Profile of

Korean National Assembly Budget Office
(NABO)

Duck-Weon Suh
Duckweon11@nabo.go.kr
1. The National Assembly (NA) and Support Agencies

- The Korean legislature (the National Assembly) has one chamber headed by the Speaker and its main functions are to oversee the Executive and enact laws, including reviewing and approving the draft annual budget formulated by the Executive.

- Under the Speaker’s leadership Secretariat, Library, NABO and NARS work on an equal footing to support the National Assembly.
Before---Weak Legislature and Why?

- Since the end of the Korea War in 1953, Korea was dedicated to reconstruction of the nation, with a focus on economic development driven by the strong Executive, resulting in weak Legislature.
- Lack of adequate institutional mechanisms.
- Technical complexity, expertise and information dominated by the Executive.
- Limited Legislative control over fiscal management created poor fiscal outcomes.
In 1990, Korea moving toward full-fledged democracy

- The NA recognized need for creating support unit to strengthen and place the NA on a more equal footing with the Executive
- In 1994, The NA set up Legislation and Budget Bureau within the Secretariat
- In 2000, Legislation and Budget Bureau expanded into two separate units: Legislation section into the Office of Legislative Council, Budget section into the Budget & Policy Bureau, which became a foundation for the National Assembly Budget Office (NABO)
In July 2003, we amended the National Assembly Act of 1948 to include a provision for creating NABO independent of the Secretariat.

On October 20, 2003, NABO launched its operations with the appointment of its first Chief.

On March 3, 2004, NABO was settled in with its own offices, staffed with qualified professionals.
3. The mission and responsibilities of NABO

Provide the NA (committees, members) with the objective, timely, nonpartisan - - -

- Review and analysis of draft annual Executive budget, final accounts, public funds management plans
- Estimates of costs of bills introduced by members
- Economic forecasts, revenue estimates
- Evaluation of government programs
The work above served in following forms:

- Publications: Reports, issue briefs, studies, etc
- Custom Services: Confidential written responses to committees and individual members at their requests for research and analysis into specific subjects, in-person briefings, consultations
- Seminars, workshops
4. Values

- Expertise
- Nonpartisanship
- Credibility
- Independence
5. Staffing/ Appointment process

Chief

- The Speaker of the National Assembly appoints the Chief of NABO with the consent of the Steering Committee after considering recommendations made by the Committee for Recommendation of the NABO Chief. The term of office is not fixed and the Chief can be removed by the Speaker with the consent of the Steering Committee.

- Three persons have served as Chief of NABO since its inception in 2003. The current 3rd Chief is Hae-ryong Shin who was dedicated his life to serving the NA since 1979.
His term began on September 1, 2008. His bio:

- Ph.D in Economics 1989
- Visiting Scholar at University of Washington USA 2003
- Area of expertise-Public Finance (Budgetary Policy)

Publications:

- 2007  Local Budget and Account Deliberation (Revised edition)
- 2005  Budgetary Policies: Budget and Account and Financial policies
- 2001  Local Budget and Account Deliberation
- 1997  Budget and Account Deliberation: Theory and Practice
- 1995  Local Finance (Revised edition)
- 1994  Public Choice in Financial Economics
- 1991  Efficiency and Fairness in Economics
- 1990  Local Finance
Staff

NABO currently employs 135 people. The Chief appoints staff based solely on competence without regard to political affiliation.

- 70% of the staff is comprised of experts with advanced degrees in disciplines including fiscal policies, economics, public administration, statistics, accounting, law, and public policy.

- The remaining workforce is responsible for NABO operations including human resources management, financing and information services.
Total: US $ 10.3 million

- Human resources: US $ 6.1 million (59.1%)
- Maintenance: US $ 1.6 million (15.4%)
- Program: US $ 2.6 million (25.5%)
NABO is a highly collaborative organization in which many major functions and projects involve a significant amount of cross-functional, interdivisional cooperation and consultation.

[NABO is organized into four divisions and eighteen teams]
Budget Analysis Division

- Research and analysis of annual Executive budget proposals, fund management plans, tax revenues and expenditures, and final accounts of funds
- Bill costs estimation

Economic Analysis Division

- Analysis of major economic policies, macro-economic outlook, national fiscal management, tax revenue projections
Programs Evaluation Division

- Evaluation of the government’s major programs, performance management system and regulatory reform
- Analysis of medium and long-term fiscal requirements for the government’s programs

Planning and Management Division

- Human resources & facilities management
- Developing annual strategic work plans
- Improving access to research information and computer system support
The Budget Committee: complementary. The Budget Committee examines annual budget proposal based on analyses made by NABO. The BC has strengths in information gathering from the executive ministries while NABO better equipped with its analytic skills.

The NA: NABO is independent of the NA in terms of freedom to set its own research agenda, but reports to and is supervised by the Speaker.
The Executive: given the NA’s recognition of NABO’s work, the Executive has shifted its attitude to collaboration with NABO to create a win-win situation. However the Executive is more responsive to the BC’s request for budget related information.
9. NABO Panel of Advisers (Use of outside consultants)

- Composed of 15 outside eminent scholars in the areas of public finance and economics who serve two-year terms. It provides the Chief with advice to enhance professional quality of NABO.

- Also, Each Division has its own advisory set-up composed of outside experts to consult when important new issues surface.
10. NABO output 2008

Publications

- 84 publications in 2008 and the list of major publications below: (English abstracts available  http://korea.nabo.go.kr)
  - National Finance in Korea 2008
  - Analysis of 2009 Executive Budget Proposals
  - Reports on 2007 Spending Settlement
  - Economic Outlook 2009
  - Analysis of National Debt Management Plan 2009
  - Analysis of the National Fiscal Management Plan 2008-2012
  - Assessment of Regulation Impact 2007
  - Study on Major Projects for 2008 Parliamentary Inspection
Bill cost estimates: 577

Budget briefings for political parties: 21

One on one briefings for members: 84

Written responses to members’ requests for analyses into specific subjects: 675

Seminars and forums: 150
Legal and procedural reforms on fiscal management along with institutional development such as creating NABO help strengthen the Korean Legislature which serves to enhance the democracy in Korea.