

## Overview



Transparency:

**62** /100

(Open Budget Index score)



Public  
Participation:

**61** /100



Budget Oversight:

**85** /100

## About the survey

Government budget decisions – what taxes to levy, what services to provide, and how much debt to take on – affect how equal a society is and the well-being of its people, including whether the most disadvantaged will have real opportunities for a better life. It is critical that governments inform and engage the public on these vital decisions that impact their lives.

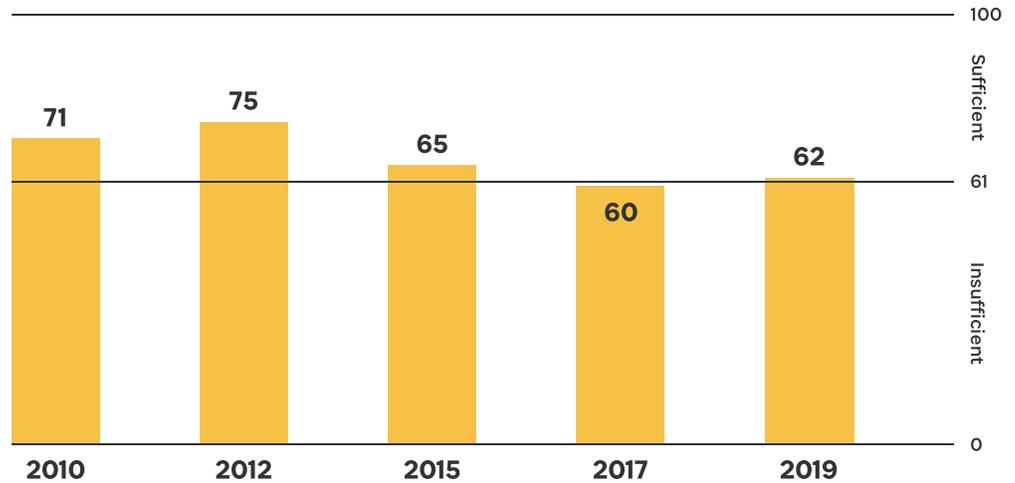
The **Open Budget Survey (OBS)** is the world's only independent, comparative and fact-based research instrument that uses internationally accepted criteria to assess public access to central government budget information; formal opportunities for the public to participate in the national budget process; and the role of budget oversight institutions such as the legislature and auditor in the budget process.

The survey helps local civil society assess and confer with their government on the reporting and use of public funds. This 7th edition of the OBS covers 117 countries.

Visit [www.internationalbudget.org/open-budget-survey](http://www.internationalbudget.org/open-budget-survey) ↗ for more information, including the full OBS methodology, the 2019 Global Report, findings for all surveyed countries, and the Data Explorer.



## How has the transparency score for South Korea changed over time?



## Public availability of budget documents in South Korea

- Available to the Public
- Published Late, or Not Published Online, or Produced for Internal Use Only
- ⊘ Not Produced

Document	2010	2012	2015	2017	2019
Pre-Budget Statement	●	●	●	●	●
Executive's Budget Proposal	●	●	●	●	●
Enacted Budget	●	●	●	●	●
Citizens Budget	●	●	●	●	●
In-Year Reports	●	●	●	●	●
Mid-Year Review	⊘	⊘	⊘	⊘	⊘
Year-End Report	●	●	●	●	●
Audit Report	●	●	●	●	●

## How comprehensive is the content of the key budget documents that South Korea makes available to the public?

- 61-100 / 100
- 41-60 / 100
- 1-40 / 100

Key budget document	Document purpose and contents	Fiscal year assessed	Document content score
Pre-Budget Statement	Discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.	2019	28
Executive's Budget Proposal	Submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.	2019	64
Enacted Budget	The budget that has been approved by the legislature.	2019	83
Citizens Budget	A simpler and less technical version of the government's Executive's Budget Proposal or the Enacted Budget, designed to convey key information to the public.	2019	75
In-Year Reports	Include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.	2018	78
Mid-Year Review	A comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.	2018	Not Produced
Year-End Report	Describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.	2017	79
Audit Report	Issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.	2017	71

South Korea's transparency score of **62** in the OBS 2019 is near its score in 2017.

