

CORRUPTION: LESSONS LEARNED FROM SEOUL TO BANGKOK

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1. INTRODUCTION

Corruption is one of the key factors defining a country's level of social and economic development. Countries ranking highly in the Corruption Perception Index (CPI), which is constructed annually by Transparency International (TI), can better attract foreign investment and experts.

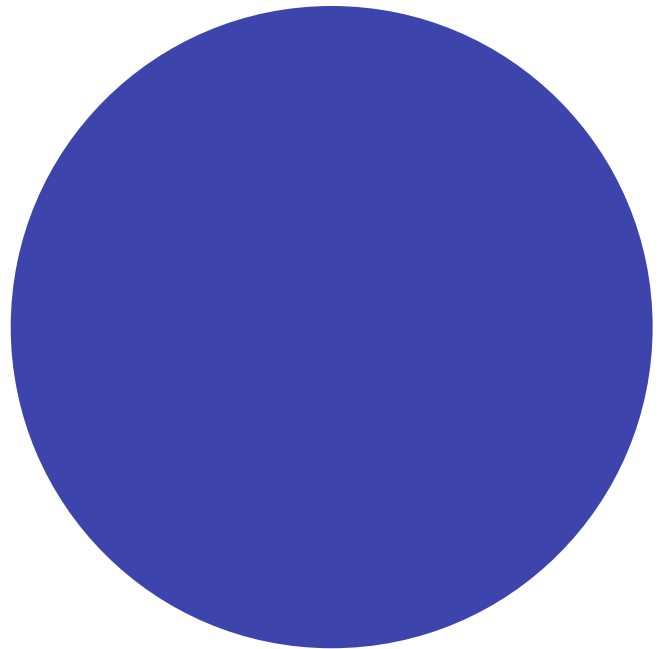
Fighting corruption requires tremendous efforts and resources, such as an effective anti-corruption strategy and various other measures, sufficient budget, qualified personnel and mobilization of multiple organizations. Most importantly, it requires endorsement from the government. Hence, dealing with corruption at the national level can be extremely challenging such that a government that

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wants “quick results” would certainly not choose to ignore those challenges.

There is some light at the end of the tunnel, however. Many national leaders were once local governors. For example, the President of Indonesia, Mr. Jojo Widodo, used to be the mayor of Jakarta; the President of the Philippines, Mr. Rodrigo Duterte, used to be the mayor of Davao City; and many former presidents of the United States, including Jimmy Carter, Ronald Reagan, Bill Clinton and George W. Bush, were once state governors. If local politics and administration is a stepping-stone for national counterparts, then it may be worthwhile to study anti-corruption schemes initiated by local politicians as they may become a testing ground for larger schemes at the national level. In this study, we



examine the case of the Republic of Korea where local and national politics are closely intertwined.

2. A BRIEF HISTORY OF CORRUPTION IN THE REPUBLIC OF KOREA

The Republic of Korea (commonly referred to as ROK or South Korea) used to be one of the countries rife with corruption. Following the end of World War II in 1945 until 1993, the ROK was ruled by military dictatorships. During this era, streams of corruption spread through all levels of government, from leaders to public servants. Leaders became corrupted by defrauding sources of overseas financial aid assistance for post-war reconstruction, in particular that from the United States. In addition, the chaebols – family-run business conglomerates – were another major source of corruption. Chaebols and political leaders thrived under a patronage system. The chaebols received financial support from the government, such as soft loans, subsidies or tax benefits, in exchange for bribes that might take the form of legal corporate financial donations to foundations set up by the ruling president’s family members or other relatives.

Table 1: Average number of corruption cases involving Seoul Metropolitan Government officials recorded by that government during each mayor's term during the period 1995–2005

Period Mayor	Types of cases			Total average number of corruption cases
	Bribery	Dereliction of duty	Others	
1995 – 1997 Mayor Cho Soon	34	71	6	111
1998 – 2001 Mayor Goh Kun	19	45	28	92
2002 – 2005 Mayor Lee Myung Bak	16	17	45	79

Source: Seoul Solution. 2014. *e-Government of Seoul opens a new chapter of transparency, efficiency and public participation*. Available from <https://seoulsolution.kr/en/content/e-government-seoul-opens-new-chapter-transparency-efficiency-and-public-participation?language=en>

In 1994, the ROK entered a democratic era with elected civilian governments. As a demonstration of its break from the traditionally opaque administration of former dictatorial governments, elected governments focused more on the issues of administrative transparency and anti-corruption efforts. During this period, many nationwide anti-corruption schemes were introduced. As part of those schemes, all provinces in the ROK, including Seoul, must hold local mayoral elections in order to decentralize the government.

