adopting certain countermeasures needs to be analysed as well. In reality, the effectiveness of policies is influenced by the government's efforts. It can be said that the effectiveness of a certain approach amongst the above depends on how strongly a government pushes it forward. Therefore, this research places emphasis on how strongly a government pushed forward the whole process of corruption control policies. This approach shall be called 'political will approach' in this research. In the next section, the operating logic of 'political will' in the policy process will be examined.

### 1.3.2 Causes of policy failure and political will

It may be said that the most important reason for assessing policies is that the policies expected to succeed often fail. Many researchers tried to find out the reasons

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<sup>38</sup> Park, Cheol -Hyun, *op.cit.*, p.43

for failure. By combining this body of research it is possible to classify the causes into three reasons; human, structural and circumstantial.<sup>39</sup>

a) Human Causes

The main body in policy process is the human being and the limitations of human beings function as an obstacle to rational policy process. The limitations of human beings as a subject of policy process are as follows. First, to some extent, human beings behave irrationally. This irrationality can lead to a failure to recognise social problems and, can also lead to poor decisions in the policy process. Lastly, it brings about policy failure. In addition, human beings do not have the ability to perceive circumstances perfectly. Furthermore, human beings cannot perfectly perceive a policy's circumstances which are more complicated than other social phenomenon. This makes it difficult to make a policy rationally and to solve a problem. Together with the above limitations, human beings do not have perfect knowledge and information in order to make rational policy. It is very difficult to predict the result of policies without sufficient information and knowledge.

b) Structural causes

We can say that policy is the result of reciprocal action between actors in a political structure. So, if the political structure is centralised, the power to decide policy concentrates too much upon the upper echelons. The centralised structure hinders wider

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<sup>39</sup> Edward S. Quade, Analysis for decisions, (New York: Elsevier Science Publishing Co., 1982), pp.3-4  
An, Hae-Gyun, The principles of policy, (Seoul: Da San Publishing Co., 1986), pp.490-94



participation of those who have a role to play and this makes it difficult to examine an alternative plan. As a result, the quality of policies decreases. The precedent and rules that are embedded in a certain political structure also hinder rational policy process. If the structure regards the precedent as important, there is more possibility of neglecting to detect an alternative plan. Deficiency of various resources for policy making and implementation, for example, enough time and data, will also function as a restriction.

c) Circumstantial cause

Circumstantial causation refers to all kinds of influence from outside the policy system. The relation between a policy system and the environment varies all the time, so policy makers have to commit to turn the circumstance to their advantage. To make successful policies, demand and support from outside of the political system have to be inputted without restriction. However, the countries in which the level of political development is low and in which the institutions for political participation have not been prepared usually have a weak input system. It becomes more difficult to deal with policy agenda that is related to many levels of society if a press and stakeholders' organisation has not been established. In addition, if the cultural and economic situation is negative to a certain policy, the policy has a greater possibility of failing. In this case, the efforts of people who are related to policymaking and implementation will be limited.

d) Conclusion - Political will as another cause

It can be said that the above three causes influence policy failure individually and simultaneously, as circumstances dictate. The political will of policymakers influences

overall causes including human, structural and circumstantial. If political will is weak, policy makers will not make the effort to get more information, to respond to the problem which needs to be addressed, to change precedent or to open the channel to receive demands and support.

Therefore, this research considers that the insufficient political will of policy-related individuals is the most important cause of policy failure. Especially, in corruption control policies, high-ranking officials and politicians' political will is considered as the most important variable to influence policy success.

### 1.3.3 Political Will in Corruption Control

Judging by the experience of many Asian countries such as, Singapore, Hong Kong and Taiwan, political will is a predominant factor in effective corruption control<sup>40</sup>. Kpundeh contends that 'political will is a critical first starting point for sustainable and effective anticorruption strategies and programs'<sup>41</sup>. Langseth, Stapenhurst and Pope also note the importance of political will.<sup>42</sup>:

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<sup>40</sup> Quah, Jon S. T., 'Controlling corruption in city-states: A comparative study of Hong-Kong and Singapore', in *Crime, Law and Social Change*, Vol. 22, No. 4, 1995, p.408. Kisubi, M. Mohammad, 'Involving Civil Society in the Fight against Corruption' in Rick Stapenhurst and Sahr J. Kpundeh, eds., *Curbing Corruption*, (The World Bank: Washington. D.C., 1999), p.121

Langseth, Petter, Stapenhurst, Rick and Pope, Jeremy, 'National Integrity Systems' in Rick Stapenhurst and Sahr J. Kpundeh, eds., *Curbing Corruption*, (The World Bank: Washington. D.C., 1999), p.131

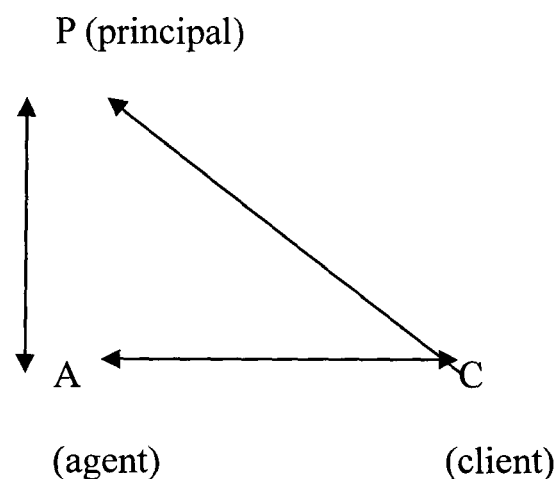
Kpundeh, Sahr J., 'The Fight against Corruption in Sierra Leone' in Rick Stapenhurst and Sahr J. Kpundeh, eds., *Curbing Corruption*, (The World Bank: Washington. D.C., 1999), p.211

<sup>41</sup> Kpundeh, Sahr J, *op.cit.*, p.211

<sup>42</sup> Langseth, Petter, Stapenhurst, Rick and Pope, Jeremy, *op.cit.*, p.131

*Fundamentally, a leader's commitment is key to successful anti-corruption policies. ....In addition to political commitment at the highest level, sustainable anti-corruption efforts must include commitment from other agents of the state as well.*

The importance of political will can also be explained by Klitgaard's corruption model. According to Klitgaard's principal-agent-client model, which is one of the useful frameworks for analysing corruption, three actors, principal (P), agent (A) and client (C), always participate in any corruption deal<sup>43</sup>.



**< Figure 1.1 > Principal-Agent-Client Model**

The principal employs an agent to provide a service to 'P' himself or to a client, and the agent interacts with discretion on the principal's behalf with a client. Corruption occurs when 'A' uses that discretion in an illicit manner for private gain. That is, corruption occurs when 'A' has undertaken some illegal transactions, for example, bribery or extortion, with 'C', and when 'A' abuses committed discretion, for example,

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<sup>43</sup> Klitgaard, Robert, *Controlling Corruption*, (LA: University of California Press, 1988), p.69

misappropriation, against 'P'.<sup>44</sup> Therefore, Klitgaard suggests several sorts of activities to reduce corruption which mainly focus on the control of the agent<sup>45</sup>. Those activities include selecting agents for honesty and capability; changing the rewards and penalties facing agents and clients; gathering and analysing information in order to raise the chances that corruption will be detected; restructuring the principal-agent-client relationship to remove the corruption inducing equation (that is, corruption equals monopoly power plus discretion minus accountability) and changing the attitudes about corruption.

In Klitgaard's model, all of the three actors, the principal (P), the agent (A) and the client (C), are in a very important position to carry out anticorruption policies successfully. First of all, it can be said that corruption control is more likely to fail if A and C are affected by a corrupt culture and have more opportunity to transact with each other to their mutual benefit. Therefore, in order for a cultural, political and economic environment to exist where anti-corruption policies can be successfully implemented A and C need to be estranged from corruption themselves. Also, 'P' occupies a vital position in curbing corruption. That is to say, 1) 'P' selects 'A', 2) P sets A's rewards and penalties, 3) also, P has the power to affect moral costs of A and C of being corrupt. In other words, in this model, the success of a policy depends on P to conduct anti-corruption policies. Therefore, no effective measure can be produced without the strong political anti-corruption will of P. On the contrary, dependence on P in the model shows that P will be an obstacle in the reform process if P is deficient in political will. In many countries, we can see that principals, for example, the Presidents or Prime Minister, lead

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<sup>44</sup> The case which C perverts against P, for example, tax evasion, is usually classified as a crime rather than corruption.

<sup>45</sup> Klitgaard, Robert, *op. cit.*, p.74

corruption control movements, whilst at the same time, they are absorbed in corruption. In those cases, most Ps have unsound political will in their corruption control activities derived from a desire to advance their own political interests.

In conclusion, it is worth analysing political will to discover one of the reasons of the failure of certain country's anti-corruption efforts. The bulk of analysis and action, however, has concentrated upon tracing corruption's complexities and devising long-term strategic interventions to reduce and eliminate corrupt practices. Despite the acknowledgement of its importance to anti-corruption activities, political will itself has received relatively little study. Hence, this thesis attempts to identify and assess political will as it relates to anti-corruption activities.

## 1.4 Framework of Analysis

This research will analyse the political will behind the Korean government's anti-corruption policy and efforts made to evaluate this policy. This section will establish an analytical framework for the purposes of further analysis.

As seen the above, political will in this research is defined as the commitment of governmental actors to undertake actions to control corruption with seriousness and to sustain those actions over time.

In conclusion, therefore, undertaking actions seriously and the sustainability for undertaking appropriate actions are two key factors to judge strong political will. It is not accurate to say that there is strong political will when judged against the observation of frequent government action to tackle corruption. It may appear that there are undertakings but these are often based upon unsound political motives. Certain republics exploited the issue of corruption control as a way to de-legitimise the previous regime, purge the opposition, manipulate the political agenda or temporarily win public support.<sup>46</sup> Therefore, contents and process need to be analysed systematically and comprehensively to assess whether political actions are sound and free of corruption.

Sustainability is also a very important factor to consider. It can be said that effectiveness is produced under sustained action. The effect of corruption control activities does not emerge in the short term. In other words, corruption control needs long-term efforts and perseverance. Nevertheless, corruption control activity that is designed for 'display purposes only' is not sustainable in the long term A government

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<sup>46</sup> Kpundeh, Sahr J., "Political will in fighting corruption" in *Corruption and Integrity improvement initiatives in developing countries*. OECD, 1998, p.94

lacking in legitimacy usually exploits corruption control activities as a means of gaining the support of the voters at the outset, without any serious intention of maintaining effective policy delivery. There is a good deal of evidence to show that many regimes, particularly in developing countries, started corruption control activities with a serious political will, but this political will has degenerated as a means of strengthening their reign.<sup>47</sup>

Therefore, this analysis focuses on two variables; seriousness of practical undertakings and the sustainability of actions in order to identify whether there has been strong political will in the corruption control activities of past Korean governments.

The former addresses the question of whether they took action to achieve corruption control with serious intentions or from other motivations such as propagandistic point scoring. In other words, it addresses the question of whether past Korean governments have seriously pursued corruption control.

In the latter, sustainability looks at how continuously they have pursued corruption control. In some periods, they have undertaken a number of anti-corruption policies, and worked enthusiastically to identify corrupt government officials using sustainable approaches, but, in other periods, this has not been the case.

In conclusion, two variables, 'serious undertaking or unserious undertaking' and 'high sustainability or low sustainability' were chosen to analyse Korea's corruption control efforts. From these two variables, a matrix can be created as follows.

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<sup>47</sup> Kpundeh, Sahr J., *ibid*, p.94

	<u>Low sustainability</u>	<u>High sustainability</u>
<u>Unserious undertaking</u>	<b>Type 1</b>	<b>Type 2</b>
<u>Serious undertaking</u>	<b>Type 3</b>	<b>Type 4</b>

Fig.1-2 Matrix of Two Variables

Types 1 and 2 are cases in which corruption control efforts were not made in earnest. For example, in Type 1, it is the case that the government has no serious intention to eradicate corruption. The intention of corruption control efforts in this type is to just show up or double purpose, that is, not only to eradicate corruption but to achieve other political effects. Generally, a government which does not have a serious intention, will not be sustainable in its actions to combat corruption. In this case, it is hard to produce substantive corruption control measures. In conclusion, the corruption control measures and other activities outlined for Type 1 are poor.

However, in some situations, even though a government does not have serious intentions, it may try to appear as though its intentions are serious and sound. For example, this may occur in response to public pressure to adopt corruption control measures and the subsequent need to maintain public support. Formal measures rather than substantial measures are usual in the case of Type 2 which is defined by this paragraph.

In contrast, if corruption control efforts are made in earnest as in Types 3 and 4, the



prospects for corruption control become much brighter than in Types 1 and 2. In Type 3, a government's undertaking for corruption control is serious, but the government does not sustain it actively for one reason or another, for example, minimising objections from interest groups. In Type 4, a government not only seriously wants corruption control, but actively sustains it. Of course, this typology is the most ideal in reducing corruption.

It is useful, therefore, to analyse the efforts of past Korean republics to control corruption by identifying which republic belongs to which category. Furthermore, this analysis can identify whether there has been sufficient political will in corruption control to effectively identify the failings of past republics.

To date, in the assessment of corruption control policies, most researchers have concentrated on the following fragmentary factors; the establishment of an independent anti-corruption agency, well-planned long-term measures, an anti-corruption act and the need for confidentiality.

However, it can be said that successful outcomes from corruption control activities do not arise from individual piecemeal measures alone such as the strengthening of detection, punishment and improvement of institutions. It is, instead because corruption control efforts bear fruit through the reciprocal relationships established within social, political and economic spheres. In this case the surrounding factors, which influence the outcome of government policy, become more important, especially, in terms of South Korea whose politicians lied during the course of rapid political and economic development.

Therefore, to assess corruption control policies of a country, it is necessary to

analyse policy and policy processes together. It is also necessary to find which factors affect the policies and how effectively the government controlled and utilised the factors, using strong political will.

The principal purpose of the assessment of political will is to distinguish between superficial or formal efforts that are intentionally designed only to bolster the image of political leaders and substantive efforts that are based on strategies to create change, and between high sustainability and low sustainability.

It is extraordinarily difficult to make a judgement on the sincerity of a policy. It is not easy to say how serious or genuine the intentions of political leaders or policy-makers have been in a certain policy area, and particularly in the formulation of corruption control policies. People rarely make their motives or the background of their policy decisions explicitly known. Rather it is left unexplained or apt to remain secret. Therefore, the availability of relevant data in this field is very limited and it will be quite difficult to form a comprehensive analysis.

Then, how can we assess the variables of political will, that is, seriousness of undertaking and extent of sustainability? Political will refers to the intent of actors to attack the manifestations and causes of corruption in an effort to reduce or eliminate them. As seen the above, it is defined as the commitment of actors to undertake actions to achieve a set of anti-corruption policies and programmes, and to sustain those actions over time. It is possible to identify several indicators that demonstrate the relative extent of political will. However, too many diverse indicators can be extracted from various dimensions and would overlap.

This research suggests the following comprehensive indicators that are related to the seriousness of undertaking and the extent of sustainability. These indicators are

extracted from both the contents of corruption control policies and through the process of their implementation, because political will is mostly related to the intention of decision-makers and often manifests itself during the policy making process. Thus, it is necessary to look into both the contents of policies and the process in which policies are established.

The indicators suggested in this research to assess the seriousness of political undertakings and the extent of sustainability are a) Degree of Seriousness on the Initial Stages, b) Target Rank and Credibility of Sanctions, c) Long-Term Strategy, d) Frequency of Efforts, e) Mobilisation of Support.

Each of these five indicators is related to both variables, undertaking and sustainability, but the first two indicators are usually related to the seriousness of undertaking and the last two indicators are usually related to sustainability. The middle indicator, Long-Term Strategy, is related to both variables.

The case that has high score of all five indicators means most strong political will. In using these five indicators to assess and measure political will, it is important to take into account them together. This means that a low score on one or two of the indicators does not necessarily signal a complete absence of political will. For example, some governments can progressively commit to reform without any Mobilisation of Support.

#### a) Degree of Seriousness on the Initial Stages

A good beginning is very important for a good ending. In the same way, the effectiveness of the corruption control efforts depends on how serious the government was when commencing its actions. Therefore, the degree of seriousness at the outset is the first indicator to assess corruption control. Further sub indicators can be identified

as: the recognition of the serious realities of corruption and the degree of analytical rigor.

a-1) Recognition of the serious realities of corruption

The most important element for effective corruption control is correct understanding of the serious realities of corruption. This is the starting point of the policy making process and for establishing strong political will. In the case of corruption phenomena, the recognition of the serious realities and harmfulness of corruption by a political leader is important in that it is generally considered that the revealed parts of corruption are less than the hidden parts. Many scholars agree with this standpoint. For example, Quah stresses that recognition of the seriousness of corruption by political leaders is the critical factor for guaranteeing the effectiveness of corruption control policies.<sup>48</sup> Klitgaard emphasizes that the recognition and diagnosis of a problem is the first step for establishing strong political will.<sup>49</sup> Therefore, it can be said that an effort to get accurate recognition of corruption symptoms is essential to create strong political will.

a-2) Degree of analytical rigor

Another sub-indicator, degree of analytical rigor, entails the extent to which the reformer, or reform team, undertakes an in-depth analysis of corruption and its cause and uses that analysis to design a technically adequate and politically feasible reform programme. Has the reform team sought to recognize the complexities that give rise to corrupt behaviour? Has the team analyzed the costs of corruption and weighed those against the costs of combating particular types of corruption? Reformers who have not

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<sup>48</sup> Quah, J.S. T., Singapore's Experience in Curbing Corruption, in Heidenheimer, A.J. (ed), Political Corruption, (New Brunswick: Transaction, 1990), p.849

<sup>49</sup> Klitgaard, Controlling Corruption, (LA: University of California Press, 1988), p.17

gone through these analytical steps, and/or who advocate actions that are clearly insufficient to address the ‘problems (e.g., symbolic purges of a few corrupt officials), demonstrate insufficient willingness to pursue change. The above indicators would aggregate the answers to these questions into rankings using a high—low continuum.

#### b) Target Rank and Credibility of Sanctions

The sincerity of political will immanent to policy can be measured by observing the rank of government officials targeted by the policy and the extent of sanctions made. It can be said that the government which has weak political will is more lenient toward corrupted high ranking officials, whereas low ranking officials have a tendency to be punished more severely. So, we can judge political will by the rank of officials targeted by the policy, and how many high rank government officials are punished.<sup>50</sup>

In terms of indicators, the rating continuum would run from strong application of highly credible sanctions, associated with a greater degree of political will, to weak application of ineffective sanctions, signifying a lesser degree of political will.

#### c) Long-Term Strategy

It is a well-known fact that corruption is a phenomenon that is affected by many kinds of causes and needs various measures to cure it. Corruption control efforts in order to show visible outcomes in the short term focus mainly on the improvised punishment of completed corruption and publication itself. In other words, if there is strong will to eradicate corruption, the long-term efforts to cure the causes of corruption

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<sup>50</sup> Kpundeh, Sahr J., "Political will in fighting corruption" in *Corruption and Integrity improvement initiatives in developing countries*. OECD, 1998, p.100

should be followed.

Long-Term Strategy includes time and cost consuming efforts. Institutionalisation and long-term plans are also helpful to sustain corruption control efforts. Without long-term plans, it will be very hard to continue corruption control because corruption is mostly related to power holders and they will try to obstruct corruption control efforts if the efforts are not based on long-term plans.

Anyway, active Long-Term Strategy not only show that an republic's political will is serious, but also make corruption control activities able to be continuously effective. Therefore, as the other indicators, Long-Term Strategy would signal more political will, whereas one-shot effort would indicate less political will.

#### d) Frequency of Efforts

This indicator is related to the sustainability of political will. Generally, it is possible to assume that goals are more readily achievable through sustained efforts. Even though policy makers want to eradicate corruption, they cannot realise their ideal without frequent action. Undertaking actions such as publishing policies and detecting corrupt officials need to be sustained throughout a whole period for it to be seen as sustainable.

#### e) Mobilisation of Support

This indicator firstly deals with whether the government has developed a strategy that is participative and incorporates the interests of important stakeholders. To obtain sustainability in corruption control, it is necessary to achieve the support of the public and key stakeholders. It includes, for example, the participation of civil society in

policy-making and implementation, and the support of government officials. While leadership is crucial to the implementation phase, shared responsibility is equally essential in ensuring sustainability. Participation of stakeholders is time consuming, but it enhances opportunities for success. Therefore, when the government has a stronger political will, it is more likely to consider a participative strategy.

## 1.5 Methodology

As mentioned above, the objective of this research is to assess the levels of political will for corruption control in Korea. Furthermore, it seeks to understand why, in spite of an apparent continuous commitment, corruption control efforts have not achieved any kind of startling results. To achieve this objective, it is necessary to analyse the overall efforts of past Korean governments to control corruption. However, it should be noted that these Government efforts include both direct and indirect policies.<sup>51</sup> The indirect policy efforts are broad in range, are of too wide a scope to analyse and not being directly related to political will for controlling corruption (in as much as the published primary intention of those policies was something other than corruption control), are therefore excluded from this research.

This research is limited to analysing direct corruption control efforts, for example, those policies which were explicitly published for the purposes of corruption control and law-enforcement. Even when limiting research to those records of direct corruption control efforts, it is still impossible to examine the whole range of records because they are simply so large in number. Therefore, this research mainly concentrates on the documental records, such as White Papers, which were published by the governmental agencies directly related to corruption control, such as the Ministry of Justice, the Police Agency, the Prosecutor's office, the Commission Against Corruption, and the Ministry of Government Republic. In addition where pertinent, this research draws upon supplementary records, such as a collection of President's addresses, which were

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<sup>51</sup> In this research, 'indirect policies' means all the other government's policies whose primary intention was not corruption control. However it can affect on corruption control efforts indirectly.



published by the secretary's office for the President, the Prime Minister's Office, and the Ministry of Public Relations, etc. Furthermore, this research collects additional data about corruption cases and attempts to control them from sources such as newspapers, precedent researches and articles. Among the large amount of data in the collected records, necessary data will be selected in the light of the indicators, previously suggested in section 1.4.

This research sets out to assess the political will which is inherent in corruption control efforts of many republics of Korea, and so relies on objective data which was published as policy. Therefore, a document method is an efficient way to carry out this research in order to find out the objective intention of a government. Data collection of the existing data by using a document method will be useful for historical research (such as comparisons over time), and has the advantage of being unobtrusive. From other methods, like interview or questionnaire methods, it is possible to collect more in-depth information about policy processes, however information, which was not published as policies, is not a completed policy which can affect on corruption control, so, it is not judged to be the direct object of this research for assessing a particular government's policies.

This research at its core adopts a qualitative approach to analyse the collected data based on the framework which was suggested in section 1.4, supplemented using quantitative analysis in some parts.

This research adopts a relative assessment between many republics because it is very difficult to find absolute criteria to assess whether a certain republic's political will is strong or not. Therefore, a historical analysis is used to carry out a case study on Korean corruption control policies. In order to assess the efforts of past republics,

each discrete republic (adjudged by the highest political leader) will be considered in turn. However, several republics need to be analysed in the same phase because some republics have held power for a short period of time or have a similar situation and policies as their predecessors. Therefore, in the course of this analysis, six distinctive phases were discernible in the period of 1948 to 2002:

Phase I (1948-1961, 1<sup>st</sup> and Second Republic),

Phase II (1961-1979, Military junta, 3<sup>rd</sup> and Fourth Republic)

Phase III (1979-1987, Fifth Republic)

Phase IV (1988-1992, Sixth Republic)

Phase V (1993-1997, Seventh republic)

Phase VI (1998-2002, Eighth Republic).

The main body of this research is the analysis of each phase, based on the established analytical framework.

In conclusion, this research is formulated to assess the political will which is inherent in direct corruption control efforts enforced over the last fifty years by successive Korean Governments. For this analysis, this research relies largely on a document method through analysing the records of activities undertaken by past Korean governments.

## 1.6 Organisation of the Thesis

This thesis consists of two parts with eleven chapters. In the first part, from chapter One to chapter Four, it introduces the basic idea of this research and suggests a theoretical framework for the research of bureaucratic corruption control in Korea, based on the literature review.

Chapter One briefly introduces the purpose, definitions of terms and methodology used in this research. In addition, this chapter suggests the framework of analysis for assessing political will in the process of corruption control efforts.

Chapter Two provides an overview of the circumstances of each of the Korean Republics to give a basic understanding of Korea. This chapter also chronicles the magnitude and characteristics of Korean bureaucratic corruption.

Chapter Three describes the relationship of corruption to several dynamic elements in Korea, such as culture, politics and the economy. This chapter explains the complexity of Korean corruption.

Chapter Four explains how the institutionalisation against corruption has been cultivated in Korea.

In the second part, from chapter Five to chapter Six, the efforts of the Korean government to control corruption will be analysed based on the above framework, and

several suggestions will be made for the future of corruption control in Korea.

Chapter Five examines the period of 1948-1961, in which the 1<sup>st</sup> and Second Republics lost power due to rampant corruption.

Chapter Six deals with the period 1961-1979, the 3<sup>rd</sup> and Fourth Republics, in which a military coup took place by General Park under the flag of eradicating corruption. However, on the other hand, this period provided the root of bureaucratic corruption because government officials had a great deal of discretion in the process of rapid economic development.

Chapter Seven analyses the period 1980-1987, the Fifth Republic, in which President Chun who was another former General took power. In this period, a big social reform movement was conducted to eradicate corruption.

Chapter Eight analyses the period 1988-1992, the Sixth Republic, in which the other President Rho who was also a former General took power. However, the President was directly elected by the people.

Chapter Nine deals with the period 1992-1997, the Seventh republic, in which a real democracy had been established in Korea. A genuine civilian candidate, who had no previous professional military career, was elected president. He tried to reform administrative and political situations in many ways.

Chapter Ten deals with the period 1997-2002, the Eighth Republic, in which power was changed, for the first time, from the party in power to the opposition party.

Chapter Eleven summarises the research in order to draw a conclusion. Shifts not only in corruption control policies but also in the political will for corruption control are discussed. In addition, this chapter examine the value of this research.

## **Chapter 2: Circumstances of Korean republics and the Extent of and Trends in corruption of Korea**

This research aims to assess the political will of corruption control efforts in Korea. To do this, it is necessary to form a general overview of corruption in Korea.

In the past, particularly until Korea had a President elected directly by the people in 1988, many people did not believe that the government's efforts to eradicate corruption would succeed, because they doubted the sincerity of the government's efforts. Several Presidents took power only with the backing of the army. They constantly tried to get the support of the people by various inducements, such as economic development and corruption control, to compensate for the weakness of the orthodoxy of their power. To develop these inducements, they needed the assistance of government officials, so, at the time, it was not convenient to launch genuine corruption control measures against government officials.

In addition, Korea is a country whose economy has been developed through government initiative since 1950. In the course of development, government officials had a lot of power to distribute resources, and, as a result of that power, the situation was not favourable to maintain governmental departments without corruption. However, since Presidents have been elected democratically without the backing of military power and the economy has been developed to some extent, the situation has changed.

Therefore, we need to understand the social, political and economic contexts of previous Korean republics to achieve the desired objectives of this thesis. This chapter, first, describes the social, political and economic situations of previous Korean republics. This will provide information to ascertain the particular circumstances that

gave rise to corruption and how effectively the republics were able to deal with it. Secondly, this chapter describes the causes, magnitude and characteristics of bureaucratic corruption in Korea in order to provide greater understanding of the phenomenon.

## 2.1 Circumstances of previous Korean republics

As mentioned in the first chapter, divergent views emerge in the determination of whether it is the presence or absence of social, political and economic stability that contributes to policy reform success. Some analysis contends that periods of crisis and shock are conducive to reform making, including corruption control activities, while others argue that economic and political crises undermine leaders' will to consider and engage in difficult reforms such as mitigating or eliminating corruption.<sup>52</sup>

Nevertheless, Korea has experienced a great many changes in politics as well as in its economy, such as rapid economic growth and transition to democracy. With a centralised power structure, the government played a critical role in this process. Strong government and weak civil society were typical features during the rapid economic growth period.

The purpose of this section is to outline the historical circumstances surrounding republics. In doing this, this section attempts to examine how the role and status of government officials have changed and what impact these changes have had on corruption and its control.

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<sup>52</sup> Brinkerhoff, Derick W., 'Assessing political will for anti-corruption efforts: An analytic Framework', *Public Republic and Development*, Vol.20, 2000, p.245

### 2.1.1 The newly established republic and reconstruction period (1948-1961)

The period from 1948 to 1961 in Korea was stirred up by many political events. After the liberation from Japanese totalitarianism in 1945, Korea has officially been divided into the South and the North since the southern part, which had been under the control of United States Army Military Government in Korea after the end of World War II in 1945, alone had a separate election in 1948.<sup>53</sup> South Korea, with a newly established government, adopted a new political system that she had never had in four thousand years of history. Chosun dynasty, which ruled the Korean peninsula before Japanese rule, was a pre-modern society ruled by an absolute monarch. The new government was a mixed form of the Presidential system and the cabinet system.<sup>54</sup>

The political system of South Korea can be characterised by what is called “tutelary democracy”, which combines “democracy” in theory and “autocracy” in practice.<sup>55</sup>

South Korea adopted both the formal norms of the democratic polity - universal suffrage, freedom of association and of speech and publication and the like - and the structural form of democracy based on the principle of checks and balances and separation of powers among three branches of government - executive, legislative and judiciary<sup>56</sup>. In practice, power was highly centralised in the executive branch and the

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<sup>53</sup> The Union of Soviet Socialist Republics, which had occupied the northern part since 1945, refused to participate in the national election. For more information, see George McAfee McCune, *Korea Today*(Cambridge: Harvard University Press, 1950), p.252

<sup>54</sup> B yun, Tae-Sub, *An introduction to Korean history*(Han Guk Sa Tong Ron),(Seoul: Sam Young Sa, 1988), p.503

<sup>55</sup> Yoon, Woo Kon, *Korean Public Bureaucracy*, (Seoul, Korea: Sung Kyun Kwan University Press, 1982), p.80

<sup>56</sup> Yoon, Woo K on, *Ibid*, p.80



President as a chief executive. The legislature tended to be relatively powerless. The judiciary made few independent decisions. Local self-government was non-existent<sup>57</sup>.

The new republic had to face serious challenges from the leftists, who opposed the establishment of a separate government in the South. There was a series of leftist revolts; a full-scale guerrilla war on Cheju island, and subsequent uprisings in Yosu and Sunchon. These revolts were repressed by the police. Under these situations, the republic was able to use coercive powers through the enactment of laws, most notably the National Security Law (enacted in December 1948). In addition, the Korean War, from 1950 to 1953, was a great psychological shock. As a result of the fear of war and communism, anti-communism and national security became a hegemonic ideology. The ideology of national security was exploited by the Seung-Man Lee regime to deal with the ideological conflicts, and leftist movements were ruthlessly suppressed under the flag of anti-communism. The Lee regime used to resort to these coercive powers not only to suppress leftists but also to silence its opponents under the banner of maintaining liberal democratic order. The Lee regime created another source of political challenge to its political legitimacy by excluding even the conservative opposition from politics.<sup>58</sup>

The Lee republic showed the characteristics of arbitrary dictatorial rule, by abusing government power, including the police. The constitution was amended three times in order for Lee to be re-elected as President. The administrative, legislative, and judiciary branches came under Lee's dictatorship. The focus of government building was on the

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<sup>57</sup> Yoon, Woo Kon, *Ibid*, p.80

<sup>58</sup> Choi, Jang-Jip, 'Political Cleavages in South Korea' in Choi, Sang-Yong (ed.), *Democracy in Korea* (Seoul: The Korean Political Science Association, 1997), pp.187-88.

restoration of security-related institutions such as the police and the military. By mobilising these institutions, the Lee regime established dictatorship, rather than a democratic government.<sup>59</sup> In conclusion, the political situation of this republic contributed to the abuse of government power and growing corruption.

Sung-Joo Han contends that many factors contributed to the formidable power and corruption of the government. Firstly, because of the Confucian belief system, the majority of Korean people at the time were used to conforming and obeying the government. Secondly, there was no strong social organisation which could challenge the authority of the government, while the highly centralised police organisations and administrative bureaucracy contributed to the supremacy of government power. Thirdly, the existence of a communist threat from the north, as well as from within South Korea itself, provided the government with a favourable situation to abuse its power. All this was an obstacle to the solid development of democracy, giving an advantage to the Lee regime, which attempted to perpetuate its rule by dictatorship.<sup>60</sup>

On the other hand, the Korean economy was devastated by the Korean War, which destroyed almost two-thirds of all productive capacity.<sup>61</sup> With most of the industrial base and agriculture destroyed, the scarcity of necessities caused high inflation. The main policy goals in this period were to reconstruct the infrastructure and industrial

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<sup>59</sup> Kim, Suk-Jun, *The Government, Public Policy & NIC Development*, (Seoul: Dae-Young Munhwasa, 1988), p.232

<sup>60</sup> Han, San g-Joo, 'South Korea: Politics in Transition' in Choi, Sang-Yong(ed.), *Democracy in Korea* (Seoul: The Korean Political Science Association, 1997), p.24

<sup>61</sup> Lawrence B. Krauser, 'The Political Economy of South Korea: Fifty Years of Macroeconomic Management, 1945-1995,' in Cha, Dong-Se, Kim, Kwang-Suk, & Dwight H. Perkins, *The Korean Economy 1945-1995: Performance and Vision for the 21st Century*, (Seoul: Korea Development Institute, 1997), pp.108-9.

facilities destroyed by the war, and to stabilise prices. Many of the post-war reconstruction programmes were assisted by foreign aid. Between 1953 and 1960, assistance from the United Nations was in the region of \$120 million.<sup>62</sup>

Economic growth in this period was disappointing. The Korean economy had almost the same industrial structure in 1961 as it had in 1953. The economy was still dominated by agriculture. The manufacturing sector was mostly composed of light industries and remained relatively underdeveloped.<sup>63</sup> The period began and ended with agriculture and other primary production. Thus, Korea remained an agricultural economy throughout this reconstruction period. Instead of economic development, the Lee regime mainly concentrated its efforts on security maintenance and power-seeking. Furthermore, it did not have efficient and effective institutions, economic policy tools and networks to pursue economic growth. Under these circumstances, it is no wonder that many kinds of corruption cases occurred within every field.<sup>64</sup>

At last, a student revolution toppled Lee's republic in 1960, and the Second Republic, Chang regime, was established. The April Student Revolution in 1960 was an unprecedented event in that the people's power toppled a regime that could not meet the

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<sup>62</sup> Mason, Edward S., Kim, Mahn-Je, Perkins, Dwight H., Kim, Kwang-Suk & Cole, David C., *The Economic and Social Modernisation of the Republic of Korea* (Cambridge, Mass.: Harvard University Press, 1989), p.93

<sup>63</sup> Nam, Sang -Woo & Kim, Jun-II, 'macroeconomic Policies and Evolution', in Dong-Se Cha, Kwang-Suk Kim, & Dwight H. Penkins, *The Korean Economy 1945-1995: Performance and Vision for the 21<sup>st</sup> Century*, (Seoul: Korea Development Institute, 1997), p.148

<sup>64</sup> There were many big and small corruption cases in the First Republic. There are cases that over two hundred tax collectors were disciplined together and some of Ministers, like Jae-Sul Jung, the Minister of agriculture and forestry, Hae-Jung Park, the Minister of Transportation, were suspected of bribery.

demands of its people. The major demands of the people on the regime were political democracy and economic development to meet basic needs rather than authoritarian dictatorship. This April Revolution, however, was self-limiting, because the core members of the revolutionary group were students, intellectuals, and the urban lower class. Although it succeeded in overthrowing the dictatorship, it failed to take over the new government, as most of the students immediately returned to their campuses after Lee's step down. The revolution brought a new turning point in the development of political socialisation. However, this Second Republic failed to take strong action against the corruption of Lee's republic. This caused political and social chaos again.<sup>65</sup>

The failure to repress radical leftist agitation and to settle social turmoil alienated the Chang regime from most supporters of liberal democracy, because of prevailing anti-communism amongst most of the population. Lacking any independence, even from its own supporters, the Chang regime could not reconcile the conflicting demands from left and right, and failed to maintain order.

It is a well known fact that the Chang regime tried to give its first priority to economic development. It devised a comprehensive five-year economic development plan, but could not implement it because of low government capacity. Due to all these factors, the Chang regime was later criticised as weak and ineffective by the military coup leaders. Failing to solve the socio-political turmoil, the Chang regime was overthrown by a Military Revolution, led by General Park Jung-Hee, on 16 May 1961.

In the above two republics, the bureaucracy was the chief tool for the maintenance of power. The public bureaucrats were also authoritarian in an autocratic politico-

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<sup>65</sup> B yun, Tae-Sub, *op.cit.*, p.512

bureaucratic environment.<sup>66</sup> These political, economic and social circumstances were very vulnerable to corruption and did not provide enough motives to control corruption.

#### 2.1.2 Park's authoritarian regime and Economic growth (1961- 1979)

The military Revolution of the 16th May 1961 toppled the Chang government under the banner of 'Modernisation of the Country', accusing the civilian leadership of being corrupt, incapable of defending the country from internal and external threats of communism, and unable to perform economic and social transformations.

Martial law was proclaimed and remained in force until late 1963. For the military leaders, the most urgent task was to establish a secure basis for its political power. For this purpose, it was essential to improve economic conditions in order to secure the legitimacy of the regime.

With the declaration of martial law, the military banned all activities of political parties and unions, in order to break the political networks of the former regime. In July, a Revolutionary Court and Prosecution were established to try those accused of various crimes, including corruption and the illicit accumulation of wealth.

The bureaucracy and military were not immune from 'the movement for purification'. 2,000 officers were retired, including 40 generals. The newly established Korean Central Intelligence Agency (KCIA) screened 41,000 government officials, and found

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<sup>66</sup> Yoon, Woo -Kon, *op.cit.*, p.81-157

that 1,863 had been involved in corruption and anti-revolutionary activities.<sup>67</sup>

Most of the people were disappointed at the inefficiency of the Chang regime, while the military's effort to get legitimacy through mobilisation was successful. Above all, a weak civil society helped to consolidate the new regime's political power basis. The business community was weak and the working class was small and unorganised, because of poor socio-economic conditions, as seen above.<sup>68</sup>

After the April Revolution, the three major demands from people were corruption control, political democracy and economic development. As seen from the socio-economic conditions described above, an average Korean earned a mere \$80 or so a year in 1961. Economic development became the primary objective of the military regime in this socio-economic environment, and it was regarded as the main factor that would legitimise the new government.

In an effort to consolidate political power and establish an institutional framework to pursue economic growth on a secure political basis, the military created several institutions. Firstly, a Supreme Council for National Reconstruction (SCNR). This was superimposed on the existing bureaucratic structure, by holding all powers of the three branches of government as a step towards building a new Third Republic.<sup>69</sup> Secondly, the Korean Central Intelligence Agency (KCIA) was created as a pre-emptive political organisation, under Kim Jong-Pil's leadership, on the 10th June 1961. With the creation

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<sup>67</sup> Stephan Haggard, Byung-Kook Kim, & Chung-In Moon, *The Transition to Export-Led Growth in South Korea, 1954-66*, *World Bank Working Paper* WPS 546, November 1990, p.14

<sup>68</sup> Alice H. Amsden, *Asia's next giant: south Korea and late industrialisation*, (Oxford Univ. Press, 1989), p.147

<sup>69</sup> Kim, Suk-Jun, *op.cit.*(1988), p.318

of the KCIA, the core group of the coup maintained a dual system of power. Most of the younger colonels of the 8th class of the Korean Military Academy were in this apparatus, penetrating all aspects of Korean society, while higher Generals acted in formal managerial posts, such as SCNR and ministries.<sup>70</sup> At first, the KCIA worked as an anti-coup apparatus, as well as an internal power security force. Thirdly, the Democratic Republican Party (DRP) was created under the instruction of Kim, Jong-Pil, using the organisation of the KCIA as a basis. In terms of its constituents, DRP seemed to have a wide range of support, representing every social class.

Thus, with the creation of KCIA and DRP, the Park regime was able to maintain an efficient control system. With the support of these two organisations, Park was able to win the Presidential election in November 1963.

Park succeeded in being re-elected in the 1967 Presidential election. This victory owed a lot to the successful performance of economic development, which will be discussed later.

