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# South Korea's International Efforts and Democracy Assistance towards Anti-Corruption

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## I. Introduction

Recently, there has been heated international debate concerning anti-corruption. By holding the ever-first special session against corruption, the 2021 United Nations General Assembly urged international cooperation for the prevention and eradication of corruption. Having regarded anti-corruption as a core issue in responding to threats by authoritarian regimes and in the global protection of human rights, President Biden set anti-corruption as one of the priority areas of U.S. foreign policy, along with responding to authoritarianism and human rights promotion at home and abroad. Accordingly, the eradication of corruption was discussed as one of the core agendas of the first Summit for Democracy in 2021, and the United States Agency for International Development (USAID) launched the Anti-Corruption Task Force for the prevention of corruption. The South Korean government also chose the

theme “Challenges and Achievements in Combating Corruption” in hosting the Indo-Pacific Regional Meeting at the second Summit for Democracy in March 2023.

Underlying the international society’s increased attention towards anti-corruption are a global consensus on the negative impacts of corruption and a strong international norm that seeks to prevent and punish corruption. Corruption is regarded as the biggest obstacle to the political, economic and social development of the international society. Corruption causes the wasting of human talent and resources, thereby increasing the costs of domestic and international economic transactions and constricting productive activities. This increases economic inefficiency and impedes economic growth. Moreover, economic loss due to corruption amplifies economic inequalities by causing more harm to the poor. This is because rampant corruption brings about a fall in the quality and quantity of public investment in the basic services provided by the state, such as public health and education. The greater problem lies in the fact that the negative effects of corruption do not remain in the economic area, but that it undermines the quality of governance in society as a whole. For instance, corruption acts such as election fraud distorts democratic procedures, and bribery hinders fair law enforcement and undermines judicial justice. Rampant corruption destroys the rule of law and democracy, and weakens the legitimacy of the political system by engendering civilian distrust in the existing system and institutions. Ultimately, corruption acts as a grave obstacle to attaining the sustainable development emphasized by the international society.

The particularly notable increase in attention towards corruption recently can be attributed to the fact that, in addition to corruption acting as a key mechanism that enables

the endurance of an authoritarian regime that habitually violates human rights, authoritarian regimes have started to weaponize corruption against democratic states. Dictators and ruling elites privatize national resources through corruption, increase their wealth by plundering the private sector, and accordingly secure resources to oppress opposing political forces and civilians. Furthermore, authoritarian states like Russia and China use corruption strategically to win over influential individuals in the counterpart country, or attempt to exert influence on other countries' policy decision-making or election processes through clandestine lobbying activities.

Therefore, anti-corruption is no longer regarded as a domestic problem, but as an international issue whose resolution requires the cooperation of many countries. Various international organizations are emphasizing the prevention and eradication of corruption by setting anti-corruption as a key agenda. This article looks at international efforts towards anti-corruption and discusses the relationship between anti-corruption and democracy assistance. On the basis of such discussion, it evaluates the current state of the South Korean government's international support and cooperation for anti-corruption.

## II. International Efforts towards Anti-Corruption

International efforts towards anti-corruption are happening in a multi-faceted manner. The most important and influential international effort was the adoption of the United Nations Convention against Corruption (UNCAC), which is an international treaty that has legal force

beyond mere declaratory meaning. The UNCAC is a universal anti-corruption norm that applies to developed countries, less developed countries, the public sector as well as the private sector, and its contents are considered very comprehensive. Meanwhile, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, adopted in 1997, aims at preventing bribery in international business transactions, and constitutes the first international consensus on stipulating such acts as a crime. The OECD Convention on Combating Bribery holds significance in that unlike other norms enacted by the OECD, it is legally binding on member states as an international treaty.

Regional organizations such as the European Union, Organization of American States, and the African Union have also adopted international treaties on anti-corruption. Other development-related international organizations under the UN such as the World Bank and the International Monetary Fund have enacted policies that reduce loans to countries found to have received bribes or sanction companies that win contracts via bribery.

