OPEN System: the findings of the second survey

What is OPEN: brief introduction

Transparency International Korea carried out its second survey of public opinion on the Online Procedures Enhancement for Civil Applications (OPEN) on October. The OPEN system is currently being implemented by the administration of Seoul City. On the basis of random sampling, 1,000 respondents were selected from adult residents of Seoul. Before we look into the findings of the survey, it is helpful to know what the OPEN system is.

According to the Seoul Metropolitan City Government OPEN system is:

What is OPEN?

The On-line Procedures Enhancement for civil applications (OPEN) was developed to achieve transparency in the city's administration by preventing unnecessary delays or unjust handling of civil affairs on the part of civil servants.

Among many of the civil transactions handled by the Seoul Metropolitan Government, this Web-based system allows citizens to monitor applications for permits or approvals where corruption is most likely to occur and to raise questions in the event any irregularities are detected.

Features

Without making telephone calls or visits, citizens can monitor procedures of handling civil applications through the Internet whenever they want and wherever they are.

Access to real-time information on the details of handling civil applications, procedure of approval, document review, schedule for process ahead, etc.

Offering access to information to all citizens, fairness and objectivity is secured in city administration, thereby removing public distrust.

Visit the Seoul Focus
http://www.metro.seoul.kr

Click the OPEN icon

Select one among 54 application fields

Select a case from application list

View the application status
The major findings

Those who answered positive to the question of whether the city administration made an effort to ensure administrative transparency and to reduce corruption take the lead with 45.5%, greatly exceeding the 16.8% who answered negative.

<table>
<thead>
<tr>
<th>[2001]</th>
<th>very strong</th>
<th>strong</th>
<th>neutral</th>
<th>seldom</th>
<th>have no will</th>
<th>don’t know at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.7</td>
<td>38.8</td>
<td>26.3</td>
<td>14.4</td>
<td>4.9</td>
<td>11.9</td>
<td></td>
</tr>
</tbody>
</table>

| [2000] | 7.4 | 38.2 | 27.4 | 11.3 | 3.8 | 11.9 |

When asked, whether they knew or heard of the OPEN system, 73.9% of the respondents answered positive. On the question of whether they have any intention of using it in the future, 85.4% answered "Yes, if necessary" or "Yes, I will use it actively."

<table>
<thead>
<tr>
<th>[2001]</th>
<th>very well</th>
<th>heard a few times</th>
<th>possibly heard a few times</th>
<th>don’t know at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.5</td>
<td>36.8</td>
<td>24.6</td>
<td>26.1</td>
<td></td>
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</tbody>
</table>

| [2000] | 9.6 | 21.1 | 24.5 | 44.8 |

The respondents pointed out the merits of the OPEN system as follows: easy access(30.6%), reduced time taken for civil processes(27.8%), greater administrative transparency(21.8%), administrative fairness and objectivity(10.5) and prevention of corruption(9.3%).

<table>
<thead>
<tr>
<th>[2001]</th>
<th>greater transparency</th>
<th>reduced time taken for civil processes</th>
<th>prevention of corruption</th>
<th>easy access</th>
<th>fairness &amp; objectivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.8</td>
<td>27.8</td>
<td>9.3</td>
<td>30.6</td>
<td>10.5</td>
<td></td>
</tr>
</tbody>
</table>

| [2000] | 25.1 | 27.9 | 7.9 | 29.3 | 9.8 |

Among the respondents who have used the OPEN system, those who showed a degree of satisfaction ("very satisfied" and "satisfied") accounted for some 48.3%, while those who were dissatisfied took up a much lower percentage of 8.7%.

<table>
<thead>
<tr>
<th>[2001]</th>
<th>very satisfied</th>
<th>satisfied</th>
<th>neutral</th>
<th>dis satisfied</th>
<th>very dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.4</td>
<td>38.9</td>
<td>43.0</td>
<td>7.4</td>
<td>1.3</td>
<td></td>
</tr>
</tbody>
</table>

| [2000] | 8.3 | 57.5 | 30.0 | 3.3 | 0.8 |

Comparison between 2000 and 2001

- In regard to the familiarity with the OPEN system the negative answer is reduced to 26% from 45%. Since its introduction the OPEN system become gradually known to the citizens.

- On the question of whether they have any intention of using the OPEN system in the future, ca. 90% answered “use” in this year, while ‘only’ about 70% last year. It means the citizen’s expectation on the OPEN system is raised.