In order to remain in power, President Park amended the Constitution several times. In 1969, he revised the section of the Constitution restricting the presidency to two four-year terms. This seriously undermined the legitimacy of the regime.<sup>71</sup> In the 1971 Presidential election, President Park defeated, by a narrow margin, the chief opposition candidate, Kim Dae-Jung who received 46 percent of the valid votes cast.<sup>72</sup>

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<sup>70</sup> Jang, Dal-Jung, 'Je 3 Konghwaguk gwa Kwenwijuichuk Keundaehwa'[The Third Republic and Authoritarian Modernisation], in An, Chung-Si (ed.), *Hyundai Hanguk Chungchiron* [The Politics of Modern Korea] (Seoul: Bummunsa, 1995), p.243.

<sup>71</sup> Han, Syung-Joo, op.cit.(1983), p.33

<sup>72</sup> Sohn, Hak-Kyu, *Authoritarianism and Opposition in South Korea*, (London: Routledge, 1989), p31

In October 1972, the President proposed the 'Yushin Constitution', announcing the Special Declaration to change the Constitution. The 'Yushin Constitution' was an autocratic system, in that the power of the three branches (*the* executive, the legislative, and the judiciary) was concentrated in the President. According to the 'Yushin' Constitution, the President was elected by an indirect election of the National Conference for Unification, enabling Park's continued stay in power. The President had the right to appoint all the judiciary and one-third of the Assemblymen in the National Assembly.

Although, throughout Park's era, there had been a series of demonstrations and strikes by the students, intellectuals, and the press, he could repress the opposition effectively via the instrument of the KCIA, the military, and government bureaucracy.

However, the large-scale protests by students and citizens in the cities of Pusan and Masan seriously undermined the political legitimacy of the Park regime, which had been secured by rapid economic growth.

During the Park regime, economic development and state strengthening proceeded rapidly. On the 1st January 1962, barely six months after the military take-over, General Park, in his capacity as chairman of the Supreme Council for National Reconstruction, announced with great fanfare the "First Five-Year Economic Development Plan, 1962-1966". Park evidently decided to risk his own future and that of what was called "military revolution" on this comprehensive economic initiative in the hope of justifying his military coup and legitimising his regime.<sup>73</sup> He quickly committed the

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<sup>73</sup> Oh, John Kie -chiang, *Korean Politics*, (Ithaca and London: Cornell University Press,



full weight of his power and that of his military junta in support of the unprecedented economic plan. It was an audacious legitimisation by economic growth. Park launched the Economic Planning Board (EPB) in July 1961, which was designed to be Park's central headquarters to co-ordinate economic development. In the process of this economic development, government officials adopted the central role.

With few natural resources and a small domestic market, the Park government shifted from the ISI (Import Substitution Industrialisation) to EOI (Export Oriented Industrialisation) policy, an outward-looking development strategy, aiming at promoting economic growth through expansion of exports. The Park government began by promoting labour-intensive manufacturing exports in which Korea had a comparative advantage. This government-led developmental strategy was carried out via a wide range of government intervention in the market economy.

With the announcement of the ambitious First Five-Year Economic Plan (1962-1967) in January 1962, the Park regime took comprehensive measures to promote exports.

The government provided a series of incentives: extensive direct export subsidies; a variety of tax exemptions; low rates for public utilities; tariff rebates for import destined for re-export; simpler customs procedures; and accelerated depreciation allowances.<sup>74</sup>

This aggressive government intervention in the market economy proved to be successful.

With the results of drastic changes in policy goals and institutional structure, the Park

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1999), p.52.

<sup>74</sup> Suh, Sang-Mok, 'The Economy in Historical Perspective,' in Vittorio Corbo & Sang-Mok Suh (ed.), *Structural Adjustment in a Newly Industrialised Country: The Korean Experience* (Baltimore, London: Johns Hopkins University Press, 1992), pp.11-12.

government attained a real growth rate of 8.5 percent, exceeding the target of 7.1 percent, for the First Five-Year Economic Plan.

This was a surprising performance at the time because of poor performance during previous years.<sup>75</sup> Such economic performance gave the Park regime a landslide victory in the 1967 Presidential election, which indicated a popular consensus for the necessity of economic growth.

With this strong goal-oriented planning and implementation of policy, the Park government was able to attain a real growth rate of 9.7 percent in the Second Five-Year Economic Plan (1967~1971).<sup>76</sup> During this period, President Park made a resolute effort to build an integrated iron and steel mill at Pohang, together with plans for a nationwide road network infrastructure, centring on the Seoul-Pusan Express Highway.<sup>77</sup> The average annual growth rate of real GNP between 1963-1971 was 9.5 percent, which was more than double the 1954-62 average. On a per capita basis, real growth for the period was about 6.9 percent, compared to 0.7 percent for the period 1954~62.<sup>78</sup>

During 1971-1979, including Third Five-Year Economic Plan (1972-1976), the average annual growth rate of exports and GNP was 9.6 percent.<sup>79</sup>

During the Park regime, the Korean government bureaucracy had assumed strenuous and overwhelming tasks of managing and guiding socio-economic development, as the prime instrument for the achievement of national development. Since the early 1960's,

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<sup>75</sup> Economic Planning Board, *Kaebal Yondae ui Kyungje Jeongchack* [The Economic Policy of the Economic Development Period] (Seoul: Miraesa, 1982), pp.358-359.

<sup>76</sup> *Ibid.*, pp.360-361.

<sup>77</sup> Lee, Hahn-Been, 'Korea Development Revisited,' in Choi, Sang-Yong (ed.), *op. cit.*, pp.100-101

<sup>78</sup> Suh, Sang-Mok, *op. cit.*, pp.13-14

<sup>79</sup> Suh, Sang-Mok, *op. cit.*, pp. 19-20.

the Korean administrative system has served as the central instrument of the governing elite whose utmost aspiration has been the fast achievement of national development goals. The public bureaucracy has long suffered from discrepancies between the expected level of performance and its actual capacity to deliver. The administrative system has been hard pressed by the extrinsically imposed burden of development republic; it has been pushed by political aspiration for rapid development and challenged by economic development programs. With the beginning of the 1970's, the administrative system itself gradually emerged as a basic policy issue of the government. At that time, the *Seo Jung Soai Sin* movement (Government's Purification Campaign) was launched. This movement had significant strength to mark an epoch in the development history of the Korean administrative system which had struggled to carry out overwhelming tasks especially when faced with the administrative modernization tasks of 1980's. The movement had basic value premises like efficiency and transparency. Among those premises, the anti-corruption activities within the administrative system comprised the central portion of the movement.

Although corruption control was presented as one of the pretexts of the military coup, ironically, the third and Fourth Republic had more room for corruption because of the abuse of the centralised power of government officials, the discord among social classes caused from the imbalance in the process of political and economic development, and the disharmony between modern values and traditional values<sup>80</sup>.

### 2.1.3 Two General successors' regime (1979-1992)

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<sup>80</sup> Kim, Young Jong, *Corruption: Cause and Measure*, (Seoul: Soong Sil University Press, 1996), p.191

Park's Presidential rule lasted over a decade and a half, through the Third and Fourth Republic. However, violent demonstrations opposing Park's dictatorship broke out in 1979, and finally Park was assassinated by one of his loyal followers.

The assassination of President Park caused a great political vacuum and acute crisis over political order. As Korean society was used to strong leadership, it came as a great shock to the Korean people, along with the paralysed political power structure under an emergency situation. For progressive social groups, it meant an opportunity for democracy, and an end to the authoritarian regime. With the so-called 'Spring of Seoul,' the students, intellectuals, and progressive social groups began to ask for changes towards democracy, staging a series of nation-wide demonstrations.

In comparison with the 1960s, strikes and other actions in the 1980s were much more intense and of a significantly larger scale, reflecting the tremendous expansion of the industrial workforce during the rapid economic growth period.

This series of demonstrations met the promulgation of martial law by the military in May 1980, prohibiting political activities and all illegal demonstrations, under the auspices of social and political security.

Thus, General Chun Doo-Hwan came into power through the so-called '12.12 coup'<sup>81</sup>, maintaining the authoritarian regime. Chun Doo-Hwan was elected by indirect election

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<sup>81</sup> The real seizure of power had already occurred when a coup occurred within the military, the locus of naked power in Korea, on 12 December 1979. The coup, which is called "12.12 coup", was led by Major General Chun Doo-Hwan, head of the Defence Security Command which was given the task of conducting the official inquiry into the assassination. (Choi Po-sik, Che 5 konghwakuk chonya: 12.12 pyon (The Eve of the Fifth Republic: The 12.12 Phase). *Wolgan Choson* (May 1996): pp. 497-631)

as the eleventh President of Korea in the National Conference for Unification (NCFU) on the 27th August 1980. The Chun regime, however, had, from the start, a serious legitimacy problem. By means of a coup, Chun seized power, after quashing the democratic hopes aroused following Park's death.

Chun did not set out to reform the governing structure, nor did he change the government's major policies. There were continuities between the authoritarian 'Yushin' system and its successor Chun regime in terms of institutions and politics. These included a powerful executive, a weak legislature, a politically strengthened core of technocrats, and a willingness to suppress all opposition in order to pursue political and economic goals. The government was insulated from the legislative and civil society, mirroring Park's authoritarian rule.

By the early 1980s, the Chun government was facing serious economic problems, such as high inflation, adverse terms-of-trade stemming from the second oil shock, over-investment and low profitability in the heavy and chemical industries, heavy foreign debt and rising unemployment. The Chun government tried to tackle the problems by means of stabilisation and structural adjustment policy, which had been adopted during the later Park years.

The goals of the stabilisation policy were: price stability including repression of high wage increases, market liberalisation, and balanced economic growth. Due to the coherence of policy, the Chun government was able to succeed in both curbing inflation and achieving economic growth. Compared with the inflation rate of 15% in the 1970s,

wholesale prices in 1986 actually declined by 2.2%.<sup>82</sup> The nation's economy was growing at an astounding rate of 12.8 percent, a record high since 1977. Major factors behind the high growth in this period were the so-called three lows: the low price of crude oil, the low value of the U.S. dollar against the Japanese yen, and low international interest rates.

As seen above, the problem of the Chun regime lay in the fact that economic performance could not guarantee support from the public because of the crisis of legitimacy. Its limitation in legitimacy resulted from the Kwangju Uprising in May 1980.

In the democratic movement of Korea, students have been one of the strongest opposition forces against authoritarian regimes, along with other dissident groups, such as intellectuals, industrial workers, and the radical wing of the church.

In spite of the suppression, the democratisation movement forces were able to gradually draw together. Against Chun's ruling coalition, the opposition forces were organised into a cohesive anti-ruling coalition, the Unified People's Movement for Democracy and Unification (UPMDU) in 1984. The UPMDU comprised twenty-three organisations representing banned trade unionists, farmer groups, intellectuals, dismissed journalists, church and temple activists. To challenge military rule, they pursued national unification and democracy as ultimate and simultaneous goals of their movement. The key agenda had been democratisation through the constitutional amendment for 'direct Presidential election' and democracy since 1984.<sup>83</sup>

Street violence reached its peak after the 10th June when Roh Tae-Woo, who was a

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<sup>82</sup> Suh, Sang -Mok, op.cit.(1992), p.29

<sup>83</sup> Kim, Suk -Joon, op.cit.(1988), pp.462-63

former military General and a classmate with Chun in the Military Academy, was nominated as the DJP's Presidential candidate for the ruling Democratic Justice Party, under the existing constitution, which provided for an indirect Presidential election. Young white-collar workers joined in the demonstrations, supporting the voice of the students. In time, their participation in demonstrations grew larger and larger.

On the 29th June 1987, Mr. Rho, the ruling party's nominated Presidential candidate, made a surprising announcement that the government would accept key opposition demands for the amendment of the constitution for direct Presidential election.

Roh's declaration succeeded in settling the immediate crisis by accepting popular demands for a direct Presidential election.

Soon after Roh's 29th June "democratization" declaration, the National Assembly formed a special commission to amend the constitution that heard some 100 proposals made by the ruling and opposition parties. By October the National Assembly had adopted sweeping revisions to the constitution, which was ratified by a national referendum on the 27th October.

The most important change embodied in the 1987 constitution was that the President was to be elected by a universal, equal, direct and secret ballot by the citizens for a single term of five years.

In the 1987 Presidential election, Roh Tae-Woo, the ruling DJP candidate, who promised political stability and continued economic growth, won with 36.6 percent of the votes cast. His largest support was in the south-eastern provinces, among middle class voters, and in the rural areas.

The December Presidential election contributed to resolving a dilemma of legitimacy that had loomed large throughout the Chun regime. Most people accepted that the

Presidential election by a direct popular vote passed the test of due process. The Roh government was more democratic than any other previous regime. It was chosen by open and competitive election, and it respected the basic freedoms of expression, assembly, and organisation. All the societal actors enjoyed freedom and the beginning of the democratisation process.

Roh's inauguration on the 25th February 1988, marked the first peaceful transfer of Presidential power in Korea since 1948. If a basic criterion of democracy is free and fair elections leading to peaceful changes of governments, albeit to a handpicked successor, the Koreans finally met this test in 1987. In contrast President Lee, of the First Republic, was ousted from office through the student uprising of 1960; the Second Republic of Premier Chang was overthrown by the military coup led by Park in 1961; Park in turn was assassinated in 1979; and Chun had seized power through another coup in 1979. President Roh thus declared in his inaugural address:

*We gather . . . to proclaim a new beginning. . . . I assume the presidency forty years after a democratic government was first established in this country... With the launching of the new Republic, we will sail steadfastly toward democracy...*

*The day when freedoms and human rights could be slighted in the name of economic growth and national security has ended. . . . The time has come to achieve a just and fair distribution of income so that every citizen can share the fruits of the growth.*<sup>84</sup>

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<sup>84</sup> James Cotton, ed., *Korea under Roh Tae-Woo*, (Canberra: Allen and Unwin, 1993), pp.322-24



In spite of the peaceful transfer of power, it was questioned whether Roh, who was the member of 12.12 coup, would have the ability and legitimacy to manage a “democratic” government.

In addition, the economy was indeed weakening, growing only 4.7 percent in 1992, far below the government’s expectation of 7 percent. This was the worst growth rate in decades. Powerful and rich conglomerates could absorb temporary setbacks, but numerous small and medium sized businesses could not. A record number of promissory notes were dishonored in 1992, and 10,769 medium and small firms went bankrupt. The number of unemployed workers rose sharply from 1991, and real estate prices, which had been skyrocketing in overpopulated South Korea, plummeted in 1992.

Under the circumstances stated above, the role and status of the government officials in the Chun and Roh regime was the same as that of the previous Park regime. Military presidents, who did not have the experience in the governance of the country, needed the support of professional government officials to maintain power. Also, there were insufficient civil organisations to check government officials. After all, government officials could maintain their vested rights. The situation, which was vulnerable to corruption continued. Furthermore, there were few groups attempting to control corruption.

#### 2.1.4 First Civilian President, Kim Young-Sam’s regime (1992-1997)

As Roh’s single-term presidency was ending in 1992, the ruling Democratic Liberal Party held its party convention on the 19th May, and nominated Kim Young-Sam as the

government party's Presidential candidate. Predictably, Kim Dae-Jung, Kim Young-Sam's long-time rival, was formally nominated of the opposition Democratic Party on the 27th May.<sup>85</sup> This nomination, too, was properly conducted within the major opposition party, which maintained order and decorum throughout the process.

Indicating a growing disenchantment among business conglomerates with the government and/or the line-up for the emerging Presidential candidacy, multibillionaire and chairman emeritus of the Hyundai Group, Chong Ju-Young, hurriedly organised his own political party, the United People's Party, in early 1992 and proclaimed his Presidential candidacy. This was the first time that a *chaebol*<sup>86</sup> founder had personally entered a Presidential race as a candidate, and it was evident that the Hyundai conglomerate's unlimited financial resources made this last-minute political debut possible.<sup>87</sup>

In an unprecedented move, the Korean military signalled for the first time in more than three decades its "neutral" stance in a series of lectures delivered at the National Defence Graduate School by the defence minister, the chairman of the joint chiefs, and the army chief of staff. These men emphasised that the military must concentrate its energies on its proper tasks of defending the country from external menaces.<sup>88</sup> This was in sharp contrast to the widely known practice of military commanders from the previous republic.

The activities of civil society provided further examples of unprecedented behaviour, most notably the Citizens' Coalition for Fair Election, initiated by Pong-Ho Son, a

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<sup>85</sup> Hankook Ilbo(Hankook newspaper), 27 May 1992, p.1

<sup>86</sup> This means a big business person or group, who has large affiliated companies.

<sup>87</sup> Kim Eun Mee, Big Business, Strong State, (Albany, N.Y.: State University of New York Press, 1987), p.200

<sup>88</sup> Hankook Ilbo (Hankook newspaper), 23 September 1992, p.2

Seoul National University professor.<sup>89</sup> Unlike the Presidential elections held during the previous three decades, all three major Presidential candidates in 1992 were real civilians, with no military background or visible backing by the military.

Following the election result, Kim Young-Sam emerged the winner by a substantial margin. Kim Dae-Jung conceded defeat promptly and gracefully. In a healing concession speech unprecedented in Korean politics, Kim “humbly accept the people’s judgement”, adding that he firmly believed in Kim Young-Sam’s “ability to develop democracy in Korea and lay the ground work for national reunification”.<sup>90</sup>

When Kim took the Presidential oath for a single five-year term on the 25th February 1993, it marked a number of firsts. Kim was the first civilian to be democratically elected in thirty-two years. This was the first Presidential inauguration of a seasoned politician who could genuinely claim that he was a “fighter for democracy.” It also meant the launching of a regime that was not burdened with questions about its legitimacy.

However, Kim had been a member of the same political party as the previous President, Roh. This meant that he could not be free in conducting activities for eradicating the remnants of corruption from the previous republic.

At the time of the birth of the civilian government, the overall Korean economy was stagnant, if not faltering. The competitive edge that Korea had enjoyed for decades, partly thanks to wages kept low by authoritarian regimes, had eroded because the politically uncertain Roh regime could not afford to appear anti labour. Under a civilian and democratic government labour disputes now could not be arbitrarily resolved by

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<sup>89</sup> Hankook Ilbo (Hankook newspaper), 24 March 1992, p.12

<sup>90</sup> John Kie -chiang Oh, Korean Politics,(Ithaca and London: Cornell University Press, 1999)

unleashing the power of public authority, often displayed in the form of thousands of riot police quashing demonstrating workers or those physically occupying production facilities or managers' offices. At the same time, entrepreneurs were uncertain about the economic direction of the government headed by the unpredictable Kim Young-Sam, and their ambivalence was reflected in the low rate of long-term investments in industrial plants and equipment at the beginning of the Kim regime. What big business and the workers did know was that Kim Young-Sam had promised a new, revitalized economy as one of the regime's primary aspirations.

Within a month of Kim's inauguration, in March 1993 his government moved quickly to announce a 100-day new economic development plan while the seventh five-year economic and social development plan of the previous republic underwent revisions. During the 100-day period public utility fees such as charges for water and electricity were lowered to stabilize prices that would benefit ordinary citizens immediately. Producers were also encouraged to keep prices as low as possible on twenty basic consumer items such as rice, beef, sugar, and milk. As a result, the supply of funds for investment in industrial plants and equipment in 1993 rose some 15 percent from the previous year. These and similar measures demonstrated the government's keen concern with bringing the economy out of recession which, at the time, formed part of a global economic downturn.

The embodiment of the Kim republic's vision for a "new economy" to support his well-publicized vision for creating a "new Korea" was released at the end of June 1993 in the five-year plan for a new economy.<sup>91</sup> The plan highlighted reforms, deregulation and internationalisation. It emphasized reforms to promote economic justice through

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<sup>91</sup> ' Document: Major Programs for New Five-Year Economic Plan', *Korea Annual*, The Economic planning Board, 1994, pp.359-67

fair income distribution, deregulation of economic activities to align the Korean economy for growing liberalization and globalisation trends.

As seen above, the Seventh republic had limitations, in political capacity, to eradicate corruption particularly due to the difficulties associated with succeeding the previous republic. However, in economic terms, the republic had the chance to eradicate corruption related to the distribution of capital, because the conditions, that demand resolute reform focused to realise economic justice, had been established.

#### 2.1.5 The first President from the Opposition Party, Kim Dae-Jung's regime (1998-2002)

In spite of the efforts of Kim Young-Sam's republic to facilitate new economic development, the economic situation was seriously depressed at the end of Kim's regime. Finally, the pattern of large enterprise bankruptcy had been broken. The bankruptcy of Hanbo enterprise in 1997 was the start of a catalogue of bankruptcies involving large business, such as Sammi, Jinlo and Kia. Foreign banks lowered the credit rating of the Korean economy and stopped credit transactions. After all, Korean government received a relief loan from the IMF(International Monetary Fund) in November 1997, to cope with rapid foreign exchanges deficit.

Under the cloud of economic chaos, the presidential election for 15<sup>th</sup> President was held on the 18th December 1997, and Kim Dae-Jung, who was the opposition leader, was elected. This result was the first case in which an opposition leader was elected and a peaceful handover of political power between government party and opposition party achieved.

The IMF supplied relief loan came with conditions for achieving strong economic reform. The IMF demanded mass dismissal of surplus labour in banks, removal of governmental assistance for improperly-run enterprises, the opening of the market for overseas investment and a curtailed budget.

These demands meant that the developmental strategy and structure which had led the Korean economy should be changed. So far, the Korean government dominated financial institutions, like banks, by indirectly holding the majority of shares. Under this domination, the government intensively supported weak areas, and this strategic decision brought preferential financing for specific enterprises, this practice was referred to as *Chebul*.

International organisations like the IMF held the view that the crony capitalism, which had brought about the IMF bailout, had been formulated through the relationship between government, financing and enterprises.<sup>92</sup> In other words, it signifies that the Korean economic crisis originated from the serial occurrence of bankrupt enterprises and from insolvency in general. However, the root causes of the crises came from the governmental led financing system.

Despite this, Kim Dae-Jung's republic faithfully fulfilled IMF demands after he officially commenced office on the 5th February 1998. At the same time, the republic made every effort to settle the impending crisis of national bankruptcy by expanding the amount of foreign exchange holding. As a result of the effort, the amount of foreign exchange rose up to the fourth highest in the world from 3,900 million dollars in 1997

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<sup>92</sup> IMF managing director, Michel Camdessus, emphasised the necessity to liquidate big business, (*Chaebol*), in Korea when he had a talk with Korean Government officials.(Jung-Ang newspaper, 3 Dec.1997)

to 121,400 million dollars in 2002. In addition, the republic adopted active macroeconomic policies and the economy recovered. The major economic indicators in Kim Dae-Jung's republic were as shown in Table 2.1.

**Table 2.1 The major economic indicators in Kim Dae-Jung's republic**

Year	1997	1998	1999	2000	2001	2002
Economic growth rate (%)	4.7	-6.9	9.5	8.5	3.8	7.0
Export growth rate (%)	5.0	-2.8	8.6	19.9	-12.7	8.2
Balance of trade payments (100 million dollar)	-85	390	239	117	93	108
Balance of current account (100 million dollar)	-81.7	403.6	244.8	122.5	86.2	66.8

\*source : The annual report of the office for statistics. (1997-2002)

Along with the economic recovery, Kim's republic declared the new founding of a country and pushed forward with the structural reform of four major sectors; enterprises, financing, public sector and labour market. As a result, the financial structure and governing structure of enterprises had been improved. Financial companies had also become economically sound. Many public enterprises came under private management, and relations between labour and capital were rationally established.

As a result, the economic crisis in Kim Dae-Jung's republic was an amicable chance to push forward strong reform and corruption control policies.

Throughout Kim Dae-Jung's republic it suffered from political instability. The previous President, Kim Young-Sam, belonged to the biggest party, the new Korea Party,

which had 139 of the 299 members of the National Assembly. However, Kim Dae-Jung was the president of a small party, the Democratic Party, which had only 79 members. Generally, in developing countries it is always disputed whether the government has intervened in the election process. This means that the presidential candidate of the ruling party holds an advantage.

Kim Dae-Jung as a candidate of the opposition party had to overcome a disadvantageous situation. Therefore, he joined forces with Kim Jong-Phil, who was a president of another opposition party, the United Liberal Democrats, which had 50 members of the National Assembly, and became a sole candidate of opposition parties. As a result, he won the Presidential race, but still this unity could not achieve a majority in the National Assembly. This limitation provided a negative influence against the creation of strong reform. Furthermore, the United Liberal Democrats was based on conservatism, but on the other hand, the Democratic Party was founded on progressivism. This difference in ideology was another obstacle to reform.

To overcome this difficult political situation, Kim Dae-Jung's party strived for achieving a majority in the next general election, but subsequently failed. Political instability continued the entire length of his term of office and prevented the necessary reforms to achieve corruption control.



## 2.2 Extent of and Trends in Bureaucratic corruption in Korea

The extent of, and trends in bureaucratic corruption can be drawn from an analysis of the frequency and substance of corruption cases. Furthermore, we can recognise the serious realities and characteristics of corruption through analysis of situation and trends. Basically, the frequency and substance of corruption cases can be extracted from the number of criminal cases in which government officials have been prosecuted and from the number of government officials who have been disciplined.<sup>93</sup> However, these statistics have their limitations.

Firstly, bureaucratic corruption cases are hard to uncover because, for instance, those offering bribes are also accomplices. Most bureaucratic corruption cases are not usually detected by information from those offering bribes but through the operation of the statutory agencies. Therefore, the statistics for detected corruption are lower than the true amount of corruption. Accordingly, current statistics reflect partly the degree of governments endeavour to eradicate corruption. As a result of this limit, a survey of public opinion where the anonymity of respondents is guaranteed is often employed to find out the actual extent of corruption.

Secondly, the statistics of criminal cases in which government officials are involved and of disciplinary punishments imposed on the government officials are made on the basis of the present Criminal Code and The National Public Service Law. Accordingly, these statistics need to be revised to constitute statistics which deal only with corruption

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<sup>93</sup> If government officials are involved in a criminal case for corruption, they are disciplined simultaneously by their organisation. However, sometimes when their misconduct is not serious, they are not prosecuted although they are disciplined by their organisation.

cases. To do this, first it is necessary to identify which behaviours are considered as corruption under Korea's present laws relating to government officials.

### 2.2.1 Types of bureaucratic corruption in the Korean law and code of conduct

In the previous section, corruption is defined as an abuse of public office and negligence of duties, which should be performed by the law and the code of conduct of Korea, for private gain.

Therefore, the current law and code of conduct are important to identify which practices are corrupt, because this research focuses on government responses following the law and the code of conduct to eradicate corruption. If the law and code of conduct are changed, the types of practices which are regarded as corruption will also change.

In this research, three categories of corrupt practice are classified from current criminal law and the code of conduct.<sup>94</sup> These are as follows.

1) Corruption related bribe: corrupt behaviour which is related to bribery, extortion and promise of 'present' after the real is completed.(e.g., The Korean criminal code, article: 129, 130, 131, 132, 135)

2) Corruption related document: corrupt behaviour which is related to the forgery and alteration of an official document.(e.g., The Korean criminal code, article: 225, 227, 229)

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<sup>94</sup> According to "The state of punishment and countermeasure of corruption" (from Corruption Prevention and the Countermeasure Committee, 1998, Seoul), types of corruption under current criminal law and the code of conduct in Korea are classified by bribe, document and embezzlement.

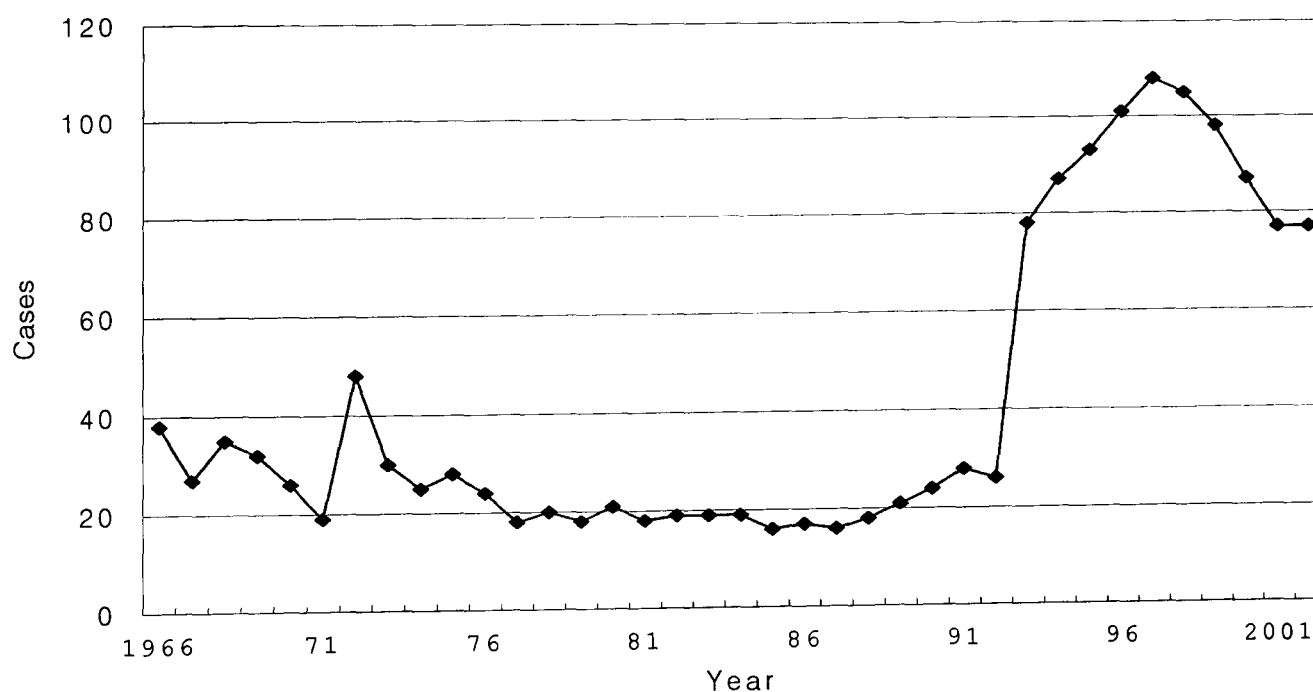
3) Corruption related duty: corrupt behaviour which is related to misfeasance, dereliction of duty, embezzlement and misappropriation. (e.g., The Korean criminal code, article: 122, 123, 225, 356)

### 2.2.2 The extent of and Trends in bureaucratic corruption of Korea

To ascertain the significance and trend of corruption in Korea, several different types of aggregated data on corruption practices have been collected.

According to the number of criminal prosecutions of corrupt officials, which is a part of the official data published by the Korean government, the corruption level has varied significantly during the last 30 years, as shown in Fig. 2.1 and Table 2.2.

**Fig. 2. 1. The number of criminal prosecutions of corrupt officials (per 10,000)**



\* Source: Annual report of Public Prosecutors Office (1966-2002)

**Table 2.2 The number of criminal prosecutions of corrupt officials (per 10,000)**

Year	Number of officials prosecuted (A)	Total number of officials (B)	Number of prosecuted officials per 10000 (A/BX10000)	Year	Number of officials prosecuted (A)	Total number of officials (B)	Number of prosecuted officials per 10000 (A/BX10000)
1966	1,274	332,688	38	1985	1,083	670,637	16
1967	1,000	359,955	27	1986	1,203	691,670	17
1968	1,355	381,918	35	1987	1,189	705,053	16
1969	1,308	398,050	32	1988	1,385	737,225	18
1970	1,103	417,348	26	1989	1,668	781,346	21
1971	842	436,636	19	1990	2,045	818,121	24
1972	2,149	438,573	48	1991	2,448	854,082	28
1973	1,362	452,054	30	1992	2,338	886,179	26
1974	1,210	466,444	25	1993	7,091	899,826	78
1975	1,377	478,562	28	1994	7,938	907,598	87
1976	1,238	502,702	24	1995	8,446	905,390	93
1977	950	519,110	18	1996	9,389	925,794	101
1978	1,091	540,658	20	1997	10,121	935,759	108
1979	1,017	564,058	18	1998	9,413	888,334	105
1980	1,297	596,431	21	1999	8,640	875,672	98
1981	1,200	665,895	18	2000	7,602	869,676	87
1982	1,262	647,851	19	2001	6,748	868,120	77
1983	1,279	650,914	19	2002	6,900	889,993	77
1984	1,314	657,214	19				

\* Source: Annual report of Public Prosecutors Office (1966-2002),  
Annual report of the Ministry of General Affairs (1997)

More specifically, the magnitude of corruption had been stabilised from the 60's to the early 90's, but it has grown significantly since the middle of the 90's.

During the time when President Park Jung-Hee was in power, from 1966 to 1979, the number of prosecuted government officials fluctuated slightly but remained stable. The number of prosecuted government officials per 10,000 was over 20 per year except in 1971, 1977 and 1979.

In the meantime, during the time when the next two Presidents Chun Doo-Hwan (1980-1987) and Roh Tae-Woo (1988-1992) were in power, the number of prosecuted government officials per 10,000 stabilised at about 20 per year. After 1993, in which President Kim Young-Sam was inaugurated, the number of prosecuted government per 10,000 officials increased suddenly up to over 70. Government contends that the increase of prosecuted government officials for corruption during the 90's is due to the more strictly enforced anti-corruption measures.<sup>95</sup> That is, the increasing number of prosecuted government officials for corruption, in some aspect, reveals the level of government's efforts against corruption and their effectiveness rather than the actual corruption level.

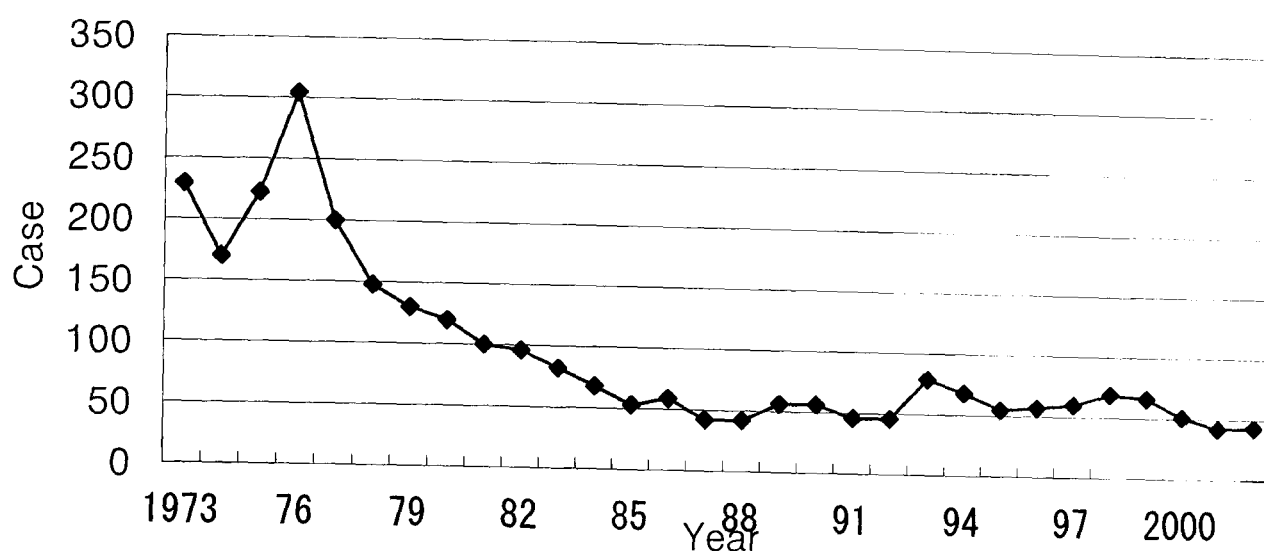
Despite this, there is no distinctive proof which shows that the corruption level has decreased during the last 30 more years in terms of the number of the criminal prosecutions of corrupt officials.

On the other hand, the number of disciplined government officials per 10,000 for corruption, as shown in Fig. 2.2, is more than the number of prosecuted government officials per 10,000 for corruption.

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<sup>95</sup> The Office of the Prime Minister of Korea, Korea's Anti-Corruption Programs, 1999, Seoul, p8.

**Fig. 2.2 The number of disciplined government officials for corruption (per 10,000)**



\* Source: Annual report of Ministry of Government Republic(1976-1998)

**Table 2.3 The number of government officials disciplined for corruption (per 10,000)**

Year	Number of officials disciplined (A)	Total number of officials (B)	Number of disciplined officials per 10000 (A/BX10000)	Year	Number of officials disciplined (A)	Total number of officials (B)	Number of disciplined officials per 10000 (A/BX10000)
1973	10,361	452,054	229	1988	3,146	737,225	42
1974	7,966	466,444	170	1989	4,397	781,346	56
1975	10,662	478,562	222	1990	4,656	818,121	56
1976	15,297	502,702	304	1991	3,996	854,082	46
1977	10,423	519,110	200	1992	4,092	886,179	46
1978	8,050	540,658	148	1993	7,116	899,826	79
1979	7,349	564,058	130	1994	6,223	907,598	68
1980	7,184	596,431	120	1995	5,061	905,390	55
1981	6,681	665,895	100	1996	5,308	925,794	57
1982	6,259	647,851	96	1997	5,689	935,759	60
1983	5,361	650,914	82	1998	6,140	888,334	69
1984	4,528	657,214	68	1999	5,866	875,672	66
1985	3,580	670,637	53	2000	4,507	869,676	51
1986	4,094	691,670	59	2001	3,682	868,120	42
1987	2,991	705,053	42	2002	3,898	889,993	43

\*Source: Annual report of Ministry of Government Republic (1976-1998)

The number of disciplined government officials per 10,000 for corruption reached its peak in 1976 by reaching the figure of 304. After that time, the number of disciplined government officials per 10,000 for corruption decreased to around 60 per annum. The decrease continued to 42 in 1987. Meanwhile, the number of disciplined government officials per 10,000 for corruption increased on a general basis during President Kim Young-Sam's republic. The number of disciplined government officials per 10,000 for corruption jumped to 79 in 1993, and stayed around 60 per annum until he handed over power to his successor. On the other hand, during President Kim Dae-Jung's republic, between 40 and 70 government officials per 10,000 had been disciplined.

Characteristics extracted from the above bureaucratic corruption trends in Korea are as follows:

Firstly, it can be established that government anti-corruption activities have been initiated at the early stage of the each Republic. That is, the number of prosecuted or disciplined government officials per 10,000 for corruption had increased with the advent of the new Republic, but the number decreased as the Republic term progressed.

Secondly, as above mentioned, the number of disciplined government officials per 10,000 for corruption are more than the number of prosecuted government officials per 10,000 for corruption except for the period of President Kim Young-Sam's republic. From 1994, the early stage of President Kim Young-Sam's Republic, to 1997, the number of prosecuted government officials per 10,000 for corruption rather exceeded the number of disciplined government officials per 10,000 for corruption. This means the corrupted government officials had been dealt with as criminal cases rather than as purely disciplinary cases.

Unfortunately (and not overly surprisingly given the relative newness of democracy in

South Korea in the Twentieth Century) it is not easy to find published materials that studied the absolute levels of corruption. Therefore, this research will work with what is available and analyse the level of corruption in Korea through several indexes, and the results of public-opinion polls about the corruption in Korea.

One of the representative indexes which shows the corruption level of Korea is the Corruption Perceptions Index (CPI) published by Transparency International (TI).<sup>96</sup> CPI is composed from several public-opinion poll results which were surveyed by other organizations within last three years, (not by TI itself), and other resources. TI does not compare annual CPI because CPI reflect many kinds of up-to-date resources, so sample sources and methods as well as results vary each year. Therefore, simply comparing the annual ranking of each country's CPI is a non-objective way for understanding the level of corruption. In addition, there are many countries which are not included in the subject of survey, so comparing the annual ranking of each country's CPI has another limit. In spite of those limits, the CPI ranking is useful for understanding the level of corruption in Korea because major countries in terms of economic and political power are already included.

