

ACRC Korea Transparency Newsletter (Jan. 2024)

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Result of the 2023 Corruption Perception Survey Released "Integrity in the Public Sector Improved Compared to the Previous Year"

- However, 'construction, housing, and land' sectors were perceived to be the most corrupt among other administrative sectors for the third consecutive year.

(15, Jan. 2024, ACRC)

The results of the 2023 survey on 'corruption perception' showed an improvement in the perception of corruption in the public sector compared to the previous year.

The Anti-Corruption and Civil Rights Commission (ACRC, Chairperson Yoo Cheol-hwan) conducted a survey on the corruption perception in 2023 and announced the results of the survey on corruption perception in the public sector and overall society.

The commission has been conducting corruption perception surveys since 2002 to look into and analyze the perception of corruption among members of society regarding the public sector and our society as a whole, to examine the effectiveness of existing anti-corruption policies, and to utilize the data as a basis for formulating new policies in the future.

The 2023 survey was conducted twice, in June and October, targeting 1,400 general citizens, 700 business people, 630 experts, 400 foreigners, and 1,400 public officials.

< Perception of Corruption in the Public Sector >

The response "public officials are corrupt (very corrupt + a little corrupt)" was highest among general citizens (38.3%) and businesspeople (38.3%), followed by experts (31.6%), foreigners (10.3%), and public officials (2.4%).

Compared to the previous year, the perception that "the public sector is

corrupt" has generally improved among all survey respondents except for businesspeople, and domestically residing foreigners had relatively positive perception with those who said "public officials are corrupt" accounting for 10.3%.

< Comparison of the percentage of response "public sector is corrupt" >

	General citizens	Business people	Experts	Foreigners	Public officials
2023	38.3	38.3	31.6	10.3	2.4
2022	38.6	29.6	33.7	11.8	3.3
Change (2023-2022)	▼0.3	▲8.7	▼2.1	▼1.5	▼0.9

In each of the 11 administrative sectors, general citizens, businesspeople, experts, and public officials all rated the 'construction, housing, and land' sector as the most corrupt, while the 'firefighting' sector was rated as the most transparent administrative sector.

Particularly, the construction, housing, and land sectors were found to be the most corrupt administrative sectors over the past three years following a large-scale corruption scandal involving employees of public land and housing corporation who used insider information for real estate acquisition in 2021.

<Trend in Corruption Perceptions by Administrative Sector Over the Past 3 Years>

		General citizens	Businesspeople	Experts	Public officials
2023	Most transparent	Firefighting	Firefighting	Firefighting	Firefighting
	Most corrupt	Land, housing, construction	Land, housing, construction	Land, housing, construction	Land, housing, construction
2022	Most transparent	Firefighting	Firefighting	Firefighting	Firefighting
	Most corrupt	Land, housing, construction	Judicial Affairs	Land, housing, construction	Land, housing, construction
2021	Most transparent	Firefighting	Firefighting	Firefighting	Firefighting
	Most corrupt	Land, housing, construction	Land, housing, construction	Land, housing, construction	Land, housing, construction

The response "our society is corrupt (very corrupt + a little corrupt)" was highest among general citizens (56.5%), followed by experts (42.9%), businesspeople (38.7%), foreigners (12.3%), and public officials (7.9%). Compared to the previous year, the perception that "our society is corrupt" has been more widespread among survey respondents excluding public officials and foreigners.

In 11 social sectors, general citizens, businesspeople, and experts rated the "political parties and legislative bodies" as the most corrupt, while foreigners rated the "religious organizations", and public officials rated the "media" sector as the most corrupt. On the other hand, general citizens, businesspeople, experts, and foreigners rated the "education" sector with the highest integrity, while public officials rated the "administrative agencies" as the most transparent.

The ACRC Chairperson and Secretary-General Jeong Seung-yoon stated, "With the implementation of various anti-corruption policies by the government, there is an overall trend of improvement in the perception of integrity in the public sector," adding that "Although general citizens still perceive the level of corruption in our society negatively, we plan to continue spreading a culture of anti-corruption and integrity in line with the expectations of the people, not only in the public sector but also throughout society."

