

A Direction of Gov't Innovation

Develop High-Quality Economic Policies

On December 3, Chairman Yoon Sung-Sig of the Presidential Committee on Government Innovation & Decentralization revealed he would review the rules and regulations of the Fair Trade Commission (FTC) comprehensively, saying, "The FTC's wide-ranging enterprise-related controls are likely to be seen as restrictions from the corporate viewpoint." One of the representative practices under fire is the total equity investment ceiling system. Drawing attention is how the role and organization of FTC will change in the future. The following is the translated text of an interview with Chairman Yoon. - (Ed.)



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Q: The most important and immediate task for the economic community and the government is to stimulate corporate investment and create vitality in the economy. For this reason, many experts are pointing out that the FTC functions directly linked to regulatory controls must be readjusted in a way to match the changing times.

A: An examination will be undertaken to see whether or not FTC is doing things that are unnecessary. To this end, I am reviewing its functions one by one. I will study all the roles and functions of the FTC fundamentally to determine if there are any responsibilities that can be transferred. A team of academic experts, etc. has already been organized and is collecting opinions. I intend to finalize this project by the end of this year. In addition, I am studying the transfer of responsibilities of the Korea Consumer Protection Board to FTC as I feel that the Ministry of Finance and Economy (MOFE) is not handling the consumer protection function effectively.

Q: What is your plan for innovation of other economy-related government organizations or for development of policies?

A: Important for the economy is the quality of economic policies. The economy can develop only when the policy quality is high. Individual government servants of economic ministries are really very excellent and dedicated. However, policy quality is not as good as they are. This is because public organizations have systematic problems. This must be corrected. For example, the finance and tax system needs expertise very badly. Since there are many fields requiring expertise, those who study and concentrate only on relevant areas for a lifetime are qualified to work in these fields. If this occurs, responsibilities can be solidified. Due to the policy of rotating job assignments, etc., the establishment of responsibilities has been vague thus far. Under such a system, I believe we cannot develop good economic policies. We must create a system that can develop high quality economic policies. While emphasizing the expertise and responsibility of government servants, we also need to reinforce the appraisal of their performance. External parties as well as internal organizations must participate in such performance appraisals.

Q: Do you have any other ideas for enhancing the quality of economic policies?



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Cheong Wa Dae

- Optimum Environment, Maximum Profits
- Develop High-Quality Economic Policies
- No Achievement, No Budget

A: Government servants in economic ministries tend to have a uniform way of thinking. We should encourage a number of external private experts to enter economic ministries, in particular. When career researchers with fresh expertise from economic research institutes of private enterprises join ministries and provide entirely different perspectives, the paradigm of economic policies can be changed, moving away from the outdated framework of the past. But job openings are few. So I am also studying measures that facilitate finding and hiring external experts on a large scale, including active public notification of open positions in all job classes

Q: What are your plans to innovate the government's subordinate agencies and public organizations?

A: Local autonomous bodies and government subordinate agencies still are areas isolated from innovation. After analyzing roles and functions, I will work to transfer those unnecessary to government to private hands wherever possible.

Q: Many point out that accounting related to government budgets must be more transparent and open to the public.

A: We are promoting a plan to disclose the entire budget via the Internet. Although it may take some time, there will not be any great difficulty in accomplishing this. For example, the general public must be able to see the previous year's budget implementation results and next year's budget plan in detail by item down to the county or ward office. I can assure you that such a system will be realized within the term of the Participatory Government.

Q: What is the direction for innovation of provincial fiscal administration and educational reform?

A: With the introduction of an innovation partnership system, I intend to link autonomous bodies with our innovation committee members or other experts for consulting and assistance. As for education, the correct direction is to reduce the functions of the Ministry of Education and Human Resources and transfer them to local autonomous bodies.

Q: Public opinion is growing that amid the focus on the importance of economy and trade particularly exclusive government functions like diplomacy need to be changed.

A: I plan to review diplomatic requirements first. There is a need to strengthen economic, trade and cultural diplomacy while reducing political diplomacy, a product of the cold war era. After determining the characteristics of diplomatic missions, I intend to promote the employment of external experts during the next regular personnel appointments. For example, I think it may be necessary to select a financial expert as ambassador to the U.K., where financial demands are high, and an economic expert as ambassador to Chile where the new FTA is in effect, etc.