The level of corruption in Korea judged from the CPI has not improved as seen in Table 2.4. The CPI ranking of Korea was 27 among 41 countries in 1995, when the survey was started. The ranking came above 40 in 1998 and still could not get out of those levels. It means that the ranking of Korea has not been changed practically if compared with other countries which has similar economic and political power, even though the subject countries of survey have been substantially enlarged. In particular, in

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<sup>96</sup> Transparency International was established in 1993 as a Non Governmental Organisation for anti-corruption in the international economic activities and publishes CPI every year from 1995.



the survey that questioned the prospect of the corruption level in Korea for three years hence, 45% of the respondents answered that the corruption will be increased. This means that corruption is still a serious social problem, considered that only 32% of the respondents had same answer in 2005 survey.<sup>97</sup>

**Table 2.4 The annual CPI of Korea**

Year	CPI Score	Rank / Number of surveyed country	Year	CPI Score	Rank / Number of surveyed country
1995	4.2	27/41	2002	4.5	40/102
1996	5.0	27/54	2003	4.4	50/133
1997	4.2	34/52	2004	4.5	47/145
1998	4.2	43/85	2005	5.0	40/158
1999	3.8	50/99	2006	5.1	42/163
2000	4.0	48/90	2007	5.1	43/179
2001	4.2	42/91			

Source:

[http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/previous\\_cpi\\_\\_1](http://www.transparency.org/policy_research/surveys_indices/cpi/previous_cpi__1)

We can judge the corruption level in Korea through other researches that dealt with how seriously the corruption was perceived. According to the research by The Korea Institute of Public Administration, which was surveyed five times from year 2000, we can assume that corruption in Korea has been slightly improved. In the survey on the perception of the frequency of corruption occurrence, which questioned how frequently the respondent think the bribe offered in the governmental agencies in Korea, the answer of 'frequent' was decreased from 68.8% in the year 2000 to 50.4% in the year 2006. The answer of 'rare' to the same question was increased from 31.2% in the year 2000 to 49.6% in the year 2006, as seen in table 2.5. In addition, we can also assume

<sup>97</sup> [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/previous\\_cpi\\_\\_1](http://www.transparency.org/policy_research/surveys_indices/cpi/previous_cpi__1)

that the perception on the seriousness of corruption in Korea has been improved. As seen in table 2.6, the frequency of the answer ‘serious’ decreased from 75.6% in the year 2000 to 64.8% in the year 2006, and the answer ‘not serious’ was increased from 24.2% in the year 2000 to 35.2% in the year 2006.

**Table 2.5 The frequency of bribe offer in the executive agencies in Korea  
(The result of public-opinion poll, %)**

Year	Very Frequent 1	2	3	4	5	Very Rare 6	Total 1-3	Total 4-6
2000	3.8	22.0	43.0	17.0	11.6	2.6	68.8	31.2
2001	6.9	21.2	34.3	22.6	11.5	3.6	62.4	37.6
2004	6.0	19.0	35.6	25.0	9.0	5.4	60.6	39.4
2005	5.2	18.8	32.2	24.6	14.0	5.2	56.2	43.8
2006	5.4	10.0	35.2	22.0	18.6	9.0	50.4	49.6

Source : An analysis of the actual state and trend of corruption in Korea, The Korea Institute of Public Administration, 2006, p.13

**Table 2.6 The perception on the seriousness of corruption in Korea  
(The result of public-opinion poll, %)**

Year	Very Serious 1	2	3	4	5	No Serious 6	Total 1-3	Total 4-6
2000	9.6	18.6	47.4	19.4	4.4	0.6	75.6	24.4
2001	11.9	17.0	41.4	23.2	5.5	1.0	70.3	29.7
2004	15.2	21.8	40.2	17.6	4.8	0.4	77.2	22.8
2005	9.4	17.8	43.8	20.8	7.2	1.0	71.0	29.0
2006	12.2	17.8	34.8	25.0	7.8	2.4	64.8	35.2

Source : An analysis of the actual state and trend of corruption in Korea, The Korea Institute of Public Administration, 2006, p.15

However, other researchers show that corruption in Korea still a big social problem.

According to Park Jong-Min, the ratio of the public who think that government officials are not honest reached 93% in year 2007.<sup>98</sup>

In addition, according to the survey for measuring integrity levels by Korea Independent Commission against Corruption in 2006, the general integrity level of the governmental area had been improved from 8.38 point out of 10 in the year 2004 to 8.77 point out of 10 in the year 2006. However, the corruption structure had been aggravated in that the bribe had been customised in some vulnerable areas and the scale of bribe had been increased. According to the survey results in the year 2006, of those respondents who had had occasion to offer a bribe, the average number of those occasions was 3.46. This is compared with an average of 3.26 times in the year 2005, it can be said that the corruption has been customized. The average scale of the amount which was offered as a bribe by the respondents had also increased; from 1,020,000 Won (about 500 Pounds Sterling) in 2005 to 1,510,000 Won in 2006. This means that the corruption has been aggravated in some sense, although it possibly takes into account a fall in the value of money.<sup>99</sup>

In conclusion, although we agree that corruption in Korea has been improved as Korean society becomes more transparent along with economic and social development, it can be said that corruption is an issue in Korea that still remains as a serious social problem.

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<sup>98</sup> Se -gae Newspaper, 27 Dec. 2007, page 2; Park Jong-Min, A study on the attitude of government confidence, policy benefit and government impartiality, Korea University

<sup>99</sup> Seoul Newspaper, 18 Jan. 2008, page 9;  
[http://www.crc.go.kr/open\\_content/index.htm](http://www.crc.go.kr/open_content/index.htm)

### **Chapter 3: The relationship of corruption to several dynamic elements in Korea, such as culture, politics and the economy.**

It can be said that corruption is influenced by a lot of elements. Furthermore, the power of influence of these elements depends on the circumstances of time, space and environment, so it is hard to specify the reasons which can be commonly applied to any societies. For example, in Ghana where Nepotism is wide spread, it is considered as a natural duty for persons in power to provide a job and other interests for their relatives.<sup>100</sup>

In the past, the approach style of a corruption study was classified in terms of ‘functionalism’ and ‘post-functionalism’.<sup>101</sup> According to the proponents of functionalism, which was the mainstream approach in 1960s, corruption is a self-destructive phenomenon which disappears when a country reaches a certain extent of development. In other words, corruption is an unavoidable phenomenon in a developing country. Under the functionalism, corruption is a dependent variable for development and has a positive effect on development.

However, this approach was revised in the late 1970s. Under the new approach, so-called ‘post-functionalism’, corruption is not a self-destructive phenomenon but a self-

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<sup>100</sup> Recited from “Yoon, Tae-Bum, Bureaucratic Corruption and Economic Condition: Some Experimental Approach, *Korean corruption studies review*, (Seoul: The Korean Association for corruption studies, 1999), Vol.3, p.79

<sup>101</sup> Werner, Simcha B. New Directions in the study of Administrative Corruption, *Public Administration Review*, 1983, Vol.43, No.2, pp. 148-149

perpetuating phenomenon, which is not overcome as a country develops. Under this approach, the spill-over effect of corruption is stressed. Also it is considered that corruption can be detected at any level of political development and institutionalization.<sup>102</sup>

In recent years, both of the above two approaches, functionalism and post-functionalism, have been rejected by some scholars. They think that it is meaningless to contend that corruption is either a self-destructive or self-perpetuating phenomenon. Rather, they think, it is more important to understand the multilateral attributes of corruption.<sup>103</sup>

It seems that there can be as many theories for the cause of corruption as there are theories as to its effects. It would therefore be short sighted to place limits on its effects or its causes. Different elements exist in differing ways in different societies and the interplay between them and that particular society will effect how the corruption is manifested in that society. Corruption in Ghana and South Korea are unlikely to have identical root causes and manifestations because they are two different societies at different levels of development.

In this chapter, the relationship between corruption and three specific elements, culture, politics and economics, (which are generally understood as being deeply related elements to corruption in Korean society), will be described.

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<sup>102</sup> Werner, Simcha B. *op. cit.*, pp. 145-150

<sup>103</sup> Yoon, Tae -Bum, *op. cit.*, p.78

### 3.1 The relationship between corruption and culture in Korea

There is much contention over the substance of corruption. One of the most contentious issues is whether or not corruption itself is a cultural phenomena.<sup>104</sup> The debate is whether, or not corruption is an actual entity which is internalized within government officials and the public under the influence of cultural elements. Therefore, it is impossible to control corruption without cultural reform. What can be agreed is that culture is deeply related to corruption. The reason why corruption was internalized in the public's life deeply related to the fact that the political, administrative and business culture was abnormal.

In case of Korea, political culture is still outdated. Political culture includes an entire political attitude, a sense of values and consciousness of the public, and the members of political system. The political culture of Korea is still influenced by nepotism, and familism rather than rationality. The Korean political culture also can be called factionalist and a migrant culture which lacks convictions. This kind of political culture provided a good habitat for corruption.<sup>105</sup>

An immature administrative culture in Korea also stimulated the corruption phenomenon. Administrative culture is one of the most important factors to determine administrative attitude and outcomes. It can be said that Korea has an authoritarian administrative culture which arose from a traditional Confusion culture. Korean

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<sup>104</sup> Kim Young Jong, The healing of a culture of corruption: Toward improving the quality of life, *Korean Corruption Studies Review*, 2003, Vol.8, No.1, P.3

<sup>105</sup> Kim Young Jong, *ibid*, p.5

administrative culture reflects on a government officials' way of thinking and attitude. The government officials in Korea were key players in making the country develop into an industrialized nation in the 1970s. However, it is also a fact that an undesirable administrative culture was a help to make structural corruption.<sup>106</sup>

A chronic undesirable business culture in Korea is also familiar with corruption. A business culture in a company is a comprehensive concept which includes the values, beliefs, ideology and habit, norm and tradition, and knowledge and skills which are held by the members of the company. Korean business culture has several chronic traditional practices which are familiar with corruption, such as tax evasion, misappropriation of public money, and a close relationship between political and business circle, etc.<sup>107</sup>

Corruption in Korea is deeply related to the undesirable chronic culture in its political, administrative and business areas. According to many scholars who study the corruption in Korea, basic cultures which cause corruption are familism, nepotism, a desire for peace-at-any-price, red-tapism, taking a serious view of ranking, and affectionate humanism, etc.<sup>108</sup>

### 3.1.1 Confucianism

It can be said that these corruption familiarized cultures are generally related to Confucianism. Therefore, rampant corruption in the Korean society seems to be mainly attributable to confusion in the value system of the people.

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<sup>106</sup> Kim Young Jong, *ibid*, p.5

<sup>107</sup> Kim Young Jong, *ibid*, p.7

<sup>108</sup> Shin, Eun R yung, A study on relationship between bureaucratic corruption and administrative culture, (Seoul: M.A. dissertation in Sook-Myung Woman's University, 1990), pp.17-19

Confucianism is a kind of knowledge, morality and statesmanship which was built and developed by Confucius, the Chinese sage. Confucius, who is believed to have lived during the sixth century B.C. set up an ideal ethical-moral system intended to govern relationships within the family and the state in harmonious unity. It is a system of various subordinations: of son to the father, of younger to elder brother, of wife to husband and of subject to the throne.<sup>109</sup>

There is no any other ideology that has influenced the public's life and way of thinking as much as Confucianism has from the Yi dynasty(A.D. 1392-1910) to the present. Though Buddhism was a widespread religion in ancient Korea, Confucianism served as the basis for the philosophical and structural foundation of the state.<sup>110</sup> During the Yi dynasty, Confucianism was the doctrine and policy of the country. It was a fact that Confucianism infiltrated into the public's life and operated as a code of conduct of general public and government. The main idea of Confucianism is human relations. Human relations in Confucianism are not an equalitarianism which treats every person as an independent character, but are unequal discriminative relations which treat persons in terms of a principal and a subordinate.<sup>111</sup>

Moral principles in Confucianism are for the ruler. In other words, Confucianism is political morals which demand the surrender of people to the ruler and political

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<sup>109</sup> Mar garet Key, *Corruption in South Korea: An Explanation Through A Cultural Framework*, (Seoul: M.A. dissertation in Yonsei University, 1998), pp.33-35

<sup>110</sup> Chun, Soo Il, *A study on bureaucratic corruption: socio-cultural perspective*. Korea Public administration science journal, 1984, Vol 18, No 1, p.155

<sup>111</sup> Chun, Soo Il, *op. cit.*, pp.155-157



principles to defend and guarantee the superior position of the ruler.<sup>112</sup> Therefore, a rational attitude is not in Confucianism. Confucianism deals with relations between person and person who are specifically tied, such as father and son, ruler and ruled, husband and wife, etc. Importantly, however it does not suggest public morality for a society or a specific group.

In addition, Confucianism has elements of class consciousness, people are very clearly distinguished by occupation, such as the scholarly, agricultural, industrial, and mercantile classes. It developed to become the corrupt custom of putting government above people. It does not have an idea that government officials exist for the people, but have strong idea that the people exist for government officials. Under this idea, government officials exercised absolute power over the people.<sup>113</sup> A tendency to aim at an official position, which is a symbol of an authority, is related to this circumstance. A bureaucratic authoritarianism became the tradition from the Yi dynasty onwards; that it was possible for a man to accumulate a fortune if he became a government official and to be one of the governing classes. It seems that this was a lesson reinforced by the behaviour of Japanese government officials under the rule of Japanese imperialism.

In addition, it can be said that the tendency of Confucianism to distinguish the upper and lower classes in social status built a vertical consciousness structure. This is a tendency not to agree to a person in a low rank but to obey a person in a higher rank without any critical attitude. In this tendency, generally, inferiors endure an insult of the

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<sup>112</sup> Yoon Tae -Rim, *The personality of Korean*, (Seoul: Hyundai education books publishing company, 1977), pp.147-157

<sup>113</sup> Chun, Soo Il, *ibid*, pp.155-157

superiors even in the circumstances of an infringement of their interests.

It can be said that this Confucian tradition brought about an irrational culture and caused corruption.

### 3.1.2 Familism

Familism is a phenomenon that obliges any member of a family to render devoted service and remain loyal to the family. It is not just a phenomenon that is a manner of living in a family, but one that is expanded to the outside of family, that is, to general social relations.<sup>114</sup> In other words, familism is a kind of loyalty to the primary groups such as relatives, birthplace, friend, same clan, and alumni as well as family.

Loyalty to family connected by blood relationship is a normal basic link all over the world, and there is normally a limit to how big the family is. However, if the loyalty is expanded from the primary groups such as relatives, to birthplace friend, same clan and school and then university alumni, there is a possibility that the loyalty eventually splits a society.

The patriarchal system in the family of Korea and its expansion to outside the family deeply influenced the social character building of Korea. Koreans were inculcated with obedience towards the head of a family from their childhood with thought that it will be guaranteed to be in their own best interests if they submit themselves to the will of the head of the family.<sup>115</sup>

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<sup>114</sup> Lee, Seo Hyeng, *Corruption and Culture in South Korean Society*. *Korean Corruption Studies Review*, 2001, Vol.5, No.1, p.66

<sup>115</sup> Lee, Seo Hyeng, *op. cit.*, pp. 66-68; Chun, Soo Il, *ibid*, pp.157-159

Korea has a characteristic social structure in which a family is a basis of social activities and connections. There are many reasons that familism prospered in Korea, but, it can be said that one of the reasons is the tendency to consider personal connection seriously. Koreans have a tendency to confirm if they have any personal connection with the other side when they meet a person for the first time and to treat every thing accordingly as a result of the confirmation. This attitude of giving priority to connections refers to the propensity to give importance to blood relations and academic connections and then to treat coldly other groups with whom they have no connection.

Korean bureaucrats, who went through this process of socialization where paternalistic values are emphasized, tend to act following special relations rather than general norms, and uncontrollable abnormal relations are likely to be formed here. That is, in such human relations, they dare to conduct unreasonable behaviours for their own mutual benefits.

This loyalty to primary groups is a manifestation of the sense of faith. The spirit respecting the sense of faith is an Oriental way of thinking originating from the tradition of Confucian culture. The concept of faith is linked to the sense of recompense to others' hospitalities or favors or connective family relations. In other words, it means the solicitations and corruptions in bureaucratic societies. This sense of faith affects bureaucratic societies resulting in favoritism in addition to sectionalism.

Although this paternalism has a long history (it began from the Agricultural Age where a family made a basic production unit,) it was established as a generalized value system with the positioning of Confucianism as the general living principles for

Koreans. Confucianism is based on paternalism.

Families were the places where society members internalized and practiced the Confucian values and norms specifying their vertical and hierarchical social relations. If in one direction of the social interactions arising from hierarchical social relations were obedience and loyalty, there were protection, charity and support in the other direction. As such, Confucian paternalism cultivated the social relations of supporter-customer. With the developments of industrialization, the functions of blood communities weakened and people began to seek for territorial connections and academic connections as complementary measures to the communities that they left behind, thereby weaving the nets of connections with paternalistic symbolism across the societies of citizens. These nets of connections are not only communication channels but also the paths through which social resources are distributed and are essentially the stage of the exertion of authorities.<sup>116</sup>

The reason why paternalism is corruption friendly is in essence that it causes people to follow private emotions, obscuring the borders between public affairs and private affairs and thereby privatizing public domains. The propensity to attempt to accommodate even somewhat steep solicitations from persons with which one has an acquaintanceship instead of refusing them and the propensity to connive with the misconducts of seniors, subordinates or colleagues are all the by products of paternalistic exertions of authorities. Paternalism sometimes mixes up warm-hearted behaviours and corruptive practices preventing distinctions between the two.

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<sup>116</sup> Lee, Seo Hyeng, *op. cit.*, pp. 66-68

### 3.1.3 Affectionate humanism

Another corruption-inducing culture can be said to be affection. Most of human relations in Korean societies are woven with sticky emotional affections. Affection becomes the root of corruption because it avoids objective criteria and appeals to humanism. In Korean societies, the ones who go about life in a detached, objective manner and not with the relations of affection are considered to be shallow-hearted and cold-blooded persons. As such, interests that demand detachment become the subject of hatred and Koreans generally dislike objectivity.<sup>117</sup> This can be said, in most part, to be the outcome of the process of socialization tamed with affection.

But the affection in Korea can be said to be sticky affections within each group. The affections as such make the problem more serious. The affections in Korea involve closure and exclusiveness. In other words, the persons connected with affection help and take care of each other. This actually creates division and partition, because there is no motive to find common agreement if no emotional attachment exists. These tendencies toward partitions and dissolutions in Korean societies can be said to be the outcomes of no other than affections. The academic connections and territorial connections in Korean societies can be considered to be the outcome of the support of the culture of affection along with the paternalistic propensity.<sup>118</sup>

The culture of affection does not like open competitions and tacitly demands sacrifices. There is a tendency to sort things out quietly behind the scenes and avoid conflict. Corruption can not easily inhabit in openness and competitions, but emotional

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<sup>117</sup> Bak Wan -Ki, political culture and corruption, *Korean corruption studies review*, (Seoul: The Korean Association for corruption studies), Vol.1, No.1, 1997, pp.3-5

<sup>118</sup> Bak Wan -Ki, *op. cit.*, p. 5

connections like covert and internal states of things and do not like open and external states of things. Consequently, corrupt actions flourish in the culture of affection.

The reason why affections are directly connected to corruption is in their blindness of faith and unconditional acceptance. Affection does not like distinguishing between right and wrong and determining based on objective criteria.<sup>119</sup> Friends should be unconditionally favoured. One who seeks reasons and distinguishes between right and wrong is already not a friend with affection. As such, affection destroys objective public order. Involving unconditional loyalty, blind faith and sacrifices, affection sometimes exerts huge powers. Human and physical resources can be mobilized at the maximum for the accomplishment of a goal. A work which would take a month by objective procedures can be completed within 2 weeks.

#### 3.1.4 Authoritarian culture

Another culture that induces corruption in Korean societies is the authoritarian culture.<sup>120</sup> Although the concept of authoritarianism can be defined in many different ways, it is to be defined here as the hierarchical mental attitude based on governing-obedience or superiority-inferiority relations. Therefore, the most basic concept of authoritarianism can be considered to be the attitude attempting to grade all things or people. The authoritarian culture in Korean societies can be considered as originating from the previously mentioned patriarchal family system.<sup>121</sup> Accustomed to lives

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<sup>119</sup> Bak Wan-Ki, *op. cit.*, pp.3-6; Shin, Eun Ryung, A study on relationship between bureaucratic corruption and administrative culture, (Seoul: M.A. dissertation in Sook-Myung Woman's University, 1990), pp. 24-25

<sup>120</sup> Bak Wan -Ki, *op. cit.*, pp.7-9

<sup>121</sup> Shin, Eun R yung, *ibid*, p.21

accepting ranks between family members and the authority of the patriarch as being natural, higher ranked persons demand obedience from lower ranked ones and lower ranked ones offer dedicated sacrifices to higher ranked ones, regarding it as their societal obligation.

This authoritarian culture gives rise to the thought of the preponderance of official power which compromises the principle of liability of administration.<sup>122</sup> In the societies where only vertical hierarchal orders are emphasized in all human relations, the thought of preponderance of official power is a natural result and general people are commonly required to unilaterally obey official power and undemocratic outcomes such as hierarchical systems are brought on internally in administrative organizations.

Also, authoritarianism boils down opinions or behaviours in an organization to unity and uniformity thereby inducing corruption. The authoritarian behavioral patterns of bureaucrats are based on top and bottom status relations, thus in the authoritarian vertical structures, subordinates often can do nothing but follow unjust orders from their superiors.

### 3.1.5 Red-tapism

Another culture inducing corruptions in Korea is red-tapism.<sup>123</sup> Red-tapism is the cases where deviations appear between formalities and realities, including the cases where reasonable and justified things are pursued superficially while still internally clinging to unreasonable and selfish things.

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<sup>122</sup> Shin, Eun R yung, *ibid*, p.34

<sup>123</sup> Shin, Eun R yung, *ibid*, pp.22-23

Red-tapism is characterized by giving importance to rules and procedures and thereby strictly observing them. Therefore, the strict observations of rules and procedures by bureaucrats in administration objectively bear no problem. Problems arise however, in that red-tapism is superficially transcendental while internally bearing the sense of being connected to private individualism. That is, red-tapism gives priority to legal procedures over all factors, thereby causes and effects are reversed resulting in the phenomenon of a reversal of goals where the observance of rules and regulations itself becomes a goal.

In this course, bureaucrats intentionally delay administrative processing emphasizing formalities and procedures. From this springs the causes of corruptions.

Above, several cultural characteristics inducing corruptions in Korean societies were discussed. Although there may be corruption-inducing cultures in any society, the evidence that Korean cultures are especially corruption-friendly is also evinced from many public opinion surveys.

According to a public opinion survey executed on May 11 by the Council for Korean Pact on Ant-corruption and Transparency, 73.5% of general people replied that a sense of connections influences policy processes.<sup>124</sup> Also, in the results of a public opinion survey publicized on January 26, 2007 by the Korean Overseas Information Service, the statement that ‘there are many misconducts and corruptions in Korean societies’ was agreed with by 89.7% of respondents and the opinion that ‘success requires good connections and family backgrounds’ and ‘the problem of corruptions can’t be solved

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<sup>124</sup> [http://cafe.naver.com/kicac.cafe?iframe\\_url=/ArticleRead.nhn%3Farticleid=114](http://cafe.naver.com/kicac.cafe?iframe_url=/ArticleRead.nhn%3Farticleid=114)



without the improvement of paternalism' posted 82.5%.<sup>125</sup>

It can also be considered that there may be interpretations contrary to the analysis frame suggesting that the characteristic cultures in Korea are the causes that can induce corrupt activities.<sup>126</sup> It is because the utilities of cultural values or regimes themselves may vary with the changes in times. Depending on changes in environments, they may sometimes function positively and sometimes increase inefficiency. Also, a cultural explanation that looks to, at first glance, indicate clear causal relations is, in fact, often simply justifying the status quo or hiding the ideological intention to drive situations toward a certain direction. It is considered that eventually cultures will put certain restrictions to human behaviours, but may change themselves or bring about a new effectiveness depending on active manipulations of meanings by humans rather than determining human behaviours as fixed value systems. Whereas the Asian values of giving importance to human relations and mutuality played a role in bringing about the various ill effects of crony capitalism, it can be considered that they also contributed to the outcome of low crime ratios and the maintenance of high grade public security through social control. Rather than establishing simple causal relations presuming that certain cultures will inevitably bring about corruptions, the fact should be understood that the concept of corruption itself involves ethical judgments of values. The presumption that certain cultures resulted in corruption and thus corruption would be eliminated if only those cultures could be changed would be a hasty conclusion.

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<sup>125</sup> <http://www.viewsnnews.com/article/view.jsp?seq=11478>

<sup>126</sup> Han, Seoun g Mi, Cultural Characteristics and Corruption Structures of East Asia. *Yonsei Business Review*, Autumn, 1998, Vol.35, No. 2, pp.263-266

## 3-2. The relations between corruption and politics in Korea

Various political variables are also closely related to corruption. These variables may include the political situations of the times, the high cost political system structures, the extent of democratization and many others.

Korea has a short political history of only 60 years from the time it became independent until now. It has not been sufficient time for Korea to be equipped with completely reasonable political systems. In this section, the issue of how much influence the political systems and environments of Korea exerted on corruption will be reviewed along with major political variables.

### 3.2.1 Historical-Political factors

Among political and historical situations throughout the last one hundred or so years, the ones that are unique to Korea are the colonial reign of Japanese imperialism for 36 year and the 2 years and 11 months of the period of the military administration by US army.

Following the successful invasion of Korea and subsequent 'Union Treaty' in 1910, Japan exercised absolute power over the Korean land and people.<sup>127</sup> During this period, the public administration in Korea strengthened the paternal bureaucratic systems armed with absolutism and imperialism. This Japanese governing method brought about

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<sup>127</sup> Chun, Soo Il, A study on bureaucratic corruption: socio-cultural perspective, *Korea Public administration science journal*, 1984, Vol 18, No 1, pp.160-161

several major changes in the thoughts and behavioral patterns of Koreans toward bureaucrats. Bureaucrats were perceived as the subjects of fear privileged beings and as governors rather than servants for people. The authoritarian behavioral patterns of Korean bureaucrats were reinforced. Furthermore, it brought about the behavioral patterns of Korean bureaucrats observing laws for law's sake. In other words, when there was any problem to be solved, they concentrated their efforts on strict legal interpretations rather than on reasonable judgments.<sup>128</sup> It can be said that this observance of laws for law's sake is desirable in a way, but it resulted in red-tapism, where normalized formalities and procedures are strongly adhered to. It fosters stiffness and inflexibility of thinking and facilitates passive attitudes in bureaucrats. Also, it brings about the adverse effects when the results of legal interpretations are bent, lacking fitness to purpose, depending on the intentions of bureaucrats. The military administration of Korea by the US Army is another significant event which is also considered to have played a role in fostering corruption-friendly cultures. In August 1945, Japan was defeated in World War II and Korea was liberated from the colonial reign of Japan and came under the temporary reign of US Army's military administration. Although Korea was full of the desire to create a new independent country through self-supported independence, imprudent political greed resulted in chaos with political disorder and a complete lack of direction. During the period of military administration by the US Army, dispersed with all the disorder and turmoil, bureaucrats were highly prone to work for their own interests. This can be seen from the fact that interpreters were blamed as necessary evils because they showed up many misdeeds and contradictions within the system and were accused of intentional

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<sup>128</sup> Park, Moon Ok, *New Korean Government Theory*, (Seoul: Shin Chun Publishing Co., 1981), pp.174-175

distortions.<sup>129</sup>

In addition, it can be said that the political instabilities caused by the outbreak of the Korean War and the subsequent military coup d'état made it impossible to expect the development of external control devices over bureaucrats, and this can be considered to have worked as a further cause to induce corruption.

### 3.2.2 Cost of political structures

The high cost nature of political structures is a phenomenon that can be frequently seen in developing countries where political developments have not yet been made. It can be said that, in a state where political developments have not been fully made, the ones who hold the power try not to release it, and the parties without power struggle to get it.<sup>130</sup> In this scenario, huge amounts of money are consumed in money based elections or the operations of political party organizations and this brings about political corruption. It is impossible by its very secretive nature to calculate the amount of money spent on managing unfair elections.

In the case of Korea, the national subsidies paid by National Election Management Committee in the past were a mere trifle compared to the political funds spent by political parties. Up until the time of the Kim Young-Sam government, when national subsidies were increased greatly with the enactment of the law regarding political

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<sup>129</sup> Chun, Soo Il, A study on bureaucratic corruption: socio-cultural perspective, Korea Public administration science journal, 1984, Vol 18, No 1, p.162

<sup>130</sup> Kim Hae-Dong, A study on the relation between corruption control and modernisation, *The Journal of Administration*, (Seoul: Graduate School of Public Republic, Seoul National University, 1993), Vol.31, No2, pp. 14-16

funding, presidential candidates and members of the National Assembly made every effort to fill their personal political funds as well as those political funds for their political parties with no regard for measures and methods.<sup>131</sup>

With the enactment of the law regarding political funds in 1994 under the Kim Young-Sam government, the procurements of political funds were legalized and the incoming and outgoing of donations and expenditure became open to be public scrutiny. This obviously increased the transparency related to political funds. The measures to ensure transparency were prepared by, first, increasing the opportunities to collect political funds and then by substantially increasing national budget subsidies and by demanding supporters' associations give receipts provided by the Central National Election Management Committee against the money received.<sup>132</sup>

Also, public office election law was amended to mandate the disclosures of properties owned by candidates for public offices and to guarantee freedom in election campaigns. Furthermore, the costs for election campaigns were reduced by the Government by facilitating the election campaigns being executed by unpaid voluntary service providers, and the provision of election advertising through an expanded system of public broadcasters. The authority to investigate into election costs was given to the National Election Management Committee and the punitive sentences to election law violators

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<sup>131</sup> Kim, Taek, Corruption of structure and adhesion in Korean Society. *Korean Corruption Studies Review*, 1998, Vol. 2, p.111

<sup>132</sup> Im Sunghan, Influence of political Political Reform Law initiated by Kim Yong-Sam Government upon Korean Politics, *Social Science Research*(Kang-Won University), 1998, Vol 37, pp. 41-42

were increased by about double.<sup>133</sup>

In spite of these institutional reforms, the provincial elections that took place in 1996 were again governed by money. The will for political reformation regressed, anyhow and the phenomenon of political corruptions was an undeniable fact in this situation.<sup>134</sup>

The details of political corruption related to political funding in Korea are not well known due to their obvious secretive nature, but the major procurement channels for political funding that is known so far, for each of the political dynasties are as follows.<sup>135</sup>

First, President Lee Seung-Man, the 1<sup>st</sup> president of Korea procured his political funds mainly through the Korea Democratic Party until he took the reigns of government. He recognized the importance of political funds much earlier than other politicians thus he was able to procure funds through diverse channels. In the days after Liberation, this recognition by Lee Seung-Man, and his active pursuit of funds compared with his rival contender, the relatively passive, political idealist Kim Gu gave him the upper hand in the elections and can be considered to have been one of the major reasons why he won.

During the reigns of government by the Liberal Party, the biggest sources of political funds were the disposals of so called 'enemy's properties' left by Japanese and the interests in relation to the allocations of the assistances from USA. At that time when the scale of companies, the level of industrialization or the extent of the formation of national capital was very low, politicians or political parties colluded with businessmen

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<sup>133</sup> Im Sunghan, *ibid*, pp.40-41

<sup>134</sup> Im Sunghan, *ibid*, p.52

<sup>135</sup> Kim, Young -Rae, A study on political corruption and political funds in Korea, *Korean Corruption Studies Review*, 1997, Vol. 1, No.1, pp.19-23

by disposing enemy's properties at low prices in the course of nationalizing a small part of them in return for political funds.<sup>136</sup>

During the short period of reigns of the Chang Myeon government of the 2<sup>nd</sup> Republic, there was very little time for suspicious fund raising to happen, and anyway all political processes were disclosed and maximum freedom of speech was guaranteed due to the April 19th students' revolution, There is thus no case of political corruption to be discussed here.<sup>137</sup>

President Park Jung-Hee, who took control of the country through the May 16th coup d'etat, maintained power for the relatively long period of 18 years, and thus he needed a lot of political funds and accordingly, he carried out a lot of misconducts. During this period, a lot of foreign capital was introduced in the course of economic industrialization and domestic industries also developed considerably. During this period the tie-ups between politicians or political parties and the increasingly powerful businessmen become more pronounced than during any other government. Many examples of misconduct related to political funds have now been revealed including various financial preferences, coercive requests for commissions when introducing foreign capital, and preferences in the disposal of national land.<sup>138</sup>

During the 5<sup>th</sup> republic presided over by Chun Doo-Hwan or the 6<sup>th</sup> republic of President Roh Tae-Woo, the *Blue House* (presidential office) managed political funds firsthand, providing political funds to the governing party. These huge amounts of

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<sup>136</sup> Kim, Young -Rae, *ibid*, pp.19-20

<sup>137</sup> Kim, Young -Rae, *ibid*, pp.20-21

<sup>138</sup> Kim, Young -Rae, *ibid*, pp.21-22

money were collected from companies under the titles of various donations and the title of 'reigning fund of president'. Investigations by the Prosecutors revealed that President Chun Doo-Hwan procured 950 billion won during his reign. 250 billion won out of the money were donations made under various names and the balance, 700 billion won, was his personal slush fund. The public prosecutors office revealed that President Chun, Doo-Hwan saved 160 billion won from the money when he retired.<sup>139</sup>

In addition, President Roh Tae-Woo himself announced that he had procured 500 billion won. However, the procedures to collect the money for political activities were different from those of the immediately preceding government - the Chun, Doo-Hwan government. The Chun, Doo-Hwan government collected the money for political activities directly into the Blue House through outright demands, and no business that disobeyed the order to contribute money for that purpose could easily continue doing business. Accordingly, both of the governing parties and the National Assembly had to receive the money for political activities from the president. But under the Roh, Tae-Woo government, the coercive collection of money for political activities became impossible due to the rapid development of democratization, and so the governing group held itself back from making unreasonable collections of money for political activities, learning a lesson from past adverse effects.<sup>140</sup>

President Kim Young-Sam avowed openly that the Blue House would receive no political funding after his inauguration and showed different political behavioural

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<sup>139</sup> Han -Gook Newspaper, 27. Aug. 1996, page 1; Jang, Sang-Hwan, 'Politics-Big Business Tie Ups and Korean Capitalism' in Corruption and Anti-corruption Policy in Korea, The social science research centre in KyungSang University in Korea, 2,000, pp.124-132

<sup>140</sup> Jang, San g-Hwan, op. cit., p.127



patterns from preceding presidents through various institutional improvements. From then on, it can be considered that the behavioural patterns changed, and the Blue House no longer received political funds to distribute, and this was the case for the subsequent premier President Kim Dae-Jung. Political parties tried to operate their organizations with official political funds such as national budget subsidies or support money.<sup>141</sup>

It can be seen that in the past, in Korea, huge amounts of political funds were required to maintain high cost political structures. Fortunately, the reality is that the systems for the public operation of elections have continuously being expanded and improved since then and thereby have reduced greatly the political funds required. It is obvious that the high cost nature of political structures in Korea is diminishing gradually.

### 3.2.3 Democratization.

The extent of the democratization of the government is directly related to corruption. There is, of course, some argument whether corruption takes place more in authoritarian setting than a democratic one. If we define corruption politically as the non-democratic involvement in political decision-making, and not make the definition purely criminal, it would be wrong to say that corruption take place less often as a society goes through democratization.<sup>142</sup>

However if the definition of corruption is limited to the way that this research has defined it (in terms of criminal behaviour), generally, it is understood that dictatorial

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<sup>141</sup> Kim, Young -Rae, *ibid*, p.23

<sup>142</sup> John C. H. Oh and Bruce Wiegand, Democracy, Development, and Corruption: The case of Korea, *Korea Observer*(Seoul: The Institute of Korean Studies), Vol. 27, No. 4, Winter 1996, pp.497-498

regimes are apt to be corrupt.<sup>143</sup> Such dictatorial regimes are generally faced with controversy over their legitimacy. Hence, in order to widen their support base, they often attempt to buy supporters. The necessary funds for such a political aim are usually provided by big business conglomerates, which naturally, in turn, expect the ruling elites to give them special financial benefits. Here develops a collusive relationship between political leaders and big businesses.

There is no disagreement from the opinion that the past Korean Republics from the First Republic to the Fifth Republic (with the exception of the Second Republic), that is, the Lee Seung-Man, Chang Myeon, Park Jung-Hee(the third and the fourth) and Chun Doo-Hwan regimes, are authoritarian regimes. But, the authoritarian character of the regimes from the Sixth, Roh Tae-Woo regime, rapidly changed. The June 29th declaration of Roh Tae-Woo led to an amendment to the constitution based on the mutual consent of the Government party and the Opposition party and resulted in direct Presidential elections voted for by public. From this time, the Korean governments gradually democratized.<sup>144</sup>

Past governments in Korea contained dictatorial factors and this may be considered to have been a contributing factor that induced corruption. Fortunately, the democratization of government is progressing fast and from that dimension, the environments of corruptions may be considered as being improved rapidly.

Apart from the attributes of the democratization of the regime seen from such normative aspects, another measure of democratization is the existence of the institutionalization to

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<sup>143</sup> Chun, Soo Il, *Bureaucratic Corruption*, (Seoul: Sunhak Publishing Co., 1994), p.60

<sup>144</sup> Bae, Sun g-In, *A research for the process of industrialization and democratization in Korea*, (Seoul: PhD thesis in Dan-Kook University, 1997), pp. 123-190

realize democracy. In terms of institutionalization, Korea has been preparing various institutional devices that can realize political democracy. Through the amendment of the constitution in 1987, equitable participation and competitive elections were ensured. Under the government of Roh, Tae-Woo, who was elected based on the new constitution, the freedoms of speech, publishing and association were expanded.<sup>145</sup> The Kim Young-Sam government disclosed the properties of public officials, executed the system for real names in financing making the receiving of bribes related to public offices more difficult to hide. By amending election law and enacting political fund law, the institutional framework for the operations of political parties and fair elections were prepared. The Kim, Dae-Jung government developed democratization one stage further by dint of the simple fact that it took the reign of government through a replacement of political power between a government party and an opposing party and this achieved an outcome important for the political neutralization of the bureaucratic system and the prevention of corruptions.

Such institutionalizations of democracy are essential in preventing political corruption. Of course, the preparation of such institutional devices does not necessarily guarantee the realization of the institutionalization of democracy. If public officials continue the practices of the time of authoritarianism, the institutions of democracy will not be able to put down roots.

President Roh Tae-Woo carried out the merger of 3 parties with 2 opposing parties in

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<sup>145</sup> Lim Su Hwan, Corruption in the Korean New Democracy, *Korean corruption studies review*, (Seoul: The Korean Association for corruption studies, 2002), Vol.6, No.1, 2002, pp.129-132

order to break the structure of a small governing party and large opposing parties in the National Assembly and to restore the dominant position of governing party. This merger of 3 parties was an action that recovered the dominance of the executive branch and the dominance of the president at the time of authoritarianism.<sup>146</sup>

During the period of Kim-Young-Sam government, popularity and power were concentrated on the individual of president thanks to the outcome of the reformation accomplished in the early part of his tenure resulting in the phenomenon where politics relied upon the leadership of personality rather than institutions. The Kim, Dae-Jung government also maintained a grasp over National Assembly members and political parties, taking advantage of the movement for defeats in election fueled by popularism.

<sup>147</sup> In front of such the overwhelming authority of a president, the functions of the National Assembly and court shrink and regresses horizontal responsibility distribution, which is an important factor of democratic institutionalization. The three governments that emerged after the democratization externally look like as having shown institutional approaches to corruption controls by arranging the laws and institutions necessary for corruption controls but in contents, but in some aspects they can be evaluated as having operated legal systems in a fashion that retrogressed democratic institutionalization.

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<sup>146</sup> Lim Su Hwan, *ibid*, p.131

<sup>147</sup> Lim Su Hwan, *ibid*, p.131

### 3-3. Relations between corruption and economy in Korea

Corruption can be approached from different directions. The approaches from an economic aspect can be considered to be as important as from political, social and cultural aspects. This approach from the economic aspect can be studied in terms of diverse aspects such as a government's market intervention, economic inequality within societies, relations between capitalistic economic systems and corruption, correlations between bureaucratic corruption and economic growth, other economic effects that can be caused by bureaucratic corruptions, distorted distribution of resources or economic policies.

Among these diverse approaches from economic aspects, this section will focus on the structure of the tie-up between politics and business as being at the core of misconducts and corruption and its own evolution during the course of economic developments.