Resolving the Domestic Labor Shortage Issue by Improving the "Employment Permit System for Foreigners"

*– Providing recommendations to the Ministry of Employment and Labor on
improvement measures for the Employment Permit System for Foreigners
(E-9) –*

(19, Jan. 2024, ACRC)

The Employment Permit System for foreigners (E-9) is anticipated to be improved, which was enforced in 2004 with the aim to address the continuous decline in the domestic working age population and labor shortages in disadvantageous workplaces in the era of low birth rates and aging population.

The Anti-Corruption and Civil Rights Commission (ACRC, Chairperson Ryu Chul Whan) developed "improvement measures for the Employment Permit System for Foreigners (E-9)," including the deregulation of the change of workplace and special cases of employment permission concerning re-employment and re-entry, and recommended institutional improvements to the Ministry of Employment and Labor, aiming to protect the rights and interests of foreign workers while facilitating the utilization of foreign labor.

The Employment Permit System for foreigners is designed to enable domestic business, failed to hire nationals, to obtain the employment permission from the government to employ non-expert foreign workers. Foreign workers are given 4 years and 10 months [3 years + re-employment (1 year and 10 months)] of job-seeking activities after their first entry and eligible for another 4 years and 10 months of job-seeking activities after their re-entry when special cases of employment permission after re-entry is granted (maximum of 9 years and 8 months).

2023 policies regarding the introduction of a new quota for the Employment Permit System and the expansion of foreign labor in shipbuilding resulted in a sharp increase in the number of foreign workers, from 50,000-70,000 to 120,000

per year, demonstrating a growing role and presence of foreign workers.

However, the operational rigidity and strict regulation and management of the Employment Permit System have led to a continuous increase in grievance complaints, such as ▲change of workplace, ▲re-employment (extension), and ▲special cases of re-entry.

* (2020) 122 cases → (2021) 125 cases →(2022) 236 cases → (2023.8.) 273 cases

(Change of workplace) In cases where the change of workplace is not applied by the deadline due to employer negligence and unavoidable circumstances, the extension of the application period was not permitted as strictly considering accidents on duty, illness, pregnancy, and childbirth as the grounds for the extension.

Even in cases of failing to obtain employment permission from local employment and labor offices and the change of workplace permission from the Ministry of Justice within the deadline due to reasons attributable to business, foreign workers were forced to leave the country.

* Foreign workers should obtain an employment contract, employment permission, and permission for the change of workplace in accordance with Article 21 of the "Immigration Act" within 3 months after applying for the change of workplace.

ACRC recommended the development of standards to ensure wide applicability of reasons for the extension of the application period for permission of the change of workplace and the change of workplace to encompass socially accepted reasons beyond accidents on duty, illness, pregnancy, and childbirth.

Furthermore, the Commission recommended allowing local employment and labor offices to change reasons and permit the change of employer by authority in cases where necessity of revising reasons for the change of

workplace, such as the closure of business, is evident, even if employers have already reported the change of employment following foreign workers changing their jobs.

In addition, ACRC recommended providing foreign workers with information about the date and reasons of resignation when offering guidance on the application and handling of reporting on the change of employment.

(Re-employment (extension)) According to the Act on the Employment of Foreign Workers, if employment contracts with foreign workers whose are maintained at least 1 month until the expiry date of the period of job-seeking activities (3 years), employers are permitted to re-employ them for less than 2 years (1 year and 10 months) for one time only by applying for re-employment permission.

However, even in cases where the workplace is changed due to other reasons, such as closure of business, rather than the responsibilities of foreign workers, re-employment is not permitted if the employment contract maintenance period (1 month) is not fulfilled, leading to disputes, including civil complaints and litigations.

Moreover, re-employment permission period for construction business is limited to the "duration of the construction contract" rather than the "period of job-seeking activities (1 year and 10 months)," depriving foreign workers of the opportunities for job-seeking activities when there are delays in the construction.

In this regard, ACRC recommended providing opportunities for obtaining re-employment permission if the workplace is changed due to other reasons rather than responsibilities of foreign workers, even when the employment contract maintenance period (1 month) is not fulfilled.

In addition, the Commission recommended applying the "period of job-seeking activities" as the re-employment permission period for construction business, resolving the labor shortage on construction sites.

