

Indicators of Regulatory Policy and Governance 2021







# Overview and recent developments

Korea has incorporated several changes in its regulatory policy system over the last years. For RIA, this includes a 2018 reform requiring analysis to be proportionate to the significance of the regulation, and requiring alternative regulatory options to be assessed for all subordinate regulations. New RIA guidelines in 2018 allow for more systematic assessment and implementation, which were followed by impact reporting and guidance on RIA for SMEs in 2020.

Consultations are conducted for all regulations initiated by the executive, and recent efforts have aimed to increase the transparency of consultation processes. The e-Legislation Centre and Regulatory Information Portal now provide notification of upcoming consultations and enable online participation for all consultations, in parallel with email, public meetings and through the post. While consultation on draft texts are widespread, early-stage consultation to identify different policy options could be strengthened. Korea continues to use e-consultations to receive advice on regulations, including the petition system "Regulatory Reform Sinmungo" that alerts the government to unnecessary burdens on business and citizens.

Ex post evaluation is mandatory for all regulations developed by the executive and central ministries, which are required to outline the intended evaluation plan as part of each RIA. Packaged reviews of ex post evaluations are now subject to quality control. Reviews have been undertaken looking at administrative burdens, compliance costs, and reducing regulatory difficulties in new industries, and a 2018 reform required agencies to reduce burdens on SMEs.

Regulatory oversight is conducted by the Regulatory Reform Committee (RRC), which is co-chaired by the Prime Minister and a representative from the non-government sector and which reviews all regulatory proposals from central administrative agencies. The Office for Government Policy Coordination, through the Regulatory Reform Office, acts as the RRC's secretariat, playing an oversight and steering role across central agencies. In 2018-19, a series of legal updates expanded RRC's mandate to include reductions in the regulatory burdens on SMEs, regulatory sandboxes, public engagement in regulatory reform, and administrative procedures and instruments for regulatory innovation. The Office for Government Policy Coordination conducts an annual evaluation of its own units which involves various performance indicators, such as the level of satisfaction with the improvement of public procurement regulations, the level of regulatory improvement and the level of compliance with RRC recommendations. Two research centres, the Korea Development Institute and the Korea Institute of Public Administration, support cost-benefit analysis, provide guidance, training, and conduct evaluations of regulatory policy.

Indicators presented on RIA and stakeholder engagement for primary laws only cover processes carried out by the executive, which initiates approximately 10% of primary laws in Korea. Primary laws initiated by parliament are not accompanied by a RIA and not always supported by stakeholder engagement. To further improve regulatory quality in Korea, there should be regulatory quality check mechanisms put in place for regulations initiated by the National Assembly.

## Indicators of Regulatory Policy and Governance (iREG): Korea, 2021



Notes: The more regulatory practices as advocated in the <u>OECD Recommendation on Regulatory Policy and Governance</u> a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (10% of all primary laws in Korea). Source: Indicators of Regulatory Policy and Governance Surveys 2017 and 2021, <a href="http://oe.cd/ireg">http://oe.cd/ireg</a>.

## Korea: Transparency throughout the policy cycle



## Inform the public in advance that:

A public consultation is planned to take place	All
Regulatory impact assessment (RIA) is due to take place	Yes
Ex post evaluations are	Never



## Consult with stakeholders on:

Draft regulations	All
Evaluations of existing regulations	All



#### Publish online:

Ongoing consultations*	Al
Views of participants in the consultation process	Yes
RIAs	Al
Evaluations of existing regulations	Yes



## Policy makers use:

planned to take place

Interactive website(s) to consult with stakeholders	Yes
Website(s) for the public to	
make recommendations on	Yes
existing regulations	



## Policy makers provide a public response to:

Consultation comments	Yes
Recommendations made in ex post evaluations	Never

<sup>\*</sup> Publish on a single central government website.

Note: The data reflects Korea's practices regarding subordinate regulations initiated by the executive, since in Korea primary laws are rarely initiated by the executive. Source: Indicators of Regulatory Policy and Governance Survey 2021, http://oe.cd/ireg.



# THE OECD REGULATORY INDICATORS SURVEY AND THE IREG COMPOSITE INDICATORS

The data presented in the 2021 Regulatory Policy Outlook are the results of the 2014, 2017 and 2021 Indicators of Regulatory Policy and Governance (iREG) surveys.

The iREG survey investigates in detail three principles of the 2012 OECD Recommendation of the Council on Regulatory Policy and Governance: stakeholder engagement, regulatory impact assessment (RIA) and *ex post* evaluation. Three composite indicators were developed based on information collected through the surveys for these areas. Each composite indicator is composed of four equally weighted categories:

- Systematic adoption comprises formal requirements and how often these requirements are conducted in practice;
- Methodology presents information on the methods used in each area, e.g. the type of impacts assessed or how frequently different forms of consultation are used;
- Oversight and quality control reflects the role of oversight bodies and publicly available evaluations; and
- Transparency comprises information which relates to the principles of open government e.g. whether government decisions are made publicly available.

The data underlying the composite indicators reflect practices and requirements in place at the national level of government, as of 1 January 2021. The indicators for stakeholder engagement and RIA relate to regulations initiated by the executive, while the indicator on *ex post* evaluation relates to all regulations. Whilst the indicators provide an overview of a country's regulatory policy system, they cannot fully capture the complex realities of its quality, use and impact. In-depth country reviews are therefore required to complement the indicators and to provide specific recommendations for reform. A full score on the composite indicators does not imply full implementation of the Recommendation. To ensure full transparency, the methodology for constructing the composite indicators and underlying data as well as the results of sensitivity analysis are available publicly on the OECD website (http://oe.cd/ireg).

### Related links:

- Regulatory Policy Outlook 2021
- · Indicators and underlying data and methodology
- 2012 Recommendation of the Council on Regulatory Policy and Governance
- OECD Measuring Regulatory Performance Programme
- OECD work on regulatory policy

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