

A Comparison between Cartelized and Institutional Corruptions

부패 카르텔과 제도화 부패의 비교

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국 문 초 록

국가를 운영하는 제도가 진화함에도 불구하고 부패는 사라지지 않는다. 그 이유의 하나는 부패는 본질적으로 인간의 행태이며, 인간이 제도를 만들지만 제도가 다시 인간의 행태를 변화시킨다는 데 있다. 바꿔 말하면, 인간이 제도에 적응하면서 인간의 행태인 부패도 진화한다는 것이다. 이는 우리나라의 부패 카르텔과 미국의 제도화 부패를 비교함으로써 확인할 수 있다.

제도화 부패는 부패가 제도와 관행 그리고 입법화를 통하여 심리적 정당성, 윤리적 당위성과 합법성을 확보한 것을 의미한다. 이에 따라 삼권분립의 원칙과 법 지배의 원칙이 훼손되어 소수가 다수를 지배하는 비민주적 결과로 이어진다. 이는 도덕적 불감증이자 민주주의 정치체도의 한계이다.

제도화 부패의 가장 큰 원인은 선거비용에 있다. 천문학적 선거비용을 조달하기 위한 제도화가 악용되어 법을 사고파는 것을 포함하는 다양한 제도화된 부패를 양산한 것이다.

부패 카르텔의 원인은 특정 지역 유권자들이 특정 정당을 지지하는 투표행태와 정당의 공천제도에 있다. 특정 지역에서는 특정 정당의 공천이 곧 당선을 의미한다. 그런데 지역구 공천권은 당내 소수가, 지방정부 선출직 공천권은 지역구 의원이 독점하고 있다. 이에 따라 공천을 둘러싼 매관매직 행위가 끊이지 않는다.

부패 카르텔은 아직 그 단계까지 진화하지는 않았다. 물론, 우리나라 정치인들이 미국의 정치인들보다 더 청렴하기 때문은 아니다. 정치현금으로 법을 사는 것은, 미국과 달리, 위법이기 때문이다.

부패 카르텔을 해체하고 제도화로 진화하는 것을 미연에 방지하기 위한 가장 효과적인 대안은 선거제도를 전반적으로 혁신하는 것이다. 선거를 공영화 하여 후보들의 비용지출을 원천적으로 축소하고, 비례대표제를 확대하고 중선거구를 채택하여 지역구원의 권력을 제한해야 한다. 또한 정부의 의사결정을 가능한 한 개방하여 소수가 다수의 비용으로 혜택을 보는 것을 방지할 수 있도록 개방정부목록 등을 정하여 투명성과 정보공개법이 보다 실효성을 가질 수 있도록 해야 한다.

주제어: 부패 카르텔, 제도화 부패, 선거공영제, 비례대표제, 중선거구제, 개방정부목록

I. Introduction

According to Joongang daily newspaper, the Seoul Central District Prosecutors' Office will summon three opposition party lawmakers for questioning over bribery taking from the head of Seoul Art College, a vocational school(Korea Joongang daily, Aug 6, 2014, <http://koreajoongangdaily.joins.com/news/article/Art>). The nature

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of the case is simple: the head of the college bribed them for a favorable legislation. The same case would be legal if it happened in America.

What makes the difference? Nature of corruption may differ from country to country and time to time. Every culture in every time had, has, and will have its own corruption. Korea is not an exception since she has her own type of corruption for which I coined a term, cartelized corruption, and discussed it somewhere(Chung, 2014). America has her own type of corruption which is institutional corruption.

Basically, corruption is nothing but human behavior. Therefore, the nature of corruption is actually the behavior of corrupt human being. It could be understood as individual corruption and as the primary stage of corruption.

We, as human being, always try to adapt to environment including various laws and institutions. We make laws and institutions and, in turn, the laws and institutions we made transform us. If some differences between the two types of corruption are found, they may be reflection of the environmental dissimilarities of the two countries and of the reaction of the corrupt people.