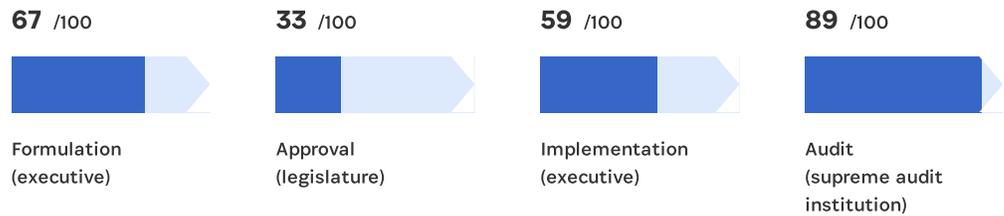
## Recommendations

South Korea should prioritize the following actions to improve budget transparency:

- Produce and publish a Mid-Year Review online in a timely manner.
- Include the macroeconomic forecast that is used for budget projections as part of the Executive's Budget Proposal and a sensitivity analysis showing how fiscal projections would change with different macroeconomic forecasting models.
- Include in the Executive's Budget Proposal information on prior year revenues and expenditures (at least two years before the budget year) to show changes over time.
- Include in the Year-End Report the differences between the estimated macroeconomic forecast and actual results.
- Improve the comprehensiveness of the Pre-Budget Statement by adding the macroeconomic forecast on which budget projections will be based and information on projected borrowing and debt for the upcoming budget year.



## Extent of opportunities for public participation in the budget process



few: 0 - 40; limited: 41 - 60; adequate: 61 - 100

## Recommendations

South Korea's Ministry of Economy and Finance has established participatory budgeting during budget formulation and e-consultations during budget implementation but, to further strengthen public participation in the budget process, should also prioritize the following actions:

- Actively engage with vulnerable and underrepresented communities, directly or through civil society organizations representing them.

South Korea's National Assembly has established public hearings related to the approval of the annual budget and public hearings related to the review of the Audit Report, but should also prioritize the following actions:

- Allow any member of the public or any civil society organization to testify during its hearings on the budget proposal prior to its approval.
- Allow any member of the public or any civil society organization to testify during its hearings on the Audit Report.

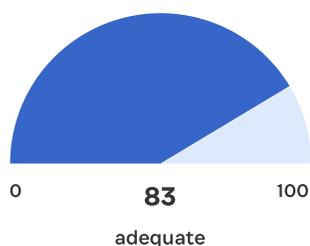


# Budget Oversight

The OBS also examines the role that legislatures and supreme audit institutions (SAIs) play in the budget process and the extent to which they provide oversight; each country is scored on a scale from 0 to 100 based on 18 equally weighted indicators. In addition, the survey collects supplementary information on independent fiscal institutions (see Box).

The legislature and supreme audit institution in South Korea, together, provide adequate oversight during the budget process, with a composite oversight score of **85** (out of 100). Taken individually, the extent of each institution's oversight is shown below:

## Legislative oversight



## Audit oversight



weak: 0 - 40; limited: 41 - 60; adequate: 61 - 100

## Recommendations

South Korea's National Assembly provides adequate oversight during the planning stage of the budget cycle and adequate oversight during the implementation stage. To further improve oversight, the following actions should be prioritized:

- The legislature should debate budget policy before the Executive's Budget Proposal is tabled and approve recommendations for the upcoming budget.

To strengthen independence and improve audit oversight by the South Korea Board of Audit and Inspection, the following actions are recommended:

- Ensure audit processes are reviewed by an independent agency.

## **The emerging practice of establishing independent fiscal institutions**

South Korea's independent fiscal institution (IFI) is the National Assembly Budget Office. Its independence is set in law, and it reports to the legislature. It publishes its own macroeconomic and fiscal forecasts, and its own cost estimates of all new policy proposals.

*\*The indicators for IFIs are \*not\* scored*

# Methodology

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- Only documents published and events, activities, or developments that took place through 31 December 2018 were assessed in the OBS 2019.
- The survey is based on a questionnaire completed in each country by an independent budget expert:  
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- To further strengthen the research, each country's draft questionnaire is also reviewed by an anonymous independent expert, and in South Korea by a representative of the Ministry of Economy and Finance.