- On the question of whether they ever have used the OPEN system 16% of the respondents answered positive which is 5% higher in this year than the last. When the same question was asked to the Internet user the percentage is raised to 21%. If the system is complemented and the applicable area of the OPEN system expanded, the citizen will use it more frequently. The degree of satisfaction with the OPEN system is reduced from 66% last year to 48% in this year in the users. With the increase of the number of user, of their utilization of the OPEN system and of the appearance of similar online programs, the degree of satisfaction seems to be decreased. ■
Publication

Global Corruption Report 2001

Introduction by Peter Eigen, edited by Robin Hodess
The GCR is the new definitive annual overview of the state of corruption around the globe from TI. As well as expert analysis of party funding, money laundering and corruption in the diamond trade, the GCR 2001 will feature in-depth regional reports from across the globe, and a comprehensive data and research section.

Publication date: 15 October 2001.
More information is available at http://www.globalcorruptionreport.org

Corruption/Anti-Corruption News in Korea (November)

Best 3 Anti-corruption News were:

1) The Financial Intelligence Unit launched

The Financial Intelligence Unit (FIU) launched under the ministry’s wing to monitor foreign exchange flows, especially money-laundering attempts. When it notices suspected money-laundering transactions, it transfers the information to law enforcement authorities.

2) The electronic procurement of PPS become established

The electronic procurement of PPS (Public Procurement Service Republic Of Korea) becomes established during a year. Since last October ca. 9400 bids were taken by Internet and it removed for over a million of companies the necessity to visit PPS which contributed to cut down incidental expenses about 26 millions of dollars.

3) Finally, the enforcement regulations for preventive law against the corruption were passed. According to this regulations, the preventive committee against the corruption will be founded

Worst 3 Corruption News were:

1) Misuse of public funds

Thousands of executives at ailing companies bailed out by the government have hidden about 6.65 trillion won ($5.23 billion) worth of assets. The fraudulent misuse of public funds was uncovered by the BAI’s special inspection of five government agencies, including the Financial Supervisory Commission (FSC), and 87 financial institutions that received government bailout money.

2) Corruption in the purveyance of supplies for the korean army including generals.

3) So called ‘Jin gate’

Jin Seung-hyun, the 27-year-old venture entrepreneur, allegedly used about 2 billion won ($1.6 million) to lobby ranking officials at the Financial Supervisory Service (FSS) and lawmakers in the course of taking over an ailing merchant bank this April. He paid only $10 to acquire the insolvent H&S Investment Bank.

Impressum

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*This The Prague Agenda is declared in the 10th International Anti-Corruption Conference.*

We, some [1,300] people from 143 countries, drawn from governments, civil society and the private sector, assembled in our individual capacities in Prague, capital of the Czech Republic, from 7 - 11 October 2001 for the 10th International Anti-Corruption Conference. The theme was "Together Against Corruption: Designing Strategies, Assessing Impact, Reforming Corrupt Institutions".


Our proceedings were chaired by Marie Bohata, Head of the Czech Statistical Office. Our plenary sessions were addressed by H.E. Milos Zeman, (Prime Minister of the Czech Republic); Ronald Noble (Secretary General, INTERPOL, France); Eva Joly (Investigating Magistrate, France); Ann Pettifor (Jubilee Plus, UK); Joris Demmink (Ministry of Justice, The Netherlands); Jean Lemierre (President, EBRD); Fernando Olivera (Minister of Justice, Peru); Seiichi Kondo (OECD), Daniel Kaufmann (World Bank Institute), Heinz Rothermund (Royal Dutch Shell), Ricardo Semler (Semco Industries, Brazil), Patrick Alley (Global Witness), Baltasar Garzon Real (Investigating Judge, Spain), Francois Werner (International Olympic Committee), Marie Noelle Patterson (Vanuatu), Liu Liying (China), Peter Eigen (Transparency International), Ayo Obe (Nigeria), Freimut Duve (OSCE representative on Freedom of the Media), President Vicente Fox (Mexico) and George Soros (Chairman, Open Society Institute). Plenary sessions were also chaired by Maria Livanos Cattaui (International Chamber of Commerce); Frank Vogl (Transparency International); Petr Brod (Czech Service, BBC); and Ekaterina Genieva (President, Open Society Institute of Russia).

Our proceedings were honoured by being opened by President Vaclav Havel, himself once imprisoned by a totalitarian administration for speaking out against abuse of power and human rights. They were further enriched by presentations of the 2001 "Transparency International Integrity Awards" to the French investigating magistrate Eva Joly, for her courageous work in uncovering high level corruption, and to the prosecutors and people of the Brazilian city of Londrina who had joined forces to quite literally sweep a corrupt city administration from office. Corruption is a threat to societies in the developed and developing worlds alike.