Although the ROK was thus administered with greater transparency, corruption during the military dictatorship era continued to take its toll. In 1994, the Seongsu Bridge in Seoul crashed due to sub-standard construction which caused the death of 32 people. In the following year, the Sampoong Department Store in Seoul collapsed following a gas explosion which caused the death of more than 500 people. Investigation into both tragedies found that a number of Seoul Metropolitan Government (SMG) public servants were involved in both disaster cases. A lack of caution was identified as a characteristic of inspecting officials in the case of the Seongsu Bridge and in their approval of a misleading construction plan for the Sampoong Department Store. These shocking disasters triggered a call for a major

governance reform of the SMG.

In 1998, the SMG under the administration of Mayor Goh Kun earnestly declared a fight against corruption; a range of systematic and comprehensive measures were launched. The massive anti-corruption crackdown resulted in a sharp fall in the average number of bribery, dereliction of duty and other types of corrupt practices,¹ from 111 cases to 92 cases per annum, as can be seen in Table 1. The successful SMG anti-corruption scheme helped boost the city's reputation in both the domestic and the international arenas.

The effectiveness of the anti-corruption schemes implemented by the SMG offers valuable lessons for the Bangkok Metropolitan Administration (BMA). Both Seoul and Bangkok share many common characteristics. For example, both are capital cities that are considered to be metropolitan areas and both have elected mayors.

The objective of this paper is to examine successful anti-corruption measures implemented by the SMG in order to propose possible anti-corruption schemes for the BMA.

The paper is divided into five sections. Sections 3 and 4 contain an elaboration of the anti-

¹ The number of corruption cases was recorded by the SMG audit team.

corruption environment and measures of the SMG and the BMA respectively. Section 5 contains a set of recommendations for the BMA.

3. ANTI-CORRUPTION SCHEME IMPLEMENTED BY THE SEOUL METROPOLITAN GOVERNMENT

As the capital city of the ROK, Seoul is also at the heart of development in several ways, including investment in infrastructure and facilities. The city is, however, a channel for both public officers and private investors to become involved in corruption. The two previously mentioned tragedies, namely the collapse of Seongsu Bridge and Sampoong Department Store, are good examples of local government corruption resulting in the loss of life and property.

Since 1998, the SMG – under Mayor Goh Kun – declared a “war on corruption.” A systematic approach and array of measures were adopted to make administrative and public services as transparent as possible. Among the measures, an online public service system and public service evaluation system stood out as the most effective and successful measures in conducting this “war.”

The online public service system started in 1998 when the mayor of Seoul declared war on corruption. The Online Procedures ENhancement for Civil Application (OPEN) system was introduced to minimize physical contact between public officers and local residents who need information about public services, want to file complaints, or wish to submit applications for specific permits or licenses; this measure was aimed at precluding the opportunity to offer or collect bribes. The system also enables residents to track the status of their applications online. Furthermore, status reports also show the name and contact details of the officer handling a particular application. Local residents who wish to file an application for permits and licenses, as shown in Table 2, can access the system online 24 hours a day 7 days a week.



Goh Kun



Lee Myung Bak

Table 2: Permits and licensing procedures made available online under the OPEN system

