Drawing on internationally accepted criteria developed by multilateral organizations, the Open Budget Survey uses 109 equally weighted indicators to measure budget transparency. These indicators assess whether the central government makes eight key budget documents available to the public online in a timely manner and whether these documents present budget information in a comprehensive and useful way.

Each country receives a composite score (out of 100) that determines its ranking on the Open Budget Index – the world’s only independent and comparative measure of budget transparency.

Public availability of budget documents from 2008 to 2017

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How comprehensive and useful is the information provided in the key budget documents that South Korea publishes?

South Korea’s score of 60 out of 100 is substantially higher than the global average score of 42.
Transparency alone is insufficient for improving governance. Public participation in budgeting is vital to realize the positive outcomes associated with greater budget transparency.

To measure public participation, the Open Budget Survey assesses the degree to which the government provides opportunities for the public to engage in budget processes. Such opportunities should be provided throughout the budget cycle by the executive, the legislature, and the supreme audit institution.

The questions assessing participation in the Open Budget Survey 2017 were revised to align them with the Global Initiative for Fiscal Transparency’s new principles on public participation, which now serve as the basis for widely accepted norms on public participation in national budget processes. Therefore, data on the extent of public participation in budgeting in the Open Budget Survey 2017 cannot be compared directly to data from earlier editions.

South Korea’s score of 60 on the 2017 Open Budget Index is largely the same as its score in 2015.

Since 2015, South Korea has failed to make progress in the following ways:

- Not producing a Mid-Year Review.
- Publishing a Pre-Budget Statement that only contains minimal budget information.

### Key Budget Documents

**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.

**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.

**Enacted Budget**: the budget that has been approved by the legislature.

**Citizens Budget**: a simpler and less technical version of the government’s Executive’s Budget Proposal or Enacted Budget, designed to convey key information to the public.

**In-Year Reports**: include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.

**Mid-Year Review**: contains 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.

**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.

**Audit Report**: issued by the supreme audit institution, this document examines the soundness and completeness of the government’s year-end accounts.

### PUBLIC PARTICIPATION

How does public participation in South Korea compare to other countries in the region?

South Korea’s score of 39 out of 100 indicates that it provides few opportunities for the public to engage in the budget process. This is higher than the global average score of 12.

To what extent do different institutions in South Korea provide opportunities for public participation?
The Open Budget Survey examines the role that legislatures, supreme audit institutions, and independent fiscal institutions play in the budget process and the extent to which they are able to provide effective oversight of the budget. These institutions play a critical role — often enshrined in national constitutions or laws — in planning budgets and overseeing their implementation.

These indicators were revised to better assess the role of formal oversight institutions in ensuring integrity and accountability in the use of public resources. Therefore, data on the role and effectiveness of oversight institutions in the Open Budget Survey 2017 should not be compared directly to data from earlier editions.

To what extent does the legislature in South Korea provide budget oversight?

The legislature provides adequate oversight during the budget cycle. This score reflects that the legislature provides adequate oversight during the planning stage of the budget cycle and adequate oversight during the implementation stage of the budget cycle.

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

While IFIs are not yet widespread globally, they are increasingly recognized as an important source of independent, nonpartisan information. IFIs take a variety of different institutional forms. Common examples include parliamentary budget offices and fiscal councils. For more information, see Lisa von Trapp, Ian Lienert, and Joachim Wehner, "Principles for Independent Fiscal Institutions and Case Studies," OECD Journal on Budgeting, March 2016 (special issue), pp. 9-24.

RECOMMENDATIONS

For more detailed information on the survey findings for South Korea, please see the Open Budget Survey Data Explorer at survey.internationalbudget.org.

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

■ Produce and publish a Mid-Year Review.

The main barrier to effective legislative oversight is:

■ A debate on budget policy by the legislature does not take place prior to the tabling of the Executive’s Budget Proposal.

To what extent does the supreme audit institution in South Korea provide budget oversight?

The supreme audit institution provides adequate budget oversight.

■ Under the law, it has full discretion to undertake audits as it sees fit.

■ Moreover, the head of the institution is appointed by the legislature or judiciary and cannot be removed without legislative or judicial approval, which bolsters its independence.

■ Finally, the supreme audit institution is provided with sufficient resources to fulfill its mandate, but its audit processes are not reviewed by an independent agency.

Increase the information provided in the Pre-Budget Statement with additional information on the macroeconomic forecast and estimates of government borrowing and debt.
Research to complete this country’s Open Budget Survey was undertaken by:

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Further Information
Visit openbudgetsurvey.org for more information, including:
- The Open Budget Survey 2017: Global report
- Data explorer
- Methodology report
- Full questionnaire