# Reform toward a new KOREA

**The Basic Goals and Reform Process of the Kim Young Sam Administration**

   What are the vision and goals of the Administration of Kim Young Sam,  inaugurated on February 25, 1993. In a nutshell, the answer is the “creation of a New Korea” through “Reform Admist Stability.” This concept was the keynote of the President’s inaugural address as well as the main slogan of his presidential election campaign in December 1992.

   “I have a dream. It is the creation of a New Korea in which a new politics, a new economy and a new culture will bloom. This is my dream and vision; it is the dream and vision of all our people.”  This quotation appears in the book, “Kim Young Sam: New Korea 2000,” published in Korea in October 1992 prior to the presidential election.

   In his inaugural speech on February 25, 1993, President Kim Young Sam defined the three major priorities of his policies to create a New Korea: the eradication of social injustice and corruption, the revitalization of the national economy and the establishment of  official discipline and public order.

   The President declared that the eradication of corruption was a vital foundation for reforms in every sector of the country, and that there would be no sanctuary from the investigation of misconduct. The movement to establish official discipline and public order, which began with high-ranking government officials, is intended to ensure integrity and high ethical standards by “purifying the upper reaches of the stream,” i.e., the upper levels of government and society.

   The main purpose of these reforms is to revitalize the nation and elevate the overall standard of living. President Kim Young Sam has thus pushed ahead with firm determination since his inauguration, bringing about enormous changes in this country.

   From the very start of his Administration, President Kim Young Sam concentrated on eliminating corrupt practices and behavior which arose from decades of authoritarian rule. This kind of housecleaning was unhead of in the past. President Kim believes, and popular opinion supports him on this, that such reform must be carried on without letting up in the interest of the long-term stability and economic development of Korea.

**The Concept of a New Korea**

   The creation of a New Korea means the building of unified, fully mature democratic state. To that end, drastic changes and reforms are being pursued to raise the quality of life for all those who were sacrificed in the blind quest for rapid growth over the past 30-odd years.

   What will the future New Korea be like? Korea’s first non-military President since 1961, President Kim in his inaugural address said the New Korea will be:

A freer and more mature democratic society.

A community where people share, work and live together in harmony. A higher quality of life will flourish and the dignity of the individual will be upheld.

A state where justice flows like a river throughout the land. In other words, it will be a just society in which honest and earnest individuals live well.

A new country in which human dignity is respected and culture is valued.

A unified land where the presently divided people live in peace as one.

And, it will stand tall and proud on the center stage of the civilized world, making vital contributions to global peace and progress.

**Curing the Korean Disease**

   The problems which are widespread in Korea today are often referred to as the Korean disease: (1) Korean industriousness and ingenuity - long the envy of the world - seem to be evaporating, (2) values continue to erode, due to injustice, corruption, lethargy, bigotry, inertia, strife and confrontation, and narrow self-interests, and (3) self-confidence has been lost and defeatism has set in.

   To create a New Korea, the new Administration has been vigorously addressing these symptoms through drastic change and reform. The President outlined the goals of these changes and reforms in his inaugural address: (1) the establishment of a new era of courage and hope by shaking off frustration and lethargy, (2) the replacement of bigotry and inertia with openmindedness and vitality, strife and confrontation with dialogue and cooperation, mistrust with trust, and (3) the building of a society which sees all citizens not only living together but also truly carring about one another, discarding narrow self-interests.

**Three Tasks**

   The President outlined three essential tasks in his inaugural address.

   First, misconduct and corruption must be rooted out. He defined misconduct and corruption as the most terrifying enemies attacking the foundation of society, and called for an end to all manner of impropriety and graft, allowing no sanctuary. He called for immediate reform starting from the very top.

   Second, the economy must be revitalized. He vowed that the new Administration would do away with unwarranted controls and protection and instead guarantee self-regulation and fair competition. “Private initiative and creativity will thus be allowed to flourish”. He went on to say. “The Administration will be the first to tighten uts belt. Our citizens must also conserve more and save  more. Extravagance and wastefulness must be  eliminated... Only when the Government and the people, and labor and business work together with enthusiasm will it be possible to turn our economy around...”