A developed country in terms of business practices and functioning of democratic institutions may suffer from corruption which is evolved to survive such circumstances. An hypothesis to discuss in this paper is: corruption may evolve from individual to cartel and finally to institutionalize based on the level of institutional development. A developing country could have a chance to foresee corruption after the country developed. It is the reason behind the intention of this paper to compare cartelized and institutional corruptions in the hope to find some heuristic values for anti-corruption strategies for Korea.

II. Cartelized corruption

1. Definition

The term cartelized corruption was coined to express a peculiarity in Korean local politics as a way of perpetrating corruption. It is a typical corruption that involves lawmaker, hand-in-glove with the municipal head(Chung, 2014: 181).

Typical members of cartel are lawmaker from the local electoral district who nominated his/her party's candidate for the municipal head election, municipal head who is ex-local government turned local politician, and local vested interests. In the sense that they collaborate each other to enhance their private interests, it can be

labeled as cartel. They are the ruling group in their penumbra(Chung, 2014: 181).

The link that connects a lawmaker and a want-to-be candidate for municipal head election is the lawmaker's power to nominate a candidate for the election. In some regions, an incumbent lawmaker's nomination has a decisive influence in winning the election due to rank-and-file voters' loyalty to a specific political party. Youngnam and Honam are typical such regions. As we all know, many voters in Youngnam region have such a strong tendency to support the ruling Saenuri party and its candidate for their municipal heads while most voters in Honam region sternly support the main opposition New Politics Alliance for Democracy party and its candidates for their municipal leaders. Therefore, in these regions, incumbent lawmakers' nomination actually determines the outcome of elections. Therefore, anyone who want to be a municipal head in those regions must satisfy the lawmaker but not necessarily voters. The terms of satisfaction for both lawmakers and voters might be far different from each other(Chung, 2014: 182). Private benefits for which each members of the cartel pursue will show us the terms.

2. Corrupt behavior

1) Lawmaker

An incumbent lawmaker's prime private gain is re-election. For re-election, supports from rank-and-file-voters are pivotal. To get supports from the general voters, it is necessary to be helped by officials in the municipal government. In addition, contributions from local businesses, especially from the vested interests, also vital(Chung, 2014: 183).

An incumbent lawmaker use municipal head's administrative power. For example, the incumbent lawmaker may ask municipal head for generous treatments for local officials in personnel management who support him/her; favors for his/her supporters in authorization and licensing. Problems with such practices are two folds. Most malpractices, even they are revealed, just end up as rumors since it is difficult for outsiders to prove. Further, members of the cartel are strongly united as principal offenders, it is highly unlikely that one of insiders confesses malpractices. So, corruption they perpetrate is extremely insidious and persistent. Resulting information gap between the cartel and rank-and-file voter getting wider, so does a bigger asymmetrical information(Chung, 2014: 184).

In addition, an incumbent lawmaker seeks more hazardous private gain that is

selling party candidacies for municipal head and local councilmen.

Giving generous treatments for some officials and favors for some people are risky business even for the cartel. Especially, authorization and license works are riskier than human resources administration in the municipal government since they are not only complicated in nature but also have greater impacts on the well-being of the residents. The lawmaker need to choose a candidate who can perform these jobs with as little noise as possible. A safe choice of a candidate for the lawmaker would be a former local government officer who is verified with governing ability and also loyal to him/her. It is safe for several reasons: voters can trust the candidate based on his/her career; the candidate is conversant with the established class in the region that enable him/her to distribute special favors with less noise; he/she also familiar with his/her subordinates so that satisfy the lawmaker in personnel management for the local officials(Chung, 2014: 183).

2) Municipal head

As a local politician and an elected municipal head, his/her prime interest is re-election. With this regard, he/she is the same as the lawmaker. To achieve his/her prime private gain, he/she must satisfy the lawmaker who wield the power to nominate in the next election.

But he/she is not just an instrument for the lawmaker's private gain pursuing. He/she also pursues his/her own private gain. He/she will try to get his/her share in addition to the lawmaker's share.