Sector	Procedures	Sector	Procedures
Industry and economy	<ul style="list-style-type: none"> • Registration for opening or altering large-sized shops • Approval and registration for construction of factories • Permission and administrative measures for livestock businesses • Registration and administrative measures for the operation of gasoline stations 	Environment	<ul style="list-style-type: none"> • Permission for waste treatment • Registration of car garages • Permission for businesses producing sound pollution • Registration of businesses involved with the transportation or administration of toxic materials
Construction	<ul style="list-style-type: none"> • Registration of general and specific construction businesses • Permission for river occupations 	Housing construction	<ul style="list-style-type: none"> • Construction permits • Permission for outdoor billboard advertisements
Firefighting	<ul style="list-style-type: none"> • Permission for the installation and audit of fire-prevention facilities, check-up upon completion and administrative measures involving facilities producing risky substances 	Culture and tourism	<ul style="list-style-type: none"> • Registration of sports facilities • Registration of tourist businesses
Urban planning	<ul style="list-style-type: none"> • Permission for activities that alter land quality or shape • Approval of urban development plans 	Transportation	<ul style="list-style-type: none"> • Permission for express/suburban bus terminal projects • Registration of transportation business • Truck and cargo transport vehicles registration • Permission for transfer of personal taxi license
Health & Welfare	<ul style="list-style-type: none"> • Permission for the operation of adult entertainment clubs 		

Source: Seoul Solution. 2014. Ibid.



Within the first seven months of operation, the number of visitors to the online permit and licensing website reached 240,000 and climbed to 3.5 million later in the year. In 1999, the system received favorable recognition at both domestic and international forums. The system was applied to national as well as local administrations. At the international level, the World Bank, Organisation for Economic Co-operation and Development, and Transparency International credited the OPEN system as being the most transparent system in the world. In addition, in 2001 the SMG became a co-host of the Seoul Anti-Corruption Symposium together with the United Nations Department of Economic and Social Affairs. The OPEN system manual was translated into all six official languages of the United Nations: Arabic, Chinese, English, French, Russian, and Spanish.

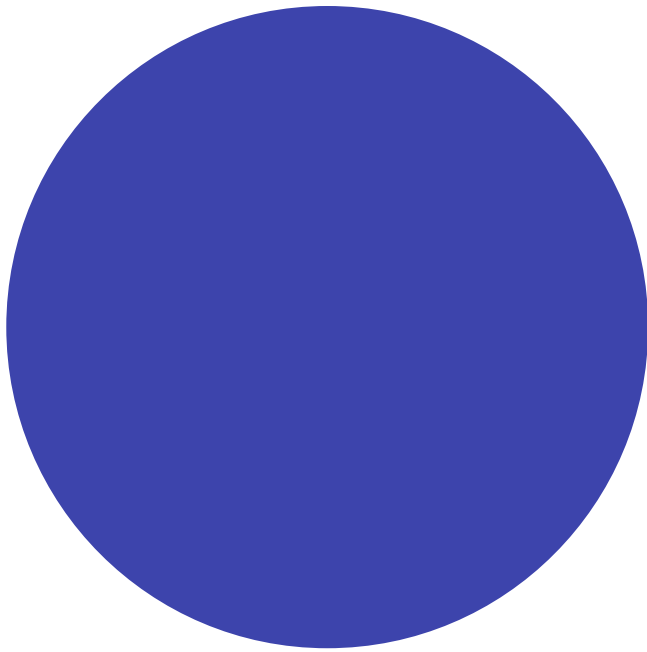
Another prominent scheme introduced by the SMG that helped promote the accountability and transparency of the SMG administration was the public service evaluation scheme. Several performance indices were introduced including the Anti-Corruption Index (ACI) and the Seoul Service Index (SSI), brief details of which are as follows:

1. The Anti-Corruption Index is aimed at promoting good governance for better administrative and public service within various departments and district offices. The ACI was compiled by asking local residents to fill out a questionnaire assessing the following:

- The extent to which administrative procedures are fair;
- The extent to which the information disclosure and administrative regulation is appropriate;
- The availability of reporting channels to expose corruption cases;
- The level of bribery.

After the launch of the ACI in 1999, the media often published ACI details, revealing the names of SMG departments and district offices that received the highest and the lowest ACI scores. This served to put social pressure on the organizations with low scores to improve their governance system. On the contrary, agencies with the highest ACI scores received a range of incentives from the SMG government, such as the Anti-Corruption Effort Award.

2. The Seoul Service Index is used to



determine the level of satisfaction with SMG public services. The SSI is evaluated by two parties – external experts and residents.

The external expert evaluation index is called the Seoul Service Potential Index (SSPI). It measures the internal process management of each department and district, such as resource usage, leadership, and working process.