#### 3.3.1 Politics-business tie ups

Politics-Big business tie-ups are one of the basic characteristics of Korean society that have steadily continued in the development of Korean capitalism after Liberation. These corruptions of politics-big business tie ups are based on the market economy intervention of government and the economic value possessed by public authorities. In other words, a government must have the public authority that can exert discretionary authority in the state of market imperfection.<sup>148</sup>

In Korea, up to now political powers have received a considerable part of the money

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<sup>148</sup> Lee Jong-Won, The economy of corruption, an article in the 3<sup>rd</sup> Academic Conference of International Korean Economists, *Korean Society of Economy*, 1988, p.3

needed to create and maintain power from companies and in return they have provided preferential treatment and favors <sup>149</sup> The strong growth seen in the Korean economy has led thus to a parallel growth in this sort of business-political tie in and the entrenchment of the corruption associated with it as both sides mutually benefited. The economy grew and the corruption spread with a wide range and broad depth of influence on bureaucratic organizations and the private sector. This has become one of the fundamental corruption activities in Korea.

The sticky relationship between financial conglomerates and political powers that has formed the tie up between politics and business in Korea has, at its core, been mediated by bureaucratic organizations and financial institutions. Political powers provided a variety of preferences and interests in relation to instructions or mediations for bank loans, the allocations of foreign loans, business selections, the ordering of works and purchase tenders related to government and in return took monetary compensations from beneficiaries that were in most cases large companies, and used them for political funds or the accumulations of personal fortunes.

The 1950s was the time for Korean capitalism to form comprador capital through preferential sales of properties restored from the defeated Japan, preferential tax and financial support etc. The obliquity and corruption facilitated by politics-big business tie ups played the role of promoting the accumulation of capital at the beginning of the development of capitalism. This period can be said to be the period of primitive accumulation of native capital. Politics-Big business tie ups had a decisive significance in the formation and growth of native capital that was especially feeble because Korea was a late starter capitalist country after passing through a colonial reign for the first

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<sup>149</sup> Lee Yun-Ho, Korean structure of corruption and anti-corruption policies in economic perspectives, *Korean Corruption Studies Review*, Vol.2, No.1, 1998, p.60

half of the 20<sup>th</sup> Century. The primary methods for the Lee, Seung-Man government in 1950s in giving special favours to those businesses friendly with the Liberal Party were preferential allocations of import quota and import permits, preferential sales of restored properties, preferential allocations of aid fund and goods, special favours for bank loans and special favours in the course of implementing the restoration projects of the government and of the US army after the war.

During the period of rapid development from the 1960s to late 1980s, the Park, Jung-Hee Government managed on its own initiative not only macroscopic economy operations but also microscopic industrial structural reorganizations. Oh, Won-Cheol, the Chief Presidential Secretary for Economy at that time called it, an 'engineering approach to economic construction' or a nationally planned economic system. The Government presented objectives, selected the methodologies to accomplish the objectives and enforced businesses practice to follow the economic plans. To oblige entrepreneurs to practice the plans made by the government, the government had to guarantee profits to the entrepreneurs and thus the Park, Jung-Hee Government elaborated support measures to foster the *chaeb ols*(financial conglomerates) including the provisions of industrial complexes, payment guarantees for foreign capital introductions, preferential financing under the conditions of low interest rates and long term repayments, reductions of and exemptions from custom duties and national taxes, policies facilitating monopoly and prohibiting imports, constructions of industrial infrastructures, the cultivation of engineers and technicians and the enhancement of the morale of entrepreneurs and workers.<sup>150</sup>

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<sup>150</sup> Oh, Won -Cheol, Korean Style Economy construction 1-6, (Seoul: Kia economy research center), 1995-1997, Vol. 3

**Table 3.1 The ten largest business groups (*chaebols*) in Korea**

Ranking	Year 1965	Year 1975	Year 1985
1	SamSung	SamSung	LG
2	Lucky	Lucky	HyunDai
3	SsangYong	HyunDai	SamSung
4	PanBon	HanJin	SunKyung
5	SamHo	HyoSung	DaeWoo
6	SamYamSa	SsangYong	SsangYong
7	DongYang	DaeWoo	HanJin
8	DaeHan	DooSan	HanKookHwaYark
9	GaePoong	DongA construction	DaeRimSanUp
10	PoongHan	SinDongA	HyoSung

\*Source: Kim, Jeong-Ryeom, 30 Years History of Korean Economic Policies, (Seoul: Jung-Ang Newspaper Co.), 1990, pp. 20-73

Under such conditions, being close to the political power was a critical factor for the growth of businesses. Businesses commonly provided the political power with funds expecting direct profits and received special favours in exchange for the funds. Such a customary practice could cause great changes in the superiority structure and rankings between *chaebols*, and so those *chaebols* that could intimate relationships with those in power kept growing, but other *chaebols* that could not do so deteriorated.

To review changes in the 10 largest *chaebols* between 1965 and 1985, among the 10 largest *chaebols* in 1965, not more than 3 remained in 1975 and of those 10 largest



*chaebols* in 1975, 8 remained until 1985 as shown in Table 3.1.<sup>151</sup>

The politics-big business tie ups during the period of Chun, Doo-Hwan Government were basically the same as those during the period of Park, Jung-Hee Government. Right after the commencement of the 5<sup>th</sup> Republic, the Chun, Doo-Hwan government executed unconventional business policies to force *chaebol* businesses to liquidate their subsidiary companies in doing so consolidating 66 marine transport companies into 20, dissolving 78 companies and the 5 largest *chaebol* businesses as the subjects of credit controls and in the course it abruptly dissolved the Kukje group that was ranked as the 10<sup>th</sup> largest business at that time.<sup>152</sup> Under the revolutionary political situation as described above, businesses could not but to grope their way to maintain friendly relations with the President in order to survive and consequently they had to unavoidably provide the President with money and other valuables every time an opportunity was given to them.

After the Roh, Tae-Woo Government was established following the June Resistance, the conditions surrounding Korean capitalism were fundamentally changed. The relationships between the political powers and the *chaebols* began to change beginning from the period of the Roh, Tae-Woo government.

In the 1988 New Year Press Interview, Gu, Ja-Gyeong, the chairman of the Federation of Korean Industry emphasized that ‘the free market economy system based on the

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<sup>151</sup> Kim, Jeong -Ryeom, 30 Years History of Korean Economic Policies, (Seoul: Jung-Ang Newspaper Co.), 1990, pp. 20-73

<sup>152</sup> Jang, San g-Hwan, ‘Politics-big Business Tie ups and Korean Capitalism’ in Corruption and Anti-corruption Policy, The social science research centre in KyungSang University in korea, 2,000, p.121

harmony between autonomy and competition and the harmony between equity and efficiency is the only way to ensure the advancement of our economic society' and that we have to form 'an enterprising social climate where creations and entrepreneurship are respected'.<sup>153</sup> Emphasizing autonomy and entrepreneurship meant the exclusion of government's interventions and the enhancement of the perception of entrepreneurs requesting the conversion of the government-led economy into a civilian-led economy. Of course, the civilian led economy referred to by the Federation of Korean Industry was a *chaebol*-led economy.

Accordingly, unlike the preceding government, the government did not give apparent special favours in exchange for the money provided to it for political activities, and also the provisions of such money for political activities decreased remarkably. The *chaebols* would not have been reluctant to provide the money for political activities if they could have received what they wanted in exchange for donations but the compensations for the money became much more uncertain compared to the past. The expected rate of return from political investments went down and the risk in giving went up to be much higher than before.

By the 1990s, businesses began to refuse to be controlled by the Government. The political power represented by the governing power and the Administration attempted to maintain the governing system of old. The conflict between the political power and the businesses kept growing. Meanwhile, Jeong, Joo-Young, the chairman of Hyundai group came forward as a candidate for the 1992 presidential election to be defeated and subsequently the conflict between the political power and *chaebols* became severe. In

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<sup>153</sup> Don gA newspaper, 3, Jan., 1988

this circumstance, President Kim, Young-Sam could not continue the behaviour of collecting the money for political activities firsthand and declared that he would not collect the money for political activities during his term. But, even during the period of the Kim, Young-Sam government, close aides to the president such as Hong, In-Gil, a general affairs secretary collected some money for political activities under the control of Kim, Hyeon-Cheol a son of the President.<sup>154</sup>

During the period of the Kim, Dae-Jung government, politics-big business tie ups were attempted by the businesses aiming at obtaining special favours in the course of overcoming the 'Foreign Exchange Crisis' and relieving businesses led by the government. Major cases of the politics-big businesses include the case of the lobbying of Im, Chang-Yeol the governor of Gyeonggi province by the Gyeonggi Bank aimed at preventing itself from being liquidated and the case of the slush fund money held by the Donga Construction Company Limited.<sup>155</sup> Since the Government had the right to decide in relation to resuscitations of and support to businesses and financing institutes in the process of structural reorganizations during the 'Foreign Exchange Crisis', those organizations or individuals having practical authority were subject to lobbying activities. In this regard, it can be said that the collections of the money in large amounts for political activities were reduced during the period of the Kim, Dae-Jung government because the special favours that could be obtained by *chaebols* in exchange of the provisions of the money for political activities were reduced compared to the past and the government controlled financing was subject to intense criticisms.

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<sup>154</sup> Jang, San g-Hwan, *ibid*, pp.126- 139

<sup>155</sup> Jang, San g-Hwan, *ibid*, pp.138- 139

In conclusion, before the period of the Park Jung-Hee government, the Korean economy was facing structural restrictions such as lack of capital, a shortage of entrepreneurial abilities, inferior technology levels and shortage of information. When they took the reigns of government in this situation, the Park Jung-Hee republic adopted growth strategies and initiatives centered on large companies and export industries to drive economic growth. Based on a growth strategy to take on the world market with a system for mass production of a small number of items, the government intensively supported certain industries and certain companies judged as being promising but with insufficient capital. The government secured control over financial organizations through ownership and by taking the authority for personnel management and exercised the material right of decision making on the supplies of policy funds at low interest rates to these companies. In addition, preferences and supports were granted to companies throughout the processes of investments, productions and sales by the means such as domestic market protection, by the prohibition of imports and the installation of tariff barriers, the formation and maintenance of domestic monopolistic or oligopolistic market structures and the provisions of export financing with advantageous conditions.

The establishments and execution of economic growth strategies were also led by bureaucratic organizations. Having the right of decision making over the operations of economy, the bureaucratic organizations found themselves standing in the advantageous position whereby they could manipulate companies by the means of the allocations and uses of resources. Also, every time an economic crisis came, the government granted abnormal preferences to large companies to rescue the companies from the crisis.<sup>156</sup>

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<sup>156</sup> Lee Yun-Ho, *ibid*, pp.61-63

In Korea, it is not difficult to find the cases which show the improper relationship between regime and a business conglomerate. The example of Korean Air is just one case in point among them.<sup>157</sup> In 1969, an obscure private firm known as The Hanjin Group, headed by Cho Choong-Hoon) was handpicked by President Park, to take over the unprofitable state airline. Cho then turned all of his energy to keeping the airline flying and to making sure that it would become profitable. With generous state-sponsored funds, and with a monopoly guaranteed by the government, it eventually became profitable in spite of the fact that its position of monopoly ended in 1988 when the rival Asiana Airline was given permission to fly as the second domestic carrier.

David C. Kang contends that business conglomerates in Korea, called *chaebol*, were powerful enough to construct and maintain a relationship of “mutual hostages” with the ruling politicians: “Even at the beginning of the Park regime, capitalists realized that they were not entirely vulnerable to the state but that both had a certain ability to sanction the other”.<sup>158</sup>

However, we can see how a business conglomerate was weak against government from this following case. When Lee Kun-Hee, a chairman of Sam-Sung Group which is the biggest business conglomerate in Korea, visited Beijing in March 1995, he publicly ridiculed President Kim Young Sam’s administration as “second class” and the country’s local politics as “fourth class”. Soon after this so-called “Beijing incident” the

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<sup>157</sup> John C.H.Oh and Bruce Wiegand, Democracy, Development and Corruption: The Case of Korea, *Korea Observer*(Seoul: The Institute of Korean Studies), Vol.27, No.4, Winter 1996, p. 518

<sup>158</sup> David C. Kang, *Crony Capitalism: Corruption and Development in South Korea and the Philippines*, (Cambridge: Cambridge University Press), 2002, p.119

powerful Samsung fortunes began to deteriorate, because the government began to take actions harmful to it, such as cutting off loan programs and delaying governmental approvals for major projects.<sup>159</sup>

Intensively supported by economic preferences and with opportunities from political powers, the conglomerates made efforts to maintain the political forces that nurtured them through the tie-up with the powers and exercised the economic controls obtained as such over other private sectors to take economic advantage. Those conglomerates took monopolistic or oligopolistic profits from people within the ring-fence of non-competitive markets. As such, the tie up between politics and business played a critical role in giving birth to the comprehensive corruption structure of Korean societies.

### 3.3.2 Correlations between corruption and economic growth

The concept of 'economics of corruption' became prominent during the 1990s, with the widespread analysis and publication of corruption indexes by international organisations such as Transparency International and reports of economic growth. Studies of the two produced two opposing arguments, one that corruption was an obstacle to economic growth and the other, that on the contrary, corruption exerts positive influences on the economy and promotes growth.

For instance, Mauro argues that corruption slows down the economic growth of a nation by reducing the ratio of investments to GDP. Mauro suggests that if Bangladesh is able to reduce corruption levels to those comparable to Uruguay, Bangladesh's ratio of

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<sup>159</sup> John C.H.Oh and Bruce Wiegand, *ibid*, pp.521-522

investments to its GDP will increase by as much as 5%.<sup>160</sup>

But the argument that corruption slows down economic growths runs counter to the fact that high economic growths have been made in some Asian countries including South Korea. Such a reality in Asia breaks up the common idea that corruption slows down economic growth.

With regards to the relationship between corruption and economic growth, Treisman argues both that it could be established that corruption slows down economic growth, but it could also be established that economic growth reduces corruption.<sup>161</sup> This argument, that two-way causal relations could be established between corruption and low economic growths indicates that the one sided stipulation of corruption as a cause of low economic growths and giving a privilege to anti-corruption as a strategy for economic growths can not be justified. As pointed out by Treisman, corruption will not inevitably slow down economic growth if other factors act favourably to economic development.

Wedeman argues that although correlations between corruption and the ratio of investments to GDP may exist in those countries where corruption is not severe, such correlations are not necessarily established in those countries where corruption is severe. Wedeman pointed out that what hindered economic growth was not corruption per se, but certain types of corruption. Wedeman divided the types of corruption into looters, rent-scrappers, divided-collectors and suggests that Korea can be classed as being among

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<sup>160</sup> Mauro , Corruption and Growth, *Quarterly Journal of Economics*, 1995, Vol.110. No.3, pp.681-711

<sup>161</sup> Treisman, D., The Causes of corruption: a cross-national study, *Journal of public economics*, 2000, Vol.76, pp.400-401

the divided-collectors.<sup>162</sup>

David C. Kang contends that money politics can reduce transaction costs and help mobilise capital for development if a small set of governmental and business elites feels politically secure.<sup>163</sup>

That corruption in Korea was centred on large businesses can be said to have exerted positive influences on economic growth, at least until the middle class was formed in the Korean society.<sup>164</sup>

The process of industrialization during the late 1960s and early 1970s (that can be said to be the early stage of economic growth in Korea) can also be regarded as having accomplished rapid growth in terms of of the illicit unions and improper transactions between the business groups that had grown up based on the support of the political power, and that very same political power that nurtured them. It can be said that the process whereby certain businesses that were granted a lot of special favours by the early autocratic leaders and then paid bribes corresponding to those favours, was repeated by the later less autocratic rulers when they provided intensive government support to some businesses in order to elicit bribes in larger volumes.

At that time, the middle class had not yet been formed socially and economically and thus the government could be free of pressures from that class, so it could concentrate

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<sup>162</sup> Wedeman, A., Looters, Rent-Scrapers and Divided-Collectors: Corruption and Growth in Zaire, South Korea and the Philippines, *The Journal of Developing Areas*, 1997, Vol.31, Summer

<sup>163</sup> David C. Kang, *ibid*, pp.96-121

<sup>164</sup> Chung Yeong-Ill, Correlativity of corruption and economic development in Korea, *Theses of social sciences*(KwangJu: Dongkang college), 2002, Vol. 2, pp.193-209



various special favours and support to certain businesses.<sup>165</sup> In the process, the businesses had to achieve maximum growth in order to be continuously supported by the government. It was the process where productive businesses could be continuously supported by the government while the businesses with a low productivity were excluded from special favours given by the government. Such an environment can be said to have been the background of the rapid growth along with the cycling of enormous improper activities and corruption<sup>166</sup>.

According to David Kang, political considerations were the motive force behind economic policy in Korea and corruption reduced transaction costs and promoted growth.<sup>167</sup> Moran argues that corruption coexisted with economic developments and corruption was productive because special favours were given based on economic outcomes as well as political connections.<sup>168</sup>

But, after 1980s, the relative power of businesses increased along with rising waves of political and economic democratization and this liberation did not suppress improper activities and corruption, but rather hardened the institutional foundation of improper activities and corruption.<sup>169</sup> Also, the middle class emerged and the government could not be free from its pressure.<sup>170</sup> Therefore, the democratization in procedures was

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<sup>165</sup> Khan, Mushtaq, 'Patron-Client Networks and the Economic Effects of Corruption in Asia' in Mark Robinson, ed., *Corruption and development*, (London: Frank Cass), 1998, pp.15-39

<sup>166</sup> Robins on, Mark, 'Corruption and development: an introduction' in Mark Robinson, ed., *Corruption and development*, (London: Frank Cass), 1998, pp.1-14

<sup>167</sup> David C. Kang, *ibid*, pp.5-11

<sup>168</sup> Moran, Patterns of Cor ruption and Development in East Asia, *Third World Quarterly*, 1999, Vol.20, No.3, p.570

<sup>169</sup> Robinson, *ibid*, pp.1-14

<sup>170</sup> Khan, *ibid*, pp.15-39

emphasized. It can be said that as the resources distributed amongst the business groups were relatively reduced and consequently competition between businesses surrounding special favours became intense. The governmental special favours that had been distributed on the basis of contributions to economic developments were transformed into measures to ensure the legitimacy of the political power. Regardless of contributions to productivity or growth, businesses could receive special favours by just paying the highest rents. In this circumstance, eventually the businesses, bureaucrats and the political power became devoted to the activities of pursuing rents on their own without any connection with growth.

This pattern of corruption that has continued since 1980s just resulted in distortions in resource distributions and it can be said to be different from the distorted resource distributions aimed to support economic growths. Consequently, the corruption after 1980s can be said to have been strengthened in the negative aspect in that it impaired the reliability of Korean economy rather than contributing to economic growth.

### 3-4. Conclusion

The sections above reviewed, the political, economic and cultural aspects that have, up until now, been affecting the corruption in Korea. John C.H.Oh and Bruce Wiegand insisted that, in a traditional society, incidences of corruption are generally petty bribery such as small gift taking, customs' officials taking bribes, and border patrols' taking bribes, etc. Moreover they insisted that such corruptive behaviours are not widely publicized in such a pre-democratic society, largely due to the lack of free press and the absence of mass news enterprises. The circumstances of 1960-70s Korea corresponded

to such a situation.<sup>171</sup>

However, according to the above two scholars, as society goes through the process of democratization and modernization, as well as the quickening process of industrialization, the quantity of individuals and organizations engaged in mass media increases sharply, but also the quality of the media coverage begins to improve very rapidly. Under such circumstances, the media begins to engage more aggressively in investigative reporting, particularly on the wrong doings of public officials. Under such circumstance, more accountability of public officials is demanded by the public. Now it seems that Korea arrived at this stage.<sup>172</sup>

Fortunately, recently the economic and political environments in Korea are changing substantially and accordingly the environments with the potential to induce corruptions are improving.

In the past, the economic growth of Korea relied greatly on the external method of the expansion of production by the expansion of production factor inputs, but now the enhancement of productivity through efficient uses of given resources is what is necessary, not the external expansions. This productivity enhancement will become active through creativity and spontaneities of individual economic entities, not under the external instructions and interventions of the past. As the economy grows, the subject of economic problems is changing from mobilization of resources to efficient uses of resources and economic structures are becoming more complex and sophisticated and

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<sup>171</sup> John C.H.Oh and Bruce Wiegand, *ibid*, pp.525-526

<sup>172</sup> John C.H.Oh and Bruce Wiegand, *ibid*, pp.526-527

consequently, the system of comprehensive government initiative maintained up until now is revealing many problems. Overall societies also moved from oppressive authoritarianism to pluralistic democratic societies. Along with the democratization, various interest and lobby groups are freely and strongly expressing their intentions for their interests.<sup>173</sup> With the development of internationalization, markets are being opened and international criteria and obligations are being required to be observed. Responding to this, the Korean government is pursuing economic and social developments by the autonomy of the private sector and not by government initiative. Companies are becoming transparent through the expansion of the disclosures of company management statuses etc. Also, with the political democratization, the tie ups between politics and economy are being broken.<sup>174</sup> In conclusion, the peripheral environments inducing corruptions in Korea have not been favourable by now but they are improving now.

It can be said that actually these cultural, political and economic environmental factors are a double edged sword in terms of political will as to whether they induce or hinder the formation of political will to vigorously fight corruption.

On one hand, a “corruption-friendly environment” (or at least one where corruption is not viewed unfavourably) reduces any external pressure for corruption control and, in this situation, policy makers find no profit politically to energetically conduct corruption control activities. In other words, if the voting public are ambivalent to corruption (or indeed feel that they profit from it as a whole) then an anti corruption ticket will not be a vote winner in elections and thus there will be no political will to implement such

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<sup>173</sup> Lee Yun-Ho, *ibid*, pp.65-66

<sup>174</sup> Lee Yun-Ho, *ibid*, p.71

policies. On the contrary, usually in a rational and open culture, the people dislike corruption, and so there is value for policy makers be seen to face up to corruption with a strong political will, because the public support corruption control and will support politicians seen to be promoting it.

In that same environment where corruption is disliked by the populace, a government that is itself corrupt (or at least profits from corrupt activities) has no inducement to implement anti-corruption policies against itself and in fact actually the opposite. In order to keep control and maintain (the generally undemocratic) system, more corrupt activity and profitable tie ups with big business is required to oil the political machine. There is no political will to upset the status quo and shorten the life of the regime.

Conversely, it could be said that a corruption-friendly environment actually increases the political will for corruption control in a democratic system. Regardless of whether the regime itself is corrupt, in a society where there is plenty of corruption it is easy for more corruption control efforts to be taken to appear strong willed politically and gain favour with the voters. Indeed the weaker the political foundations of the government, the stronger efforts that can be expected of them to get the support of the public through corruption control activities.

In conclusion, the cultural, political and economic environment are only a factor that effects political will to tackle corruption if it is politically expedient for the politicians to do so. If there is no political profit to be had from tackling corruption, then there will be no political will to do so.

Therefore, it can be said that the effects of the cultural, political and economic environment on the political will for corruption control depend on other social situations, such as democratisation and mass media development.

In the case of Korea, as seen above, it can be said that the cultural, political and economic environment in the country contributed to the rampant corruption. However, it can not be said that the environment affected the political will for corruption control solely in a , negative or positive fashion. It can be said that, those environmental factors affected negatively on political will until the Roh Tae-Woo regime, because other social situations were not matured, but affected positively on the political will to curb corruption from the Kim Young-Sam regime.

## **Chapter 4. Institutionalization of anti-corruption policy in Korea**

It can be said that Korea has accomplished rapid economic growths through the process of modernization, but the highly centralized authoritarian regime resulted in the retrogression of democracy and the structuralization of improper activities and corruption. Thus, every newly formed government established the eradication of improper activities and corruption as one of its tasks for reformation, but it is likely that it was only a measure to liquidate opposing groups for a shift in the political power or to ensure the legitimacy of their political power through gaining public support.

Therefore, it is quite meaningful to review the anti-corruption systems of past governments if more efficient and sustainable anti-corruption systems are to be prepared.

To eradicate corruption, a systematic and reasonable mechanism to control improper activities and corruption must be contrived through a comprehensive consideration. Unless the opportunities and benefits to engage in improper activities and corruption are reduced, the improper activities and corruption may not be suppressed.

Anti-corruption activities must be combined with measures to control those corrupt activities that have already occurred, and the effort to change the culture along with powerful preventive institutions. Among them, the appropriate institutionalization of announced anti-corruption policies could be considered to be the motivating power for the eradication of corruption.

Samuel Huntington is one of the scholars advocating institutional approaches and according to his argument, corruption refers to the use of power by public officials for their personal purposes and it occurs from an absence of effective political institutionalisation.<sup>175</sup> That is, it can be said that institutional approaches seek the cause of corruption from the absence of institutionalization.

The lower the level of institutionalization, the more unstable is the behavioural pattern expected from public officials leading to larger possibilities for deviant behaviours to occur. The lower the level of institutionalization the larger becomes the possibility for corruption to occur. Therefore, institutionalization is a very important factor in suppressing corruption while it can be a representation of a political will.

Before intensively reviewing the activities in Korea to eradicate corruption, in this chapter the development processes of major institutions will be reviewed and how the institutionalization for the eradication of corruption has grown up steadily over time in Korea will be examined.

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<sup>175</sup> Samuel Huntington, *political order in changing societies*, (New Haven: Yale University Press), 1968, p.59



#### 4-1. Institutionalization of anti-corruption policy in the First Republic of Korea

As reviewed earlier in this study, the 1<sup>st</sup> Republic (the Lee, Seung-Man government) that commenced right after the ending of the Japanese colonial period maintained power for 12 years inducing various kinds of improper activities and corruption due to the charismatic leadership of President Lee, Seung-Man and the excessive loyalty and abuse of power of the Government officials blindly following him. In particular, they even ignored law and order and social norms to maintain their power. This made even the general people to perceive the power as the highest value, and the wealth and interests of the country were exclusively possessed by a small number of entrepreneurs resulting in uncountable numbers of unemployed persons and the poor to literally starve. The bureaucrats essentially concentrated on protecting their own interests rather than achieving national plans, and faithfully performed the role of a political tool of the president. Even the police acted as a private security force of the president in monitoring and threatening opposition parties rather than maintaining law and order.<sup>176</sup>

In this circumstance, it can be said that the 1<sup>st</sup> Republic failed in institutionalizing any anti-corruption policy to speak of. As a newly established government, only the establishment of major national organizations in charge of the eradication of corruption such as the Commission of Inspection and the Investigation Department of Special Affairs in the Police and Prosecutors Office may be considered to be the major content of the institutionalization in relation to corruption.

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<sup>176</sup> Ahn Byung-Man, A theory for Korean Government,(Seoul: Da-San Publishing Co.), 1993, p.158

The function and authority of the Commission of Inspection was to inspect and detect the error and wrongdoing of administrative branches. The Investigation Department of Special Affairs in the Police and Prosecutors Office took charge of the investigation for large scale criminal cases such as the corruption cases for high ranking politicians.<sup>177</sup>

Also, they took the merit system as a basic personnel management system, but, in practice, favouritism was widespread. However, no effort was devoted to correct the situation. In addition, it is hard to find any proper evidence that activities were committed to improve the responsibility and morality of government officials. Only the duty regulation, called *Gwan Ri Joa U Myung*, which included the rules concerning punctuality, obedience, fairness, and so on, was introduced in 1950.<sup>178</sup>

#### 4-2. Institutionalization in the Second Republic of Korea

As reviewed in Chapter2, the improper activities and disorder in the 1<sup>st</sup> Republic brought about the extensive resistance of students and eventually gave birth to the 2<sup>nd</sup> Republic. But the 2<sup>nd</sup> Republic that was born as a result of the April Student Revolution not only did not have the ability to eradicate improper activities and corruption due to incompetence and fractional strife, but also collapsed in 6 months after it came into power due to its open practices of improper activities and corruption such as personnel management based on personal considerations, appropriations of the National Treasury

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<sup>177</sup> The Board of Audit and Inspection, *The history of 40 years Audit and Inspection*, 1988, pp.173-310

<sup>178</sup> Oh, Seok -Hong, *The Reform of Republic(Hang Jung Gae Hyuk Lon)*,(Seoul: Pak Young Sa, 1997), pp.252-53

and tax evasions.<sup>179</sup>

The 2<sup>nd</sup> republic established the law regarding the punishment of the persons involved in unfair activities in an election in November 1960 in an attempt to punish those who provided large amounts of the money for political activities at the time of March 15<sup>th</sup> General Election. Another effort of the government was to establish the foundations of a retroactive law, called the Special Law against Immorally Acquired Fortune, in the constitution to punish persons who accumulated wealth through corrupt means.<sup>180</sup>

In addition the Second Republic reinstated the Commission of Inspection in 1961.<sup>181</sup> This commission was based on “The Law of the Commission of Inspection” which was enacted in 1961, differently to the previous commission. Furthermore, the size of organisation and the object of inspection were enlarged. The Commission could inspect government-operated enterprise as well as government organisations.

Another particular effort was the trial to enact “The law of the registration of assets of government officials” for the establishment of ethics. The Ministry of Development drafted the law and sent it to the House in 1960.<sup>182</sup> However, the draft was discarded in the House on the grounds that existing laws were sufficient to control corruption.<sup>183</sup>

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<sup>179</sup> Kan g Ji-Joon, A study on the anti-corruption institution for government officials in Korea, (Dissertation in Kyung-Nam Univ. in Korea, 1995), p.46

<sup>180</sup> Kan g Ji-Joon, *ibid*, p. 46

<sup>181</sup> The Board of Audit and Inspection, *The history of 50 years Audit and Inspection*, 2000, pp. 283-4

<sup>182</sup> An, Hae-Gyun, ‘The analysis of administrative structure of the Second Republic: the administrative and political process under the Democratic Party’, *Hang Jung Ron Chong(The Journal of Republic)*, (Seoul: Graduate School of Public Republic, Seoul National University, 1980), Vol.18, No1, p.188

<sup>183</sup> Kang, Kyung-Kun, ‘*The reform of law and institution for corruption prevention*’, in *Corruption, How to control?*, (Seoul: The committee of corruption prevention, Dec. 1994), p.106

### 4-3. Institutionalization in the Third Republic of Korea

The Supreme Council for National Reconstruction (SCNR), (established following May 16th Revolution) enacted on June 6, 1961 the law regarding emergency actions to reconstruct the country and, based on this law, in an attempt to eradicate corruption, it established the Unjust Wealth Accumulation Treatment Act and the Special Law Regarding The Punishment Of Special Crimes.<sup>184</sup>

These laws stipulated the subjects of punishments as being; unjust public officials, unjust profiteers and unjust property accumulators in school. These were defined in the acts as follows:<sup>185</sup>

‘Unjust public officials’ - those public officials who fraudulently took any national properties, or those who (using their positions and power) acquired properties corresponding to a value of 50 million *Won* or more, or used other unjust methods to accumulate properties.

‘Unjust profiteers’ those who acquired unjust benefits through lease contracts for National or public properties or those properties restored to the country from Japanese Imperial control.

‘Unjust property accumulators in school’, people who acquired properties unjustly under the guise of school operations or establishments.

Despite these institutional efforts, public officials’ corruption continued in the process

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<sup>184</sup> Kan g Ji-Joon, *ibid*, p. 47

<sup>185</sup> Park, Yon g-Ho, ‘Controlling Corruption in Korea: Approach Style of Government’ (PhD dissertation, Seoul : Seoul National University, 1999), p.114

of implementing modern policies including economic development plans and thus more comprehensive countermeasures began to be required and in doing so the 3<sup>rd</sup> Republic revealed the limitations in its own legitimacy and system maintenance and subsequently it executed *Yusin*(the Revitalizing Reforms) in October 1972 to launch the 4<sup>th</sup> Republic.<sup>186</sup>

As a matter of course, it is not to say that there were no institutional reform efforts which had the effect of preventing corruption, although reforms undertaken did not principally target corruption control. Institutional reforms that had the effect of preventing corruption are as follows.

First of all, it can be said that the corruption related to the personnel management of government officials was serious. At that time, even abnormal methods were employed to recruit government officials at the request of powerful political figures. That method was to employ the requested persons as temporary employees on condition that they would be transferred to the post of regular employee. Because of this abnormal method, the number of temporary employees exceeded that of regular employees at the time.<sup>187</sup>

Accordingly, the military junta enacted the National Public Service Law as an institutional method to eradicate corruption related to the personal management of government officials. This law provided the initial framework of the merit system for the personal management of government officials. Until this time, each ministry had been allowed to employ its staff by itself. However, according to the enactment of this

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<sup>186</sup> Kim Ho-Jin, *The systems of Korean politics*, (Seoul: Bak Young Sa Publishing Co.), 1994, pp. 258-262

<sup>187</sup> Yoon, Woo-Gon, 'The realities of and measures against corruption in personnel management republic', in *The Realities of and Measures against Systematic Corruption*, (Seoul: The Research Centre for Modern Society, 1982), p.41

law, an integrated employment system was adopted in which the central ministry for personal management integrally deals with the employment of each ministry's staff through a competitive entrance examination open to all. This new system prevented corruption in the employment practices of each ministry.<sup>188</sup>

Along with the revisions of the personal management system, the Public Official's Training Act was enacted in 1963, and various types of training for improving the professional ability and morality of government officials commenced.<sup>189</sup> The training programme addressed a number of subjects which included government officials' conduct whilst on duty and the integrity of officials in preventing corruption. Office regulations in those days consisted of the following personal requirements: sincerity, obedience, prohibition of deserting the work place, fairness, honesty, secrecy, integrity, dignity, a ban for holding more than public office, and a ban on participating in political movements and collective actions.

In addition, the military junta established the Board of Audit and Inspection (BAI) belonging to the President on the 20th March 1963, which had the unified function of audit and inspection. Until then, those functions had been separated into the Board of Audit and the Commission for Inspection respectively.<sup>190</sup>

Despite of these various efforts to improve institutions, it can be said that most efforts for corruption control in Third Republic concentrated on the *ex post facto* control such as detection and punishment.

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<sup>188</sup> Yoon, Woo Gon, *ibid.*, p.48

<sup>189</sup> Park, Dong-Seo, *The historical analysis of Korean republic*, (Seoul: Seoul National University Press, 1987), p.566

<sup>190</sup> The Board of Audit and Inspection, *The history of 40 years Audit and Inspection*, 1988, pp. 339-469

#### 4-4. Institutionalization in the Fourth Republic of Korea

Having held power for some ten years, Park's obsession with the presidency was still boundless when he won his second four-year Presidential term in 1967. Pro Park members of the National Assembly were pressured to initiate moves to eliminate the constitutional limitation on the presidency to two terms. Having removed the term limitation in 1969, Park was more determined than ever to overwhelm his civilian opposition in the 1971 Presidential election by whatever means necessary. In that election, Park defeated the opposition candidate of the New Democratic party, Kim, Dae-Jung who later became the President of Korea in 1998. However, the margin of victory was narrower than in the 1967 election against opposition candidate Yun. It was evident that there was a large and stubborn group of voters opposed to military-dominated authoritarianism despite of the vaunted economic growth. Park himself initiated a series of moves to ensure that he would never again face a popular election in order to remain president. He apparently decided to use the sense of uncertainty in South Korea regarding national security for domestic political purposes. International development that contributed to the sense of uneasiness in Korea included the 1969 Nixon Doctrine, which essentially advocated an Asia-for Asians policy, and particularly the notification a year later that a U.S. combat division, a third of the American troop strength there, would be withdrawn by 1971.

Suddenly martial law was declared throughout the country on the 17th October 1972 and the National Assembly was dissolved. Park stated that these moves were necessary to eliminate the conditions fostering "disorder and inefficiency....and to develop the

free democratic institutions best suited for Korea".<sup>191</sup> An amended constitution, the so called *yusin* (revitalising reform) constitution, was approved by a national referendum, making it possible for Park to prolong his presidency indefinitely through an indirect Presidential election by the newly created National Conference for Unification (NCFU). Following this Park was elected as President of the Fourth Republic in 1972.

At the beginning of the Fourth Republic in 1972, there were no extraordinary corruption control efforts. However, from 1975 till 1979 when Park was assassinated, the Fourth Republic coped with corruption through a nation-wide anti-corruption movement called *Seo Jung Soai Sin* (Government's Purification Campaign) which is different to the methods employed by the previous republic.<sup>192</sup>

According to the official definition, the *Seo Jung Soai Sin* purports ultimately to achieve a National Rejuvenation through the enhancement of administrative and political efficiency, elimination of corruption in officialdom, cleansing of social waste and injustice, and through mental revolution.<sup>193</sup>

Its action programmes cover three domains: i.e. purification of officialdom; social purification; and mental revolution.<sup>194</sup> In an attempt to purge officialdom, public officials' misdeeds were continuously controlled, the movement to clean up the surroundings of public officials were actively implemented, institutions were improved to remove the opportunities for wrong doings to occur and meritorious services were

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<sup>191</sup> Dong-A Il Bo (Dong-A News Paper), 18 October 1972, p.1

<sup>192</sup> Cho, Young-Jae, *Han Guk Ui Seo Jung Soai Sin Ron* (Government's Purification Campaign in Korea), (Seoul: Yool Sung Publishing Co.), 1980

<sup>193</sup> Cho, Young -Jae, *ibid*, pp.10-11

<sup>194</sup> Cho, Young-Jae, *ibid*, pp.12-25



rewarded without fail and faults were punished equally without fail in order to protect good public officials. To clean up society at large, attempts were made to establish a healthy mind-set in the people and social organizations were expected to rid themselves of corrupt practices. Members of the public who attempted to solicit favours or request illegal actions of public officials, such as buying informations were severely punished. The ordinary public involved in those behaviours were given criminal punishments and the public officials involved were prohibited from getting a job in related companies for certain periods.

This movement is characterised by its very broad coverage, initiation by the governing elites, and strong political support flowing down from the chief executive. The chief executive and his staff largely initiated this movement and its momentum was largely generated from the top.<sup>195</sup>

It can be said that the government's plan is to carry out this national movement in three sequential stages. The first of the three stages concerns elimination of corruption and malfeasance in officialdom; the second relates to expanding the purification movement over the general public; and the third addresses internalising purified social norms into the mindset of the people. The movement was planned to start from within the government bureaucracy. The targets or problems for remedial action within the government include unjust, irrelevant or corrupt behaviour, all other elements of inefficiency which impede or deteriorate official discipline and administrative efficiency, a luxurious private life exceeding proper living standards of government officials, and other additional employment activities which are not compatible with professional ethics. The operational objectives of the movement in the government were

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<sup>195</sup> Kim, Bun-woong and Rho, Wha-joon, *Korean Public Bureaucracy*, (Seoul: Kyobo Publishing Inc., 1982) pp. 324

as follows: firstly to change attitudes of officials, to eliminate corruption and improprieties related to task performance; second, to remove the built-in institutional improprieties by means of remedying inefficient and wasteful administrative arrangements and thirdly, to enhance the prestige of government personnel by cleaning up environmental conditions of their official and private life.<sup>196</sup>

The starting point of the *Seo Jung Soai Sin* movement is somewhat blurred, and it may be a subject of some controversy. However, it would be safe to assume that the temporal baseline of the movement was March 1975. At around this point, the chief executive's determination for the movement was succinctly stated and made public and his detailed directions on action programs were articulated to those in the upper echelons of government. There have been drastic changes in the degree and scope of the anti-corruption activities of the government since March 1975. The public relations material published by the pertinent authority of the government also pronounced March 1975 as the starting point of the movement.<sup>197</sup>

Although the principle measures of the *Seo Jung Soai Sin* movement rests on punishment, we have to acknowledge that the Fourth Republic in comparison to previous republics placed more emphasis on reform of the political system. This means, as mentioned above, that the republic emphasised the prevention of corruption.

Initially, the Fourth Republic established institutional reform as one of the instruments of social purification, and started to reform many provisions and processes, related to

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<sup>196</sup> Administrative Coordination Office, Office of the Prime Minister, ROK, *The Seo Jung Soai Sin Action Programs of 1977*, and the *Seo Jung Soai Sin Progress Report of 1976*

<sup>197</sup>; Choi, Jae-Wook, 'The Seo Jung Soai Sin' (Seoul: Shindonga, 1977), pp. 106-119

public interest. This institutional reform programme was to revise irrational or unreal laws, regulations and custom. There was a big difference between this programme and the previous governments' efforts in so far as it emphasised the need to get rid of the causes of corruption and the programme was also executed on a large scale.

The Fourth Republic established the Commission for Reforming Laws and Regulation that are related to the public interests in April 1975. The Commission searched significant elements to be reformed from central government to local government, and executed reform in these areas. The commission undertook a total 1,583 cases from 1975 to 1978, which included 231 laws, 467 Presidential decrees, 493 prime minister and ministers' decrees and 329 other regulations<sup>198</sup>.