We met against the background of the worst single act of terrorism the world has ever known, one which cost the lives of thousands of ordinary men and women from more than 80 different countries. In expressing solidarity with the victims of all such abuse, we welcome the actions being taken around the world to strengthen institutions and practices to contain the continuing menace those who would perpetrate such acts present to citizens everywhere.

The Secretary-General of Interpol stressed the role played by corruption in facilitating these crimes against humanity. He pointed out that none can afford to separate the fight against corruption from the fight against terrorism. Mutual legal assistance arrangements have to be strengthened, financial regimes improved and new laws passed, but none will have the effects intended if customs, police and security officials are corrupt. The best security structures are rendered impotent if undermined from within by corruption. We are also conscious of the need to fight the corruption that is blighting the lives of many millions of people around the world, creating feelings of helplessness and despair that can provide a ready recruiting ground for those who seek allies in their murderous causes.

Our proceedings were given added poignancy as we paid tribute at our opening ceremony to Carlos Alberto Cardoso (Mozambique), Luis Carlos Galan Sarmiento (Colombia), Georgy Gongadze (Ukraine) and Norbert Zongo (Burkina Faso). Each paid with his life for his efforts to bring about just and honest government in his country.
President Havel reminded us, in the context of the first occasion when our Conference has taken place in Central or Eastern Europe, that there is a direct link between corruption and human rights abuse, with the corrupt suppression by all means of those who peacefully criticise those in power. The Prime Minister of the Czech Republic also observed that the main tool of the economic Mafia in its battle with political establishments is not murder but corruption.

Ours is a powerful coalition which has grown increasingly in size and strength over the course of past Conferences. We are committed to building global standards of transparency and accountability for governments, the private sector, civil society and international institutions alike. We do this in the belief that we are contributing to improving the welfare of people throughout the world, particularly the poor, and see these standards as fundamental to achieving acceptable levels of social just buttressed by the Rule of Law.

In the process of forging these standards, the role of developed countries is of central importance. Not only do they have a legal and moral obligation to enforce the OECD Convention Against the Bribery of Foreign Public Officials effectively, but they have to be aware that many other countries look to them for examples of good practice in building modern government.

When developed countries grant impunity to their political leaders; when they fail to enforce laws against their political and business elites; when they obstruct investigations; when they act to weaken laws designed to counter money-laundering and international mutual legal assistance; and when they prevaricate in providing assistance to return assets looted by leaders of developing countries back to the countries where these assets rightly belong, they serve actively to undermine our undertaking. They also have a duty to help the oppressed throughout the world, and to condemn- not grant succour to - the oppressors.

Developing countries and countries in transition face even greater challenges, and reforms in the developed world will serve little purpose in advancing social justice world-wide if these countries, too, do not play a full and active part. Transparent and accountable practices must be developed right across their institutions, including the private sector; ethics, both in and out of government, promoted; the voting records of individual legislators made public; clear and unambiguous conflict of interest provisions enforced; sound and timely accounting practices consistent with international accounting and auditing standards generated for government and private sector alike; a free media encouraged; strong and effective regulatory mechanisms, including the financial sector, put in place; reliable records management systems established; score-cards for public procurement developed; above all, independent and able judiciaries committed to the rule of law. These are just some of the features of their national integrity systems that must be established and sustained. This is no easy task, but it is one with which we are all ready to assist - development agencies, IFIs, international institutions, the private sector and civil society.

Our own experience confirms that the establishment of coalitions of interests such as our own at the national level is one of the most effective steps a society can take in its efforts to curb corruption.

It is incumbent on all to play a full and committed role in our struggle. In this a heavy burden rests with the professions - legal, accounting, financial and engineering - who have for so long played roles in facilitating corruption and who now have an opportunity to make a positive contribution to our efforts.

Some of the issues mentioned can be addressed through the proposed United Nations Convention Against Corruption. We look forward to the early conclusion of this new international instrument. However, we are concerned that the drafting process should not be used as a pretext by those who wish to delay urgently needed reforms. We also believe that any such Convention must have a strong and effective monitoring system if it is to have the impact that is needed. We look to the Convention to enshrine a prohibition against the affording of safe havens to corrupt officials who flee their countries, such as that contained in the Inter-American Convention.

In this context we heard a strong call for the immediate return from Japan of the disgraced former president of Peru, Alberto Fujimori, to the country he governed for ten years and to whose people he should account for his stewardship.
Similar demands were made for the return from Britain of the funds looted by the late Sani Abacha while military head of state in Nigeria as called for by African civil society in their Nyanga Declaration.