   Third, national discipline must be enhanced. “Respect for authority must be reestablished... Freedom must serve society... The true meaning of freedom is in using it to plant a flower in the park rather than picking a flower from the park.” The President also said, “Ethics... must be made to prevail. To this end, education must henceforth cultivate wholesome character and unwavering democratic belief, as well as equip our young people for the future with knowledge and skill in science and technology...”

**Four majot Goals of the New Administration**

   The four major goals of the Administration are clean government, a sound economy, a healthy society and peaceful unification.

   Clean government  means a government free of corruption and injustice. There is a saying that the lower reaches of a river will be clean only when the upper reaches are kept clean. The President is determined to keep the upper reaches of the stream clean, and all the Cabinet members and high-ranking public officials will join in this effort so that the public will have confidence in the Government.

   The campaign to keep the upper reaches of the stream clean means reforms from the top. The new Government has required high-ranking public officials to register and make public their personal assets to discourage the illegal accumulation of wealth under the Public Officials’ Ethics Law. The President himself has made public his own assets and has said that he would not accept political contributions.

   A sound economy means a New Economy free of unwarranted controls and protection - an economy which guarantees self-regulation and fair competition and encourages the private initiative and creativity necessary for economic revitalization. The economy has been marked by quantitative growth in the past three decades; now it needs qualitative development. In order to develop New Economy, Korea must (1) establish a liberal market system, (2) liberalize financing, (3) decentralize economic power and (4) promote economic reforms.

   The New Economy emphasizes concentrated efforts for the renovation of science and technology. In the 21st century, the strength of nations will be measured by the development of science and technology. It is for this reason the new Administration is sharply raising research and development expenditures.

   President Kim Young Sam announced on August 12, 1993, implementation of real-name system for all financial transactions to assist in the realization of economic justice and clean government. The new Administration also has a firm position to control speculation in real estate and institute tax reforms.

   By effecting all these changes, it is predicted that the inflation rate as measured by the consumer price index will fall to the 3-4 percent range  by the end of 1994 from the usual past level of nearly 6 percent, while the balance on current account  will shift into the black. The economy as a whole should grow at an average annual rate of 6.9 percent, boosting per capita GNP to US$14,076 in 1998 from US$7,466 in 1993.

   A healthy society means a society in which all people work hard and receive just rewards. It is obvious that a clean government and sound economy alone  cannot create a New Korea. A healthy society is absolutely required as well. Everyone must spontaneously take responsibility for keeping society healthy. Each and every person must be honest, courageous and dignified.

   Peaceful unification is the supreme task for Koreans. the Republic’s Korean national Community Unification Formula envisages a Korean Commonwealth, an interim arrangement designed to build political, economic and military trust and  restore national homogeneity, leading to full national integration through free general elections throughout the Korean Peninsula. President Kim will consistently pursue this unification formula, widely regarded as being very realistic. He will, however, flexibly adapt it to changes in the international situation. In a Liberation Day speech on August 15, 1994, he thus prpoposed South-North joint projects for national development, including light-water nuclear reactor construction in the North, once the North Korean nuclear issue is resolved.

**Reform backed by the Korean people**

   The Korean people’s deep support of President Kim’s comprehensive reform agenda has been reflected in the Korean leader’s strong public approval rating. President Kim has fared consistently well in public opinion polls which indicate that his reform policies continue to enjoy the support of a solid majority of Koreans.

***Ethics Reform***

   To maintain the public’s trust, President Kim has pledged to create a corruption-free political environment by establishing high ethical standards for the members of his administration and political party. Symbolizing his strong commitment to this goal on February 27, 1993, just two days after his inauguration President Kim disclosed all of his financial assets to the public, and encouraged all senior cabinet and ruling party figures to do the same. A number of his government’s newly appointed officials were forced to resign for their past unethical financial conduct and President Kim declared that there would be “no sanctuary” from his clean-up campaign. He stressed that the new ethical standards “must be internalized and become a way of life” for all Koreans.