3) Vested interests

Local businesses are under close control by local officials in terms of authorization and licensing. In doing businesses, especially real estate development projects, authorization and licensing are essential pre-conditions. Vested interests seek to monopolize profitable business opportunities among themselves. By doing so, they can decrease the intensity of competition and increase their private gain.

3. Sources of corruption

Based on the discussion so far, it becomes manifest that power and heterology in information, in other words, asymmetric information are the sources of corruption.

Power, here, refers to authorities of the lawmaker and municipal head. Their power affect municipal government officials, local businesses and residents. However, the wide variety of and the intensity of such influence are not openly shared by all interested parties. The more widely noised, the more risk and competition are invited. So, they try to keep their businesses secret.

Local residents indifferent to the phenomena due to the costs incurred to correct the situation. Or they have only incomplete information to take any action.

4. Lawfulness

The evaluation of lawfulness of cartel members' corrupt behaviors is difficult since many authorizations and licenses are given within the authority. Outsiders can never know the hidden ulterior motives. It is a typical asymmetric information. On the other hand, sale of candidacies is obviously unlawful. However, when the deal is come to light, sellers as well as buyers alike become subject to punishment. Therefore, the deal rarely reveled. The evaluation of lawfulness of the cartelized corruption is fruitless due to the difficulty caused by asymmetric information and confidentiality.

5. Democratic harms

The cartelized corruption injures the fundamental values of democratic system. It breaks the principle of majority rule since minority, not majority, exploits majority, not minority.

The cartel impairs the principle of separation of powers. An important but hidden purpose of the principle is if one branch of the government does not have all the power but there is a system of checks and balances, it may reduce corruption(Bardhan, 2006: 346). All elected government heads including president, governors, mayors, and municipal heads are politicians one of whose important mission is to checks the bureaucrats in the governments.

However, if a former bureaucrat becomes the head of government, he/she may have difficulties to checks former colleges and maintain balances with them. This difficulty may more severe in lower level local government such as municipal governments.

III. Institutional corruption

1. Definition

USA Today/Gallup took a poll asking 1,030 adults prioritize to-do list for the next president during July 19-22, 2012. Among the 12 issues, 92% of respondents rated creating good jobs as the first priority. 87% of respondents rated reducing corruption in federal government as the second priority (<http://www.gallup.com/poll/156347/americans-next-president-prioritize-jobs-corruption.aspx>).

Their, 87% of respondents', meanings of corruption may differ from each other. However, it is manifest the fact that corruption, which has many faces, is such a chronic disease even mature democracy is contaminated. One of corruption America, as a developed country, faced with is institutional.

Understanding institutional corruption is difficult due to several reasons. First, corruption of any kind is "a reflection of a country's legal, economic, cultural and political institutions"(Svensson, 2005: 20). Therefore, the meaning of corruption may differ from time to time. In other words, corruption is evolving to adapt to the institution as a whole. As a most evolved type, "institutional corruption is a reflection of a failure of ethics rules of U.S. Congress(Newhouse, 2014: 553) since "it is legal, or even currently ethical"(Lessig, 2013: 553). If corruption is legal and even ethical, it is hard for us to understand.

Second, in many cases, the main body which is responsible for or blamed for institutional corruption is not clear. It is one of the differences from petty corruption. Petty corruption includes bribes paid to police in order to avoid harassment, to government officials in order to obtain a license, or to politicians in order to obtain a government contract. In most cases of petty corruption, corrupt persons are clear(English, 2013: 7).

Third, the anonymity of institutional corruption is closely related to the genesis of institutional corruption. Institutional corruption is brought about in the processes of private interests getting legitimacy on the public agenda. For private interests, it is important to earn a legitimate place on the public agenda to be realized. Therefore, we can safely name it as institutionalization of private interests since when a private interest earns legitimacy it becomes public interest. Then, corrupt problem follows: the institutionalization processes could bypass or short-circuit the democratic process(Thompson, 2013: 4). Insofar as multiple persons, rules, laws, and

institutional procedures are involved in the institutionalization, they are all responsible and blamable for the institutional corruption. As a result, we may not be able to specify certain person or persons as corrupt.