The resident evaluation index is known as the Seoul Service Quality Index (SSQI). A questionnaire is used to rate satisfaction with the level of service provided by the SMG in several areas, such as public relations, health services, water works, public transportation, including the subway system, and the cleaning of public areas.

The results of both SSPI and SSQI are used to improve the quality of public services. Areas that received a low satisfaction rate are targeted for priority development. The SMG also rewards either the department or the district earning the highest SSI score.

The transparency scheme is one of the factors that helped Seoul to become one of the leading cities in the world. For example, of 70 cities globally it

was ranked 20th as the best metropolitan city by the Economist Intelligence Unit in 2012. The Global City Index 2015, prepared by A.T. Kearney, ranked Seoul the 10th best city of 125 cities around the world. Besides the indices for well-being and economic factors, effectiveness in government administrative factors, such as good governance and transparency management, usually receive relatively high scores among the sub-indicators used in these rankings.

4. ANTI-CORRUPTION ENVIRONMENT AND MEASURES IN BANGKOK

As with Seoul, Bangkok has experienced many corruption scandals, such as the purchase of an overpriced land-locked plot during the administration of Mayor Bhichit Rattakul, the last-minute fire-engine procurement on the last day before leaving office during the administration of Mayor Samak Sundaravej, and the purchase of an overpriced LED light tunnel decoration in front of city hall during the administration of Mayor M.L. Sukhumbhand Paribatra. Most corruption cases involve procurement and purchasing issues. However, unlike Seoul, the BMA does not give weight to corruption issues as it does with regard to environmental and traffic issues, which have more visible impacts on the quality of life of city inhabitants. Nevertheless, the BMA has introduced a similar online service system and performance evaluation system.

In 2012, the BMA introduced an online system for the submitting of applications to obtain construction permits known in Thai as *bai anuyart yim*, or the “Smiley Permit.”² The Smiley Permit scheme is supposed to shorten the approval process for obtaining construction permits, from at least 5 or 6 months to just 1 month, and increase the transparency of the working process. As with the OPEN system of the SMG, Smiley Permit applicants can track their application progress online at all times.

In practice, however, the online service faces

² News release on Smiley Permit. 2012, June 13. Retrieved on July 27, 2016, from https://www.prachachat.net/news_detail.php?news-id=1339566254 (in Thai).

several limitations. Although it is advertised as an online system, some of the procedures still have to be done manually. For example, instead of sending required documents electronically, applicants must file all paper forms at the Public Works Department located in a district office. In term of transparency, the system enables applicants to track only the dates of each procedure completed, while the OPEN system provides the name, address, and contact number of the officer handling the particular application. Lastly, very few people are aware of the scheme.

In addition to the online system, in 2011 the BMA also introduced a service-quality performance evaluation system among functional departments and district offices. The BMA assigned eight evaluators to measure the service quality of both the functional departments and the districts. The district with the best performance would receive 100,000 baht from the BMA, while the top three outstanding functional departments would be awarded 3 million baht, 2 million baht and 1 million baht, respectively. The size of the prizes clearly indicates that the BMA gives importance to the service quality of the individual functional departments rather than that of the districts; this situation does not incentivize close coordination and cooperation across different departments.

Unlike the SSI of SMG, the BMA's evaluation scheme has several shortcomings. First, assessment of the quality of service is not performed by residents but a group of persons handpicked by the BMA itself. Second, the performance assessment gives weight to indicators that do not reflect service quality, such as the quality of the air, which has more to do with the type of fuel used by cars or the quality of the BMA's workplace environment, which is of concern to its own back office rather than the services provided to residents.

To sum up, the BMA schemes to promote greater efficiency and transparency in the delivery of its services to residents have not been properly implemented. The online system still requires face-to-face contact between the permit applicant and the officer, a situation which may continue to accommodate bribery. The performance evaluation

system appears to be designed in such a way that would ensure desired assessment results. These two schemes indicate that the BMA is not serious in its efforts to become more transparent and accountable to residents.

5. SUGGESTIONS AND RECOMMENDATIONS

The successful anti-corruption scheme implemented by the SMG offers a valuable case study for the BMA. Among various measures, the OPEN system and public service evaluation scheme have received accolades from both domestic and international forums. To boost the level of transparency and accountability of its administration, the BMA should seriously consider adapting similar schemes to fit with its working environment.