Along with the above institutional reform efforts which had indirect effects on corruption, more direct effective institutional reforms carried on. First of all, a collective responsibility system, which laid the responsibility on the person concerned as well as his or her superior, was introduced. This was for establishing official discipline through the activation of the supervision of a superior officer. This was intended to punish first and second line supervisors for their subordinates' wrongdoing and this consequently enlarged the scope of punishment. This system prescribes the scope of reprehension over the supervisors as well as their subordinates who committed wrongdoing whilst performing their official duties. Before the *Seo Jung Soai Sin* movement set about its task in earnest in 1975, there was a similar collective responsibility system but, in this case, light punishment was imposed upon the superior.<sup>199</sup> However, this collective responsibility system was amended during the *Seo Jung Soai Sin* Movement. The

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<sup>198</sup> The Ministry of Government Republic, White Paper of Republic, 1979, p.11

<sup>199</sup> Oh, Seok-Hong, op. cit., 1977, p.131

number of corrupt officials' superior officers punished from 1975 to 1978 totalled 21,267 persons, which amounted to 15% of the total number of punished officials which reached a figure of some 155,336 persons.<sup>200</sup>

The role of the other institution was to record the names of punished and awarded officials, and to keep a permanent record of these details. Prior to this republic records would be destroyed after an allotted time period. However, by keeping permanent records, the republic gave greater responsibility to government officials. Another institution to raise the effect of punishment was to ban discharged government officials from being in the private sector for a given time period. Before this institution commenced, discharged officials could get a job in the company with which he or she conspired to corrupt during their time in office. This situation reduced the effect of punishment and provided another chance of corruption.<sup>201</sup>

In conclusion, the Fourth Republic introduced various institutions to enhance the effect of corruption control efforts with a massive purge. These institutional reforms influenced corruption control through diminishing government officials' power and by making governmental processes transparent to public scrutiny.

#### 4-5. Institutionalization in the Fifth Republic of Korea

Commenced in 1980, the Government of the 5<sup>th</sup> Republic established the embodiment of the society of justice as a national objective in order to solve the problems that had occurred in the course of rapid economic developments and modernization. To

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<sup>200</sup> Cho, Young-Jae, *op. cit.*, 1980, pp.103-105

<sup>201</sup> Oh, Seok-Hong, *op. cit.*, 1977, p.112

accomplish that, a clean government and honest public officials were required. For that, the Emergency Measure Commission for National Security was established in May of the same year to execute reformations in various areas such as politics, administration, society.<sup>202</sup> The Sub Commission for Social Purification was installed in the permanent commission of the Emergency Measure Commission for National Security to hammer out the measures to eradicate unjust public officials abusing power and to clean up society.<sup>203</sup> Thereby the Government of the 5<sup>th</sup> Republic announced the plan for Society's Purification Campaign in June 1980 and established the Society's Purification Commission in charge of government level supports for the *Sa Hoe Jung Hwa* (Society's Purification Campaign) movement and the reformation movement.<sup>204</sup>

The Society's Purification Campaign was basically similar to the Civil Services Reformation Campaign of the 4<sup>th</sup> Republic. It is similar to the Civil Services Reformation Campaign of the 4<sup>th</sup> Republic in that it was focused on enhancing the sense of ethics amongst public officials and in that it attempted to clean up the entire society at large based on the purification of the public officials.

But this campaign was a national mental reformation movement through the spontaneous participation of all people. It was a social reformation movement to form a social atmosphere based on honesty and trust by eradicating various irrationalities and social evils prevailing every in place in the society and reforming the impoverished climate of mental culture through spontaneous participations of all people.<sup>205</sup> In other

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<sup>202</sup> Kim Ho -Jin, *The theory on Korean political structure*, (Seoul: Bak Yeong Sa Publishing Co.), 1994, pp.264-267

<sup>203</sup> Kim Ho -Jin, *ibid*, pp. 265-267

<sup>204</sup> *The history of Sa Hoe Jung Hwa movement*, (Seoul: The committee of *Sa Hoe Jung Hwa* movement) 1988

<sup>205</sup> Korean Government, *A white paper on Korean administration*, 1984, p.622

words, it was showing a more advanced appearance in that it attempted to convert the principal body of implementation from the government to the ordinary people.

Accordingly, it can be said that the Government of the 5<sup>th</sup> Republic strived to avoid the supervising activities focused on a number of cases or punishments and to strengthen long term preventive activities. Strategically, it attempted to first purify the key areas such as high ranked positions and power groups and then spread the result to low ranked positions or provincial public offices. Also, the strategy to intensively purify the key areas vulnerable to corruption to clean the society of public officials was established and implemented.

For this, the republic established the code of government officials' ethics and instated an oath for new government officials, and stressed the self-enlightenment of government officials. In addition, the republic enacted the Government officials' Ethics Law, and tried to introduce a Real Name Financial System.

First of all, the republic tried to set up a 'clean culture' in amongst government official and established a government officials' code of ethics in 1980. This code was to enshrine a basic code of conduct for all government officials. There had been a norm of ethics since the establishment of the first government, but those norms were too abstract to be actualised.<sup>206</sup> However, the new code was more concrete than the old one. The new code stressed the social status of government officials and suggested a moral principle that government officials should practice.

The republic obliged new government officials take an oath of office from 1981. This oath was institutionalised from the duty of government officials in the National Public

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<sup>206</sup> Bae Sung-Dong, 'The philosophy and assignment of ethics norms', *National philosophy and government officials' ethics*, (The Central Governmental Officials Education Institute), 1982, pp.51-52

Service Law.

The republic stressed the importance of self-enlightenment of government officials in order to get rid of corruption in the public sector, and suggested nine practical points, for example, banning a gratuity for both congratulatory and mourning occasions, to go ahead with the plan<sup>207</sup>.

It can be said that the enactment of the Government officials' Ethics Law in 1981 was the peak of the Fifth Republic corruption control efforts. The Government officials' Ethics Law consisted of three major institutions; opening the property of government officials to the public, reporting of gifts received and the restriction of employment in the field which was related to the government officials' past service. Those stipulations were, however, very abstract and had no device to change the historically existing unjust practices and the sense within the society as a whole that public officials were saturated in corruption, in practice these abstract stipulations did not help very much in sweeping away the deep rooted practices of improper activities and corruption. As a comparison, the Government Ethics Law of USA contains very concrete and detailed stipulations including the stipulation that a public official may not receive a gift corresponding to 20 dollars or more in value and the criteria for gifts and the procedures to treat illegal gifts etc.<sup>208</sup>

The trial introduction the Real Name Financial System was another effort of the Fifth

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<sup>207</sup> The history of *Sa Hoe Jung Hwa* movement, (Seoul: The committee of *Sa Hoe Jung Hwa* movement) 1988, p.119

<sup>208</sup> <http://www.ethicscommission.nc.gov/ethicsact.htm>

Republic, even though the trial ended in failure. The Real Name Financial System had been operated before the coup in 1961. The military junta introduced the Law for Protection of Financial Security Information on the judgement that the Fictitious Name Financial System would be helpful for economic development. With the implementation of this system, it was possible to transact all kinds of financial assets under a fictitious name. However, as time passed, a side effect of the system, which made all kinds of economic contradiction began to be felt. Economic impropriety and corruption increased in this system.<sup>209</sup> As the corruption grew and the ill effects of the Fictitious Name Financial System reached a peak, finally demand for a real name financial system increased. The republic announced the introduction of the Real Name Financial System in 1982. The announcement sent shock waves through the political and economic fields. However, the announcement was cancelled after just three months because of the objection of the people who had vested interests in old system remaining.

Although the trial introduction of the Real Name Financial System had been a failure, the trial was an epoch-making change in terms of recognition about corruption.

Along with the improvement of these major institutions, the republic performed the improvement of minor institutions, which had both inefficiencies and absurdities. The republic installed the Improvement Committee of the Obstruction for Development in May 1981<sup>210</sup>; of which chairperson was the Prime Minister and its members were Ministers and representatives of every field. These works were scheduled to be finished

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<sup>209</sup> Choi Kwang, *The study of underground economy of Korea*, (Seoul : Korean Economy Institute), 1987, pp.115-116

<sup>210</sup> *The history of Sa Hoe Jung Hwa movement*, (Seoul: The committee of *Sa Hoe Jung Hwa movement*) 1988, p.154



at the end of 1981, but were continued through until 1987. The number of institution improvements reached to 23,481 cases in eight years, as shown in Table 4.1.

From these efforts, it can be said that the Fifth Republic put their weight behind institutional reform against corruption as well as *ex post facto* measures.

**Table 4. 1. The number of institutional improvement (cases)**

Fields Total	Irrational personnel management	special favour	delegation of power	service for public welfare	the others
23,481	2,717	1,079	2,764	7,919	9,002

\* source : The history of *Sa Hoe Jung Hwa* movement, (Seoul: The committee of *Sa Hoe Jung Hwa* movement) 1988, p.154

#### 4-6. Institutionalization in the Sixth Republic of Korea

Along with its commencement, the 6<sup>th</sup> Republic announced that it would strengthen the foundation of democratization while defining the objective of national administration as ‘open the great age of common people’. Politically, the political situation of a small governing party and a large block of opposing parties to hold it in check (which is the main function of the National Assembly) became solid. Economically, the autonomy of the private sector was increased and the level of the political sense of the people was improved, but existing public order were disturbed.<sup>211</sup>

<sup>211</sup> Ahn Byung-Man, A theory for Korean Government,(Seoul: Da-San Publishing Co.), 1993, p.172

The New Spirit Movement of Government Officials had been launched to reform improper practices in 1990. This movement was composed of four sub-objectives, such as the fair management of public duty, democratic culture in public office, rigorous distinction between public matters and private matters, and taking initiative to make a sound society. In addition, this movement grew and developed into the life of the general public through the New Public Order and New Life Movement. The Government promulgated the war against crimes and emphasized the embodiment of a society in good order and a working society and implemented the New Public Order and New Life Movement. As a part of that movement, the republic executed a special training, which emphasised frugality, for all government officials and the people in the leadership class. In addition, the republic suggested a guiding principle of frugal living for government officials.<sup>212</sup>

The anti-corruption policies strengthened with the New Public Order and New Life Movement were characterized by the fact that unlike the past, there were no attempts at large scaled cleanups, whereas edifying activities were increased and the issue of public officials' improper activities and corruption was approached in terms of tackling crime. The New Public Order and New Life Movement revealed its limitation in the aspects of outcomes and sustainability compared to the past government's Civil Services Reformation Campaign and the Society's Purification Campaign which had (in parts) exerted long term effects. In spite of the institutional devices aimed to remove corruption inducing causes, no large effect was achieved because the improper activities

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<sup>212</sup> A true record of the Sixth Republic: The five years of Roh Tae-Woo republic,(Seoul: The Ministry of Information, 1992), Vol. 1, pp.262-266

and corruption became larger, were structuralized and organized.<sup>213</sup>

Aside from the New Public Order and New Life Movement, there was no direct anti-corruption institution and activity to speak of during the period of the 6<sup>th</sup> Republic. However, as a way to reform administration, strict operations of the Central Disciplinary Commission and thorough management and guidance of services were emphasized, and the Government's Collaborative Special Supervisory Team was established and operated in the office of the Prime Minister.<sup>214</sup> But, most of the policies were just presented as temporary and these circumstance adaptive policies failed to develop into concrete institutions to suppress bureaucratic corruption.

#### 4-7. Institutionalization in the Seventh Republic of Korea

The election of President Kim, Young-Sam in 1992 meant a birth of a civil government terminating the governing of Korea by the military that had been going on for more than 30years. Unlike past governments, the Kim, Young-Sam government was characterized by the fact that it did not lack legitimacy. For the first time a civilian government had been directly elected by the people in a free vote and the opposition had acknowledged their defeat and accepted the result.

Based on such a restoration of legitimacy, the Government of the Seventh republic gave a general name as a 'Korean disease' to the remnants left by past governments such as wrong practices, institutions and senses and exerted political efforts to remove them and

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<sup>213</sup> Kim Ho -Jin, *ibid*, pp.275-277

<sup>214</sup> The Office for Government Policy Coordination, *The history of thirty years of the Office for Government Policy Coordination*, June 2003

especially. In particular, it implemented bold reformation policies under the flag of the creation of a new Korea. These reformation policies were implemented under three principles; first, the principle of consistency, second, powerful practices and third, the principle of the private sector's initiative.

The Seventh Republic took decisive steps to institutionalise several systems in order to control corruption.

First of all, the republic equipped organizations related to corruption control, in order to keep up daring and constant anti-corruption activities. As if to underscore his determination to eradicate misconduct and corruption, (the new President's top priority as stated in his inaugural address,) President Kim also made the widely praised appointment of Lee Hoi-Chang as chairman of the Board of Audits and Inspections, another Presidential agency. Lee, a former Supreme Court Justice, was well known for his integrity and courage, as well as his intelligence. Emphasising that the Board was an independent constitutional organ, Lee declared that it would not bow to any political pressures and that there would be no "sanctuary" from the board's work.<sup>215</sup>

Besides the aforementioned, in April 1993, the government had organized and operated the Committee for Corruption Prevention Policies, which was enlisted under the banner of the Board of Audit and Inspection and wholly responsible for prevention of the abuse of power and graft. The committee was a consultative body that aimed at gathering in-depth and professional opinions from notables representing various social circles in order to root out elements of irregularities and corruption in the public sector and report it to the chairman of the Board of Audit and Inspection. The committee

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<sup>215</sup> The Board of Audit and Inspection, The history of 50 years Audit and Inspection, 2000

mainly analyzed the origin of irregularity and graft, and studied policies for its prevention. The committee also deliberated reform programs of the laws and institutions triggering corruption, improvements to the system and directions of governmental audit management to relieve corruption. In other words, the committee had three functions; research on the actual state of corruption, incessant recommendation of improvement to the system, and public relations on reformation of character.<sup>216</sup>

The Committee for Corruption Prevention Policies during President Kim, Young-Sam's republic carried out deliberation on 23 vulnerable spheres for corruption and preventive measures, and proposed 497 cases of reform agendas. Moreover, it was active in various activities, such as open forums, campaigns and public lectures, in order for the reform of the public's spirit. Furthermore, a Special Investigation Agency for Corruption was installed in the Public Prosecutor's Office.<sup>217</sup>

Thus, the efforts of the Seventh republic on corruption control had shown a new aspect in comparison with the previous republics in terms of capacity and depth organisations.

In addition, the Seventh Republic introduced numerous systems for corruption control, which had not been installed by previous republics.

One institution was the disclosure of assets of high-ranking officials. President Kim had repeatedly stated that the "upstream must be clean" to keep the "downstream" of Korean government and society clean and free of corruption. As a lifelong politician he knew about collusive relations among politicians and businesses or any other favour seekers. He declared repeatedly that he himself would not accept a single won as political contribution during his presidency. This meant that he would stop the old pernicious practices under the Presidents with military backgrounds—Park, Chun, and

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<sup>216</sup> The Committee for Corruption Prevention Policies, Annual report, 1994, p.9-10

<sup>217</sup> The Ministry of Information, Annual report, 1997(b), p.28

Roh—of accepting political “slush funds,” which they audaciously called “ruling funds,” and whose existence was an open secret<sup>218</sup>.

Kim, Young-Sam took the unprecedented step, only two days after his inauguration, of voluntarily disclosing not only his assets, but also those of his wife, his father, and his two grown sons—the total assets of his extended family.<sup>219</sup> Coupled with this, Kim reiterated his pledge not to accept a single won as a political contribution during his presidency.

This single anticorruption initiative by a duly elected civilian President snowballed into a moral imperative. Mass media daily highlighted the move and built palpable public expectations for others to follow suit. The prime minister, cabinet members and other senior administrators, members of the National Assembly, and higher-level members of the judiciary hurriedly disclosed their assets in quick succession.<sup>220</sup>

The government drafted the Ethics Law for Government officials; the National Assembly promptly passed the legislation on May 20, 1993, requiring 1,063 high-ranking public office holders to disclose their assets accurately and also stipulating that additional senior administrators register their assets. Furthermore, these high-ranking officials were obliged to report annually any change in financial status.<sup>221</sup>

Another significant reform executed about six months after Kim’s inauguration was the imposition of the “real-name system” in financial transactions. By longstanding Korean practice, as in Japan, financial transactions under borrowed or false names had

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<sup>218</sup> Yang Kun-man, et al., *The Records of the Heart of Corruption Structure in Korea*, *Wölgan Chosóu* (March 1996), pp. 146-215

<sup>219</sup> *Hankook Ilbo*, 10 March 1993, p. 4.

<sup>220</sup> Na Yang-sin, *Asset Disclosures of Government officials*, (Seoul: P’ulbit Publishers, 1993). pp. 279-319

<sup>221</sup> *Korea News review*, 11 March 1995, p. 13

been widespread. Such transactions made it possible for large amounts of untraceable monies to circulate, facilitating illicit collusion between politics and big business, and the funding of questionable real estate or stock transactions, among other matters.

A bill to ban such transactions had been drawn up in 1982, during the Chun era, but was evidently quashed at the highest level. Again, in the first months of the Roh regime the real-name system was publicly discussed, but the idea quickly faded. It was said that the business sector feared a dampening impact on the economy. However, President Kim surprised the nation on August 12, 1993, by issuing Emergency Presidential Order No. 16 to implement the Real-Name Financial Transaction System.<sup>222</sup> This clearly was designed to assure the transparency of monetary transactions and property ownership while stopping tax dodging and tax avoidance on interests and dividends

The enforcement of the Real-Name Financial Transaction System in itself had a sensational response from the public, all the more so, because the system had played a critical role in the revealing of the former Presidents' slush funds and state-business collusion. Overall, it was public opinion that unlawful financial transaction, e.g. bribes, had been reduced right after the implementation of the system.<sup>223</sup>

Other reform activity was the enactment of the Information Publicity Law and the Administrative Procedural Law, in December 1996, in order to foster a transparent and fair administrative environment.<sup>224</sup> This was a typical example of administrative reform activities for anti-corruption in the Seventh republic.

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<sup>222</sup> *Hankook Ilbo*, 13 August 1993, p. 1; "Real-Name Financial Transaction System," *Korea Annual 1994*, pp. 72-75

<sup>223</sup> *Hankyoreh newspaper*, 11. Feb. 1998

<sup>224</sup> The Ministry of Information, *ibid*, 1997 p.27

Owing to Administrative Procedural Law, the degree of openness and transparency of the republic could be increased through the opening of various kinds of administrative investigations lacking any clear legal grounds and institutionalization of preliminary discussion between stakeholders.

Moreover, the Information Publicity Law guaranteed transparency and national participation on state affairs by proclaiming a fundamental rule that, generally, the information managed and held by administrative authority should be opened, and prescribing the responsibility of administrative authority for opening information.

As a result, those laws raised responsibility of a group of high ranking officials headed by the President and increased the possibility of eliminating dishonorable government officials who abused public power.

Three other political laws were enacted to make transparent and fair society. The intent of the first of the three laws was made explicit by its title, “The Election for Public Office and Election Malpractice Prevention Act.”<sup>225</sup> The lengthy law, with 277 articles, was evidently the centrepiece of the ‘reform legislations’. Article 1 of the new law declared: “The purpose of this Act is to contribute to the development of the democratic politics by making elections under the Constitution and the Local Autonomy Act to be held fairly in accordance with the free will of the people and the democratic formalities and by preventing any malpractice related to the election.”

The second major piece of legislation, promulgated on the same day, was the Political Fund Law, which constituted amendments to the existing political fund law.<sup>226</sup> These amendments were closely interrelated with the Election Malpractice Prevention Act.

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<sup>225</sup> Republic of Korea government, *Kwanbo* (The Official Gazette), 16 March 1994, pp.4-113.

<sup>226</sup> *Kwanbo* (The Official Gazette), 16 March 1994, pp. 113-20.



Expanding the principle of the “public management of elections,” - which ideally would eliminate the need for an individual candidate’s private money to run for public office, the law provided that subsidies from the state coffer to political parties were increased. The law also allowed an individual to contribute up to 150 million won (approximately \$190,000) to political parties. Under the old political funds law, the limit had been 100 million won.

The third major piece of legislation adopted in March 1994, the Local Autonomy Act, was another landmark in the evolution of democratic politics in Korea.<sup>227</sup> The revival of a local autonomy system as such was an important turning point in the evolution of Korean politics.<sup>228</sup>

Along with the above, the Seventh republic was interested in regulatory reform on the recognition that too much regulation hinders a nation’s competitive power and brings about corruption. The Seventh Republic established a special management law regarding the regulatory reform on enterprise activities in 1993. The republic also installed a special committee for regulatory reform in 1993. Furthermore, the republic enacted the Basic Law for Regulatory Reform in 1997 in order to prepare for a permanent and systematic regulatory reform process.<sup>229</sup>

In conclusion, the Seventh republic put more weight on the institutional reform for corruption control than any other government that had been before. In other words,

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<sup>227</sup> *Kwanbo* (The Official Gazette), 16 March 1994, pp. 113-20

<sup>228</sup> Chija chōngch’i yōnkuhwoe, ed., *Hanguk hyōng chibang chach’i ui ch’ōng sajin* (The Blueprint for a Korean Style Local Autonomy) (Seoul: Kilbót, 1995), p. 11.

<sup>229</sup> The Office for Government Policy Coordination, The history of thirty years of the Office for Government Policy Coordination, June 2003

under the slogan of ‘inspection without sanctuaries’, the Seventh Republic set up system-making to cut the chain of corruption and eradicating non-governmental corruption to make clean environment for government officials, as well as cutting off individual corruption, as the main part of corruption control.

#### 4-8. Institutionalization in the Eighth Republic of Korea

As reviewed in Chapter 2, President Kim, Dae Jung was the first president from an opposing party in the history of Korean politics, thus, it can be said that he had no political burden to maintain past achievements and practices.

Since it commenced at a difficult point in time, following the event of the IMF relief financing, the 8<sup>th</sup> Republic dedicated all its capabilities to the economic restoration of the country. Therefore, reformation works were implemented to remove structural inefficiencies in various areas including the economy but unlike past governments, there were no corruption clearing activities in the nature of a national campaign that had been ritually executed at the beginning of previous new governments. Instead, the works to reform the various institutions inducing corruption were diligently implemented.

The core of the corruption control activities of the Eighth Republic was the First Comprehensive Countermeasure for Corruption Control that was published on 17<sup>th</sup> August 1999.<sup>230</sup> This countermeasure was based on the objective that the Republic would improve its ranking in the CPI (Corruption Perceptions Index), published annually by Transparency International since 1995. In 1998 South Korea had risen from 43 of 85 countries in 1998 to above 20 in 2003. The countermeasure adopted a

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<sup>230</sup> The history of thirty years of the Office for Government Policy Coordination, The Office for Government Policy Coordination, June 2003, pp.522-523

preventive, comprehensive, practical and systemic approach.

Furthermore, the countermeasure suggested comprehensive and radical prescription for various administrative institutions that were vulnerable to corruption after an analysis of past anti-corruption policies, and through the benchmarking of foreign countries' success cases.

The Comprehensive Countermeasure consisted of various plans to pursue the reform of six most vulnerable areas prone to corruption; tax, construction, building, public health, environment, and police republic. Moreover, building infrastructure for corruption control, enlarging the participation of civil society, the creation of a friendly national atmosphere, and pursuing the project step by step were also adopted as a strategy for the success of corruption control. The infrastructure consisted of about thirty institutions such as establishing Special Committee for Anti-corruption, enacting Anti-Corruption Law, magnifying public information, etc. In addition, the countermeasure reformed seventy institutions in six vulnerable areas.

The second Comprehensive Countermeasure for Corruption Control that was announced in July 2001 by the Office for Government Policy Coordination under the Prime Minister. The second countermeasure was announced at the meeting, chaired by the President, attended by about two hundreds people including Ministers, governors of local governments, and representatives of various fields. The second countermeasure consisted of institutional reforms of seven vulnerable areas, which were not included in the first countermeasure, such as education, supply, financial affairs, etc.

For the execution of the announced countermeasures, the Special Committee for Anti-

Corruption was installed in September 1999. This committee was an advisory committee to the President about corruption control such as continuous institutional reform and the creation of an 'anti-corruption mood'. The committee had specific tasks such as institutional reform for corruption control, the assessment of corruption control activities, education and publicity for corruption control, support for civil organisation's corruption control activities, and international cooperation for corruption control.

The committee submitted the draft of the Anti-Corruption Law to the National Assembly in December 1999. The draft contained many new institutions for corruption control such as the assessment of each ministry's corruption control activities, protecting whistleblowers, installing an organization exclusively for corruption control, etc. The draft was enacted in June 2001 after being revised many times through negotiation with civil organization and Opposition Parties. This was a basis of the birth of an independent corruption control organization and a turning point for corruption control in Korea. Finally, the Anti-Corruption Law was promulgated in July 2001 and the Korea Independent Commission against Corruption was founded under the direct control of the President.

In addition, the republic needed a policy that could aid the recovery from economic difficulty, so the republic considered regulatory reforms as a very effective way to strengthen national competitiveness and control corruption. The republic instituted the Regulatory Reform Committee in 1998, and started massive regulatory reform in collaboration with the private sector. The Committee investigated all kinds of regulations of Ministries in 1998 and discovered a total 11,125 cases of regulation. Among them, in 1998, 5,430(48.8%) cases were abolished and 2,411(21.7%) cases were

improved. In 1999, 503(7.4%) cases among the remaining 6,811 cases were abolished.<sup>231</sup>

In conclusion, it can be said that Institutional Reform was active in the Eighth Republic, although there is the minor critique that the institutional reform efforts of the republic could not satisfy the demand of the people.<sup>232</sup>

#### 4-9. Conclusion

We have reviewed how the institutionalization of corruption eradication was done in Korea. It can be seen that like other countries that exemplarily eradicated corruption, there has been a lot of developments in terms of institutions in Korea too.

It can be seen that such developments in terms of institutions have first developed toward the direction to enhance the sense of ethics and the official disciplines of individual public officials, and then over time they have developed toward the direction to improve social clarity, increase external participations in administration and reduce the exclusive authorities of the government. The infrastructures to monitor illegal behaviours of public officials including independent corruption preventing organizations and independent corruption preventing laws that are generally said to be essential institutions for the eradication of corruption by scholars were put in place. Especially, the Comprehensive Countermeasure for Corruption Control announced by the 8<sup>th</sup> Republic sets out as its main content the rationalizing of unreasonable

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<sup>231</sup> The history of thirty years of the Office for Government Policy Coordination, The Office for Government Policy Coordination, June 2003, pp. 470-76

<sup>232</sup> Park, Won-Soon, *The comprehensive assessment about the Comprehensive Countermeasure for Corruption Control*, Working Paper, July 2000

government's authorities that are scattered in various administrative sectors.

In conclusion, to remove the structures in Korea where public officials' corruptions occur, those institutions that would break the immoral connecting chains between various social activity bodies are necessary, rather than the institutionalization at the level of requiring ethical behaviours of individual public officials.

The government-led economic policies must be converted into private-sector led economic policies and governmental regulations. This applies especially to the various regulations related to approval and permit works which must be removed or (given the unlikelihood of that happening), the equivocallity and complexity of regulations must be removed to reduce the room for the discretion of regulatory bodies to break in. Also, those institutions that can maintain the strictness of legal treatments of corruptive public officials must be completed and practices must be improved.

These anti-corruption institutions may be said to be prerequisites for the eradication of corruption. Corruption will not be eradicated just by preparing the institutions. But it can be said that preparing rational institutions is indispensable to eradicate corruption. In this regard, basic preparations for the eradication of corruption have been achieved to some extent in Korea.

In general, institutions gradually change over time, because a government will develop anti-corruption institutions based on those of previous governments. Therefore, it is not logical to compare the will of the past governments to eradicate corruption based on the contents of the anti-corruption institutions which was handed down from the predecessors and thus 'institutionalization' was excluded from the indicators established

in this study to measure political will. In conclusion, institutionalisation is another separate independent variable from political will, which also has an affect on the anticorruption activities.

Of course, the political will that is immanent in the process of new institutionalisation can be assessed by the indicators which are suggested in Chapter 1.

Therefore, it can not be said that institutionalisation does not have an effect on the political will for corruption control at all. The anti-corruption activities of the country which has enough well developed institutions will be only to detect corrupt officials who do not obey the regulations. It means that if a country has been institutionalised enough and the institutions are perfect, (so nothing needs to be changed) the chance for the country to show the political will for corruption control will be decreased.

## **Chapter 5: Corruption Control under the Lee and Chang regime (1948 – 1961)**

This research focuses on assessing the political will in the corruption control activities of past Korean governments. At the time of the first and Second Republic of Korea, from 1948 to 1961, there were not enough policies to measure the political will of corruption control activities as the country had just been liberated from Japanese totalitarianism. It had also only recently established its' first administrative system. The nation was extremely unstable due to the incomplete political structure and also as a result of the outbreak of the Korean war in 1950. Therefore, it is impossible to fairly assess political will in the corruption control activities of Korean governments until the time of the Third Republic. Nevertheless, this chapter provides the basic elements of this research by introducing the corruption control activities.

During the first two Korean republics corruption control efforts were only piece meal and as a result there was a proliferation of corruption activity. This chapter begins to outline the core analysis of Korean corruption control and specifically addresses the corruption control efforts of the first and second Korean republics. The analysis of these two republics is combined due to the similarity in measures adopted by the respective republics in tackling corruption. Furthermore, both of these republics were politically unstable in societies where democracy had not yet been established. The weakness of democratic society is addressed at greater length in chapter 2. The details of corruption control efforts and an assessment of their efforts are as follows.



## 5.1 Corruption Control of the First Republic of Korea (1948-1960)

### 5.1.1 Degree of Seriousness on the Initial Stages

As seen in chapter 2, corruption was one of the main causes for the demise of the First Republic. In particular, it is said that the First Republic collapsed primarily because of autocracy and corruption. Furthermore, the Second Republic's rise and fall was related to the First Republic's corruption and the way corruption control was handled by the Second Republic.

Political leaders and high ranking policy makers need to recognise in advance in order to formulate appropriate policy. With regard to the First Republic's role in the management of corruption, we cannot find any evidence of political vision, especially with reference to President Lee. It is hard to find any passage mentioning the necessity for corruption control in the public speeches of President Lee. In addition, we cannot find any evidence that they dealt with the corruption issue as part of the main policy agenda. A lack of governmental concern regarding corruption is partly a result of the more pressing priority to build a new country.

### 5.1.2 Target Rank and Credibility of Sanctions

It is difficult to discover the targeted political rank of the first government's corruption control policies. It is also hard to assess political will due to the overall lack of corruption control policies. Therefore, the only way that we can construe the target of corruption control activities in this republic is to analyse the activities of governmental organisations.

**Table 5.1: The Numbers of Officials Punished by The Commission of Inspection (1951-1954)<sup>233</sup>**

Punishment Type Grade <sup>234</sup>	Total	Dismissal	Suspension	Reduction of salary
Total	241	122	18	101
2 <sup>nd</sup> and above	8	2	3	3
3 <sup>rd</sup>	83	30	9	3
4 <sup>th</sup>	91	48	6	37
5 <sup>th</sup> and below	54	39	-	15
Special grade <sup>235</sup>	5	3	-	2

\* Source: The Board of Audit and Inspection, The history of 50 years Audit and Inspection, 2000, p.278

The Commission of Inspection worked as a central organisation to control corruption during the First Republic. It was established on the basis of the first Korean Constitution founded in 1948. According to the Constitution, the focus of the Commission's scrutiny concerns those individuals liable to parliamentary impeachment. However, in 1949, the Commission of Inspection announced that the President and Vice President should be exempt from its inspection.<sup>236</sup> In 1955, the Commission of Inspection was changed to

<sup>233</sup> Be cause of the lack of statistics of the number of officials by grade, it is impossible to compare the numbers of punished officials relatively by grade.

<sup>234</sup> In the First Republic, the structure of professional government officials' rank was classified into six grades, from 1<sup>st</sup> to 5<sup>th</sup> regular employees and temporary employee. Most government officials started their rank from 5<sup>th</sup>, and received promotion up to 1<sup>st</sup>. Therefore, in total, the rank of government officials in a certain ministry consisted of minister, deputy minister and six grades of professional government officials.

<sup>235</sup> In spite of the above professional government officials, there were few special grade employees such as 'assistants'.

<sup>236</sup> The Board of Audit and Inspection, The history of 50 years Audit and Inspection, 2000, pp.264-265

the Commission of Assessment<sup>237</sup>. However, the main function of two commissions remained the same.

In addition, the activity records of the Commission of Inspection show that the target of inspection was not high ranking officials, as shown in Table 5.1. The grade of just 8 of 241 punished officials is 2<sup>nd</sup> and above. This means that most of the punished officials were low rank officials, and the commission focused on detecting low rank officials.

**Table 5.2: The Numbers of Officials Punished by The Commission of Assessment (1956-1960)**

Grade	Punished Number	Total <sup>238</sup>
Total		372
2 <sup>nd</sup> and above		4
3 <sup>rd</sup>		51
4 <sup>th</sup>		135
5 <sup>th</sup> and below		81
Police and other		83
Special grade		18

\* Source: The Board of Audit and Inspection, The 50 years History of Audit and Inspection, 2000, p.309

The Commission of Assessment, as the successor to the Commission of Inspection, targeted even lower rank officials than the Commission of Inspection. As seen in table

<sup>237</sup> Ibid, p.300

<sup>238</sup> Be cause of the lack of statistics of the number of officials by grade, it is impossible to compare the numbers of punished officials relatively by grade.

5.2, the commission punished three hundred and seventy two officials from 1956 to 1960. Amongst these officials, just four were graded 2<sup>nd</sup> and above. Both commissions' efforts are focused on low rank officials, which is less effective in controlling corruption.

It is possible, in part, to assess the political will of the First Republic through an examination of how the republic dealt with the corruption scandals of two ministers<sup>239</sup>. In January 1949, the Commission of Inspection discovered the abuse of Agriculture and Forestry minister's authority. The minister of Agriculture and Forestry, Bong-Am Jo misappropriated huge sums of money, so the Commission decided to take disciplinary action. However, President Lee did not accept the commission's decision and persuaded the minister to resign. Two months later, the Commission investigated Young-Shin Lim from the Department of Commerce and Industry under grounds of suspected corruption. It was alleged that he received bribes and misappropriated government funds. This case concluded with the resignation of the minister in question, even though the Commission contended dismissal and criminal penalty. These cases are instructive in assessing the political will of the first Korean republic in addressing corruption.

However, this republic punished low rank officials relatively severely. According to Table 5.1, over 50% of officials among 241 officials who were punished by the Commission of Inspection were punished with the highest penalty of dismissal. Taking into account that the most punished officials were of low rank, we can conclude that the First Republic punished low rank officials relatively severely.

To convince the public that contemporary corruption control efforts are serious and to obtain public support it is necessary to identify and punish high ranking officials guilty

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<sup>239</sup> The Board of Audit and Inspection, *ibid*, pp.268-277

of corruption. However, the First Republic was generous to the high rank corrupt officials. In this sense the First Republic was weak willed with regard to corruption control.

### 5.1.3 Long-Term Strategy

As seen in chapter 4, the First Republic did not suggest any special strategies and counter measures for corruption control. The only thing they did for corruption control was to establish organisations with corruption control duties. Of these organisations, The Commission of Inspection, The Investigation Department of Special Affairs in the Police and Prosecutors Office, became the basis of the government corruption control system.

It is possible to see similar organisations in existence in other countries however in Korea these organisations in reality did not offer specialised corruption control measures. Therefore, the establishment of these organisations without any other long-term plans effectively acting to control corruption signifies a lack of political will to tackle corruption.

Their corruption control strategy was not to arrange systematic long-term measures, with the stress both on the prevention phase and the *ex post facto* phase at the same time, but to detect and punish individual corrupt officials.

In conclusion, the corruption control activities of the First Republic were, in a word, symbolic and did not incorporate a long term strategy.

### 5.1.4 Frequency of Corruption Control Efforts

There are insufficient examples to fairly establish the corruption control efforts of the First Republic. Furthermore, even the above organisations applied insufficient effort to detect corrupt officials. Some parts of the activity records of the Commission of Inspection show that the number of punished officials was very small, as shown in Table 5.1. During four years, from 1951 to 1954, the Commission of Inspection punished just two hundred and forty one government officials. This number was too small when taking into consideration the pervasiveness of corruption at that time<sup>240</sup>.

The efforts against corruption committed by the prosecutors' office and police in the First Republic can not be fairly established due to a lack of data as seen in chapter two.

In conclusion, it can be considered that the corruption control efforts of the First Republic were not frequent.

#### 5.1.5 Mobilisation of Support

During the First Republic, criticism by the opposition party was limited by the autocratic ruling party, and civil society was not sufficiently established to mobilise effective opposition against the government. Therefore, there was no group in a suitable position of power to hold the government's corruption control policies to account.

It is hard to assess whether the republic tried to mobilise the support of stakeholders because the activities for corruption control of the republic were not clear. During this republic the salaries of government were raised in an attempt to gain their support as key stakeholders and subsequently reduce corruption<sup>241</sup>. However, government anti

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<sup>240</sup> Many scholars mention that the First Republic was corrupt. For the details, see the followings: Cho, Young Jae, Han Guk Ui Seo Jung Soai Sin Ron (Government's Purification Campaign in Korea), (Seoul: Yool Sung Sa, 1980), p.75;

<sup>241</sup> The average salary level of 4<sup>th</sup> grade government official was raised from 12,500 Won per month in 1956 to 20,000 Won in 1957, and 40,000 Won in 1958. The

corruption measures failed in part due to the insufficient nature of other welfare policies. At that time the salary level of government officials was very low, and the fact that low level salary was one of the causes of corruption was generally accepted. At last, the First Republic took decisive action to raise salary levels. However, despite this action, government officials' salaries did not meet the actual cost of living.

The government was also doing little to gain public support for corruption control policies and failed to involve the public in the policy formulation process. The concentration of power in the executive branch made interest-promoting activities more rule-application-oriented than rule-making-oriented. Widespread corruption in the government bureaucracy discouraged normal pressure tactics whilst encouraging bribery and other abnormal practices.<sup>242</sup> In other words, the possibility to participate in the process of government policy making, including corruption control policies, was not high. This can be elicited from the fact that there were not only useful anti-corruption policies but the fact that the general policy making process was closed.<sup>243</sup>

Wright described the contemporary interest articulation as follows:

*Political activities in general were mobilised and directed by the government. They were only very infrequently self-asserting expressions of political demands by ordinary people. Opposition activities were usually suppressed and largely without effect on policy. Under Lee, there was something of a separation of policy from*

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minimum living expense was 40,000 Won in 1958. For the reference, the grade of government official was classified from 1<sup>st</sup> to 5<sup>th</sup> then. From Lee, Han-Bin(ed.), *The Historical Analysis of Korean Republic*(Han Guk Hang Jung Ui Yuk Sa Juk Boon Suk),(Seoul: Han Guk Hang Jung Mun Je Yun Gu So, 1969), p.505

<sup>242</sup> Wright, Edward R.(ed.), *Korean politics in transition*, (Seattle and London: University of Washington Press, 1975), p.23

<sup>243</sup> Yoon, Woo-Kon, *Korean Public Bureaucracy: A Behavioural Perspective*, (Seoul: Sung Kyun Kwan University Press, 1982), pp.86-94

*politics in the sense that government policy failed to reflect to any significant extent the freely expressed demands of the people. Popular demand-making activities and parliamentary debates had limited influence on government policy.*<sup>244</sup>

#### 5.1.6 Conclusion

As outlined above, the first Korean republic had insufficient political will to eradicate corruption. They did not recognise the serious realities of corruption. The target of their efforts was not high rank officials. They did not place much devotion on long-term plan to prevent corruption. Their efforts were infrequent with very limited mobilisation of public and political support.

In conclusion, we cannot see any evidence for the seriousness of the First Republic's corruption control efforts. In addition, it is hard to assess the sustainability of efforts made as the First Republic did not enforce any substantive corruption control measures. As described above the efforts of the First Republic could be described as fragmentary and not sustainable.

Placing the assessment on these indicators together, the type of corruption control activities of the First Republic corresponds to Type 1, which is the type that has no serious intention to eradicate corruption and is not sustainable in its actions to combat corruption, in the matrix mentioned in the section 4 of chapter 1.