Civilian-led international efforts for anti-corruption have also made a highly important contribution to the formation of anti-corruption norms. In particular, as a transnational anti-corruption civic group, Transparency International has raised global awareness about corruption problems and has played a leading role in efforts to prevent corruption by cooperating with international organizations. This was followed by many non-governmental organizations and economic organizations disseminating codes of conduct and principles with anti-corruption as a banner. For instance, the Extractive Industries Transparency Initiative (EITI) is a movement to increase the transparency of natural resources earnings in which governments, corporations, civil society organizations, investors and

international organizations take part. Although participation in the EITI is done on a voluntary basis, participating countries must completely disclose information on their earnings from their mining business. The disclosed earnings are subject to an inspection procedure that compares the disclosed earnings to the amount of money provided by the corporations participating in the mining. Through this, it aims to resolve the problems of illegal backdoor trade, unfair distribution of earnings, and environmental pollution.

Most recently, with emphasis being placed on the importance of civil society participation in anti-corruption efforts, international public-private consultative bodies made up of civil societies and member state governments have also been launched. A representative case is the Open Government Partnership (OGP). The OGP is an international multilateral cooperative body that advocates for the eradication of corruption, increased government transparency and an activation of civil participation. Since its establishment in 2011, 75 governments, 104 regional governments, and thousands of civil society organizations are taking part in the OGP.

### III. The Core Logic of Anti-Corruption

Most anti-corruption efforts focus on increasing transparency and accountability. Underlying the emphasis on transparency is the presumption that corruption is caused by a lack of transparency in institutions and limited provision of information. The less transparent policy decision-making processes and administrative processes are, the higher the extent of

information asymmetry between the government and civilians become, leading to an increase in opportunities to participate in corruption activities by using internal information and a decrease in the probability of detecting and punishing corruption. On the other hand, an increase in transparency reduces the opportunities and resources for corruption by dismantling the information monopoly of public officials, while simultaneously increasing the possibility of exposing and punishing corruption activities by providing more information to actors with the incentive to monitor corruption at a lower cost. Therefore, institutional reforms such as the adoption of public information acts that increase the transparency of public administration and citizens' access to information, expansion of administrative information disclosure, adoption of a civil audit system, an online system for handling civil affairs, electronic bidding system, financial transparency, and transparency in the accounting of political funds have been emphasized as important anti-corruption policies.

However, strengthening transparency alone is insufficient to change codes of conduct related to corruption. Even if information about corruption becomes known, there may be an absence of a mechanism that can punish those who engaged in the corruption acts, and there may be a collective action problem in implementing punishments against corruption. Therefore, transparency can lead to a reduction in corruption only when it is connected to a strong accountability mechanism. Strong accountability cannot be attained solely by increasing the monitoring and punishment severity of corruption. Accountability mechanisms operate only when citizens are able to understand information on corruption and are able to achieve collective actions for anti-corruption on the basis of this information. Moreover, accountability mechanisms operate only when institutional mechanisms that can

transform citizens' demands for anti-corruption into realizable reforms exist. Accountability is not assured solely through the ability of citizens to change corrupt regimes through elections. For effective accountability, citizens have to participate in the decision-making processes of public policy on a daily basis and become a watchdog of state management.

The development of the concept of the National Integrity System by Transparency International as a system to prevent corruption aligns with this logic. The National Integrity System is a system that seeks to strengthen transparency and accountability for the successful prevention of corruption with the participation of governments, civil society, and other stakeholders. In other words, the successful establishment of an anti-corruption system is only possible when the executive branch, legislature, judiciary, law enforcement agencies, political parties, civil society, media and corporations all participate in the common effort for anti-corruption to strengthen transparency and accountability. Rather than promoting anti-corruption by focusing on a certain area, it is required that the relevant actors mutually cooperate and make an all-encompassing effort towards anti-corruption. The emphasis is not only on the public sector but also on the active participation of the private sector in anti-corruption efforts.

