

GOOD GOVERNANCE FOR DEVELOPMENT IN ARAB COUNTRIES
WORKING GROUP IV: FOCUS GROUP ON REGULATORY REFORM
AND A
SPECIAL SESSION OF THE OECD WORKING PARTY ON REGULATORY
MANAGEMENT AND REFORM

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Recent Regulatory Reform in Korea

Office for Government Policy Coordination
Republic of Korea

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I. Background of Regulatory Reform

- ❖ In the 1990s, Korea started to experience low industrial productivity and lose in external competitiveness due to excessive intervention by the government.
- ❖ The Government launched regulatory reform to overcome this inefficiency, but had limited success due to lack of a systematic approach.
- ❖ However, in 1997 the Basic Act on Administrative Regulations was enacted and in 1998 the Regulatory Reform Committee was established under the Act.

II. Goals and Structure of Regulatory Reform

- ❖ Goal : Creating a business-friendly and life-enriching environment

- ❖ Structure of Regulatory Reform :
 - Regulatory Reform Committee (RRC) under the President
 - Regulatory reform promotion groups at individual ministries and local government
 - Regulatory Reform Task Force Team at the Office for Government Policy Coordination (OPC)

Regulatory Reform Committee (RRC)

- ❖ Co-chaired by the Prime Minister and a civilian, the Committee consists of 20 members including 7 from the government and 13 from the private sector.
- ❖ The Regulatory Reform Bureau of the OPC is operating as the secretariat.
- ❖ Any new or amended laws and regulations are subject to review at the committee.
- ❖ Each government ministry and local government established their own regulatory reform promotion groups (committees) to review regulations in advance that are either to be introduced or amended.

Reviewing Procedure of RRC



Results of RRC Reviewing

Year	No. of Regulations*	Regulations Reviewed	Improved or Removed Regulations
1999	7,928	737	279
2000	6,910	1,102	400
2001	7,243	1,209	397
2002	7,541	897	306
2003	7,731	947	285
2004	7,860	1,054	307
Total		5,946	1,974

* as of the end of year

III. Recent Regulatory Reform Initiatives

❖ Main Policy Focus

- From supplier-oriented to consumer-oriented regulatory reform
- From quantitative to qualitative regulatory reform

❖ New Scheme

- Regulatory Reform Task Force Team (TFT)
- Business Difficulties Resolution Center (BDRC)
- Consultations with Foreign Businesses
- Emphasis on self regulatory reform by Ministries

1. Regulatory Reform Task Force Team (TFT)

- ❖ Headed by the Deputy Minister for Regulatory Reform in the OPC, the TFT is focusing on reforming existing bundled regulations which reach across several Ministries.
- ❖ The TFT is scheduled to operate from August 2004 for two years with members from both the private(25) and public(26) sector.
- ❖ 65 strategic tasks, suggested by businesses, were selected to review and among them 26 tasks have been completed as of Aug. 2005.

TFT(2) : Procedure of Implementing Tasks

- ❖ Selecting tasks based on suggestions made by businesses and expert opinion
- ❖ Public consultation and field survey
- ❖ Preparing improvement proposal
- ❖ Discussions held and decisions made at the Ministerial Meetings chaired by the Prime Minister

TFT(3) : Major Field of 65 Tasks

Title of Tasks	To be Completed
<ul style="list-style-type: none">- Startup and Factory Establishment Procedure- Administrative Investigation System- Air Transportation- Tourism and Leisure Industry	Aug. '04 Nov. '04 Jan. '05 June '05
<ul style="list-style-type: none">- Public Owned Property Management- Private Insurance- Large Enterprise Discrimination- Waste Treatment and Recycling	Nov. '05 Feb. '06 June '06 July '07

2. Business Difficulties Resolution Center

- ❖ The BDRC was established in April 2004 at the OPC to resolve difficulties faced by businesses.
- ❖ The BDRC receives requests from businesses or citizens through on-line etc.
- ❖ With 11 officials, the center provides One-Stop-Services.

BDRC(2) : Results

- ❖ As of September 2005, 463 cases have been resolved among 768 cases received.
 - Revision of regulations : 255 cases(55%)
 - Change of implemented measures : 94 cases(20%)
 - Simple questions : 114 cases(25%)

- ❖ Satisfaction rate by businessmen using the center amounts to 76%.(Dec. 2004)

3. Consultations with Foreign Businesses

- ❖ High ranking level Meetings were chaired by the Deputy Minister for Regulatory Reform of OPC with foreign businesses, including the American, EU and Japanese Chamber of Commerce in Korea.
- ❖ Working level meeting has been launched with the American Chamber of Commerce.
- ❖ The consultations or suggestions will be delivered to the concerned ministries and agencies to be resolved.

4. Ministries' Self Regulatory Reform

- ❖ Each Ministry is urged to find and review problematic regulations under their responsibility, for example, 1,096 cases this year.
- ❖ Especially this year the Ministries are to reform 51 core regulations.
- ❖ An On-line Monitoring System will be opened at the website of the RRC to show regulatory reform activities of Ministries to secure transparency and accountability.

Ministries' Self Regulatory Reform(2)

❖ Regulatory reform plan for 2005

Total No.	Act	Decrees and Ordinances	Administrative Regulations
1,096 cases	290(26.5%)	484(44.2%)	322(29.4%)

❖ Examples of core regulations reform

- Improving agriculture product distribution system
- Improving inspection & authorization system of safety equipment

IV. Challenges and Policy Directions

❖ Public Consultations

- Consultations with stakeholders including Foreign Businesses will be strengthened
- Strengthening the monitoring and evaluation of regulatory reform including applying regulatory compliance survey

❖ Administrative Attitude of Public Servant in front-line

- Enacting the Act on Administrative Investigation will induce enhancing transparency in administration and reducing burdens to business

❖ Professionalism

- Efforts on RIA and seeking Alternatives to direct regulations will be strengthened and pursued