Fourth, Institutional corruption is, in a sense, a lawfully licensed practice. "Because it is so closely related to conduct that is a perfectly acceptable part of political life. The individual official's contribution to the corruption is filtered through institutional practices that are otherwise legitimate and may even be

duties of office"(Thompson, 2013: 7). Institutional corruption is perpetrated in disguise of democratic practices. Naturally, it is difficult to distinguish institutional corruption from democratic practices.

Fifth, Institutional corruption is committed jointly by institutions and individuals. Methodologically, however, institution itself cannot do anything either good or bad. It is individuals who actually commit corruption by utilizing opportunities in the forms of customary, legitimate institutional practices, official duties. They are the agents of institutional corruption, and are accountable for it(Thompson, 2013: 8). But they can hide themselves behind customary, legitimate institutional practices, and official duties.

Based on the discussion so far, we can agree with Lessig's working definition of institutional corruption that is: "Institutional corruption is manifest when there is a systemic and strategic influence which is legal, or even currently ethical, that undermines the institution's effectiveness by diverting it from its purpose or weakening its ability to achieve its purpose, including, to the extent relevant to its purpose, weakening either the public's trust in that institution or the institution's inherent trustworthiness"(2013: 553).

2. Corrupt behavior

1) Lawmaker

Lawmaker is a representative of his/her constituency and supposed to represent their interests. Legislature as a body of lawmakers represents general public's interests. However, lawmaker can represents his/her constituency's interests only if he/she can be elected. Therefore, winning an election and to be elected is the most urgent and decisive goal of every lawmaker. Their legislative activities are all focused on winning an election.

Lawmakers pursue various political benefits that are helpful to be elected or

reelected. Such political benefits include campaign fund raising, endorsing bills supporters want to pass, supports from organizations, or media exposure. Such political benefits as lawmakers' private interests may cause conflicts of interest with the legislature's public purpose(Newhouse, 2014: 556-557).

With this regard, Thompson's assertion is a pertinent remark: "A legislator who solicits contributions from a lobbyist while discussing legislation in which the lobbyist is interested is engaging in institutional corruption, whatever the legislator or the lobbyist intend"(2013: 13).

2) Individuals and organizations

Either individuals or organizations exchange their contributions or endorsements for their private interests. In addition, many private institutions pursue their private interests under various disguises.

Drug company gifts to medical students and teachers to boost sales are one of such examples. Banking industries are contaminated by institutional corruption. If short-term stock performance is a base to determine executive compensation, financial firms will favor short-term stock performance more than long-term stock performance. It invites short-term and high-risk resources management. It violates stockholders' interest. Even a think tank may favor special interests at the costs of general public's interests (Newhouse, 2014: 570-577). Such examples abound. Labs and funding pharmaceutical industry contribute research fund for labs. In such cases, labs are under the economic influence of the industry and conflicts of interest occur. Researchers in the labs may not be able to 'consciously see' how their behavior could be influenced(Cosgrove & Whitaker, 2013: 4).

3. Sources of corruption

Some scholars describe the pitfalls of democratic system so eloquently yet simply: "Political constitutions are incomplete contracts and therefore leave room for abuse of power. In democracies, elections are the primary mechanism for disciplining public officials, but they are not sufficient. Separation of powers between executive and legislative bodies also helps to prevent the abuse of power, but only with appropriate checks and balances. Checks and balances work by creating a conflict of interest between the executive and the legislature, yet requiring both bodies to agree on public policy. In this way, the two bodies

discipline each other to the voters' advantage. Under appropriate checks and balances, separation of powers also helps the voters elicit information"(Persson, et. al., 2001: 1163).

Elections, separation of powers, and checks and balances are all incomplete to foster voters' interests in some sense. Abusing power and asymmetric information bring about from the incompleteness as the most important sources of institutional corruption.