#### IV. Anti-Corruption and Democracy Assistance

The preceding discussion shows that, like what Francis Fukuyama has argued, anti-corruption is a fundamentally political phenomenon that can only be eradicated through

political rather than technocratic mechanisms. Recent research on corruption emphasizes that a systematic transition to democracy and a qualitative deepening of democracy, beyond institutional reforms in the public administration sector, is essential to successful anti-corruption. The reason for this argument lies in the fact that it is commonplace for countries with rampant corruption to have leaders and elites that possess no incentive and willingness to accomplish anti-corruption. Since they are the largest beneficiary of the existing corruption system, there is no reason for them to combat corruption. In this situation, the successful eradication of corruption is impossible without replacing the existing elites. Fundamental change cannot occur even if anti-corruption institutions recommended by international organizations such as public information acts, electronic government and civil audit systems are implemented. The same applies for the establishment of independent corruption prevention organizations, as they can be incapacitated by authorities at any moment.

Therefore, for the success of anti-corruption, it is necessary to elicit the interest of existing elites in the eradication of corruption as a symbol of modernization, or allow newly replaced elites to enjoy political benefits such as the legitimacy of authority through anti-corruption reforms. South Korea's anti-corruption experience belongs to the latter case, whereby democratization made the reformation government – sometimes independently and sometimes in cooperation with civil society – actively pursue institutionalization for anti-corruption. The steady development of democracy led to a diversification of citizens' demands for anti-corruption, and the pursuant increase in the government's responsiveness to such demands produced a virtuous cycle for anti-corruption.

The arrangement of laws and institutions for the prevention and punishment of corruption does not in itself lead to successful anti-corruption. The establishment of the two fundamental accountability mechanisms of a democratic system is required: vertical accountability, which allows the punishment of the corrupt government and politicians through competitive elections, as well as horizontal accountability, which is attained through mutual checks and controls between agencies of power. The greater the independence of the judiciary responsible for punishing corruption and the more properly operated the rule of law is, the more effectively the legislature monitors the executive, the stronger the internal control systems are due to national audit agencies, the lower the possibility of collusions with other agencies of power would be and the more effectively checks against authorities would be enforced. Strong political coalitions for anti-corruption in the face of corruption scandals have helped strengthen such accountability mechanisms.

Therefore, international support for successful anti-corruption can only be realized in association with democracy assistance. Donors of democracy assistance in the past have focused on institutional reforms such as administrative support for electoral processes, establishment of independent election commissions, judicial reforms and strengthening the rule of law, but recent trends of assistance point towards the direct strengthening of 'democratic forces'. This involves supporting the recipient country's efforts to strengthen democracy through ways such as democracy education for citizens, strengthening civil society capacity through supporting civil society organizations and supporting independent media. In a nutshell, international support for anti-corruption has many parallels regarding its methods of attainment with democracy assistance.

## V. Conclusion: Support for South Korea's Anti-Corruption and Democracy Assistance

The preceding discussions provide important implications for the South Korean government's strategy on international support for anti-corruption. The South Korean government has actively engaged in international efforts for anti-corruption and has continuously strengthened anti-corruption cooperation with international society. Foremost, the South Korean government has ratified the aforementioned OECD Convention on Combating Bribery and the UNCAC, and has diligently enforced them by enacting and aligning domestic legislations with such treaties. In particular, The Anti-Corruption and Civil Rights Commission (ACRC), which is South Korea's independent agency that oversees the country's anti-corruption efforts, has actively participated in international anti-corruption discussions such as the G20 Anti-Corruption Meeting, the Asia-Pacific Economic Cooperation (APEC) Anti-Corruption and Transparency Working Group, the OECD Senior Public Integrity Officials and Integrity Forum, and the International Anti-Corruption Conference (IACC). Through these opportunities, it has advertised South Korea's anti-corruption efforts and accomplishments to the international society and has contributed to the establishment and development of international anti-corruption institutions. Moreover, by concluding anti-corruption cooperation MOUs with the United Nations Development Program (UNDP) or with individual countries, the ACRC supports developing countries such as Vietnam, Uzbekistan and Kosovo in adopting key anti-corruption prevention institutions. After the Indo-Pacific Regional Meeting of the second Summit for Democracy, it also

operates training for developing countries' public officials in areas such as anti-corruption strategy making, corruption prevention and corruption investigations for strengthening their overall anti-corruption capacity, as well as anti-corruption policy training tailored to the needs of individual countries.