   In order to institutionalize the disclosure of public officials’ assets, the existing Public Officials’ Ethics Act as revised in June 1993, and ranking government officials are now required to register and disclosure their assets under this law. As a result of the clean-up  drive resulting from the asset disclosure, 1,363 public officials were dismissed for malfeasance and 242 were forced to resign due to improperly acquired wealth.

   President Kim’s inauguration brought to an end the deep involvement of the military in Korea’s political arena. Corruption in the armed forces, long a taboo subject, became a focus of the new reform drive. Promotion kickback scandals were uncovered, and a number of senior military officers have been removed from their posts. The Administration has also investigated and taken legal action against defense procurement irregularitites. At the same time, Prsident Kim has moved to depoliticize the government bureaucracy. In particular, he has reformed the nation’s intelligence apparatus, ending its involvement in domestic politics and directing it to focus solely on Korea’s national security concerns.

   President Kim has taken steps to reform the Office of the President itself. The President’s residence and office complex, Chong Wa Dae, better known as a Blue House, has been made more accessible to the public. For the first time in decades, the avenue in front of the Blue House is now open to traffic, as are the scenic mountain hiking trails adjacent to the presidential residence. Gone are the lavish Blue House meals once served to staff and guests. Instead, everyone, including the President himself, dines on simple yet traditional Korean cuisine.

***Financial Reform***

   Following this reform to require the disclosure of personal assets by public officials, President Kim Young Sam boldly introduced a real-name financial transaction system in order to achieve fundamental structural reform that will greatly assist in the realization of economic justice and clean government.

   This real-name financial transaction system, which was put into effect by an emergency presidential decree on August 12, 1993 is the core of the entire reform movement, “the reform of all reforms.” This reform is helping eradicate misconducts and realize economic justice by rectifying the distorted economic structure and income distribution caused by underground economic activities and real estate speculation and by cutting shady financial ties between politicians and businessmen. In order to join the ranks of advanced countries, Korea must eradicate the corruption and irregularities stemming from certain aspects of past administrations’ pursuance of rapid growth-oriented economic development.

   With the introduction of the real-name financial transaction system, all financial dealing have become transparent, underground economic dealings have diminished, and nonproductive land speculation has been curbed. The funds that were channeled into political circles in the past as a result of government-business collusion are now being invested in business activities.

   As a result drastic changes are occurring in political, economic and social  activities in virtually every sector of Korean society. Business investment is actively increasing, and the past distorted economic structure and income distribution is being rectified.

   President Kim’s declaration not to receive any money from businesses so as to maintain a clean government and to build a clean society, combined with his political philosophy, laid the foundation for the introduction of the real-name financial transaction system. The success of the real-name financial transaction system is serving as a stepping-stone to a New Korea.

*Reform Legislation Promoting Clean Polities and Participatory Democracy*

   As President Kim’s urging, a package of three political reform bills was unanimously passed by the National Assembly on March 24, 1994. Marked by heavy penalties for offenders, the Law for Electing Public Officials and Preventing Electoral Irregularities is designed to ensure the transparency of campaign financing, limit campaign expenditures while encouraging freer campaigns, and ban “premature electioneering,” as well as all other electoral misconduct. The amended Political Fund Law is intended to control fund raising by political parties and individual politicians with the aim of stamping out “money politics” and “politics-business collusion,” while encouraging relatively small contributions by individuals and groups to the coffers of the parties or politicians that they support. Together, these two laws are aimed at ensuring free, fair, clean and frugal politics in general. The revised Local Autonomy Law provides for the election of the chief executives of local governments in addition to the local councils already instituted in 1991 to restore local autonomy after a 30-year hiatus.

   Under the new Local Autonomy Law, four kinds of local elections are scheduled to be conducted on June 27, 1995, to choose 15 provincial governors and metropolitan mayors, 866 members of provincial and metropolitan councils, 260 city mayors, country executives and municipal district chiefs, and 4,304 members of lower-level local councils - for a total of 5,445.

   In line with the key goals of President Kim’s political reform, the enforcement of these new laws will enhance the ability of Korean citizens from all walks of life to more fully participate in the democratic political process.