First, the BMA should prioritize the online system as the most important tool for its anti-corruption scheme. The online permit and licensing application service should help reduce bribery as well as increase the transparency of the administration. The implementation of such a scheme should not be overly demanding in terms of investment and management as the BMA already has an online service system in operation. It merely needs to ensure that all permits and licenses must be fully applied for online and that vital statistical data on public services availability and quality in its annual report are promptly disseminated through its website.

For statistical data, the BMA should publish data sets which are of public interest. Currently, the available data and statistics offered on the BMA website are very limited; most are basic data. Table 3 compares data and statistics made available to the public by the SMG and the BMA. It is crucial that the BMA appreciate that the data and statistics collected will not only assist in strategic planning for future development, but also provide vital information for the public to evaluate and monitor BMA administrative management.

Second, the BMA must develop a reliable and credible scheme to evaluate the quality of its

Table 3: Example of economically related sectors between Seoul Metropolitan Government and Bangkok Metropolitan Administration

Seoul Metropolitan Government (SMG) ¹	Bangkok Metropolitan Administration (BMA) ²
<ul style="list-style-type: none"> • Business – Business establishment by industry and employment • Agriculture – Area of agricultural land/farms; production of food; number of veterinarians, and livestock • Manufacturing and Energy – Industrial Production Index; industrial complex; and energy consumption per head • Trade, Banking, Other Services – Distribution stores; financial institutions; Consumer Price Index; and foreign investment 	<ul style="list-style-type: none"> • Number of hawkers • Tax collection – Signboard tax, local development tax, house and building tax

Sources: (1) SMG statistical data available from <http://english.seoul.go.kr/get-to-know-us/statistics-of-seoul/seoul-statistics-by-category/>
 (2) BMA statistical data (in Thai) available from <http://203.155.220.230/bmainfo/graph/index.php>

main public services, such as hospitals, schools, libraries, and civil works. Currently, Bangkokians are not given any opportunity to provide feedback on their level of satisfaction with the public services which they are provided.

Disclosure of the level of service quality will help hold the BMA accountable. For example, in 2015 the Ministry of Education released the average O-Net³ scores of grade 12 students from all schools. Table 4 shows that students from BMA schools performed just slightly above the worst schools, which are locally administered schools in the provinces, in every subject. Furthermore, a 2016 survey of students between grades 1 and 4 in BMA schools found that 3,000 of the total 20,000 students lacked skills in reading and writing, while the remaining 17,000 students could barely read and write.⁴ Indeed, the poor outcome in education services should prompt the BMA to rethink the management of its schools.

³ Ordinary National Education Test.

⁴ <https://www.dailynews.co.th/bangkok/587957> Retrieved on July 27, 2016. (in Thai)

In conclusion, the online permit and licensing and data and statistics disclosure system and the public service quality evaluation system can be key mechanisms for helping the BMA to combat corruption as it helps promote better monitoring by the public. Moreover, the evaluation system creates both awareness and accountability for the BMA to deliver better performance that meets public needs.

If a future Bangkok Governor is able to see through these reforms to raise the profile of the BMA, then perhaps Thailand will have a chance to elect a local leader with proven anti-corruption record!

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Table 4: Average O-Net scores of students in grade 12 (Mathayomsuksa 6)

Type of school affiliation	Subject				
	Thai	Social studies	English	Mathematics	Science
Department of General Education	49.95	40.00	24.68	26.65	33.55
Office of Private Education Commission	47.70	38.65	27.49	26.68	32.91
Office of the Higher Education Commission (Demonstration Schools)	64.87	46.33	46.19	45.85	42.57
Under the monitoring of the Ministry of Education (Mahidol Wittayanusorn School)	81.49	58.32	75.53	92.21	67.22
Bangkok Metropolitan Administration (BMA)	45.25	36.57	21.86	22.66	30.29
Education Department, Pattaya City	51.85	39.46	25.73	26.34	32.37
Department of Local Administration, Ministry of Interior	43.42	37.03	20.25	21.98	31.03
Special Education Bureau	31.04	30.32	18.70	17.77	27.04

Source: <http://www.unigang.com/Article/36144> (in Thai)

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