First, self-evidently, power is the source of institutional corruption. The possibilities of abusing power for private or narrow interests come from the pitfalls of the system such as elections, separation of powers, and checks and balances. Election is an indispensable institution in democracy. However, it invites institutional corruption in disguise of democratic process or customary because it consumes so much money. Second, second source of institutional corruption stems from the first one. No one exactly knows the true intentions of both lawmaker and contributor. Asymmetric information works here since "private greed mixes insidiously with the public good, where the difference between serving all citizens and serving supporters blurs, where public officials can evade responsibility for institutional failure"(Thompson, 2013: 18). Thus, power and asymmetric information are two most important sources of institutional corruption.

4. Lawfulness

Our society has many institutions. Their purposes are ostensibly for general public's advantage. However, in reality, most institutions are serving small portion of the general public at the cost of the general public. It is not only democratic but illegal.

However, the problem with institutional corruption is the fact that it is unpunishable since it is legal. As we mentioned above, institutional corruption is a reflection of a country's system as a whole. A reflection, here, could be interpreted as evolution since institutional corruption is a new way of corruption which is adapted to the system. In politics, the system is democracy and in economics the system is market.

Therefore, it is the system that corrupt since the system made corrupt behavior legal and even ethical. No matter how legalize or non-identifiable of corrupt people, it is corrupt if the practice damages political competition, citizen representation, or other core processes of the institution.

5. Democratic harm

People, or rank-and-file-voter who acknowledge institutional corruption but, at the same time, have to accept that it is legal will feel impotence and may take exit strategy to the zone of indifference. Low rate of political participation may result in low rate of political competition. This way, institutional corruption damages political competition.

Since political parties and individual politicians serve narrow interests for campaign funds contributors, it damages citizen representation. It may weaken the system of democracy. Lessig emphasized this type of bad effect as "the consequence of an influence within an economy of influence that illegitimately weakens the effectiveness of an institution especially by weakening the public trust of the institution"(2013: 2). His warning on the weakening the public trust of the institution is perfectly right. Roemer deplores even further that "It's the system that's corrupt. It's the system. And members are slave to it... People within the system can't imagine the system functioning any other way"(2011: 8).

Another undemocratic effect is the fact that minorities exploit majorities. Even majorities, we hope, should not exploit minorities. English noted that "majorities might exploit minorities, not the other way around. However, it turns out minorities can exploit majorities when the benefits they receive are concentrated and the costs to others are diffuse"(2013: 17).

IV. Differences and similarities between cartelized and institutional corruptions

The differences and similarities between cartelized and institutional corruptions can be discussed in terms of major actors(or perpetrators), anonymity, lawfulness, and sources of corruption. Major actors of cartelized corruption are incumbent lawmaker in each constituencies, municipal head who was high level local government official, and local vested interests. On the other hand, major actors of institutional corruption are lawmakers, campaign funds contributors, and institutions.

Most actors in both type of corruptions are anonymous, however, the degree of anonymity is more severe in institutional corruption than in cartelized corruption. The reason lies in the scope of both corruptions: cartelized corruption is perpetrated

in a small area while institutional corruption is committed nation-wide.

Most cases of cartelized corruption are illegal while most cases of institutional corruption are legal and even ethical. It is an important proof of evolution of corruption as well as institutional corruption is the most evolved type.

Sources of corruption are same in both corruptions. Power, as always, is the fundamental source of corruption. For whom the power is used matters. But it is very hard for outsiders to know since it is asymmetric information. So, power and asymmetric information are two most important sources of corruption in both types of corruption. Differences and similarities of them can be summarized in the table below.