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<sup>244</sup> Wright, Edward R.(ed.), *op.cit.*, 1975, p.24



## 5.2 Corruption Control of the Second Republic of Korea (1960-1961)

The Second Republic was established by the Democratic Party on August 23rd, 1960, and marked the beginning of Chang's republic. The Democratic Party established a parliamentary-cabinet style political system similar to the British model as outlined in the amended Constitution of 1960. Reacting against Lee's abuse of office the administrative power of the Korean State was drastically reduced and its powers relatively decentralised. The power of the President was to be strictly symbolic or of a ceremonial nature. Executive power was vested in the Cabinet, which was headed by a Prime Minister with a Cabinet collectively responsible to the Lower House. Chang's regime was ideally based upon the goal of achieving a positive, more democratic and decentralised republic. However, the system was not very effective in ensuring political stability and governmental efficiency due to the prevailing societal constraints which included the socio-political turmoil and unrest created after the April student uprising, factional strife among the political elite, the explosion of rising mass expectations, pressure for radical change and inexperienced politicians lacking skills for planning implementation and evaluation of public policy.<sup>245</sup> Corruption in the government continued with some cases involving members of Chang's cabinet. In the free political environment that existed at the time, corruption and inefficiency, amongst other things, made the Democratic government's position untenable.<sup>246</sup>

Within this situation, the Second Republic tried to root out corruption using a variety

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<sup>245</sup> Kim, Bun-Woong and Rho, Wha-Joon, *Korean Public Bureaucracy*, (Seoul: Kyobo Publishing, Inc., 1982), p.60

<sup>246</sup> Wright, Edward R., *Korean Politics in Transition*, (Seattle and London: University of Washington Press, 1975), p.29

of measures. However, these measures could not achieve the intended goal because the Second Republic was only in office for a short period leading up to the military coup of May 1961.

### 5.2.1 Degree of Seriousness on the Initial Stages and Frequency of Efforts

In the beginning, the attitudes of the Second Republic towards corruption control were stricter than those held by the First Republic. The leaders of Second Republic emphasised the importance of corruption control.

President Yoon promised in his inaugural address, “the republic will get rid of corruption as soon as possible and conduct administrative reform boldly”. Prime Minister Chang said “The Second Republic will punish the persons who accumulated wealth through the corrupt way in the previous regime. The republic will withdraw corrupt money and conduct administrative reform to prevent new corruption.”<sup>247</sup>

The leaders asserted that the corruption of the First Republic was the product of autocracy and the autocratic political system was the other cause of corruption.<sup>248</sup>. Thus, first of all, the Second Republic removed the autocratic component of the President’s right through revising the constitution. The 1948 constitution was drastically amended on the 15th June 1960. The amended constitution provided for an elaborate parliamentary system of government. The ceremonial head of the government would be a President elected by a two-thirds majority of the legislature. The National Assembly

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<sup>247</sup> Lee, Jung-Sik, 30 years history after liberation, (Seoul: Sung Moon Gak, 1976), Vol. 3, pp.247-51

<sup>248</sup> Park, Yong-Ho, ‘Controlling Corruption in Korea: Approach Style of Government’ (PhD dissertation, Seoul : Seoul National University, 1999), p.80

became a bicameral body, whereas it had been unicameral in the First Republic. The President would name a Prime Minister, who would be confirmed by a simple majority vote of the Lower House, the House of Representatives. The Prime Minister was the chief executive and would head the cabinet and the cabinet was collectively responsible to the Lower House.

The attitude of the leaders of the Second Republic toward corruption had changed in comparison with that of the leaders of the First Republic, but record of actual conduct and the sincerity of attitudes is not enough. This is because on one hand, the period in office of the Second Republic was too much short and, on the other hand, they can not drive policies forward strongly due to the split of the ruling party. The Democratic Party had over a two-thirds majority, but was united only in opposition against President Lee. This coalition disintegrated into factions.<sup>249</sup>

As mentioned above, the Second Republic enacted the Special Law for Punishing Corrupt Persons in April 1961 which concerned those people who accumulated wealth in a corrupt way taking advantage of position and power since the establishment of Korean Government in 1948 until 1960. However, only two-months later a military coup occurred and subsequently this policy trial ended without significant achievement.<sup>250</sup>

In addition, the Commission of Inspection (reinstated by the Second Republic) could not achieve its desired goals as the coup occurred one month later after it had

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<sup>249</sup> Bedeski, Robert E., *The transformation of South Korea*, (London and New York: Routledge, 1994), p.22

<sup>250</sup> Cho, Young-Jae, *Government's Purification Campaign in Korea*,(Seoul: Yool Sung Sa, 1980), pp.76-80

commenced its duties.

As seen in the chapter 4, the law of the registration of government official's assets which was drafted by The Ministry of Development was also discarded in the House on the grounds that existing laws were sufficient to control corruption.

In conclusion, the Second Republic planned various anti-corruption activities despite their short term in office. However, these efforts were not brought to fruition.

### 5.2.2 Other Indicators:

Other indicators to assess the political will of the Second Republic, for example Target Rank and Credibility of Sanctions, type of strategy, Mobilisation of Support can not be assessed because of the brevity of the republic.

### 5.2.3 Conclusion

Although the leaders' attitudes were more committed than those of First Republic, there was not enough evidence that shows a strong political will of political leaders. Furthermore, there was a possibility that even the leaders' progressive attitude against corruption control was not based on their real intension. but on the influence of the social climate of the Second Republic, which was founded on the grounds of resistance against the First Republic's autocracy and corruption.<sup>251</sup> On the whole the Second Republic passively dealt with the corruption of First Republic. Accordingly the Second Republic lost the backing of its supporting group and also the support of the people. This sequence of events provided the grounds for a military coup.

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<sup>251</sup> Han, Syung-Joo, *The Second Republic and Democracy of Korea*, (Seoul: Jong Ro Book Co., 1983), p.141

In other words, it can be said that the political will of the Second Republic against corruption did not exceed that of the First Republic even though its political leaders recognised the serious realities of corruption and had several institutional reform plans.

Placing the assessment on these indicators together, the type of corruption control activities of the Second Republic comes under Type 1 close to Type 3 in the matrix mentioned in the section 4 of chapter 1.

## **Chapter 6: Corruption Control under the Park Regime (1961 - 1979)**

The military coup led by General Park Jung-Hee on the 16th May 1961 toppled the civilian government. The military junta banned political parties and demonstrations, and planned for a transition back to civilian rule by mid-1963. During this time, Park Jung-Hee emerged as the dominant general. He retired from his military position, and relied on the Democratic Republican Party to carry out authoritarian rule. Park was elected as the new President of the Third Republic in 1963.

In the following paragraphs, the political will of the third and Fourth Republic for corruption control will be diagnosed through the analysis of their activities to address this issue.

### **6.1 Corruption Control of the Military Junta and Third Republic (1961 - 1971)**

The political will and efforts in corruption control of the military junta and Third Republic were much more vigorous than those of previous republics as their activities were based on the spirit of military coup which adopted corruption control as a primary focus.

However they did not present obvious and comprehensive plans which covered the whole range of corruption control activities adopted by previous republics. Hence, the fragmentary activities in those days need to be scrutinised to assess their political will.

### 6.1.1 Degree of Seriousness on the Initial Stages

The military junta and Third Republic were founded on the basis of the coup's motto of 'corruption control'. Therefore, it may be said that the initiative of corruption control was far more at the heart of this regime in comparison to previous republics.

Major General Park, the leader of the coup, was elected as President, so the Third Republic was able to continue corruption control measures utilising the same motto as the military junta. It can be assumed that this provided orthodoxy for the regime. President Park, as a top political leader in the Third Republic, had an extraordinary attachment to corruption control and strong leadership qualities.

First of all, it can be said that President Park had a systematic comprehension of the need for corruption control. He defined corruption as a deep-rooted evil and pointed out that the reason for this concerned the degradation of government officials and stressed the need for certain penalties and rewards.<sup>252</sup>

On the grounds of his systematic recognition, he emphasised corruption control whenever the opportunity arose. President Park emphasised, in the 5<sup>th</sup> Presidential inaugural address that the people have to get rid of the cause of corruption themselves by rejecting injustice and compromise. He also prescribed in the 6<sup>th</sup> Presidential Inauguration address, that poverty, corruption and communism were the three public enemies which should be eradicated for the restoration of the nation. In particular he emphasised that corruption was a vicious habit which paralyses the conscience of human beings. According to President Park's address collection book, he intensively mentioned the necessity of corruption control over thirty times from 1963 to 1971.

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<sup>252</sup> Park, Yong-Ho, 'Controlling Corruption in Korea: Approach Style of Government' (PhD dissertation, Seoul : Seoul National University, 1999), p.122

In reflection of the fact that previous Presidents had not particularly stressed the necessity of corruption control, he proceeded to mention corruption control more frequently. President Park tried to modernise the country on the basis of economic and spiritual modernisation, and he emphasised that the purification of government officials was the first task to achieve spiritual modernisation.<sup>253</sup>

From this fact we can say that President Park's will for corruption control was particularly strong. Indeed, most corruption control activities were undertaken on the instruction of President Park<sup>254</sup>.

This indicated that his political will for corruption control was stronger than that of previous leaders and much more conscious to the necessity for corruption control measures than previous republics.

As the President's political will for corruption control was strong, the Third Republic presented corruption control as one of the important agendas at the launch of the new republic.

However, even the Third Republic did not place corruption control among the principal subjects of state affairs. The primary subjects of state affairs in the Third Republic were economic development and national security. However, corruption control seemed to be considered as a requirement in order to achieve these major goals. In addition, corruption control seems to be understood as subordinate work to that of economic development. President Park's 6<sup>th</sup> Presidential inauguration address emphasised that it was impossible to get rid of corruption without economic

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<sup>253</sup> Secretary's Office of The President, A collection of the President Park Jung-Hee's speech, 1973,

<sup>254</sup> Park, Yong-Ho, op.cit., p.122



development and in this sense it could be assumed that corruption control was subordinate to economic development. This meant that President Park had a functionalistic position with regard to corruption control.

### 6.1.2 Target Rank and Credibility of Sanctions

A distinctive feature of the corruption control activities of the military junta and the Third Republic concerned a lack of any identifiable boundaries to the object of punishment. President Park stressed several times that he would punish corrupt officials however high their position.<sup>255</sup> It may be said that the republic had the political will to punish all corrupt officials without consideration of rank. Actually, for the first time in Korean administrative history, two ministers were detained in custody in 1964.<sup>256</sup> It is not clear whether the republic targeted high-ranking officials because the punishment records that classified by rank have yet to be discovered. However, we can say that the republic targeted high-ranking officials, from the President's conduct. He ordered that corruption control should commence from high-ranking officials at the meeting of provincial ministers<sup>257</sup>.

### 6.1.3 Long-Term Strategy

As we have seen in chapter one, corruption control needs to include long-term strategy in order to eradicate corruption completely. Long-term strategy can improve the

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<sup>255</sup> The President Park's new year's press interview in 1966, The President's secretariat, Vol 2, 1973, p.590; *ibid*, Vol 3, 1973, p.931

<sup>256</sup> Park, Moon-Ok, 'Republic Development and Republic Ethics' in Han-Bin Lee(ed), The historical analysis of Korean republic (Han Guk Hang Jung Ui Ryuk Sa Juk Bun Suk), The research institute of the problem of Korean republic, 1969, p.507

<sup>257</sup> Cho-Sun newspaper, 14 November 1969, page 1.

environment which is vulnerable to corruption by enacting related laws and establishing institutions. This can involve making working conditions transparent and impartial which may be achieved by removing particular regulations and reducing discretion.

It can be said that the methods of corruption control of the military junta and the Third Republic did not have enough long-term strategy. The focus of corruption control was placed on *ex post facto* control in that the republic put weight on detection and punishment of the corruption which has already occurred.

#### 6.1.4 Frequency of Efforts

The First Republic focused on constructing basic government organisation without even pledging corruption control policies publicly. The Second Republic could not enact their plan due to the brevity of time in power although the republic pledged corruption control, as already mentioned. The Third Republic not only pledged corruption control but also put it into practise.

It is a fact that efforts toward corruption control in the Third Republic were more extensive in comparison with those of previous republics although the Third Republic did not deal with corruption control within the principal objectives of state affairs.

First of all, it may be said that the extent of punishment against corrupt officials was severe. The military junta presented corruption control as a coup pledge.<sup>258</sup> For the practice of this pledge, an extraordinary act for the reconstruction of the country had been enacted in June 1961. In addition, the act relating to the handling of corruption and

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<sup>258</sup> A public pledge of military junta was as follows: establishing anti-communism system, observing U.N. Charter, Coalition with alliance countries, eradication of corruption, settling economical problem, early transferring to civilian government. (The ministry of public information, The achievements of military junta for seven months, 1961.1)

illicit fortunes had been enacted on the basis of the above act in July 1961. As a result of this act, the military junta detected 1,474 persons who had been involved in corruption or election malpractice and punished 713 of the 1,474 before the act expired in September 1962.

In addition, the Board of Audit and Inspection detected 38,141 illegal cases from the establishment in 1963 to 1969. Among these cases, 31,068 cases were related to the audit of accounts, and 7,073 cases were the result of the inspection on service attitude. The average number of detected cases reached to about 5,500 cases per year. This means the Board of Audit and Inspection acted more vigorously in comparison with other organisations in the past.

Besides the punishment by special acts and the regular activities of the Board of Audit and Inspection, the republic detected and punished corrupt officials of its own accord. For example, the military junta released 325 corrupt officials from office in 1962 and General Park, who was the leader of the military junta, published special instructions urging the 'awakening' of government officials.<sup>259</sup> Furthermore, a special decree punishing 5,500 corrupt officials had been carried out in 1964.<sup>260</sup>

It may be said that corruption control activities were practised far more often by the military junta and the Third Republic and in far greater numbers and intensity in comparison to the previous republics.

#### 6.1.5 Mobilisation of Support

It can be said that the initiative for corruption control activities in those days came from within the government because the activities of non-governmental organisations in

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<sup>259</sup> Cho-Sun Ill Bo,(Cho-Sun Newspaper), 02, Oct, 1962

<sup>260</sup> Cho-Sun Ill Bo,(Cho-Sun Newspaper), 14, May, 1964

the military junta and Third Republic were not active.

In the above paragraphs, it has been considered that most activities for corruption control in the military junta and Third Republic were a reflection of Presidential instruction. In addition, the efforts of the Government stayed at the level of government alone. In other words, the efforts to install a systematic anti-corruption network involving the whole society were not achieved.

However, it is worth noting that the republic strove to raise the salary of government officials to make for an anti-corruption atmosphere and to give rise to support for the anti corruption policy. The Third Republic was relatively positive in raising the salary of government officials. Firstly, the salary of every official was raised by 8,997 Hwan (the unit of Korean money) each as a fixed amount in 1961. In addition, the salary of general government officials was raised by 30% in 1966 and 1967 respectively.<sup>261</sup>

In spite of these efforts, it is hard to say whether this activity had generated the support of the community and non-governmental organisations.

#### 6.1.6 Conclusion

Putting these various indicators together, it can be said that the corruption control efforts of the military junta and Third Republic were serious in so far as they recognised the serious realities of corruption and punished corruption cases severely. However, their efforts were not particularly sustainable in that long-term strategy and Mobilisation of Support were not enough to tackle corruption effectively.

In other words, although the efforts of the military junta and Third Republic were

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<sup>261</sup> Park, Moon-Ok, *op.cit.*, 1969, p.506

remarkable, it is hard to say that the intensity of efforts seen at the beginning of the republic continued to the end of its term.

First of all, it can be said that President Park's concern about corruption control diminished as time passed. According to the statistics of the Presidential addresses which mentioned corruption control, most addresses were made at about the time of the new regime's launch, and these gradually diminished from the middle of 1960's.<sup>262</sup>. This is evidence that Presidential regard for corruption control had been decreasing.

In addition, the efforts of government for corruption control were not systematic as they consisted of fragmentary activities which used an *ex post facto* method. Due to these characteristics, it is possible to say that corruption control measures in the round had failed.

**Table 6.1 Government Officials' Criminal Cases**

Year	Duty-related corruption (cases)	General corruption (cases)	Total criminal cases	Total number of officials	Number of criminal cases per 1000 officials
1962	-	-	5,148	253,186	20
1963	-	-	5,674	271,725	20
1964	-	-	4,990	288,234	17
1965	2,662	3,600	6,262	305,316	20
1966	2,953	3,673	6,626	332,688	19
1967	3,416	5,007	8,423	359,955	23
1968	3,317	5,143	8,460	381,918	22

Source: Dong-A Il Bo (Dong-A News paper), 25 Jan 1969, 6<sup>th</sup> page

<sup>262</sup> Park, Yong-Ho, op.cit., p.122

We can say through many statistics and materials that administrative corruption in the Third Republic had continuously spread. Looking into the statistics, in table 6.1, of government officials' criminal cases in the Third Republic, the number of criminal cases per 1,000 government officials did not decrease when comparing the number in 1968 with the number in 1962.

In addition, the President himself acknowledged the limitation of corruption control efforts which is realised in his moves to amend the constitution in 1969.

*“The thing that I lament is that our society is still suffering from corruption. Although we tried our best to eradicate corruption so far, it is reality that it needs more time to achieve that.”*<sup>263</sup>

In conclusion, it is possible to say that the political will against corruption in the military junta and Third Republic was serious, but not highly sustainable. Therefore, this belongs to 'type 3' of the classification of political will referred to in chapter 1.

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<sup>263</sup> Secretary's Office of The President, A collection of the President Park Jung-Hee's speeches, 1973, vol. 3, p.586

## 6.2 Corruption Control of the Fourth Republic (1972 - 1979)

As reviewed in Chapter 4, the corruption preventing activities during the period of the 4<sup>th</sup> Republic that were implemented centred on *Seo Jung Soai Sin* movement. The time point where the 4<sup>th</sup> Republic was established, following the promulgation of the Yusin constitution in 1972, was the time point where people's standard of living began to be stabilized following the successes of 3 economic development plans by then. But, along with the economic stabilization, the Mammonish values and the consumption oriented view of living appeared. Also, in the course of government-led economic developments, public officials' corruption did not decrease. Externally, the defeat of the US backed government in Viet Nam and the communization of Khmer occurred. Stimulated by these internal and external circumstances, the Government of the 4<sup>th</sup> Republic began the Civil Services Reformation Campaign. Practically all activities including the Government's firsthand corruption controlling activities were made based on the Civil Services Reformation Campaign and all resources were dedicated to this campaign.

Focusing on this movement, political will against corruption will be analysed in the following paragraphs.

### 6.2.1 Degree of Seriousness on the Initial Stages

It may be said that the activities for corruption control of the Fourth Republic had become more systematic than before because the anti-corruption movement called *Seo Jung Soai Sin* was a comprehensive countermeasure against corruption.

The meaning of corruption in this movement included not only a conventional

definition such as bribery but also the undesirable attitudes of government officials which include inefficiency and offences against the public norm.<sup>264</sup> In other words, the Fourth Republic pursued to reform all aspects of public office through this movement.

Government recognition of the harm caused by corruption was no longer vague, unlike the views expressed by previous governments. The Fourth Republic stressed the harm of corruption using the following logic. The republic thought that corruption hindered the unity of the people thus weakening national strength, and furthermore threatening national security. Finally it determined that corruption dominates the existence of the country. President Park emphasised why the *Seo Jung Soai Sin* movement should be initiated on the basis of this logic at the New Year news conference in 1976.

*“The most important thing that hinders nation building and unity is a social evil like corruption. We need to eradicate this evil in order to progress nation building and establish unity. ... .. The reason why Vietnam and Khmer were ruined is the corruption of government officials. Thus, I mentioned that the Seo Jung Soai Sin movement should be commenced on the same level of national security. Because this issue is very important factor directly related to the existence of a country across the ages and countries of the world”<sup>265</sup>.*

In short, it can be said that President Park during the Fourth Republic had a relatively clear understanding that corruption is the key factor which influences the economic and

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<sup>264</sup> Cho, Young-Jae, *Han Guk Ui Seo Jung Soai Sin Ron* (Government’s Purification Campaign in Korea), (Seoul: Yool Sung Publishing Co. 1980), pp.91-95

<sup>265</sup> The Ministry of Culture and Public Information of Korea, *Seo Jung Soai Sin* (Government’s Purification Campaign), 1976, pp.65-72



social fortunes of a country.

Concerning the causes of corruption, the Fourth Republic recognised that the reckless pursuit of western style liberal democracy as well as the corrupt mind of government officials resulted in extreme egoism, and this egoism made government officials corrupt<sup>266</sup>.

It may be said that the exclusive possession of power and excessive authority of government officials has not been adequately assessed in determining the reasons for corruption.

Not only had political leaders' personal recognition of the Fourth Republic changed but so had the official opinion of government itself with regard to corruption. As we can see in the above press conference of the President, the Fourth Republic placed corruption at the top of the list in terms of political importance.

Corruption control, of course, was not the major work of the government from the beginning of the Fourth Republic. For a few years after the beginning of the Fourth Republic, corruption was controlled in the same way as the previous government, and not the way envisaged by the national movement. However, views about corruption control totally changed after the beginning of the *Seo Jung Soai Sin* movement in 1975. Furthermore, corruption control was treated as a matter of national security.

### 6.2.2 Target Rank and Credibility of Sanctions

The Fourth Republic dismissed 331 public officials by February 1975 which signified the beginning of the *Seo Jung Soai Sin* movement. Among the 331 public officials, 46 were high rank officials, ranking above Director General, including two Deputy

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<sup>266</sup> The Ministry of Culture and Public Information of Korea, *ibid.*, pp.75-76

Ministers. This illustrates that high rank government officials were not an exception in the attentions of the movement.<sup>267</sup>

However, the republic received criticism from opposition parties regarding a poorly managed corruption case concerning smuggling in October 1974. This particular case involved many high rank officials and these individuals were exonerated under questionable reasoning. Despite the opposition party's criticism, it seems the Fourth Republic treated corruption more strictly than the previous republic. This is in part because the Fourth Republic dismissed the Minister of Construction who was found guilty of corruption.<sup>268</sup>

Although it is not clear due to a lack of punishment statistics by rank, it seems the Fourth Republic targeted high rank and punished corrupt government officials fairly strictly.

### 6.2.3 Long-Term Strategy

Anti-corruption measures aimed at government personnel included such programmes as disciplinary punishments, training, rewards, compensation and benefits and job security. Among these programmes, the most dominant and high impact programme concerned strengthened disciplinary actions. This typifies the *Seo Jung Soai Sin* movement at the early stages. It tells us that the overall program orientation up to now had been largely punitive and negative.

With the inauguration of the *Seo Jung Soai Sin* movement and thereafter, drastic increases in the number of the punished and qualitative changes in punishment have

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<sup>267</sup> Cho-sun newspaper, 3 April 1974, page 1

<sup>268</sup> Cho-Sun newspaper, 18 September 1974, page 1

clearly been observed. The fact, that vast numbers, that is, in comparison with past years, of personnel have been removed from the service through disciplinary and non-disciplinary actions, also bears witness to the qualitative change of punitive measures.<sup>269</sup>

There was a big difference between this movement and the previous governments' efforts, in so far as it was sustained until the end of the regime. In this aspect, it can be said that the Fourth Republic took a long-term strategy, but it is not enough because the Fourth Republic did not publish a synthetic long-term plan.

In conclusion, the Republic launched the nation-wide movement, which can not be stopped in a short time. However, the Republic did not publish an arranged long-term plan to control corruption. In this aspect, the political will of the Republic in terms of long-term strategy was not so strong.

#### 6.2.4 Frequency of Corruption Control Efforts

The Fourth Republic took stronger action than the previous republic in terms of the frequency and intensity of corruption control measures on the basis of the evidence set out above.

There was no distinctive punishment against corrupt officials before the initiation of the *Seo Jung Soai Sin* Movement in 1975. There were only regular operations of organisations whose duty was to control corruption, such as the Board of Audit and the Inspection and the Public Prosecutors Office.

However the republic undertook a massive purge of corrupt government officials after

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<sup>269</sup> Oh, Seok-Hong, The counter-corruption campaign of the Korean Government in 1975-1977 in *Korean Public Bureaucracy* edited by Bun-Woong Kim and Wha-Joon Rho (Seoul: Kyobo Publishing Inc., 1982) p.326

the *Seo Jung Soai Sin* movement got fully underway. Punishment through established disciplinary procedures had been vigorously carried out. Severity of punishment had been an unmistakable tendency in disciplinary actions. To maintain consistency and fairness in the severity of punishment, the government enacted standards for determining the kind and degree of punitive actions.

**Table 6.2 The operation results of the Board of Audit and Inspection**

Year	Detected number (cases)	Number of government officials	Number of detected cases per 1000 officials	Restituted amount (1,000 Won <sup>270</sup> )	Disciplinary Punished or Prosecuted (persons)
Total	80,879			128,935,764	8,042
1970	10,532	417,348	25	6,008,671	606
1971	7,017	436,636	16	4,077,420	426
1972	7,207	438,573	16	5,479,156	1,239
1973	10,010	452,054	22	6,731,557	643
1974	8,220	466,444	17	9,075,088	434
1975	8,551	478,562	17	21,512,877	1,020
1976	6,691	502,702	13	28,713,766	1,559
1977	8,626	519,110	16	25,550,552	459
1978	9,158	540,658	16	9,366,266	934
1979	4,867	564,058	8	12,420,411	722

Source) The Board of Audit and Inspection, The history of 50 years Audit and Inspection, 2000

<sup>270</sup> Won is the unit of Korean currency.

The Board of Audit and Inspection detected 80,879 cases of illegal execution of public services from 1970 to 1979. As a result of the above detection, 8,042 officials were subject to disciplinary action or prosecution. As seen in table 6.2, the number of detected cases fluctuated severely in the 1970's because of the *Seo Jung Soai Sin* Movement.

**Table 6.3 The Results of the Purge by Ministries.**

Year Kind of Punishment	1975	1976	1977	1978	Total
Dismissal	2,056	8,194	5,117	2,118	17,485
Pay Cut	5,650	11,421	7,667	6,819	31,557
Warning	4,950	29,086	31,097	34,397	99,530
Position Suspension	1,165	2,767	1,730	1,102	6,764
Total	13,821	51,468	45,611	44,436	155,336
Number of officials	478,562	502,702	519,110	540,658	2,041,032
Proportion to whole officials	2.9%	10.2%	8.8%	8.2%	7.6%

Source) The Ministry of Government Republic, An republic white paper, 1979, p.12

The massive purge during the *Seo Jung Soai Sin* Movement was usually conducted by each ministry itself rather than contemporary corruption control organisation such as the Board of Audit and Inspection and Public Prosecutors Office. This purge was actually

forced although in many cases officers voluntarily elected to leave public office.<sup>271</sup>

The Fourth Republic, as seen in table 6.3, disclosed 155,336 corrupt persons from 1975, when the *Seo Jung Soai Sin* movement commenced, to 1978. Among them, 17,485 persons were ousted from public office and 31,557 persons' salaries were reduced. Compared to the previous republic, relatively many government officials, an average 7.6% during four years, were purged, when the *Seo Jung Soai Sin* movement was activated.

Along with this massive purge, many kinds of institutions had been reformed as seen in the above section 6.2.3.

In addition to the negative method of punishing officials a positive method was also used to tackle corruption which involved awarding exemplary officials. President Park emphasised several times that sure penalties and certain rewards should form the basic method of corruption control.

The Fourth Republic gave several prizes to 225,000 officials from 1976 to 1978. This number is almost twice that of the number of punished officials which totalled 127,000, during this period.<sup>272</sup> This signifies that the republic pursued corruption by utilising punitive and rewarding methods. The republic also strengthened the moral education of officials.

The number of officials who completed moral education courses increased to 80,000 in

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<sup>271</sup> Oh, Seok-Hong, 'A Study on the Seo-Jung-Soai-Sin (Government's Purification Campaign) of Korean Government', *Hang-Jung-Ron-Chong* (The Journal of Republic), (Seoul: Graduate School of Public Republic, Seoul National University, 1977), Vol.15, No1, p.130

<sup>272</sup> The Ministry of Culture and Public Information of Korea, *Seo Jung Soai Sin* (Government's Purification Campaign), 1976, p.97

1979 from 160 in 1972.<sup>273</sup> However, there is some argument about the background for strengthening moral education. This argument relates to the issue that the real intention of strengthening moral education was not just to control corruption but to maintain the governmental regime which had a weak legitimacy.<sup>274</sup>

In conclusion, certain penalty and certain reward can be seen as one of the most important operating goals of the *Seo Jung Soai Sin* movement. From the very start of the *Seo Jung Soai Sin* movement, strict punishment of corrupt officials was highly emphasised. Equally emphasised was the sure reward of merit which helped to establish the sincere, honest and incorruptible image of the public servant. The government instituted large scale programmes to search out and reward model employees of ethical probity.

In short, the corruption control efforts of the Fourth Republic were very active and frequent with the assistance of the *Seo Jung Soai Sin* movement.

### 6.2.5 Mobilisation of Support

It can be said that the *Seo Jung Soai Sin* movement as the main axis of the corruption control activities in the Fourth Republic originated from the personal will of President Park. He instructed every minister to make countermeasures against corruption in a month and implement them at the cabinet meeting on the 7th March 1975. This was the start of the *Seo Jung Soai Sin* movement.<sup>275</sup>

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<sup>273</sup> Annual Report of the ministry of Government Republic, 1980, p.147

<sup>274</sup> Park, Dong-Seo, *The Historical Analysis of Korean Republic*, (Seoul: Seoul National University Press, 1987), p.566

<sup>275</sup> Oh, Seok-Hong, *op. cit.*, 1977, p.118-9

In addition, most institutions and efforts, for example, periodical purge, the collective responsibility system, permanent record keeping, were introduced not by the suggestion of officials in charge but under the instruction of President Park during the *Seo Jung Soai Sin* movement<sup>276</sup>.

As the above, the corruption control efforts of the Fourth Republic were driven forward by the political will of the President as was the case for the Third Republic. Therefore, it may be said that the government's corruption control policies were undertaken as a result of the president's political will and were not initiated by the government on a collective basis.

In other words, the Fourth Republic was not able to progress corruption control measures through due process and with the support of the people.

As a matter of course, as with the Third Republic, the Fourth Republic raised salaries and other welfare benefits for government officials to obtain their support for corruption control. Although the rate of salary increase was not so much as in the Third Republic, a quarter-end allowance<sup>277</sup> was raised from 200% to 300% in 1975, and it was raised to 400% in 1976. In addition, a recuperation allowance had been included in the pension of retired government officials, and a long-service allowance was also introduced.<sup>278</sup>

In conclusion, it may be said that the efforts of the republic had its limitations in that the *Seo Jung Soai Sin* movement had not yet progressed to the stage where the people actively participated in the movement, despite the fact that the republic had intensified

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<sup>276</sup> Song, Jin-Hyuk, *Seo Jung Soai Sin: the limit of sympathy*(Gong Gam Ui Han Gyu), *The monthly Joong-Ang*, April 1976, p.172

<sup>277</sup> Quarter -end allowance was paid at the end of each quarter of a year.

<sup>278</sup> Oh, Seok-Hong, 'A Study on the Seo-Jung-Soai-Sin (Government's Purification Campaign) of Korean Government', *Hang-Jung-Ron-Chong* (The Journal of Republic), (Seoul: Graduate School of Public Republic, Seoul National University, 1977), Vol.15, No1, p.137



its propaganda programme in order to gain the support of the people.

#### 6.2.6 Conclusion

As discussed above, the Fourth Republic, at the start of the republic, began corruption control in the same way as the previous republic. However, the republic changed its viewpoint after the initiation of the *Seo Jung Soai Sin* movement in 1975. Also, the republic treated corruption control as primary issue to address within its agenda. It is not clear from available evidence but is implied that the republic targeted high rank government officials and punished them severely. The Fourth Republic also undertook to reform various institutions.

In Consideration of all these factors, the corruption control efforts of the Fourth Republic were somewhat serious. However, we cannot say that the efforts of the Fourth Republic were wholly sustainable.

The corruption control measures of the Fourth Republic, as analysed above, were executed on the basis of the President's political will, but these measures did not continue throughout his 7 years in office. First of all, there were no particular efforts to control corruption in the first few years of the republic. The *Seo Jung Soai Sin* movement that was started in 1975 progressed actively until 1978, but by this time, its efforts had considerably diminished.<sup>279</sup>

In addition, most measures for corruption control in the Fourth Republic were temporary and based on fragmentary prescriptions. In other words, there were not clear and accurate laws that supported the activities for corruption control. For example, the collective responsibility system had no basis in law. According to the collective

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<sup>279</sup> Park, Yong-Ho, *op.cit.*, 1999, p.165

responsibility system, some government officials, who had no actual legal responsibility, left public office on unlawful grounds during the *Seo Jung Soai Sin* movement.<sup>280</sup> The Supreme Court of Korea decided some years later that in some cases the purge had been illegal.<sup>281</sup> The measure to Prevent re-employment, which took effect from 1977, was also not legally enacted.<sup>282</sup> The end of the *Seo Jung Soai Sin* movement shows that it is hard to prevent corruption if corruption control activities are executed on the temporary basis without long-term strategy and Mobilisation of Support.

In conclusion, it can be said that the corruption control efforts of the Fourth Republic was serious but unsustainable. Therefore, the political will of the Fourth Republic was not particularly strong. Placing the assessment on these indicators collectively, the corruption control activities of the Fourth Republic belong to Type 3 in the matrix referred to in section 4, chapter 1.

Furthermore, considering the contemporary political situation, there is some doubt concerning the governmental approach to drastically alter the method of corruption control midway through the republic. President Park was taking power on the basis of the *yusin* (revitalising reform) constitution which had many dictatorial factors. In this situation, it appears that he required a particular approach to maintain power which included emphasising national security and corruption control.<sup>283</sup>

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<sup>280</sup> Cho, Young- Jae, *op.cit.*, 1980, pp.100-108

<sup>281</sup> A judicial precedent of the Supreme Court of Korea(77 Nu 187), 28 September 1977

<sup>282</sup> Oh, Seok-Hong, The counter-corruption campaign of the Korean Government in 1975-1977 in Korean Public Bureaucracy edited by Bun-Woong Kim and Wha-Joon Rho(Seoul: Kyobo Publishing Inc.,1982) p.336

<sup>283</sup> Park, Yong-Ho, *op.cit.*, 1999, p.147

## Chapter 7: Corruption Control under the Chun Doo-Hwan Regime (1979-1987)

The Chun regime, the Fifth Republic, emerged as a result of the collapse of the *yusin* regime. That is to say, Chun could not have taken power had not President Park been assassinated. As seen in chapter two, the Chun regime emerged in the middle of coping with political chaos, through a kind of military coup. Accordingly, the regime did not have democratic legitimacy in that the regime had not been founded on democratic procedure. It may be said that the lack of legitimacy had an influence on the corruption control of this regime.

Along with the end of the Fourth Republic, the *Seo Jung Soai Sin* movement (Government's Purification Campaign) disappeared. The corruption control policy of the Fifth Republic had the same characteristic, in that it dealt with corruption by way of a massive social reform movement. As seen in chapter four, the Fifth Republic started a social reform movement called the *Sa Hoe Jung Hwa* (Society's Purification Campaign) from the outset of the republic. Corruption control was the main agenda of the movement. Therefore, one needs to analyse the *Sa Hoe Jung Hwa* movement in order to study the corruption control of the Fifth Republic.

### 7.1 Degree of Seriousness on the Initial Stages

The Fifth Republic defined the meaning of government officials' corruption very extensively. All acts against public office standards were defined as corruption. The Fifth Republic presented the following seven types of corruption in a cabinet meeting held in June 1980; an unjust intervention and request for interests, disclosure of

confidential information, graft in the civil affairs office, graft in the taxation, graft in criminal investigation, indolence in the official's job and an anonymous notice.

This means that cognition of corruption in the Fifth Republic was wide, but contents and standards were vague.

There was not a difference in cognition about the cause of corruption between the fourth and the Fifth Republics. That is, corruption was considered as a historic inheritance. It was considered that the most basic cause of corruption was the degraded ethics of government officials and the national institutions lagged behind.

However, the Fifth Republic thought that corruption was a product of fast economic development, while the Fourth Republic regarded corruption as the result of a reckless chase for Western style freedom and democracy<sup>284</sup>. The viewpoint which regarded the cause of corruption as coming from human nature was same. We can see this viewpoint in the following address of President Chun.

*We accomplished the wonder of national development in spite of the challenge and ordeals that we had during the 60's and 70's. However, the fast development process led to the emergence of contradictions. Corruption of authorities and indolence in amongst officials are representative examples.*<sup>285</sup>

*I am convinced that a true banishment of corruption must be performed from the spirit of all people. As long as the psychology to be corrupt remains in each parts of society and the mind of each member of society, inherent corruption can*

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<sup>284</sup> Park, Yong-Ho, *op.cit.*, 1999, p.171

<sup>285</sup> The secretary's office for the President, Inauguration address of the 11<sup>th</sup> President, 1983, p.46

*recur at any time*<sup>286</sup>.

The Fifth Republic's understanding about the harm of corruption was similar to that of the Fourth Republic. The Fifth Republic emphasised that corruption was a dangerous element which threatened the Nation's and the people's safety. President Chun emphasised, at the national assembly for the *Sa Hoe Jung Hwa* movement in 1981, that the reason why the Fifth Republic placed 'righteous social construction' on the main agenda was that because the republic comprehended the fact that a society collapsed in spite of external growth so long as corruption existed.<sup>287</sup>

The relative importance of the corruption control assignment in the Fifth Republic was increased in comparison with that of the Fourth Republic. The Fourth Republic treated the task of corruption control as a means of national security which was part of the government's agenda, but the Fifth Republic directly put the task of corruption control on the government's main agenda as an item in its own right.

The republic presented two assignments that were the eradication of corruption and an innovation in the spirit of the people in order to construct a righteous society. This is proof that the Fifth Republic took very seriously the necessity of corruption control.

## 7.2 Target Rank and credibility of sanctions

The *Sa Hoe Jung Hwa* movement was an epoch-making event in Korean history. Above all, the target for the purification of the Fifth Republic focused on high ranking

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<sup>286</sup> The secretary's office for the President, The New Year's address of the President, 1983, p.358

<sup>287</sup> The secretary's office for the President, The collection of President's address, 1983. p.310

officials whose rank was above 2<sup>nd</sup> grade<sup>288</sup> including ministers and deputy ministers.<sup>289</sup>

The republic made 4,992 government officials leave their office when they launched the *Sa Hoe Jung Hwa* movement in July 1980. Among them, 232 officials above the second rank. The following Table 7.1 shows this distinction.

**Table 7. 1. The results of purification of government officials in the *Sa Hoe Jung Hwa* movement in July 1980.**

< High ranking officials: above 2<sup>nd</sup> >

Rank	Minister	Deputy Minister	1 <sup>st</sup> rank	2 <sup>nd</sup> rank
Total numbers				
232 persons	1	37	34	160
Ratio to total government officials of same rank	3.4%	19.3%	13%	11.3%

< Low ranking officials: below 3<sup>rd</sup> >

Rank	3 <sup>rd</sup> A	3 <sup>rd</sup> B	Below 4th
Total			
4,760 persons	373	891	3,496
Ratio to total government officials of same rank	8.6%	4.7%	1.4%

\*Source: Park Moon Song, 'Sae Sa Hoe Gun Sul Gwa Gong Moo Won Sook Jung (The construction of new society and purification)', *The National Assembly bulletin*, October 1980, PP.31-32

<sup>288</sup> The ranks of government officials except minister and deputy minister in Korea consisted of nine ranks: 1<sup>st</sup>, 2<sup>nd</sup> A, 2<sup>nd</sup> B, 3<sup>rd</sup> A, 3<sup>rd</sup> B, 4<sup>th</sup> A, 4<sup>th</sup> B, 5<sup>th</sup> A, 5<sup>th</sup> B. The top rank was the first rank, but on the other hand, the bottom rank was the 5<sup>th</sup> B rank.

<sup>289</sup> During the *Seo Jung Soai Sin* movement (Government's Purification Campaign) which was launched in the Fourth Republic, from 1975 to 1979, the punished high ranking officials whose rank was above 2<sup>nd</sup> were only 0.5% of the total numbers of same rank.

However, it is impossible to confirm that the republic deliberately targeted high-ranking officials, through the statistics of disciplinary punishment. As seen in Table 7.2, the ratio of those above the 5<sup>th</sup> rank was approximately 9% in 1983 to 1987, but the ratio of disciplined government officials above 5<sup>th</sup> did not exceed 9%. It means that we cannot say the republic actively targeted high rank officials.