It is impossible to deny that support for developing countries' establishment of anti-corruption institutions is a very important contribution. However, given the current situation whereby demands for the South Korean government to show more international proactiveness in the protection and promotion of democracy are increasing, a re-evaluation of South Korea's anti-corruption support policy seems necessary. The following can be proposed with regards to this.

First, the South Korean government needs to expand the scope and aims of its international anti-corruption assistance beyond the strengthening of institutional capacities to include democracy assistance. This requires increasing the proportion of democratic governance assistance within South Korea's ODA and international cooperation projects. Although the South Korean government has never conducted international assistance under the explicit title of democracy assistance, assistance related to democratic governance has been done on an individual basis in various departments. However, not only is the proportion of these types of assistance within the entire ODA system very low, but most of the assistance has focused on public administration and improving electoral institutions. In order to enhance democratic assistance to a level requisite for successful anti-corruption, it is necessary to put greater focus on strengthening institutions which are

directed at increasing civil society capacity, transparency and accountability, and to expand anti-corruption and democracy assistance.

Second, there needs to be strengthened cooperation with the civil society of partner countries. The establishment of anti-corruption norms and institutions is difficult to achieve only through exchanges with the partner countries' governments. This is especially because corruption is a result of society that reflects local community's political institutions, law, economy, and culture, and thus it is important to utilize the working knowledge of the actors of the local community. Exchange and cooperation with various civil actors related to anti-corruption such as civil organizations, corporations, labor organizations and media personnel are required. If it is diplomatically difficult and politically sensitive for the South Korean government to directly demand an improvement in political institutions and a strengthening of civil society capacities towards the partner country's government, a breakthrough may be indirectly contributing to anti-corruption through supporting civil society. Currently, South Korea's ODA is conducted through contracts between governments, making this method difficult as well. In such context, anti-corruption support and the consolidation of the partner country's civil society capacity can be achieved through inter-governmental or non-governmental international organizations engaged in anti-corruption activities. Not only will this help the anti-corruption problem, but cooperation with international organizations and other leading donors in democracy assistance will also help foster South Korea's expertise.

Finally, a division of roles for anti-corruption assistance may be attempted. The ACRC can focus on assistance for institutional and technological capacity consolidation as before,

and a separate non-partisan independent agency in charge of anti-corruption assistance related to democracy consolidation could be established. This independent agency can establish a system that, unlike existing government-centered assistance projects, can develop anti-corruption assistance strategies through private-public partnerships with diverse civil society actors. For this, it may be valuable to consider the establishment of a foreign democracy assistance foundation like the NED or the Westminster Foundation for Democracy, the former of which receives bipartisan support from the American legislature and the latter of which is run by the British parliament using the funds of its Foreign, Commonwealth and Development Office. This allows democracy assistance projects to be run more freely in the form of public-private cooperation.

Securing stable finances for such a foundation requires the enactment of relevant legislation through the proactive efforts of the National Assembly. In March 2023, member of the National Assembly, Tae-Kyung Ha has already changed the institutional name of the Democratization Movement Commemoration Service Society into the Korea Democracy Foundation and proposed the bill “Korea Democracy Foundation Law (Amendment of the Democratization Movement Commemoration Service Society Law)” to add “international cooperation projects for the development of democracy” in its business contents. Although the bill is of definite significance for democracy assistance, there needs to be an enactment of legislation for sustained democracy assistance on the basis of stable finances. In particular, the establishment of a fund for a democracy assistance foundation is required. This is because a fund, unlike a special account – which is of similar character with a fund – that is established by law only when the country has to flexibly manage certain funds for specific

purposes, can be managed without relying on the budget of revenue and expenditures. A fund carries advantages in that it guarantees the autonomy of the foundation manager and provides the flexibility to change part of the plan during the execution phase of its projects. Therefore, a proactive and deep discussion on the part of the National Assembly is needed on areas such as what the parent law for the law on the establishment of a fund for the democracy assistance foundation is, how stable finances can be procured, whether separate finances need to be secured, how to regulate the personality of the foundation, who will be in charge of its management, and who the target of assistance will be. ■

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