Table 1. Differences and Similarities between Institutional and Cartelized corruptions

	Cartelized Corruption	Institutional Corruption
Major Actors	incumbent lawmaker in each constituency, municipal head who was high level local government officials, and local vested interests	lawmakers, campaign funds contributors, and institutions
Anonymity	less anonymous	more anonymous
Lawfulness	in most cases, illegal	in most cases, legal
Sources of Corruption	power, asymmetric information	power, asymmetric information

V. Policy Implications

As shown above table, these two types of corruption have differences and similarities. Differences may suggest different strategies to combat corruption, while similarities may suggest similar ones. The major purpose of this study, as stated earlier, is to find some solutions to cure cartelized corruption, at the same time, prevent it from evolving to institutional corruption. The reasoning behind it is evolutionists' perspective on corruption. Like all other creation, corruption continuously adapt to environment including various customary, laws, and institutions.

At the center of the two types of corruption, election resides. American politics

reached to the point where certain corruption is not only legal but also ethical and even cherishable in the sense that voters voluntarily contributes to support an essential practice of democracy which is election. Election related fund raising is smoking gun of institutional corruption. Buying laws in the form of political/campaign contributions is perfectly legal.

"Congressional candidates cannot be elected without substantial support from the small minority of Americans who fund political campaigns. This de facto requirement makes politicians effectively dependent on the funders—a dependency that corrupts Congress by causing it to deviate from its proper dependency upon the people alone"(Newhouse, 2014: 558). Korean politics is not get that point, yet, since lobbying is not legalized. Certainly, however, it is not a sign of Korean politicians' integrity. Sooner or later, cartelized corruption will evolve into institutional corruption and eventually makes buying laws legal. It is high time to reform the system. Even a slight mistiming will cause a great pain and make public slaves of institutions.

There are two major sources of both corruptions: power and asymmetric information. Since power is an important source of corruption, anti-corruption strategy must consider how to tame it. The problems with Korean lawmaker's abusing public power(corruption) stem from two factors: party nomination system and election system.

Political party nomination system is totally undemocratic since factional party leadership monopolizes party nomination rights of parliamentary candidates. It is known that the leadership doll out party nomination based on loyalty to factional leader, bribing money, or both. It is no wonder that the nomination process has been tainted by all kinds of dirty allegations: selling party nomination(same as trafficking of official posts), factional sharing, results from intra-party power struggle.

Under this rotten system, political competitions are deteriorated. First, political competition at individual level will be affected. It effectively functions as entry barrier for newcomers in politics. As usual, entry barrier lessens the degree of competition and end up with poor output. Political aspirants in a district will compete for party leadership's or faction leader's recognition instead of district voters'. Therefore, developing policies to respond local issues that satisfy local residents may be deterred or even disregarded.

Political competition at party level will also be affected. Ruling Saenuri party has its base region and main opposition New Politics Democratic Alliances(NPDA) has

its base region, too. Both parties enjoy their regional power base, taking regional voters as political hostages. They have weak motive to develop policies for voters' advantage and represent their own supporters since nomination is given by the factional party leadership. Rank- and-file-voters are not fully represented. It also results rather poor political output. Missing serious debates and discussions on policies may serve as the proof.

Consequently, rank-and-file-voters can only have a severely limited right to choose their own representatives. Further, rank-and-file-voters have no choice but endorse their supports based on the region. They trapped in each region and became slave of the institutions.

Elected as local representatives, lawmakers wield absolute power in each constituencies based on their nomination rights for municipal head, councilmen and corrupt absolutely. They spread corruption. Proper reform of political party nomination system will greatly reduce corruption in domestic politics. To prevent this type of corruption, party nomination as well as electoral systems should be reformed since the two systems are inter-related.

A single member constituency as an electoral system combined with party alignment of Korean voters provides an absolute power base for an incumbent lawmaker. If an incumbent lawmaker bribed party leadership to get party nomination which guarantees winning the election, he/she would try to get the money back after win the election. In this sense, a single member constituency reached the end of its operational life span.