(Special cases of re-entry) Disadvantages occurred as foreign workers become ineligible for special cases of employment permission after re-entry due to the imposition of employment restrictions following the violation of the business's obligation to maintain the employment of nationals.

There was a case of a missing application due to insufficient guidance about special cases of employment permission after re-entry when sending a reminder message to the employer about the expiration of the job-seeking period for workers.

In this regard, ACRC recommended developing relief measures, including the change of workplace, in cases where disadvantages occur since foreign workers become ineligible for special cases of employment permission after re-entry following the imposition of employment restriction and informing employers of the application for special cases of employment permission after re-entry before the expiration of the period of job-seeking activities.

The Ministry of Employment and Labor will overhaul the system by December 2025, developing effective measures in consultation with relevant agencies and organizations in accordance with the recommendation.

ACRC Vice Chairperson Kim Tae-Gyu said, "In response to resolving the labor shortage in the country, we need pan-governmental participation and collaboration for the utilization of foreign labor. ACRC will remain committed to resolving related grievance complaints and improving circumstances by gradually identifying unreasonable systems."

Thorough Investigation to be Conducted to Ensure Fairness in 2023 Hiring Processes of 1,386 Public Organizations

- Investigations to be carried out in collaboration with 228 supervisory agencies, including central administrative agencies and local governments

- Public service-related organizations' compliance with external interviewer ratio and preferential hiring and requiring job applicants to bear expenses for hiring examinations, etc. to be inspected

(24, Jan. 2024, ACRC)

Joint government investigations will be carried out into hiring processes of employees newly hired over the last year by 1,386 public service-related organizations. This time, in particular, whether public organizations have passed on hiring examination expenses to the job applicants will be also investigated.

The Anti-Corruption and Civil Rights Commission (ACRC, Chairperson Yoo Cheol-hwan) carries out fact-finding investigations into hiring processes of public service-related organizations for 2024, in conjunction with a total of 228 supervisory agencies, including 40 central administrative agencies, such as the Ministry of Economy and Finance and the Ministry of Interior and Safety, and 180 local governments, such as Seoul Metropolitan City.

The ACRC this year conducts direct field investigations of 23 organizations that have been in blind spots of investigation without designated supervisory agencies having clear audit authority and thus treated as if they were private organizations.

This time, the ACRC will investigate into whether 1,396 public service-related organizations have complied with laws and regulations, upper guidelines, and their internal regulations in conducting new hiring procedures over the past year.

This year, a new item, such as public service-related organizations' compliance with the Fair Hiring Procedure Act that falls under the jurisdiction of the Ministry of Employment and Labor that sets forth prohibition on requiring job applicants to bear hiring examination expenses, etc. is added to the contents of investigation.

Following completion of investigations, the ACRC plans to take stern measures such as requesting further investigation by prosecution or disciplinary actions against those involved in hiring irregularities, and if there are victims from hiring irregularities, active remedies including granting opportunities for hiring re-examinations will be offered.

The ACRC has been providing "consulting on public organizations' bylaws related to hiring procedures" to analyze internal hiring rules of each organization to find any violations or omissions of upper guidelines for fair hiring and issue recommendations for improvements.

This year, local public service-related organizations that received warnings many times during investigation conducted last year will be subject to the ACRC's consulting. More specifically, bylaws of 415 local public corporations and local government-funded organizations relatively vulnerable to hiring irregularities will be subject to intensive analysis for improvements.

The ACRC handles reported cases of hiring irregularities other than conducting investigations on a regular basis, and anyone who identifies hiring irregularities can file a report via Clean Portal at www.clean.go.kr, mail or in person.

The ACRC Chairperson and Secretary-General Jeong Seung-yoon stated, "the Transparency and fairness in employment in the public sector are the building blocks for the youth, who take their first steps into society, to develop their sense of fairness as future public officials," adding that "the ACRC will

continue to make even greater efforts to ensure fairness in employment in the public sector."

Easy Access to Filing Administrative Appeals will Become Available through One Channel

- *Initiating the establishment of an Integrated Administrative Appeals System in 2024 and opening it in 2025*
- *Ensuring convenient use of services from filing to checking results through a single system*

(19, Jan. 2024, ACRC)

Filing administrative appeals online through a single system will become available, leading to conveniently filing appeals and checking results.