**Table 7. 2. The number of government officials disciplined from 1983 to 1987**

Year	Total numbers of disciplined officials	Numbers of disciplined of the rank above 5 <sup>th</sup> <sup>290</sup>	Ratio of the rank above 5th	Numbers of disciplined of the rank below 6th
1983	5,361	243 (4.5%)	9.45 %	5,118
1984	4,528	138 (3.0%)	9.34 %	4,390
1985	3,580	173 (4.8%)	9.32 %	3,407
1986	4,094	178 (4.3%)	9.08 %	3,916
1987	2,991	132 (4.4%)	9.04 %	2,859

\* Source: The annual reports of the Ministry of Government Republic, 1984-1988

### 7.3 Long-Term Strategy

The Fifth Republic instigated a more comprehensive and systematic corruption control strategy than any other past governments, even if a law enforcement strategy was the main measure in this period.

As described in Chapter Four, the Fifth Republic focused on activities to improve

<sup>290</sup> The rank of government officials in Korea changed from 8 grade, which was 1,2,3a,3b,4a,4b,5a,5b, to 9 grade, which was 1,2,...9, in 1981.

responsibility and morality of Government officials.

However, the Fifth Republic still had not instituted a long-term corruption control measure. The Republic solely relied on the *Sa Hoe Jung Hwa* movement (which was similar to the *Seo Jung Soai Sin* movement in the previous Republic) and piecemeal measures.

#### 7.4 Frequency of efforts

The Fifth Republic controlled corruption in three ways through physical elimination, institutional improvement and innovations aimed at improving the Nation's moral fibre.

Physical elimination is a method that uses compelling forces to remove a negative element. In other words, at its core was to punish corrupt public employees.

The Legislative Commission for National Security<sup>291</sup>, which was installed in May 1980, enforced an unprecedented massive clean up operation.<sup>292</sup>

The commission installed civil affairs offices in June 1980 to collect suggestions and ideas from the general public thus suggesting that they had already finished the basic investigation into the clean up. Finally, as can be seen in table 7.1, the commission announced on 9 July that they had expunged a total of 232 high-ranking government officials, whose rank were above the 2<sup>nd</sup> grade, and further announced on 15 July another 4,760 persons whose rank was below 3<sup>rd</sup> rank officials that were to be purged.

After the expulsions in July, the republic continued efforts to get rid of the remaining corruption. This second round of purification was executed mainly under each

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<sup>291</sup> The commission was installed as a substitute for the National Assembly by the military junta after the 12.12 coup.

<sup>292</sup> Park Moon Song, 'Sae Sa Hoe Gun Sul Gwa Gong Moo Won Sook Jung (The construction of new society and purification)', *The National Assembly bulletin*, October 1980, P.33



administrative organisation's own accord. In October 1980, these reforms put the onus on re-education of individual inspectors in that ministry who were likely to be corrupt or incompetent emphasising personal integrity.

During this period, corruption control efforts of each republic focused on both particularly vulnerable periods of the year and specifically vulnerable professions prone to corruption. In Korea, there is a custom to exchange gifts on some national holidays such as Thanksgiving Day and at Lunar New Year. In some cases, too much money, which can be called bribes, are offered in this period as a type of present. In addition, there were weak departments and professions where corruption was particularly deeply rooted such as in the issuing of fire safety certification, tax assessment and health, safety and hygiene certification.

**Table. 7. 3. The number of government officials detected in vulnerable period (1982-1988)**

Year	Total	1982	1983	1984	1985	1986	1987
Total							
Number of detected officials	44,591	9,722	9,957	8,850	6,885	4,790	4,387
Total number of officials	-	647,851	650,914	657,214	670,637	691,670	705,053
Ratio to total officials	-	1.5%	1.5%	1.3%	1.0%	0.6%	0.6%

\* source : The history of *Sa Hoe Jung Hwa* movement, (Seoul: The committee of *Sa Hoe Jung Hwa* movement) 1988, p.174

The number of the corrupt government officials who were detected during those vulnerable periods of time during the Fifth Republic reached to 44,591 persons, as shown in table. 7.3.<sup>293</sup> The detected ratio to total officials reached to 0.6% to 1.5%.

<sup>293</sup> The number of detected officials is not the same as the number of disciplined

This means detection activities during those vulnerable period were active judging from that the number of finally disciplined officials during those years was a range of 40 to 100 per 10,000 officials, as shown in table 2.3.

At the same time, the number of the corrupt government officials who were detected during the investigation into vulnerable areas and professions during the Fifth Republic reached 58,241 persons, as shown in Table 7.4.

Table. 7. 4. The number of government officials detected and punished in vulnerable fields (1981-1988)

Total	Vulnerable Fields					Ranks		
	Municipal republic	Police	Tax	Finance	The others	Above 3rd	4,5th	Below 6th
58,241	17,585	11,681	1,959	2,635	24,381	1,127	7,497	49,617

\* Source: The history of *Sa Hoe Jung Hwa* movement, (Seoul: The committee of *Sa Hoe Jung Hwa* movement) 1988, pp.174-75

The above two statistics means that the detection activities in the Fifth Republic was very effective in that the vulnerable period and that vulnerable areas were focused on.

Along with the above law enforcement, the Fifth Republic enforced an improvement in institutions to eliminate corruption.

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officials, because some of detected officials can be excused on the degree of offence.

As described in the above 7.3, the republic continued to improve institutions, such as establishing the code of government officials' ethics and an oath for new government officials, the Government officials' Ethics Law, and the trial introduction of the Real Name Financial System.

#### 7.5 Mobilisation of support

Just as with the Fourth Republic, it was the imposing power and authority of the President of the Fifth Republic that was the most important foundation for the anti-corruption campaign. Most of the initiative such as the commencement, contents and procedure of the anti-corruption campaign started from the order of the President.<sup>294</sup>

The *Sa Hoe Jung Hwa* movement was launched on the orders of President Chun Doo-Hwan. He instructed the launch of the Emergency Committee for the Protection of Country after the coup which he led on 12 December 1980. Also, he ordered the purification drive which was announced on 9 July 1981.

In contrast, the power of civil society during the Fifth Republic was not strong. There were not any non-governmental organisations whose activities focused on the issue of corruption.

As described in the above, the *Sa Hoe Jung Hwa* movement was the main body of corruption control efforts of the Fifth Republic. For this movement, the republic installed the Committee of *Sa Hoe Jung Hwa* Movement in October 1980.

According to the statistics in 1988, this committee had one central organisation and

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<sup>294</sup> Park, Yong-Ho, 'Controlling Corruption in Korea: Approach Style of Government' (PhD dissertation, Seoul: Seoul National University, 1999). P.193

44,032 local branches which were supported by government.<sup>295</sup>

This means that many people took part in this movement, and the republic strove for the support of the people, even though people took a sceptical view on the conduct of the government given that the government had installed such a widespread temporary organisation, endowing it with power without legal grounding<sup>296</sup>.

It can be said that the *Sa Hoe Jung Hwa* movement received strong public support at least initially when it started in 1980. According to a public opinion poll taken by Han-Gook Ilbo newspaper in September 1980, 68.8% of the people agreed with the anti-corruption drive executed by the government, 21.1% of the people were undecided, and only 3% of the people disagreed with the drive.<sup>297</sup>

Even though there was strong support amongst the general public, there was not a spontaneous civil organisation which supported the *Sa Hoe Jung Hwa* movement. Furthermore, the Fifth Republic did not try to mobilise such a spontaneous civil organisation.

## 7.6 Conclusion

As seen in the above, the Fifth Republic developed the *Sa Hoe Jung Hwa* movement to control corruption from the outset of the republic.

The republic treated corruption control as part of the main agenda of the government, but the manifestation of corruption was wide, so the meaning of corruption in the

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<sup>295</sup> The recommendation for republic reform, (The Republic Reform Commission, 1989), pp.157-9

<sup>296</sup> Yoon Jae-Gul, The organisation to be purified - The committee of *Sa Hoe Jung Hwa* movement, *Sin-Dong-A*, April 1988, p.235, 244

<sup>297</sup> The history of *Sa Hoe Jung Hwa* movement, (Seoul: The committee of *Sa Hoe Jung Hwa* movement) 1988, p.19

republic was vague. Besides, it is not clear whether the republic targeted high-ranking government officials. It is possible to suggest that the regime and top leader dealt with corruption control in a hypocritical manner. They strongly rooted out the corruption cases which were related to the previous republic and amongst the low ranking government officials. On the other hand, the republic tried to protect the cases which occurred amongst their republic.<sup>298</sup>

An important factor to consider is the circumstances that the republic took control. It lacked a legitimate mandate and thus an anti-corruption drive such as it undertook can be seen both in terms of an effort to gain legitimacy amongst the public through popular support, a smoke screen as well as a method to purge those that did not support them. It is therefore not easy to assess exactly how serious was the republic in its motivation and desire to actually do anything substantial to solve the problem of corruption.

In addition, little effort was put in to sustain or to maintain the longevity of the anti-corruption drive, again calling into question the true intentions of the republic.

In the early years of the Fifth Republic, various institutions and measures were introduced, and strong law enforcement was in place. The institutions which were introduced in the early years were relatively well maintained until the end of the Fifth Republic, but law enforcement slowly weakened as time passed. The number of detected government officials diminished as the republic progressed as shown in Table 7.4. In addition, the republic made limited attempts to mobilise support for their program. Even though, there was strong support amongst the general public, the republic did not mobilise a groundswell of support from civil organisations, interest

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<sup>298</sup> Park, Yong-Ho, 'Controlling Corruption in Korea: Approach Style of Government' (PhD dissertation, Seoul : Seoul National University, 1999), p.194

groups, etc.

In conclusion, the corruption control efforts of Fifth Republic had not enough political will. Putting together an assessment of these indicators, the type of corruption control activities of the Fifth Republic belongs to the Type 3 in the matrix mentioned in the section 4 of chapter 1.

## **Chapter 8: Corruption Control under the Roh Tae-Woo Regime (1988-1992)**

As mentioned in Chapter 7, there had been an increasing demand for democratisation since the beginning of the fifth republic, but the scale and nature of demonstrations in the summer of 1987 were unprecedented. Roh Tae-Woo, the ruling party's Presidential candidate, finally accepted the people's demand with 'the Declaration of Democratization and Reforms', which in essence included a direct Presidential election system under a drastically amended and democratic constitution.

The Sixth Republic was born on 25 February 1988 after the Fifth Republic had been in power for seven years. The people's demand for democratisation and the response of Roh were the background to the birth of Sixth Republic. Therefore, on the one hand, the Sixth Republic had to clear the legacy of the Fifth Republic. However, on the other hand, the Sixth Republic was the successor of the previous republic because the power group of the both republics was still same. The double character of the Sixth Republic had an influence on the corruption control activities of this regime.

In order to meet the circumstances of the times the Sixth Republic took it upon itself to impose democratic changes and self-imposed anti-corruption measures. However, as the social situation fell into disorder from 1989, the republic began to stress the establishment of governmental authority and commenced relatively strong corruption control activities. The republic restored the centralized corruption control system from 1990. The republic reinstalled an anti-corruption secretariat of the President in 1990. In addition, from 1991, the republic focused on an educational movement that was called 'new spirit movement of government officials'. At the end stage of the republic, the

republic again commenced law enforcement to apprehend perceived slack discipline.<sup>299</sup>

In other words, the approach to corruption control by the Sixth Republic was not consistent.

### 8.1 Degree of seriousness on the initial stages

The Sixth Republic's viewpoint about corruption was not systematically arranged, like the previous republics. So, we need to look into the instructions and addresses of the President, and the background of anti-corruption policies of the Sixth Republic in order to find out how seriously the Sixth Republic recognised contemporary corruption.

It can be said that the Sixth Republic defined bureaucratic corruption as wide-ranging behaviour that was unsuitable for government officials.<sup>300</sup> The corruption in the Sixth Republic included not only general misbehaviours, like bribery, extortion, forgery and alteration of an official document, misfeasance, dereliction of one's duty and embezzlement, but also the behaviours which lost government officials' dignity. In addition, the Sixth Republic perceived corruption as a social phenomenon which occurred in the process of conversion from an authoritarian society to a democratic one.<sup>301</sup> However, the republic judged that the cause of corruption was in each government official, and that it existed, because of a lack of a sense of duty. This recognition by the Sixth Republic can be detected in the following sentences in the

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<sup>299</sup> A true record of the Sixth RepublicSixth Republic: The five years of Roh Tae-Woo republic,(Seoul: The Ministry of Information, 1992), Vol 1, pp.216-220

<sup>300</sup> A true record of the Sixth Republic: The five years of Roh Tae-Woo republic,(Seoul: The Ministry of Information, 1992), Vol. 1, p.229

<sup>301</sup> Park, Yong-Ho, 'Controlling Corruption in Korea: Approach Style of Government' (PhD dissertation, Seoul : Seoul National University, 1999), p.219



record of the Sixth Republic.

*The process of democratisation after the launch of the Sixth Republic has blown in selfish desires followed by the collapse of social discipline. The law abiding spirit of the people has been weakened and a pathological phenomenon amongst government officials is appearing.*<sup>302</sup>

A similar standpoint of the Sixth Republic is illustrated in the following New Year's address by President Roh.

*It can be said that the situation which we experienced over the last two or three years was an upheaval. A rapid change like a revolution was realized. .... In these changing times, government officials along with the general people can be agitated and feel unrest. It is true that some government officials who have not enough nationalist spirit and sense of duty lived in idleness.*<sup>303</sup>

Like the previous Republics, President Roh promised to firmly eradicate corruption in his inauguration address and stressed the importance of corruption control at every opportunity. However, the Sixth Republic did not put corruption control as the one of the objectives of the republic. The objectives of the Sixth Republic were self-respect of the nation, harmony within the nation, balanced development, unification and prosperity.

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<sup>302</sup> A true record of the Sixth Republic: The five years of Roh Tae-Woo republic,(Seoul: The Ministry of Information, 1992), Vol. 1, p.212

<sup>303</sup> A collection of President Roh's address, (Seoul: The secretary's office for the President, 1990). P.630

The republic emphasised corruption control in order to establish law and social order for democracy. President Roh insisted that the establishment of law and social order was needed to accomplish democracy, and furthermore, the discipline of government officials was needed to establish law and social order. This means, in other words, that corruption control in the Sixth Republic was treated as one of the means for democracy.

## 8.2 Target Rank and credibility of sanctions

The statistics of those detected government officials in the Sixth Republic, which is sorted by rank, reflected the change in focus of corruption control activities. That is to say, the focus of corruption control at the beginning stage of the Sixth Republic targeted middle and low rank officials.

As shown in table 8.1, by 1989 the number of detected government officials whose rank is below 4<sup>th</sup> grade increased. On the other hand, the number of high rank government officials, above 3<sup>rd</sup> grade, decreased.

However, after the President declared that there should be no boundaries to eradicating corruption and that no-one was to be exempt, the republic instituted a special inspection unit under the Presidential office for detecting high rank officials in 1990, and the number of detected government officials increased.

In 1991, the number of detected government officials below 4<sup>th</sup> grade decreased, while on the other hand, those above 3<sup>rd</sup> grade increased.

This means that the Sixth Republic strengthened corruption control activities on the high rank officials as the republic came to the latter half of the regime.

**Table 8. 1. The number of detected government officials per 1,000, and increase rate**

Rank \ Year	1988	1989	1990	1991
Total	25,887	36,561 (41.2)	48,374 (32.2)	42,213 (-12.7)
Above 3rd grade	166	94 (-43.4)	297 (216.0)	366 (23.2)
4th and 5th grade	2,449	3,801 (55.2)	4,776 (25.7)	4,449 (-6.8)
Below 6th grade	23,272	32,666 (40.4)	43,301 (32.6)	37,398 (-13.6)

\* ( ): Rate of the increase of detected government officials in comparison to last year.

\*Source: A true record of the Sixth Republic: The five years of Roh Tae-Woo republic,(Seoul: The Ministry of Information, 1992), Vol. 1, p.226

### 8.3 Long-Term Strategy

As seen before, the Sixth Republic thought that disorders during a transitional period provided the opportunity for corruption, and, furthermore, some government officials who lacked in morality and ethics took advantage of these chances. This means that the Sixth Republic understood corruption to be a passing phenomenon in some aspects. It can be said that this type of recognition does not stress on the necessity of sustainable institutions.

In addition, in the Sixth Republic, democratic and self-imposed corruption control by government officials was moved forward, and other measures to raise the morale of the government officials were taken, instead of building up sustainable systems.

As time passed, the republic moved the focus of its corruption control to detection and punishment as well. The number of detected government officials increased from 1989.

In conclusion, the Sixth Republic lacked a long-term strategy. It can be said that the Sixth Republic put an emphasis on a prevention-centred corruption control policy through improving morality in the beginning of the republic, but, as the republic drew to a close, the republic set more importance on *ex post facto*-centred policy.

#### 8.4 Frequency of efforts

In the beginning of the Sixth Republic, the republic suggested democratic and self-imposed control of corruption by government officials in order to root out corruption radically. Therefore, it was natural that there were not enough measures in this relatively passive standpoint. In this period, the republic focused on policies not to enforce the detection of corruption but to lessen the opportunity for corruption. It can be said that this position came from the evaluation of the previous republics' corruption control policies. The Sixth Republic judged the causes of failure of the previous republics' efforts to eradicate corruption to be that the corruption control effort itself had the following shortcomings<sup>304</sup>.

First, the political will of high rank officials for corruption control was not strong.

Second, the authoritarian agencies, that is, corruption control agencies, were frequently contaminated with corruption themselves.

Third, the republic lost the confidence of the public because of its authoritarian character and slogan-centred efforts.

Fourth, corruption control efforts were commenced on an individual case by case basis.

Fifth, corruption control efforts were law enforcement-centred.

Sixth, corruption control efforts were criticised because of the utilization of it for the

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<sup>304</sup> A true record of the Sixth Republic: The five years of Roh Tae-Woo republic,(Seoul: The Ministry of Information, 1992), Vol. 1, p.212

maintenance of the regime.

With this recognition, the Sixth Republic intended to divert the direction of corruption control efforts to democratic and self-imposed control. President Roh emphasised the need for efforts to get the morality and responsibility of government officials themselves at the New Year's Press Conference in 1990.<sup>305</sup>

*As democracy can not be achieved by force, the discipline of government officials should be established autonomously. .... Not only democratising but also making a new atmosphere not heteronomously but autonomously amongst government officials to fulfil their responsibilities*

The Sixth Republic established a new objective for corruption control, which was the construction of a democratic, ethical and responsible government. For this objective, the Sixth Republic set four practicable sub-objectives, which were democratic corruption control, responsible corruption control, preventative corruption control and helpful corruption control.<sup>306</sup>

Democratic corruption control meant that corruption control activities should be carried out by democratic means. In other words, the public and government officials' opinion about how the republic should control corruption was reflected in the control efforts.

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<sup>305</sup> A collection of President Roh's address, (Seoul: The secretary's office for the President, 1990), pp.630-1

<sup>306</sup> A true record of the Sixth Republic: The five years of Roh Tae-Woo republic,(Seoul: The Ministry of Information, 1992), Vol. 1, pp.215-16

Responsible corruption control meant that the chief of each governmental organisation should be responsible on his own for corruption control. Until the Sixth Republic, corruption control efforts of the previous republic had been promoted mainly by special agencies, like the committee of the *Sa Hoe Jung Hwa* movement, not by each individual ministry itself. This system had brought about many kinds of side effects, for example, the resistance to organised inspections at each ministry, and the demoralisation of government officials. Therefore, the Sixth Republic made sure special agencies' corruption control kept pace with each ministry's self-efforts.

Preventative corruption control implied efforts in taking preventative measures before corruption could take place rather than correcting misbehaviours after the fact.

It is essential to punish and discipline corrupt officials, but punishment-centred corruption control was limited in that it could not prevent the social cost after the fact.

Helpful corruption control implied that the republic focused on improving working conditions to protect government officials' integrity. The republic raised the morale of government officials with the measures, such as increasing the salary levels of government officials, and awarding a prize to exemplary government officials.

For this new direction of corruption control, the Sixth Republic set up a new organisational system. The republic installed an anti-corruption policy coordinator in the prime minister's office after abolishing the committee of the *Sa Hoe Jung Hwa* movement and anti-corruption secretariat of the President which were the main body of the corruption control system of the Fifth Republic.

As seen in the above, the Sixth Republic emphasised democratic and self-imposed

corruption control in the beginning. As a result, there were not frequent efforts those days. However, two years into the republic, it restarted a stricter method of control corruption, but it was not even handed. The republic occasionally punished corrupt officials according to the political and social situation. It can be assumed that the intensity of the law enforcement in the Sixth Republic fluctuated according to the situation.

As shown in table 8.2, the total numbers of government officials detected by various disciplinary agencies from 1988 to 1991 were 153,035. The number of detected government officials by year end was 25,887 in 1988, 36,561 in 1989, 48,374 in 1990 and 42,213 in 1991. These numbers of detected government officials by year show that the intensity of law enforcement by year was widely disparate. Comparing the ratio of detected officials to total officials of previous Republic's (such as Fourth Republic's in table 6.3), the ratio of detected officials to total officials in the Sixth Republic is not high.

**Table 8. 2. The number of government officials detected in the Sixth Republic**

Year	Total	1988	1989	1990	1991
Total					
Number of detected officials	153,035	25,887	36,561	48,374	42,213
Total number of officials	-	737,225	781,346	818,121	854,082
Ratio to total officials	-	3.5%	4.6%	5.9%	4.9%

Source: A true record of the Sixth Republic: The five years of Roh Tae-Woo republic,(Seoul: The Ministry of Information, 1992), Vol 1, p.225

According to table 8.3, the number of detected government officials in 1989 rapidly increased by 41.2% compared to the previous year. However it increased just by 32.3% in 1990 and decreased by 12.7% in 1991.

**Table 8. 3. The rate of the increase of detected government officials**

Year	1988	1989	1990	1991
Rate of the increase of detected government officials	-	41.2%	32.3%	-12.7%

Source: A true record of the Sixth Republic: The five years of Roh Tae-Woo republic,(Seoul: The Ministry of Information, 1992), Vol 1, p.226

This trend shows that the corruption control activities of the Sixth Republic were intensified from 1989. The social situation of Korea at the inception of the Sixth Republic was somewhat disordered. However, the new born republic considered the disorder as a temporary upset at a time when society was democratising. Thus, the Sixth Republic expected that the disorder would disappear gradually, and did not take particular measures.

However, the republic changed its position from 1989, and suggested a firm governmental authority to overcome contemporary social disorder. The reason why the number of detected government officials rapidly increased from 1989 can be understood in this context. The intensity of corruption control activities of the Sixth Republic was accelerated as the republic declared war against criminals in 1990. Therefore the number of detected government officials further increased.

Although the republic showed its strong political will against corruption through



intensifying law enforcement in the end, it did not keep its several promises about corruption control. President Roh pledged himself to adopt the Real Name Financial System, to the reform of the election system to combat the corrupt political culture, to the reform of the Act of Political Funding, and to the reform of the National Assembly Law in his term of office. However these promises were not realised.<sup>307</sup>

Putting together these entire situations, it can be said that the position on corruption control of President Roh was not consistent and that the corruption control efforts were not frequent.

#### 8.5 Mobilisation of support

Like the previous republic, the intention of the regime was the main source of support for corruption control activities in the Sixth Republic. At the beginning of the Sixth Republic, the President stressed democratic and self-imposed corruption control. In that position, there was not enough commitment by law enforcement to detect corrupt officials. However, after the republic changed its position, the activities to detect corrupt officials were strengthened. The republic installed the Special Presidential Assistant on Audit and Inspection. Therefore, corruption control was once again on the top of the agenda of the President in the Sixth Republic.

Besides, the civil society had not been organised enough yet to demand a control to corruption. There was not a non-governmental organisation that dealt with the corruption control agenda. These situations mean that the locus of the initiative of the corruption control activities was in the republic.

As had the previous republic, the Sixth Republic tried to mobilise the support of

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<sup>307</sup> Gwak, Sang-Kyung, 'The postponement of Real Name Financial System: the collapse of legitimacy of the regime', *Monthly Chosun*, May 1990, p.304

government officials for corruption control by improving working conditions, welfare institutes and morale<sup>308</sup>. First, the republic reformed the personnel management system of government officials. The government officials who were working in remote areas, such as out on islands, were given preferential treatment in promotion. The opportunity for promotion was also increased generally. The republic installed new a promotion procedure which made the government officials who had served certain periods automatically eligible for promotion.

Salary was increased by a considerably higher rate than the consumer price index. The Sixth Republic increased wages by an average of 12.24% throughout its five year term. The increased rate of the salary of government officials year on year is as shown in table 8.4.

Table 8. 4. The increase rate of the salary of government officials in the Sixth Republic

Year Increase Rate	1988	1989	1990	1991	1992
Salary	11.0	13.8	13.9	12.7	9.8
Consumer Price Index	7.1	5.7	8.6	9.3	6.2

\*Source: The annual report of the Ministry of Government Republic. 1993, p.199

There is not enough evidence to say that the Sixth Republic tried to mobilise the support of civil society in same way as the previous republic. There still were not any

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<sup>308</sup> A true record of the Sixth RepublicSixth Republic: The five years of Roh Tae-Woo republic,(Seoul: The Ministry of Information, 1992), Vol 1, pp.232-237

Non-Governmental Organisations in the Sixth Republic that dealt with corruption issues as the target of their activities. However, the republic developed the New Spirit Movement of Government Officials into the New Public Order and New Life Movement for the general public. This means the Sixth Republic extended their objective to get the support in that the movement targeted the public, even though the support was not spontaneous.

### 8.7 Conclusion

The most distinctive characteristic of the Sixth Republic's corruption control was that the republic started with democratic and self-imposed corruption control by government officials themselves in the beginning, but then changed its position on corruption control from the democratic and self-imposed control to detection-centred control.

As explained above, the Sixth Republic understood corruption to be a social phenomenon and emphasised corruption control in order to establish law and social order. Also, the target of corruption control in the Sixth Republic was high rank officials (although it was not consistent). The republic strengthened corruption control activities on the high rank officials as the republic came to the latter half of the regime. Furthermore, the Sixth Republic had no long-term strategy. The Sixth Republic did not manage the corruption control agenda as a long-term assignment.

As examined before, the Sixth Republic emphasised democratic and self-imposed control of corruption from 1988, (the beginning stage of the Sixth Republic,) to 1989. However, the Sixth Republic later changed its position on corruption control from the democratic and self-imposed control to more draconian law enforcement methods as society was plunged into confusion.

From the above efforts of the Sixth Republic, it can be said that the Sixth Republic did not treat its corruption control agenda as an important objective or long-term assignment of the government.

In conclusion, it can be said that the Sixth Republic had weak political will to control corruption under the justification of democratic and self-imposed corruption control in the beginning and was inconsistent with its law enforcement. In other words, the corruption control in the Sixth Republic was serious but it was low sustainability. Therefore, the type of corruption control activities of the Sixth Republic belongs to Type 3 in the matrix mentioned in the section 4 of chapter 1, the same as the Fifth Republic.

## Chapter 9: Corruption Control under the Kim Young-Sam Regime (1992-1997)

The Kim Young-Sam republic, called the *MunMinJungBu* ('Civilian Origin Government'), was (in stark contrast to the previous republics) expected by the general populace to be a clean government. These expectations were not fully lived up to however, because during this republic there were several grand corruption scandals, involving high ranking officials.<sup>309</sup> For all that, it is said (relatively) that the Seventh Republic took actions in order to get rid of corruption.

The Seventh Republic had hardly started its term of office when it launched a series of reform programs, known collectively as the New Korea Creation Movement. These reform programs ranged across almost all spheres of State affairs, for example, the re-interpretation of history, and the strengthening of both competitive state power and corruption control. Among these reform programs, corruption control was top of the agenda.<sup>310</sup> In the following pages, we are going to analyse the political will for corruption control of the Seventh Republic on the basis of the analysis of the various corruption control efforts of the republic.

### 9.1 Degree of seriousness on the initial stages

It can be said that the definition of corruption in the Seventh Republic was the same as the previous republic. The Seventh Republic interpreted corruption very widely

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<sup>309</sup> For example, the Minister of Labour, a director-general of the Fair Trade Committee and a director-general of the Finance and Economy Service were arrested on the suspicion of bribery in 1995 and 1996.

<sup>310</sup> The Ministry of Information of Korea, Change and Reform, 1997, pp.15-30

including irrationality in service as well as the standard meaning of corruption like bribery and extortion.<sup>311</sup> The implications of such a wide definition is that it is not easy to specify a target to be eradicated.

However, President Kim Young-Sam had a strong desire to root out corruption. In his twenty-minute inaugural address, Kim Young-Sam declared that rooting out corruption was the most urgent task in his regime:

*We are gathered here today to open a civilian and democratic era. . . . This government was made possible by the people's burning desire and noble sacrifices for democracy.... Deep in my heart, I have a dream of creating a new Korea. A new Korea shall be a freer and more mature democratic society in which . . . human dignity is upheld..... Today, however, we are suffering from a disease, a Korean disease ..... We must change and reform... Our reforms must start with three urgent tasks: First, misconduct and corruption must be rooted out. Second, the economy must be revitalized. Third, national discipline must be re-established.*<sup>312</sup>

In addition, it can be said that there was a bit change in the recognition of the Seventh Republic about the cause of corruption in comparison with that of the previous republic. The Seventh Republic considered the cosy relations between politics and economics as the most important source of corruption. This recognition had been already widely generalised in the private sector including the academic world and the economic world, but it had not been officially recognised before that time by any government officials to say nothing of President. The change of recognition meant that the government officially noted impropriety in a relationship between the power-holding elite and the

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<sup>311</sup> The Committee for Corruption Prevention Policies, Annual report, 1997, p.5

<sup>312</sup> Hankook Ilbo, 26 February 1993, p.4

economic world.

In addition, the Seventh Republic had a clear understanding that the opacity of politics and government officials' society provided the opportunity for government officials to be corrupt. Along with these reasons, President Kim recognised (just as the previous republic had<sup>313</sup>) that the old style practices of government officials and those in public life as another important cause of corruption. This recognition requires different countermeasures to eradicate corruption in comparison with former two reasons; the cosy relations between politics and business and the opacity of politics and government officials' society. The former two reasons necessitated institutionalised measures, but on the other hand, this latter reason necessitated cultural reform.

Along with the Seventh Republic's recognition of the reasons for and causes of corruption, it clearly recognised the harmfulness of corruption. President Kim Young-Sam described corruption as 'the most fearful enemy which gnawed at the country', while the previous Presidents described corruption as the enemy which obstructed 'the unity of the people' (Park Jung-Hee), 'the construction of the society of justice' (Chun Doo-Hwan) and 'the realisation of democracy' (Roh Tae-Woo).<sup>314</sup> It can be said that many kinds of corruption control efforts in the Seventh Republic were based on this strong recognition about the harmfulness of corruption.

The Seventh Republic managed corruption control task as the most urgent and important affair of the country, in contrast to the previous republics. The 5<sup>th</sup> and Sixth Republics dealt with corruption control tasks not as the most urgent problem to be

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<sup>313</sup> The Ministry of Information, A reform white paper for Five years of Mun-Min-Jung-Bu(Kim Young-Sam's republic), 1997, p.241

<sup>314</sup> Inaugural address of 14<sup>th</sup> President of Korea, The secretary's office for the President, 1988

solved and an independent goal in itself, but only as one of many subtasks to meet other goals. In other words, the Fifth Republic pushed corruption control as an aspect of tackling the task of national security, on the other hand, the Sixth Republic conducted control corruption as an embodiment of justice in the country.

In conclusion, the Seventh republic had the clear recognition of the phenomenon of corruption and its causes, that corruption related to power, and the coalition between politicians and business leaders were the source of corruption and most government officials' misconduct. Therefore, the government clearly indicated that the focus of its corruption control policies was on severing state-business collusion. In addition, anti-corruption policies were set up as the top priority matter of government's affairs.

## 9.2 Target Rank and credibility of sanctions

The Seventh Republic instituted a broader range of corruption control efforts over wider target of culprits in comparison with those of the previous republic. Under the banner of so called 'corruption control without sanctuary', all kinds of government organisations and their members were targeted. Especially, high-ranking officials, leading figures in politics and those close to the President, who had previously been the exceptions in the course of corruption control, were included in the scope of investigations.<sup>315</sup>

The Seventh republic had strongly coped with so called 'power corruption' by exercising governmental power without any sanctuaries. Every previous republic had been criticized due to their insufficiency of measures in fighting corruption and their covering up of scandals.

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<sup>315</sup> Park, Young-Ho, 'Controlling Corruption in Korea: Approach Style of Government' (PhD dissertation, Seoul : Seoul National University, 1999), p.253



However, the Seventh republic fought corruption by disclosing the assets of high-ranking officials including President himself.

With the powerful support of the President, the government had proceeded with investigations extensively for the very first time at the core of power i.e. Office Of The President, Presidential Security Service, the National Intelligence Service (NIS), and the military. This investigation reached so far as to expose illegal accounts of the two former Presidents.<sup>316</sup> In the end, both Roh Tae-Woo and Chun Doo-Hwan were prosecuted for illegal fund raising of 283 billion won (approximately USD 245 million) and 215 billion won (approximately USD 186) respectively.

In addition, 160 other persons of former and present cabinet members, lawmakers, judiciaries, and so on, were arrested in relation to corruption scandals.

Furthermore, the military, which had been one of the sanctuaries in Korea, was no longer exempted from corruption control. 62% of Army Corps Commanders and 39% of Divisional Commanders were dismissed because of scandals related to big arms deals, and two former Ministers of National Defence were sent to court.<sup>317</sup>

The numbers of high rank<sup>318</sup> government officials who were prosecuted reached the record level of 36 in 1993 contrasting sharply with the figures of earlier regimes as it was no more than 3 in 1991 and 2 in 1992.<sup>319</sup> Furthermore, in connection with Hanbo Steel Corp.'s corruption case, Kim Hyun Chul, a son of President Kim Young-Sam, was arrested on the suspicion of bribery in 1996.

These statistics underline that the activities of the anti-corruption campaign in

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<sup>316</sup> The Ministry of Information, Annual report, 1997(b): 24

<sup>317</sup> The Ministry of Information, Annual report, 1997(b): 74

<sup>318</sup> Whose rank was above 3<sup>rd</sup> grade out of 9<sup>th</sup>.

<sup>319</sup> The almanac of the Ministry of General Affairs, 1997, p.192

Seventh republic proceeded without any limits. Also, it means that the campaign targeted higher rank figures in comparison with the previous government.

### 9.3 Long-Term Strategy

The Seventh republic implemented two kinds of corruption control efforts at the same time in order to achieve the goal of eradicating corruption. One was to decrease the opportunities for corruption through such measures as institution reform. The other was to increase the penalties of corruption through such measures as detection and punishment.

As seen in Chapter 4, the Kim, Young-Sam government founded very powerful anti-corruption institutions and took many other actions. Although these actions were continued, however, like in past governments, no comprehensive long-term program was prepared and no reformation that was powerful enough as to overcome resistances from the existing power with vested rights could be implemented, thus the attempt to cure Korean disease eventually failed.

Eventually, although the efforts to eradicate corruption made by the Seventh republic can not be said to have adopted a long-term strategy, consequently, the efforts to eradicate corruption through establishing numerous institutions were very strong and it can be said that there were considerable effects corresponding to a long-term strategy.

### 9.4 Frequency of efforts

The Seventh republic strived to equip the corruption prevention system. In addition, just as the previous republic, the Seventh republic continued to prosecute corrupt

government officials. However, this was done with far more demonstrable vigor and resolution by the new republic in comparison to those which came before it.

Above all, through the Special Investigation Agency for Corruption, a subordinate unit of the Public Prosecutor's Office, powerful detecting activities had been implemented in the areas of tax affairs and public health republic that had been pointed out previously as areas rife with structural weakness, chronic abuse of power and graft.

As a result, 16,934 corrupt government officials were detected and 7,511 among them were arrested.<sup>320</sup> In addition, 3,397 cases and 837 government officials had been disclosed because of violations of the law on construction work related to unfair dealing, and had disciplinary measures taken against them. Also, over 13 billion Korean Won (approximately USD 12 million) in 15,853 cases of local tax related embezzlement was exposed.

**Table9.1 The state of disciplinary punishment in the Seventh republic**

Year	1993	1994	1995	1996	1997
Number of officials disciplined	7,116	6,223	5,061	5,308	5,689
Total number of officials	899,826	907,598	905,390	925,794	935,759
Ratio to total officials	0.79%	0.68%	0.55%	0.57%	0.60%

\*Source: The annual report of the Ministry of General Affairs, 1997, p.192

During the Seventh republic, the degree of intensity of punishment on corrupt officials was much higher than that of the previous ones. According to the statistics from the government, as seen in table 9.1, the government officials who were submitted

<sup>320</sup> The Ministry of Information, op.cit., 1997, p24

to a disciplinary measure exceeded a 5,500 yearly mean from 1993 to 1997. That means a 1,500 person increase on the Sixth Republic's yearly average, (4,000), as seen in table 2.3 in Chapter Two. The ratio to total officials in the Seventh Republic, about 0.6%, also increased from that of the Sixth Republic's yearly average, 0.5%, as seen in table 2.3. In addition, the number of detected officials was sustained with a considerable regularly.

In addition, it can be perceived from the results of the investigations of the Prosecutor's Office that the Seventh republic pushed tougher measures than the previous republic. As seen in table 9.2, the number of criminal prosecutions of corrupt Government officials in the Seventh Republic had increased explosively as follows, it was an average of 2,000 in the Sixth Republic, but had risen to 7,091 in 1993, 7,938 in 1994, 8,446 in 1995, 9,389 in 1996 and 10,121 in 1997 respectively. The ratio to total officials in the Seventh Republic, about 0.9%, also increased from that of the Sixth Republic's yearly average, 0.2%, as seen in table 2.3.

**Table9.2 The number of criminal prosecutions of corrupt government officials**

Year	1993	1994	1995	1996	1997
Number of officials prosecuted	7,091	7,938	8,446	9,389	10,121
Total number of officials	899,826	907,598	905,390	925,794	935,759
Ratio to total officials	0.78%	0.87%	0.93%	1.01%	1.08%

\*Source: The annual report of Public Prosecutors Office, 2003, p.132

Along with law enforcement activities, the Seventh Republic determined the

construction of rules and institutions as being one of the important concepts of corruption control efforts, and actually committed itself to make them. As seen in the above, the assets of high-ranking officials were made public as a result of the introduction of the Assets Disclosure System. The Real-Name Financial Transaction System was implemented to achieve transparency in financial trade and detect corrupt dealings. Other institutions were installed in order to prevent corruption.

In conclusion, the frequency and actualization of corruption control efforts of the Seventh republic had been reinforced significantly compared with that of the previous republic.

#### 9.5 Mobilisation of support

During the Seventh republic, the activities of civil organizations were started, but it is hard to say that these activities were strong enough to be a watchdog to the government's anti-corruption campaign. Therefore, the President's will was regarded as the main factor to decide direction or contents of corruption control activities much the same as it was with the previous republic.

However, what had been utterly unprecedented were the activities of civil societies, notably the Citizens' Coalition for Fair Elections, initiated by Son Pong-ho, a Seoul National University professor. This was initially a loose coalition of citizen activists from fifty-six voluntary religious, women's, labour, and farmers' organizations; the number grew to 250 organizations as others, such as the influential Economic and Business Association and student organizations, joined the movement. The coalition organized fifty local centres and some ten thousand citizen volunteers, in many cases,

college students, and established local watchdog groups to expose any corrupt or coercive practices in electioneering such as the distribution of gifts and money or the application of pressure by local officials, including the police. There had never existed such a large network of grass-roots citizens' volunteer coalitions in the entire history of the Republic of Korea. In the past when activists—usually college students—protested against corrupt practices, they were often brutally attacked by hired thugs or, worse still by “patriotic” youth group members or even the police. There were no reported incidents of such attacks on citizen volunteers in 1992.

Another civil-organisation was the Headquarters of the Campaign for Corruption Expulsion that was established in 1993 under the Citizens' Coalition for Economic Justice. This was the first professional civil organisation organised by civic groups to mainly deal with corruption. This organisation focused on protecting whistle-blowers and disclosing complaints against administrative corruption.

