

South Korea 2010



Total: 70.21

Quick facts

Population:	48.63 million
Population growth:	0.26 %
Unemployment rate:	3.7 %
GDP:	1467 billion \$
GDP growth rate:	6.1 %
GDP per capita:	30200 \$

Political Freedom

Free and Fair Elections : 9.29

Elections in South Korea are generally free and fair. The electoral process has constantly improved since 2002, and even though contesting in an election is rather expensive, the influence of money-politics has declined during the last years. The president, who can only serve one term, is elected every five years. The members of the national assembly are elected for four year terms. Political pluralism and participation are strong in South Korea: There are several political parties that contest in the elections and also variety of active NGOs.

Absence of Unconstitutional Veto Players : 8.33

There are no undemocratic veto players in the South Korean political system that lack a constitutional mandate: Civilian control of the army has been successfully established. Other influential groups do not have too big a stand in politics. However, government transparency remains comparatively low which in part can be contributed to widespread corruption

Freedom of Press : 7

The media is mostly free and unrestricted in South Korea. There are several privately owned newspapers that operate freely. However, the National Security Law punishes all actions that are

perceived as favouring the North and therefore questioning the legitimacy of the South Korean state. This leads to a certain degree of self-censorship in order to avoid prosecution. Nevertheless, the press in South Korea is significantly freer than in other countries of this region. In their 2009 index, Reporters without borders ranked South Korea in position 69 out of 175.

Rule of Law

Independence of the Judiciary : 5.13

Although the judiciary in South Korea operates more or less freely and independently, reports suggest that government officials occasionally try to influence judges. So the judicial system is not entirely free from governmental pressure. Especially political opponents are affected by this practice: Government officials have for example ordered investigations into certain tax matters to intimidate the opposition.

Corruption : 5.5

The South Korean government enacted an anti-corruption law in 2001, followed by a general code of conduct for public officials in 2003. Moreover, the Independent Commission Against Corruption was established. Still, bribes and extortion of or by public officials remains a widespread problem. A spectacular corruption case saw former president Roh Moo Hyun being prosecuted for his involvement in dubious business deals. Despite the efforts undertaken by the government, corruption still is a serious issue in South Korea.

Protection of Human Rights : 7.7

The overall human rights situation in South Korea is satisfactory. However, there have been reports of inhuman, degrading, and unlawful detentions - these incidents seem to have happened only on a limited scale though. The death penalty, although not yet officially abolished, is no longer executed.

Economic Freedom

Security of Property Rights : 6.76

Private property is well protected under South Korean law and expropriation is unlikely to happen. But the courts can be slow in deciding on contractual matters. The protection of intellectual property rights, on the other hand, is deficient. Piracy of copyrighted material is not uncommon.

Size of Government: Expenditures, Taxes, and Enterprises : 6.92

Government spending is on moderate levels, reaching about 29 percent of the GDP. South Korea has a rather high top income tax rate of 38.5 percent and a top corporate tax rate of 22 percent. Other taxes include a VAT and a property tax. Overall tax revenue is about 28.7 percent of the GDP.

Regulation of Credit, Labour, and Business : 6.44

South Korea's financial sector is in the process of undergoing reforms which improve transparency, efficiency, and end state-directed lending. As a result, the financial sector is becoming more competitive. The restructuring of banking during the past decade has resulted in weak institutions being merged or shut. Non-performing loans have decreased. The government has to some extent retreated from private banks but still keeps some ownership positions. South Korean laws regulate the possibility to start, run, and close a business fairly well. It takes 14 days to start a business (compared to the world average of 35 days), getting a license can be done in less than the world average 18 procedures and 218 days. Closing a business is an easy procedure. However, labour regulations are inflexible. The non-salary cost of a worker is moderate, but firing procedures are complicated. Work hour regulations are inflexible.

Freedom to Trade Internationally : 7.14

On the path to further trade liberalisation, South Korea has negotiated FTAs with Chile, Singapore, ASEAN, and EFTA during the past couple of years. Furthermore, the government is pursuing agreements with the EU, the USA, and Peru. Obstacles to foreign trade are prohibitive tariffs, import and export restrictions, complicated regulations, and state trading in some goods.