International systems must ensure that these shameful events are not repeated. Arrangements for mutual legal assistance are clearly in urgent need of attention, and we will play our part in the efforts now under way to reform these as an element of the global initiative against terrorism. The structural injustices that developing countries and countries in transition face also featured prominently in our discussions. These are also reflected in their relationships with international financing institutions. In many heavily-indebted countries debt is negotiated in secret, a situation which we deplore, and in some there are no public records of debt.

The incurring of debt, we noted, is neutral. It can be an engine of development when used prudently and transparently. Debt can, however, be misused as a means of plundering a country, with catastrophic consequences for a country’s people. Accordingly, we repeat our statement at Durban, namely that we support unreservedly debt relief in circumstances which ensure that the benefits flow to the poor.

We acclaim the initiative of JubileePlus in proposing that in future there should be an open and transparent judicial inquiry into the circumstances in which unpayable debt has been incurred to determine who should bear the liability for bad lending decisions. Such a mechanism would unquestionably introduce stronger elements of discipline, transparency and accountability into the international architecture.

Where debt is incurred by corrupt and repressive elites to enrich themselves, there is no reason why its burden should solely fall on their repressed people. We look to international financial institutions and to the governments of industrialised countries to use their positions to require that borrower governments publish full details both of the loans they receive and of the purposes for which they are provided.

Likewise, we agreed to explore a suggestion of Global Witness that the U.S. Securities and Exchange Commission (SEC) and leading stock exchanges should make it mandatory for corporations in the extractive industries to declare the royalties and tax payments they make to individual countries.

Ours was not a conference of empty rhetoric and generalised condemnation of corruption and the corrupt. Rather throughout the week and in over 100 workshops we addressed specific challenges of how corruption can be addressed, in institutions, in corporations and among people who work in them. We examined success stories, a number the result of previous IACC and Global Forum discussions, and we dissected initiatives that had proved less fruitful.

Successful innovations range from the improvements for the children of Uganda that transparency in the funding of schools has achieved, and the potential savings realised by transparent e-procurement now practised in countries such as Chile, Korea and Mexico.

Class (i.e. community) court actions have been brought in increasing numbers, successfully challenging abusive government decisions; ethics programmes introduced in professional and targeted ways; methods are being introduced successfully identifying over-priced contracts before they are signed by governments.

The issue of “conflict diamonds” is being addressed in practical ways; individual corporations are providing a strong lead on transparency and accountability to the societies where they operate; Transparency International is developing business integrity principles with actors from the private sector; and the International Olympic Movement has expressed a wish to work with us in the development of its own needed reforms.

All are the product of consultation and cooperation between two or three major elements of our coalition - governments, the private sector and civil society.
For the future we identified initiatives, too numerous to list in a declaration, which appropriate groups from within our coalition will carry forward and which will be reappraised when next we meet. These will be posted on our web site. They cover governments, the private sector and civil society, and include preventive and awareness-raising measures no less than steps to achieve institutional strengthening and enforcement.

We began to address the special challenges presented by post-conflict situations, and the need to secure ways in which emergency assistance can be rendered more effective by being shielded from corruption. Repeatedly, too, the point was made that civil society in various parts of the world is now starting to offer a secular framework for institutional change.

We have noted with appreciation the new determination by the Swiss authorities to provide international assistance, in marked contrast to the past, a process we expect to continue and broaden. We also noted the recent moves to introduce greater transparency in transactions financed by the World Bank, and look both to other international financial institutions to follow this lead and the World Bank itself to pursue an agenda of further increased transparency.

We have worked for two years with eleven leading international banks from Europe and North America to improve "Know Your Customer" principles as a method to reduce money-laundering, among others by corrupt politicians and their business associates. We strongly support the resulting "Wolfsberg Principles", which continue to be refined and made more specific. We would like to see these Principles adopted by all leading banks and extended across the full range of the financial services industry. We strongly support current initiatives to make anti-money-laundering rules more effective, and to increase cross-border cooperation between bank supervisors and law enforcement officials.

A further remarkable demonstration of the potential we have in working together was the offer made by Interpol (which has no authority over its member police forces) to share with civil society their materials for building ethical police forces to empower civil society organisations to take appropriate follow-up action in their own countries.

We noted that the element of gender is of particular importance. Not only does corruption bear disproportionately on women, but they have a major role to play. We were delighted to welcome for the first time a number of youth groups to our discussions, and were similarly pleased that religious organisations are also joining in the coalition.

We cannot leave Prague without expressing our heartfelt thanks to our hosts, Transparency International Czech Republic and the Government of the Czech Republic for the excellent arrangements they made for us. We take with us abiding memories of a city of elegance and a people of warmth and generosity.

We look forward to meeting in the City of Seoul in two years' time, there to ensure that our deeds will have matched our words.

Prague  
11 October 2001