The Anti-Corruption and Civil Rights Commission (ACRC, Chairperson Ryu Chul Whan) announced that an Integrated Administrative Appeals System will be established in 2024, ensuring more convenient utilization by gathering administrative appeals in a single system.

The current administrative appeals systems vary, with some agencies utilizing an online system of the Central Administrative Appeals Commission (CAAC), others establishing and operating their own independent systems, and some only receiving requests in writing. This has led to inconveniences in utilizing administrative appeals services, such as filing administrative appeals in different ways depending on the matter.

In order to address these inconveniences, ACRC has been promoting the establishment of an Integrated Administrative Appeals System, with the aim of opening it by early 2025. Once the system is established, filing appeals and checking results will become available through a single system, irrespective of the type of administrative appeals.

Furthermore, the system will significantly enhance convenience for citizens by offering various reinforced functions, such as checking precedent decisions and completing request forms.

ACRC Secretary General and Vice Chairperson Chung Seung Yun said, "The establishment of an Integrated Administrative Appeals System aims to ensure that citizens can conveniently access administrative appeals, fulfilling the establishment of the one-stop administrative appeals system, a national policy task of the Yoon Suk Yeol administration. We anticipate a significant expansion in the utilization of administrative appeals by the people."

Limit on Rewards to be Lifted and Legal Fees to be Provided for Internal Whistleblowers

- *Cap on rewards for public interest reports to be removed... rewards within 30 percent of the amount recovered as a result of reports to be paid to reporters*
- *Violations of the Act on the Protection of Financial Consumers and the Disaster and Safety Communication Network Act to be subject to public interest reporting*

(15, Jan. 2024, ACRC)

From now on, the limit on rewards for public interest reporters (3 billion won) will be removed and the amount recovered as a result of reports to the state, local governments, and public institutions will be paid as rewards to the reporters within 30 percent of the retrieved amount.

In addition, legal fees will be provided in case where internal whistleblowers receive support from lawyers in the process of investigation, interrogation, and litigation, as well as filing a non-real name proxy report through lawyers.

A person who reports unregistered financial product distributors or acts of interfering 119 first responders using their two-way radios shall be protected and supported under the Public Interest Whistleblower Protection Act.

The Anti-Corruption and Civil Rights Commission (ACRC, Chairperson Yoo Cheol-hwan) announced that the Public Interest Whistleblower Protection Act revision bill that covers the aforementioned was passed in the National Assembly plenary session on Jan. 9.

Previously, public interest whistleblowers could receive up to 3 billion won in case where the public interest reports resulted in the recovery of or increase in the revenues of public institutions.

When the revised law becomes effective*, there will be no cap on rewards for public interest reporters and rewards will be paid to the reporters within 30 percent of the amount recovered as a result of his/her reports.

* The revised law will enter into force six months after the date of its promulgation. However, the repeal of the cap on rewards will be applicable to the case of a public interest report received after the enforcement of the revised law.

Before the revision, legal fees were provided only for non-real name reports by proxy* for whistleblowing disclosure according to the official order from the ACRC, but as a result of a new amendment, legal fees will also be provided if whistleblowers go through investigation, interrogation, and litigation after reports or submit request for protection or compensation.

* A non-real name report by proxy: a system for a public interest reporter to be able to report without revealing his/her identity through an attorney-at-law

In addition, the Act on the Protection of Financial Consumers and the Disaster and Safety Communication Network Act were included in the scope of laws subject to the Public Interest Whistleblower Protection Act in order to provide protection and support for whistleblowers.

The revised law also provides that in cases where the Commission demands disciplinary action against those who disclose personal information of whistleblowers or take retaliatory measures for whistleblowing, the disciplinary authority shall comply with the disciplinary demands unless there is a justifiable reason to do otherwise.

To facilitate claims for damages by whistleblowers after the Commission has paid rewards, provisions have been added to the revised law to allow the

Commission to request various documents and information related to the property of the party causing the damages from relevant agencies when necessary.

Jeong Seung-yoon, the Secretary-General and Vice Chairperson of the ACRC, said, "This amendment to the law is expected to strengthen substantive protection and support for internal whistleblowers and contribute to establishing a transparent and upright social atmosphere."