One more civil organisation for anti-corruption activities was the Headquarters of the Campaign for Making A Clean Society established in 1996 under the People's Solidarity for Participatory Democracy. The organisation was founded with the purpose of setting up a clean and transparent society by reforming irregularities and grafts. It also implemented a campaign aimed at eliminating corruption and getting into law an anti-corruption bill. In the mean time, the support and protection of whistle-blowers were added to its duties.

The main activity of this organisation during Kim's republic was the campaign for the legislation of an 'anti-corruption law'. With 30,000 signatures of citizens, the organisation made a petition to the National Assembly for legislation of an anti-corruption law in November 1996. However, the petition was not acted on under the

Kim republic.<sup>321</sup>

It should be noted that the government did not disturb or make attempts to stop civil organisations' activities. Therefore civil organisations campaigning for corruption control could be established freely and were not discouraged.

However, there was no clear evidence yet that the government made any corruption control activities due to the pressure from civil organisations' activities. Most anti-corruption campaigns of the government still came out of the President's ideas and initiatives. After taking office on 23<sup>rd</sup> of February 1993, President Kim Young-Sam firstly, opened the assets of his family to the public and declared not to accept any political funds during his term of office and he himself practiced diligence and frugality.<sup>322</sup>

Moreover, most of the above activities from the government for corruption control, i.e. inspection without exception, disclosure of assets of high-ranking officers, and the Real Name Financial Transaction System, were the results of President Kim's firm decision.<sup>323</sup>

Especially, the arrest of Kim Hyun Chul, a son of President Kim, in charge of Hanbo Steel Corp.'s illegal advance was regarded as an exemplary conduct of the President's initiative until his last years in office. From the aspects of President Kim's accomplishments, his will on corruption control was more powerful than any other previous President.

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<sup>321</sup> Kim, Byoung-Jin and Kwon, Hae-Su, The state and assignments of Korean NGO anti-corruption activities, the Korean Institute of Public Republic, June, 2002, p.18

<sup>322</sup> Oh, Suk-Hong, 1996, p.337

<sup>323</sup> Park, Yong-Ho, 'Controlling Corruption in Korea: Approach Style of Government' (PhD dissertation, Seoul : Seoul National University, 1999), p.270

The Seventh republic also made efforts in order to raise supports from inside of the government, that is, government officials, for administrative reform and corruption control.

Firstly, a 4-year plan for the increase of government officials' salary was made and all sorts of expenses in office were increased to a realistic level. Another plan, which provided capital to government officials who did not have their own house, also was proposed.

However, generally, the betterment of labour conditions of government officials during the Seventh republic was not as strong as the 6<sup>th</sup> one. During the Sixth Republic, the wages of government officials usually recorded an annual average of a two-digit increase, this in contrast to only a 4% average annual increase in payments during the Seventh republic.<sup>324</sup>

Overall, it is obvious that the endeavours to obtain support from outside of the government, e.g. civil groups, were not enough, in that the government did not accept the request for legislation of an anti-corruption law from the civil groups. Also, it can be assumed that the Government did not get sufficient support off the government officials in that only 12% of the government officials answered affirmatively about the Republic's welfare program for government officials.<sup>325</sup>

## 9.6 Conclusion

After considering all the above analysis, even though the approach for corruption control in the Seventh republic was not systematic, and had some commonality with the

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<sup>324</sup> The almanac of the Ministry of General Affairs, 1988-1997

<sup>325</sup> Cho-Sun Newspaper, 28 December 1996, page 3



previous republic, it can be considered that the corruption control of Seventh republic advanced one more step.

In other words, the approach of corruption control in the Seventh republic had made progress in the following aspects: First, the republic clearly pointed out that the issue of state-business coalitions, uncertainty in the government service, and the systematic defects in process of administrative control were the fundamental sources of irregularities and graft in Korean society. Second, the republic declared that corruption control should be managed as a comprehensive reform from various fields of society including governmental agencies. Third, for the first time in Korean history, corruption control had been treated as a top priority of National affairs.

Moreover, corruption control had been led by the governmental power authorities and temporarily organized agencies in the previous republic. However, during the Kim Young-Sam republic, more systematically advanced organizations, like the Committee for Corruption Prevention Policies, took an initiative to control corruption. It was also a critical fact that the chance for civil organisation to participate in corruption control was gradually increased from the period of the Seventh republic.

In addition, the activities of the anti-corruption campaign in Seventh republic proceeded without any limits and targeted higher ranking figures in comparison with the previous government. Corruption control efforts in the Seventh republic were instituted frequently, however, there was no long-term plan to eradicate corruption and the republic did not actively mobilize to get the support from inside and outside of government. As a result, there was a big corruption scandal, which brought about the arrest of the President's son, in the latter half of the republic.

In conclusion, it can be said that the Seventh Republic had stronger political will to control corruption rather than the previous republic. Corruption control in the Seventh Republic was undertaken seriously, but was not sustained highly enough.

Therefore, the type of corruption control activities of the Seventh Republic belongs to Type 3 in the matrix mentioned in the section 4 of chapter 1.

## Chapter 10: Corruption Control under the Kim Dae-Jung Regime (1998-2002)

It can be said that the corruption control efforts of Kim Dae-Jung's Republic, the Eighth Republic, differed somewhat between the early and the latter parts of the republic.

The Eighth Republic was launched in the circumstances of an IMF bailout. The IMF provided the bailout in December 1997 on the conditions that Korean Government should adopt a belt-tightening economic policy and several systemic reformations. The belt-tightening economic policy included a tight money policy, maintaining a high interest rate, and slow economic growth. The system reforms included a structural reform of financial institutions through developing sound finance, the reform of corporate governance, a free trade policy, an open-capital market policy and a flexible labour market.<sup>326</sup>

Under these circumstances, the Eighth Republic advocated parallel developments between democracy and market economy, and put its heart and soul into the structural reform of major four areas; the public sector, finance, the labour market, and conglomerates.

In the public sector reform, the republic intended a small but effective government. To this end, government reform work in the initial stages was focused on efficiency rather than transparency and impartiality. Therefore, transparency and impartiality, which are the core values for corruption control, were relatively neglected.

The corruption control efforts of the initial stage of the Eighth Republic stressed

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<sup>326</sup> Jung, Moon-Gun, 'The evaluation of the efficiency of IMF program' in *The evaluation and task one year after IMF bail out*, (Seoul: Korea Economic Research Institute, 1999), pp.47-61

weeding out incompetent and corrupt government officials. Especially, it focused on middle and low rank officials. Institutional reform was not more than what was required of the moment to deal with an occasional corruption scandal. It was not synthetic and systematic but sporadic.

However, the republic announced the Comprehensive Countermeasure for Corruption Control in August 1999. It was the turning point of corruption control of Eighth Republic. The Comprehensive Countermeasure for Corruption Control was based on the results of the researches of nine private research teams and became the framework for corruption control of the Eighth Republic.

#### 10 .1 Degree of Seriousness in the Initial Stages

As seen in the above, it can be said that the Eighth Republic did not recognise the serious realities of corruption in the early years of its tenure. In contrast to the previous President, whose inauguration speech had laid great stress on corruption control, Kim Dae-Jung did not suggest corruption control as a direct task of new government during his inauguration speech.

Kim Dae -Jung had a recognition that corruption occurs because of structural reasons in a society. This can be shown from his words at the inauguration speech. He mentioned that corruption could be eradicated if democracy and market economy become harmonised. Also, he mentioned that corruption can be eradicated if participative democracy is realised from political reform, and, accordingly, the government becomes transparent.<sup>327</sup>

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<sup>327</sup> A collection of President Kim Dae-Jung's address, Vol. 1, The secretary's office for the President, 1999. pp.61-62

However, it can be said that the harmful influence of corruption and the difficulty of corruption control had been recognised properly. President Kim Dae-Jung emphasized the harmful influence of corruption and the difficulty of corruption control at the promulgation ceremony of Corruption Prevention Law on 20 July 2001 as following.<sup>328</sup>

*... ..Corruption control can succeed only when the government officials and all public commit exhaustively together. .... Also, if corruption has not been eradicated, economic and social development and restoration of humanity cannot be achieved.....*

In addition, judging from the process of the establishment of the Comprehensive Countermeasure for Corruption Control, it can be said that the republic investigated corruption control methods more deeply and widely than any other previous republic. The republic made the countermeasure through extensive research consigned to private research companies. Moreover, the republic made the comprehensive countermeasure twice, in contrast to the previous republics that did not take countermeasures even once.

However, judging from the many kinds of government materials published, (like the White Papers of the Eighth Republic), it cannot be said that the Republic dealt with corruption control as a major task of the Government although the Republic made 'Comprehensive Countermeasure' that had not been made by any other previous republic. 'Corruption Control' was not included in the objectives of the Eighth

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<sup>328</sup> A collection of President Kim Dae-Jung's address, Vol. 1, The secretary's office for the President, 1999. pp.349-350

Republic.<sup>329</sup> Furthermore, judging from the motive of the Comprehensive Countermeasure, it can be said that the republic did not start to make the Comprehensive Countermeasure by itself. The Comprehensive Countermeasure was instigated by World Bank with 845,000 dollars.<sup>330</sup> Therefore, it cannot be said that the Eighth Republic recognised the serious realities of corruption.

## 10.2. Target Rank and Credibility of Sanctions

It can be said that the corruption control of Kim Dae-Jung's republic was more aimed at low rank officials than high rank officials.

First, the corruption of high rank officials had not been punished strictly similarly to the other previous republics. The corruption cases that the republic detected and high rank officials involved were as follows; the corruption case of the head of civil petitions of the ruling party<sup>331</sup>, the corruption case of lawyer Lee Jong-Ki<sup>332</sup>, the corruption case of the wife of the Ministry of Justice<sup>333</sup>. The republic did not punish strictly the involved officials including the Minister of justice in the above cases<sup>334</sup>. From these series of cases, it can be said that the Eighth Republic was not strict on high rank officials, although the two sons of the President were arrested on the suspicion of bribery in July 2002.

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<sup>329</sup> The philosophy of the Eighth Republic, The secretary's office for the President, 1999. pp.21-23

<sup>330</sup> The history of thirty years of the Office for Government Policy Coordination, The Office for Government Policy Coordination, June 2003, p.522

<sup>331</sup> This was the case that the head of civil petitions of ruling party received graft from many petitioners and put pressure on government high rank officials.

<sup>332</sup> This was the case that lawyer Lee gave a bribe to many public prosecutors when they moved to other position.

<sup>333</sup> This was the case that the wife of a big corporation bought high price clothes for the wife of the Ministry of Justice.

<sup>334</sup> This arrest was regarded as a result of the pressure of public opinion.

However, the republic was very strict on officials from the middle ranks and below. The republic established ‘a countermeasure against the corruption of middle and below rank officials’ in 1999. In this countermeasure, the republic stressed the necessity of the control of chronic corruption which was deep-rooted in middle and lower rank officials. Furthermore, the republic contended that the corruption of high rank officials was already sufficiently lessened when the republic explained the motivation for the countermeasure against the corruption of middle and below rank officials.<sup>335</sup>

Therefore, it can be said that the Eighth Republic did not have enough political will to target high rank officials.

### 10.3 Long-Term Strategy

As described in Chapter 4, the core of the corruption control activities of the Eighth Republic was the Comprehensive Countermeasures for Corruption Control that were published twice in the period of the Republic. The countermeasures were long-term plans which adopted a preventative, comprehensive, practical and systemic approach. These kinds of long-term plans are the first long-term corruption control plans in Korean government.

As described in the above Chapter 4, the countermeasure suggested comprehensive and radical prescription for various administrative institutions that needs long-term commitment to those prescriptions. In conclusion, it can be said that a Long-Term

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<sup>335</sup> Park, Jung-Hoon, ‘The contents and assessment of the people’s government(Eighth Republic)’ corruption control’, *The Korea public republic journal*, (Seoul: The Korea Institute of Public Republic, 1999 Winter), p.116

Strategy was most active in the Eighth Republic among the Korean republics.<sup>336</sup>

#### 10.4 Frequency of Efforts

As seen above, the corruption control of the Eighth Republic had different phases between the earlier and the later periods of the regime. The corruption control of the earlier half in the Eighth Republic was not much more than a fragmentary response against individual cases of corruption as they occurred.

The detailed corruption control activities in the former period are as follows.<sup>337</sup>

First of all, the republic tried to punish corrupt high ranking officials including politicians, who were related to the corruption cases that had occurred in the previous seventh republic, through strict investigation.

Secondly, discipline among middle and below ranking officials was enforced.

Thirdly, a special office for reporting corruption was opened at public prosecutor's office all over the country, and ten articles that government officials were obliged to comply with were established. The ten articles were 1) a ban on the acceptance of money for congratulation or condolences 2) a ban on the acceptance of free meals and free golf 3) a ban on the receiving of flowers or plants for congratulation or condolences 4) a ban on the acceptance of farewell money 5) a ban on receiving a present that cost over fifty thousand Won (about twenty five pounds) 6) a ban on the use an official vehicle by government officials' family 7) a ban against weddings at a luxury hotel 8) a

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<sup>336</sup> Park, Won-Soon, *The comprehensive assessment about the Comprehensive Countermeasure for Corruption Control*, Working Paper, July 2000

<sup>337</sup> Park, Jae-Wan, 'The assessment and problem of anti-corruption policies', *Social Science Review* (Yonsei University, Seoul) Vol. 30, 1999, pp. 246-252



ban against the use of a luxury entertainment spot 9) prohibition of high ranking officials' wives gathering together 10) a ban against joining political parties and against donating to politician's campaigns. These articles were severely criticized because they went against the traditional Confucian customs of Korea. Especially, a ban on accepting money for congratulation or condolences was much criticized, so finally the ban was applied only to first rank officials and Ministers and deputy Ministers.

Fourthly, the making public of the military service records of first and above rank government officials and their family was introduced in 1999. This was introduced because of the growing scandal that many high-class members of society had been paying a bribe in order to be exempted from military duty.

Fifthly, as seen in the previous section, there were many kinds of institutions indirectly affected by corruption control, such as regulatory reform.

Along with these institutional reforms, there was detection and punishment by various corruption control agencies as the previous republic.

During the Eighth Republic, the degree of intensity of punishment on corrupt officials was almost same as that of the previous republic. According to the statistics from the government, as seen in table 10.1, the government officials who were submitted to a disciplinary measure mounted up to a 4,500 yearly mean from 1998 to 2002. That is about 1,000 persons fewer than the yearly average of the Seventh republic's, 5,500, but still more than the yearly average of the Sixth Republic's, 4,000, as shown in table 2.3 in Chapter 2. The ratio to total officials in the Eighth Republic, about 0.6%, was also the same as that of the previous Republic, as seen in table 2.3.

**Table10.1 The state of disciplinary punishment in the Eighth Republic**

Year	1998	1999	2000	2001	2002
Number of officials disciplined	6,140	5,866	4,507	3,682	3,898
Total number of officials	888,334	875,672	869,676	868,120	889,993
Ratio to total officials	0.69%	0.66%	0.51%	0.42%	0.43%

\*Source: The annual report of the Ministry of General Affairs, 2003. p.180

In addition, it can be perceived from the results of the investigations of the Prosecutor's Office that the Eighth Republic pushed slightly softer measures than the previous republic. As seen in table 10.2, the number of criminal prosecutions of corrupt government officials had decreased a few as follows, 9,413 in 1998, 8,640 in 1999, 7,602 in 2000, 6,748 in 2001 and 6,900 in 2002 respectively. That is about 900 persons fewer than the yearly average of the Seventh republic's, but still much more than the yearly average of the 3<sup>rd</sup> to Sixth Republic's, of about 1,500, as shown in table 2.3 in Chapter 2. The ratio to total officials in the Eighth Republic also slightly decreased from that of the previous Republic.

**Table10.2 The number of criminal prosecutions of corrupt government officials**

Year	1998	1999	2000	2001	2002
Number of officials prosecuted	9,413	8,640	7,602	6,748	6,900
Total number of officials	888,334	875,672	869,676	868,120	889,993
Ratio to total officials	1.05%	0.98%	0.87%	0.77%	0.77%

Source) The annual report of Public Prosecutors Office, 2003, p.132

In addition, the republic continued corruption control activities stressing institutional reform after the Comprehensive Countermeasure for Corruption Control was announced twice.

As a whole, the frequency of corruption control in Kim Dae-Jung's republic was high, especially in institutional reform.

### 10.5 Mobilisation of Support

The corruption control of the Eighth Republic had a characteristic that the government and nongovernmental sector worked together to control corruption. The Chairman of the Special Committee for Anti-Corruption did not come from a government official and half of the members of the committee came from the non-governmental sector.

In addition, the chairman and members of Korea Independent Commission against Corruption, which was installed as a successor of the Special Committee for Anti-Corruption, also came from the non-governmental sector.

Furthermore, as seen in the above section, the non-governmental sector participated in the research to produce the Comprehensive Countermeasure for Corruption Control.

In addition, after the promulgation of the Anti-Corruption Law, it became possible to detect corruption not only in governmental agencies but also in non-governmental organisations, because of the introduction of a protection system for whistle blowers. In other words, the era had come that the non-governmental sector cooperated with the government and watched over it at the same time. On the other hand, with the introduction of a protection system for whistle-blowers, the institutional basis in which corruption control from inside of government was equipped.

In conclusion, the Eighth Republic made an effort to get support from inside and outside of government.

#### 10.6 Conclusion

In contrast to the corruption control of the previous republic and the early period of the Eighth Republic, which was fragmented and transient, the first and second Comprehensive Countermeasure for Corruption Control had a macroscopic and step-by-step long-term plan. The Comprehensive Countermeasure included all aspects related to corruption control such as the analysis of realities and causes of corruption, the infrastructure of corruption control, culture and environment, spirit of government officials, measures of six vulnerable areas, etc.

It is hard to eradicate corruption with only one or two measures. Furthermore, there is a limit to cutting corruption only by punishment. Therefore it is very desirable to mobilise various measures like the Comprehensive Countermeasure. In addition, the installing of the Special Committee for Anti-Corruption and the Korea Independent Commission against Corruption which were led by nongovernmental persons could be assessed affirmatively. From these organisations, corruption control policies can maintain consistency through tuning discord between many anti-corruption agencies. Moreover, corruption control activities could be neutral and special by nongovernmental persons.

Anyway, the corruption control of the Eighth Republic committed more strikingly than the previous republic. It had a long-term strategy. It was also frequent and mobilised nongovernmental sector's support first time.

However, the republic did not recognise the serious realities of corruption and did not target high rank officials.

In conclusion, it can be said that the corruption control of the Eighth Republic had high sustainability, but did not have enough seriousness. Therefore, the type of corruption control activities of the Eighth Republic belongs to Type 2 in the matrix mentioned in the section 4 of chapter 1.

# Chapter 11: Conclusion

Corruption control has always been a major issue in Korea from the First Republic to present republic. Every previous government promised to eradicate corruption whenever they have chances, but there was not any proof that the corruption was eradicated. Criticism that the corruption control efforts of governments were ineffective continues to this day. The essence of the criticism was that corruption control efforts in Korea were performed for political purpose, that is ‘display purpose only’, by illegitimate regimes and there were only fragmentary responses. As a result of those efforts, corruption control policies became ineffective and led to a lack of confidence in Korean society in the ability of the government.<sup>338</sup> In other words, corruption control policies were regarded as a political tool to attempt to bolster credibility to illegitimate regimes.

As mentioned in the first chapter, this research focused on political will, on the hypothesis that the political will of corruption control efforts in Korea was not enough and the lack of strong political will was the cause of the failure of corruption control in Korea.

Hereafter, we will synthesize the corruption control efforts of Korean republics in terms of political will by indicators, analyse the efforts of each republic and show contrasts between all the republics. In addition, we will examine the value of ‘political will approach’ for corruption control.

## 11.1 The political will by indicators

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<sup>338</sup> Kim, Tae-Ryong, The assessment and problem of the corruption control of successive governments, *The research of social sciences*, (GangWon University, Dec.2002) Vol. 41, pp.55-74

### 1) Degree of Seriousness in the Initial Stages

As mentioned in Chapter 1, seriousness in the initial stages is very important to the success of corruption control policies. Government should recognise the serious realities of corruption and undertake in-depth analysis in the initial stages of their terms for effective corruption control.

The First Republic did not recognise the serious realities of corruption and set corruption control as a policy agenda. As a result, the republic failed to eradicate corruption and lost the support of the people.

The Second Republic recognised the harmfulness of corruption and the importance of corruption control. The republic tried to analyse the cause of corruption, in contrast to the First Republic, but the analysis was not realised.

The Third Republic more seriously recognised the necessity of corruption control. President Park stressed many times that the purification of corrupt government officials was important. However, the Third Republic did not place corruption control among the principal subjects of state affairs.

The Fourth Republic developed a more systematic corruption control than before through the anti-corruption movement called the *Seo Jung Soai Sin* (Government's Purification Campaign) movement. For the first time, the republic defined corruption that was applied in the movement and obviously suggested the harm caused by corruption. However, the Fourth Republic recognised the cause of corruption, not as the exclusive possession of power and secular authority of government officials but as 'a reckless pursuit of Western style liberal democracy'. It can be said that this recognition related to the political situation. During this time, President Park amended the Constitution, called *Yusin Constitution*, on the grounds of developing a new style of

institutions best suited for Korean democracy.

The Fifth Republic started with a more wide range of corruption control with the so called *Sa Hoe Jung Hwa* (Society's Purification Campaign) movement instead of the *Seo Jung Soai Sin* (Government's Purification Campaign) movement in the Fourth Republic. As a result, the meaning of corruption in the Fifth Republic was wide, but the standards were vague. Basically, the recognition of the cause and harm of corruption was similar to that of the Fourth Republic, but the Fifth Republic recognised that corruption was a product of fast economic development. Relative importance of corruption control assignment in the Fifth Republic was increased in comparison with that in the Fourth Republic. The Fourth Republic treated the task of corruption control as a means of National Security, but the Fifth Republic directly placed the task of corruption control on the government's main agenda.

The Sixth Republic took on democratic and self-imposed corruption control from the beginning. The Republic also understood corruption to be a social phenomenon in a transitional period, from an authoritarian society to a democratic society. Because of this recognition, the Sixth Republic defined corruption as wide-ranging misbehaviour. The republic emphasised corruption control in order to establish law and social order for democracy.

The Seventh Republic interpreted corruption very widely including irrationality in service as well as the standard meanings of corruption like bribery and extortion as had the previous republic. However, the Seventh Republic considered the cosy relations between politics and business, and the opacity of politics and government officials' society, as the most important source of corruption. Also, the republic clearly recognised the harmfulness of corruption and managed corruption control tasks as the most urgent



and important affair of the country. In conclusion, the Seventh republic had the clear recognition of the phenomenon of corruption and its causes, and set up corruption control task as the top priority matter of the Government's affairs.

The Eighth Republic recognised that corruption occurs from structural weaknesses in society. President Kim suggested that corruption could be eradicated if democracy and market economy became harmonised, and participative democracy was realised. The Republic did not deal with corruption control as a major task of the government although the Republic made a 'Comprehensive Countermeasure'. It also did not recognise the serious realities of corruption.

## 2) Target Rank and Credibility of Sanctions

It is difficult to discover the targeted political rank of the First and Second Republics' corruption control policies due to the overall lack of corruption control policies. However, taking into account the activities of corruption control agencies, the First Republic punished low rank officials relatively severely.

The Third and Fourth Republics were founded on the basis of the coup's motto of 'corruption control'. President Park stressed several times that he would punish corrupt officials however high their position. It may be said that the republics had the political will to punish all corrupt officials without consideration of rank. The Fourth Republic especially, treated corruption more strictly than the previous republic with the beginning of the *Seo Jung Soai Sin* movement.

The Fifth Republic focused on high-ranking officials for the purification in the *Sa Hoe Jung Hwa* movement. However, the ratio of disciplined government officials did not show that the republic actively targeted high rank officials.

The Sixth Republic targeted middle and low rank officials at the early stage, but strengthened corruption control activities on the high rank officials as the republic came to the latter half of the regime.

In the Seventh Republic, under the banner of so called ‘corruption control without sanctuary’, all kinds of government organisations and their members were targeted. The republic had strongly coped with so called ‘power corruption’ by exercising governmental power ‘without any sanctuaries’. The activities of the anti-corruption campaign in Seventh Republic proceeded without any limits.

The corruption control of the Eighth Republic was more aimed at low rank officials than high rank officials. The republic established ‘a countermeasure against the corruption of middle and below rank officials’ in 1999 on the assumption that the corruption of high rank officials was already sufficiently lessened.

### 3) Long-Term Strategy

The First Republic did not make any long-term measures for corruption control because the priority of the affairs of state focused on nation building. The only thing they did which influenced long-term corruption control was to establish organisations with corruption control duties, like the Commission of Inspection. In general, their corruption control strategy was not to arrange systematic long-term measures.

The Second Republic could not make institutions and long-term strategies as well.

The Third Republic did not attain enough Long-Term Strategy. The focus of corruption control was placed on *ex post facto* control in that the republic put weight on detection and punishment of corruption which had already occurred.

The Fourth Republic introduced various institutions, such as a collective

responsibility system, to enhance the effect of corruption control efforts with a massive purge under the slogan of the *Seo Jung Soai Sin* Movement. These movement influenced corruption control through diminishing government officials' power and by making governmental processes transparent to public scrutiny. However, the Fourth Republic had no long-term strategy. The Republic focused on piecemeal and fragmentary corruption control activities rather than on long-term strategy.

The Fifth Republic focused on activities to improve responsibility and morality of government officials through such measures as enacting the Government Officials' Ethics Law. In addition, the republic performed the improvement of minor institutions, which had both inefficiencies and irrationalities. The Fifth Republic still had not instituted a long-term corruption control strategy directly. However, the Republic relied on the *Sa Hoe Jung Hwa* movement, which is indirectly long-term commitment.

The Sixth Republic defined corruption to have a wide meaning, and suggested various countermeasures including institutional and environmental measures at the beginning. However, as time passed, the Republic moved the focus of its corruption control to law enforcement. In conclusion, the Sixth Republic lacked a long-term strategy.

The Seventh Republic took decisive steps to institutionalise several systems in order to decrease the opportunities for corruption and to increase the penalties of corruption, such as the Committee for Corruption Prevention Policies, Real-Name Financial Transaction System, etc. In conclusion, the Seventh Republic put more weight on the institutional reform for corruption control than any other government that had been before, even though there was not any synthetic and long-term plan directly for corruption control.

The Eighth Republic published the Comprehensive Countermeasure for Corruption

Control twice in its period. The Countermeasure suggested proper direction for corruption control in Korea and a comprehensive and radical prescription for various administrative institutions. Therefore, it can be said that the Eighth Republic had a long-term strategy.

#### 4) Frequency of Efforts

The First Republic, under Lee, was launched with a relaxed responsibility of government officials because of the results of the colonial period. Therefore, the corruption control efforts of the Lee republic were meagre.

The Second Republic's corruption control effort was not frequent because of the brevity in power.

The corruption control efforts in the Third Republic were more extensive in comparison with those of previous republics although the Third Republic did not deal with corruption control within the principal objectives of State affairs. However, the efforts focused mainly on detection and punishment.

The Fourth Republic undertook a massive purge of corrupt government officials after the *Seo Jung Soai Sin* movement fully got underway. Equally emphasised was the sure reward of merit which helped to establish the sincere, honest and incorruptible image of the public servant. In short, the corruption control efforts of the Fourth Republic were very active and frequent with the assistance of the *Seo Jung Soai Sin* movement.

The Fifth Republic introduced various institutions and measures, and strong law enforcement was in place. The institutions which were introduced in the early years were relatively well maintained until the end of the Fifth Republic, but law enforcement slowly weakened as time passed.

The Sixth Republic emphasised democratic and self-imposed corruption control from the beginning. As a result, there were not frequent efforts those days. However, two years into the Republic, it restarted a stricter method to control corruption. Although the Republic showed its strong political will against corruption through intensifying law enforcement in the end, it did not keep its several promises to adopt institutions for corruption control. In conclusion, it can be said that the position on corruption control of the Sixth Republic was not consistent and that the corruption control efforts were not frequent.

During the Seventh Republic, the degree of intensity of punishment of corrupt officials was much higher than that of the previous ones. Along with law enforcement activities, the Seventh Republic determined the construction of rules and institutions as being one of the important concepts of corruption control efforts, and actually committed to make them. In other words, the frequency and actualization of corruption control efforts of the Seventh Republic had been reinforced significantly compared with that of the previous republic.

The Eighth Republic controlled corruption frequently with not only institutional reforms like the Comprehensive Countermeasure for Corruption Control, but also detection and punishment by various corruption control agencies like the previous republic.

##### 5) Mobilisation of Support

It is hard to assess whether the First Republic tried to mobilise the support of stakeholders, but it can be said that the First Republic did not try to mobilise support from inside and outside of government. During the First Republic, criticism by the

opposition party was limited by the autocratic ruling party, and civil society was not sufficiently established to mobilise effective opposition against the government.

The Second Republic passively dealt with the corruption of the First Republic though the people's demand to control corruption was high. Accordingly, the Second Republic lost the support of people and provided the grounds for a military coup.

Most activities for corruption control in the Third and Fourth Republics were a reflection of Presidential instruction. The Republics strove to raise the salary of government officials to make for an anti-corruption atmosphere. However, the efforts for creating a more systematic anti-corruption network involving the whole of society were not achieved. In particular, although the *Seo Jung Soai Sin* movement was a nation-wide anti-corruption movement, it had not yet progressed to the stage where the people actively participated in the movement, despite the fact that the Fourth Republic had intensified its propaganda programme in order to gain the support of the people.

In the Fifth Republic, most of the initiative such as the commencement, contents and procedure of the anti-corruption campaign, the *Sa Hoe Jung Hwa* movement, started from the order of the President. The Fifth Republic did not try to mobilise the support of civil organisations, even though the *Sa Hoe Jung Hwa* movement received strong public support at least initially when it started in 1980.

Like the Fifth Republic, the intention of the regime was the main source of support for corruption control activities in the Sixth Republic. As had the previous republic, the Sixth Republic only tried to mobilise the support of government officials for corruption control by improving working conditions. However, the civil society still had not been organised enough yet to demand a control to corruption.

During the Seventh republic, the activities of civil organizations were started, but it is

hard to say that these activities were strong enough to be a watchdog to the government's anti-corruption campaign. The President's will was still regarded as the main factor to decide direction and contents of corruption control activities much the same as it was with the previous republic. Overall, it is obvious that the endeavours to obtain support from inside and outside of the government, e.g. government officials and civil groups, were not enough.

The Eighth Republic made an effort to get support from the inside and outside of government. The non-governmental sector participated in the research to produce the Comprehensive Countermeasure for Corruption Control and the committee to control corruption. In short, the government and nongovernmental sectors worked together to control corruption in the Eighth Republic.

## 6) Conclusion

Putting the above analysis by indicators, we can understand the development of corruption control efforts in Korea.

As we expected, the result of assessment by indicators from the First Republic to the Eighth Republic was of that of dissatisfaction. Not one single indicator shows a consistently high enough score.

First of all, the recognition on the serious realities of corruption was not in the First Republic, but it became stronger as republics changed to new republics and weakened at the Eighth Republic. The recognition on the harmfulness of corruption had become stronger as time passed. The analysis on the cause of corruption had become more in-depth as each republic passed. That is, the recognition of the cause of

corruption had been developed from personal problems to socio-economic problems. Some republics treated corruption control as a priority national task. It depended on the socio-political situation.

The target of corruption control of Korean republics generally showed strong political will with the exception of the first two and the Eighth Republics. The Republics generally targeted high ranking officials without consideration of ranks.

A long-term strategy had become steadily more active as each Republic passed. The indirect long-term plans for corruption control became active. However, a direct long-term strategy only began with the Eighth Republic.

**Table 11-1 The indicators by republics**

Republic Indicators	1st	2nd	3rd	4th	5th	6th	7th	8th
Degree of seriousness in the initial stages	Very Low	Middle	High	High	High	Middle	Very High	Middle
Target Rank and credibility of sanctions	Very Low	Very Low	Very High	Very High	Middle	High	High	Low
Long-Term Strategy	Low	Very Low	Low	Middle	Middle	Low	High	Very High
Frequency of efforts	Very Low	Very Low	Middle	High	Middle	Low	High	High
Mobilisation of support	Very Low	Very Low	Low	Low	Low	Low	Low	High
Type of corruption control activities	Type 1	Type 1	Type 3	Type 3	Type 3	Type 3	Type 3	Type 2

The frequency of corruption control activities was considerably high except during



the First and Second Republics. But, mostly, the corruption control efforts of each republic were active at the early stages, and there were not enough cases that the corruption control efforts had continued to the end.

All the republics, with the exception of the Eighth Republic did not commit actively to mobilise the support from inside and outside of government.

Putting the results of indicators by republics, it is as Table 11-1.

### 1 1.2 The Political Will by Republics

We can confirm that, generally, many republics in Korea except 1<sup>st</sup>, 2<sup>nd</sup> and Eighth Republics seriously undertook corruption control, but had not high sustainability, that is, Type 3 in the matrix mentioned in the Section 4 of Chapter 1.

It can be said that the authoritarian republics, from third to six, (which were established by military power), needed corruption control activities to get the support of the general populace. For this political purpose, the republics undertook serious efforts to get visible results, but could not make sustained effort. This means that those republics had not enough strength of political will to eradicate corruption, so corruption was not controlled.

The Seventh Republic put weight on corruption control and suggested various institutions under the slogan of “clear off the past”. From the political and social situation, it can be said that the Seventh Republic, as a civilian origin government, did not need corruption control for political purpose such as the supplementation of legitimacy. The Seventh Republic undertook corruption control seriously in spite of a lack of political necessity because the previous governments were recognised as

corrupted ones. Although one of the indicators, mobilisation of support, was not assessed with a high score, the Seventh Republic showed a stronger political will, than the previous Republics.

The Eighth Republic did not recognise the necessity of corruption control when the Republic was launched. It can be said that the reason why the Eighth Republic neglected corruption control when it was launched, is that the republic concentrated on recovering the economic crisis of that time. However, as time passed, the Eighth Republic reinforced corruption control efforts following the advice of the World Bank and civil society.

In conclusion, we can confirm that there was no Republic in Korea that had enough political will with serious undertaking and high sustainability together, which corresponds to Type 4 in the matrix mentioned in the Section 4 of Chapter 1 .

The undertaking of corruption control became serious from the Third Republic, but it was not a priority for the Eighth Republic who once again failed to take it seriously. Sustainability was very low at first few republics but became strengthened as the republic passed to the Eighth Republic. It can be said that the reasons why the sustainability was reinforced as the Republic passed, are related to the failure of punishment-centred short-term measures which were habitually used from Third to Sixth Republics, and the maturity of social atmosphere which is not satisfied with short-term measures.

In short, it can be said that the corruption control in Korea has not so far had high political will. This low political will was the cause of failure in corruption control efforts in Korea, even though Korean republics continued to emphasize corruption control whenever the republic changed.

### 11.3 Conclusion

From the above analysis, it can be said that the corruption control strategy in Korea has been changed, as time passed, from a simple and fragmented strategy to a diverse and comprehensive strategy. In addition, the measures for corruption control have been progressively developed and changed. In other words, the laws and institutions for corruption control have been varied and established gradually. However, the corruption control in Korea has not so far been commenced with both enough seriousness and sustainability together. In conclusion, the characteristics of corruption control in Korea that were deduced from this research are as follows:

First, it is very important for corruption control to understand the genuine cause of corruption from the initial stages. It can be said that the dishonest approach and vague purpose of corruption control in the previous Korean governments made ineffective corruption control activities.

In Korea, it is a well-known fact that the political authority, especially in President Park Jung-Hee republic to President Roh Tae-Woo republic, received massive political funding from the private sector in the course of economic development led by the government. The illegitimate republic needed much political funding to recover its illegitimacy. In addition, in those Korean republics, decisions were made in secret, behind closed doors without the participation of the public. In this process, the government officials had played an important role to distribute the resources for a government-led economy and had been tempted to corruption. This means that the heart of corruption appears to be corrupt exchanges between politicians, business corporations and government officials, and the government officials' corruption is

related to the corruption of top political authority. Furthermore, chronic corruption in top political authority brought a numbness of public morality and came to be a deep-rooted and widespread corruption in the whole society. In other words, the political authority exclusively possessed the power to mobilise and distribute the resources in the course of economic development. This exclusive possession tied with illegitimacy of government then developed into corruption.

This way, the political authority and the crony capitalist are firstly responsible for Korean corruption. However, the purpose of corruption control in Korea was abstract and the view of corruption stayed focused on government officials' corruption. Without solving the problem of clandestine co-dependence between the world of politics and the world of business and the exchange of favours that it entails, it will be difficult to effectively control bureaucratic corruption in South Korean society.

Therefore, any corruption control in Korea should have an understanding about the politico-economic aspect that deals with the decentralization of exclusive power possessed by the political authority and the opening closed decision-making process.

Second, the corruption of higher ranking government officials needs to be controlled more tightly instead of the corruption of low ranking officials. In addition, legal sanctions are found to be an important, if not the best, deterrent to corruption. According to many survey results in Korea<sup>339</sup>, corruption was associated with a lack of certain and severe punishment, leading to a lower level of perceived threat of legal sanctions among government officials. Considering the inefficiency of the activities of the criminal justice authorities at present, an elevated level of the perceived threat of punishment is needed to deter civil servants from further corruption.

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<sup>339</sup> Yeon, Sung Jin, *Corruption Among Public Officials and Its Control*, Korean Institute of Criminology, 1998, pp.206-208

Third, the corruption control methods in Korea did not rely on systematic and synthetic strategies for effective corruption control, but propagandistic slogans, such as the *Sa Hoe Jung Hwa* movement, and personal and social ethics. In other words, the republics approached corruption control not as institutional matter but as personal ethics matter. In addition, the approach of only *ex post facto* punishment had a limit as well. To cope with these weaknesses, it needs to stress more concrete recognition of the essence of corruption and preventive corruption control within institutions. Besides, it needs to focus on strengthening transparency of society with a broader point of view.

Fourth, a top-down approach in corruption control, which relied only on the order and authority of top political leaders, is inefficient and unsustainable. There is a difference between the situation where the top political leader has a firm political will for corruption control and the situation where the approach of corruption controls is top-down. In successive Korean republics, the leadership of the President had been damaged rapidly when the people surrounding the President, such as their families are implicated in corruption cases. This damage ultimately is linked to a weakened driving force of corruption control. In other words, the promoting of corruption control without the participation of government officials had difficulty to settle because of the estrangement between the introduced institutions and actual culture of government. The 'ten articles' that should be obeyed by government officials, which failed to take root in the early days of the Eighth Republic, is a good example of this. Job satisfaction, measured by salaries and promotion, has a significant effect on the tolerant attitude toward corruption in the organisation. Considering a generally lower level of salaries amongst government officials compared to those of workers in the private sectors in Korea, a salary raise is essential and it should have a positive effect on reducing the level of

corruption among government officials. In conclusion, a bottom-up approach for corruption control, which mixed with a firm political will of the top political leader and active participation of government officials and civil society, is indispensable for sustainable corruption control.

Fifthly, a tolerant attitude toward routine corrupt practices is a crucial variable in explaining government official's corruption. Without the eradication of such attitudes and with corrupt routines at an organisational level, there is no way of resolving corruption amongst officials. For that matter, various institutions, such as a whistleblower protection systems, should be adopted in order to change the organisational culture, which is associated with corruption.

In conclusion, to cope with the deeply rooted, structured, and routine corruption in Korea, strong and sustainable efforts are indispensable.

From this analytical result of the Korean case, we can confirm that political will should be high in order that corruption control is successful, and that the political will model works significantly in the analysis of corruption control efforts.

In other words, this 'political will approach' provided a useful analytical framework to assess the corruption control efforts of a government, especially a government which has lost legitimacy, and in a case when there is a debate whether the efforts are related to political (or display) purposes or not. In addition, this 'political will approach' confirmed, through the case study of Korea, the fact that the lack of one of the indicators for 'serious undertaking' and 'high sustainability' causes the failure of corruption control. In details, although stress should be placed on all indicators, each Korean republic neglected at least one of indicators; those are Seriousness on the Initial

Stages, Targeting high Rank and Credible Sanctions, Long-Term Strategy, Frequent Efforts and Mobilisation of Support.

Furthermore, this research verified that political will is a very important variable for the success of a government's (anti –corruption) policies. In the past researchers and governments tried to attribute the reasons for policy failure as being due to three possible main reasons; human, structural and circumstantial. However, this research suggests that political will should now also be considered as a new variable to be taken into account when assessing the success of a government's policies.

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