

‘Anti-Corruption Efforts Bear Fruit’

By Jung Sung-ki, Staff Reporter

South Korea’s **anti-corruption** efforts are bearing fruit despite the country’s slight drop in the worldwide transparency index this year, the head of the Korea Independent Commission Against Corruption (KICAC) said Monday.

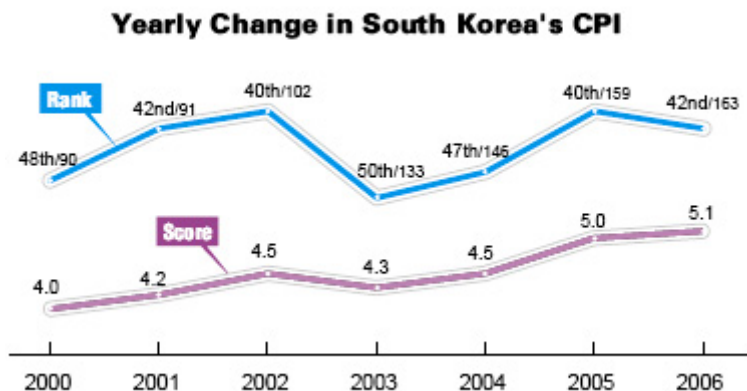
Chung Soung-jin, chairman of KICAC, stressed the importance of more active voluntary participation in the government-led **anti-corruption** drive to achieve the goal of ranking among the top 20 countries in the Corruption Perceptions Index (CPI) in three years.

“Of course, we are unsatisfied with the nation’s latest ranking in the transparency index. But on the other hand, we are very encouraged by the fact that our country’s score regarding social transparency is on the rise,” Chung said in an interview with The Korea Times at KICAC’s headquarters in central Seoul.

“There is still a long way to go, but I’m sure our society is on the road to a cleaner and more transparent nation,” said the chairman, 66, who took office in 2004.

CPI is a composite survey based on polls of resident and non-resident businesspeople and country analysts. Transparency International (TI), a non-governmental organization for fighting corruption based in Berlin, Germany, publishes it annually.

In this year’s CPI, South Korea moved down two spots to 42nd, but its transparency score improved by 0.1 point to 5.1 _ the highest mark since 1995, when the country scored 4.29, ranking 27th out of 41 countries.



This year’s index ranked 163 countries, while last year’s index included 159. The average score increased 0.01 point from 4.08 in 2005 to 4.09 in 2006. The average score of the top 42 nations this year fell by 0.03 points from 7.3 to 7.27.

A country’s score is a much more important indication of the perceived level of corruption in a country than the ranking because a country’s rank can change when new countries enter the index or others drop out, TI officials said.

Chung said South Korea’s “standstill” in its global **anti-corruption** index is largely attributable to still-rampant irregularities in the private sector.

“Our agency cannot directly control the private sector, particularly corporate governance, because our **anti-corruption** policies are based on voluntary efforts of all sectors. Any arbitrary regulations on businesses could cause controversy over the disruption of the market economy,” he said, referring to the landmark Korea Pact on **Anti-Corruption** and Transparency (K-PACT).

The non-binding social pact was signed in March last year by the president, government representatives, politicians, business leaders and citizens with the aim of eradicating corruption in the country and building a transparent society.

“Our focus in past years was on making the public sector transparent, and we achieved a lot from the efforts. But the rub is most of those surveyed or foreign residents here tend to associate the terms “corruption” and “transparency” to things related to the private sector, such as bribery scandals and accounting frauds,” he said.

"So we cannot help depending on the efforts of each business to uproot irregularities. Yes, dealing with irregularities in the private sector is the most difficult task we have to deal with in the future."

He cited a slew of recent scandals that have made big headlines in the local media, including the scandal over the speculative slot-machine game "Sea Story" allegedly involving President Roh Moo-hyun's nephew and Hyundai Automotive Group's slush fund, as examples that left the Korean public and foreign businesspeople with the impression that Korea is a corrupt country.

Chung said his agency seeks to revise the **Anti-Corruption** Act, which was enacted in 2001, to cover the private sector in cooperation with relevant agencies, including the Ministry of Finance and Economy and the Federation of Korean Industries.

According to TI's recently announced Bribes Payers Index (BPI) for this year, South Korean companies ranked 21st out of 30 states surveyed, scoring 5.8 out of 10 points. The index ranks countries by the degree to which their firms are perceived to be paying bribes. The scale is from zero to 10. Zero represents a very high level of bribery, and 10 represents transparency.

The BPI index categorized South Korean companies in the "third group," the worst offenders among businesses in surveyed nations. Switzerland topped the list with 7.81 points.

Chung also pointed out Korean society's cronyism and paternalism as problems to be solved on the way to a transparent society. KICAC plans to come up with a package of anti-cronyism measures by the end of this year, he said.

A recent survey conducted by the agency showed that more than 90 percent of public officials surveyed said that cronyism or paternalism exists, and some 60 percent said they were influenced by those factors in their organizations.

About 52 percent said they are willing to use their personal relationships with others to solve problems, while only 26 percent said they were not.

Unlike the private sector, South Korea's public and political sectors are becoming cleaner, with the country's **anti-corruption** campaign being modeled after developing countries' programs, Chung said.

"I'm confident that the **anti-corruption** drive to cut money-related relations between politicians and businessmen has been very successful," he said. "There have been no scandals yet with regard to illegal political funds or other influence-peddling cases, though the presidential election is approaching. This is a remarkable change in the political sector."

He noted that revised laws regarding political fundraising and elections passed in 2004.

Under the revised Political Fund Law, corporate donations to political parties and individual politicians are banned. But the law allows them to collect small donations from individuals of up to 150 million won per year.

Chung said corruption in construction and education is also dramatically diminishing.

Among high-profile **anti-corruption** measures implemented by the presidential agency is the "whistle-blower protection policy," under which the agency must pay up to 2 billion won (\$2 million) in rewards to anyone who reports corruption involving public officials to the authorities.

The whistle-blowers will get additional rewards in accordance with the gravity of each case, KICAC officials said.

The agency also strengthened the Code of Conduct for public servants, almost to the same level as other member countries of the Organization for Economic Co-operation and Development (OECD).

The code includes measures to protect public servants from outside pressure, such as solicitation for personal affairs and offers of gifts, through a voluntary report system.

"The goal of bringing the country up to 20th place in the annual **anti-corruption** index in three years is not an easy task but can be achieved surely," Chung said. "We can make it with the efforts of people from all walks of life and all sectors."

gallantjung@hotmail.com

11-06-2006 18:00