As an alternative, a medium electoral district system should be introduced. A medium electoral district system has some advantages. It will be helpful to break a chronic disease of Korean politics, a stern regional party alignment. Currently, voters in Yeungnam and Honam regions have no choice but to support their favorite parties' nominees, respectively. However, if the electoral district system changes to a medium one their choice would be expanded since they can support multiple candidates. One for their favorite party's candidate and the other for good character. Electoral campaign may be changed from a popularity vote to a competition of character and policy. It will also be advantageous for reducing electoral campaign expenses since each candidate's incentive to buy votes will be dropped due to the increased number of voters. Additionally, as campaign expenses will be reduced, justification for political contributions will also be lessened.

The portion of proportional representation(or non-constituency parliamentary seat) in the parliament should be enlarged. The merits of enlarged proportional

representation system are many. It will intensify competition among political parties since each party must earn more votes to have more proportional seats. Moreover, the quality of competition will be up-graded as it will be of character and vision instead of popularity. With already extended rights to choose their representatives by a medium electoral district system, voters may have additional rights to choose their representatives as they cast votes for parties to choose proportional representatives.

Above mentioned alternatives will lay the foundation for a public management of elections by which individual candidates are not allowed to spend much money.

In 2005, policy brief reported that "during the last two decades, all OECD countries have invested in building open government." The brief said open government covers three main elements of transparency, accessibility, and responsiveness(OECD, 2005: 2).

Open government can be a strong tool to fight corruption of any kind if it works as planned. As we all know, asymmetric information works as a strong source of corruption. To solve this problem, freedom of information law was introduced. Based on the law, transparency was built in the government processes. Transparency can be helpful in solving problems from asymmetric information. However, transparency alone has limitation since the quality of the information offered is matter. Access to information is an essential condition for public to control their government. Obviously, accessibility helps to complement some weaknesses of transparency and makes it better tool to combat corruption. Open government accessible by anyone makes administrative authorities accountable for their decision. Yet, one more element, responsiveness, will make open government more fuller and reliable. When government respond properly to public consultation for law and rule-making, further efforts from the public incurred(OECD, 2005: 3-5). This way responsiveness makes transparency and accessibility bore fruit.

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Abstract

A Comparison between Cartelized and Institutional Corruptions

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Human invents institutions, and institutions transform human behavior. This is why corruption never exterminated even after governing institutions evolved. Corruption, as human behavior in nature, and institutions coevolve. It could be witnessed in the comparison between cartel and institutional corruptions.

Institutional corruption refers to a corruption which is legalized by democratic practices, customary, legalization, and even psychological as well as ethical rationalization. It undermines the principles of the separation of powers, and rule of laws. As a result, majority rule is destroyed and minority dominate majority. Such an undemocratic result is the sheer ethical anesthesia and a serious limit of democratic political system.

Expenses for an election campaign contribute is the primary reason of institutional corruption. So called democratic practices to raise campaign funds that reached astronomical figures are made bad use of buying and selling laws.

Causes of cartelized corruption are party alignment of regional voters and nomination system of political party. Party alignment of regional voters means the fact that voters in certain regions firmly endorse their supports to a specific party. In such regions party nomination guarantees winning with only few exception. Under this situation, party nomination rights for candidates for lawmakers in electoral districts are monopolized by a few party leaders and candidates for heads and councilmen in local governments are monopolized by incumbent lawmakers in each districts. As a consequence, trafficking of every kinds of nominations is so prevail.

Cartelized corruption is not evolved at that point, yet. It, certainly, is not because Korean politicians are more incorruptible than American politicians. Unlike America, lobbying which is buying laws with political contributions is illegal in Korea.

Strategies to dismantling cartelized corruption and to prevent it, in advance, from evolving to institutionalize can be found in the reform of election system: to minimize such an astronomical amount of election campaign expenses and to get rid of the just to collect funds from private sectors, public management of election system should be introduced; enlarge the number of proportional representative

seats; above mentioned alternatives so far will cut back powers lawmakers from local electoral districts currently wield.

Decision-makings in all levels of governments should be open to public so as to prevent minorities from profiting at the costs of majorities. To make transparency and free information act more effective, open government index like supportive means should be introduced.

Key Words: Cartelized corruption, Institutional corruption, Public management of election, Proportional representation, Medium electoral district, Open government index.