



Abstract

A Study on the Activation Methods for the Whistleblowing in Gyeonggi Province

The purpose of this study investigates the invigoration methods for a whistleblowing in Gyeonggi province. The activation policy for the whistleblowing is necessary for reducing social costs and improving public interests by mitigating corruption and violations of public interests. Since an agent decides to report wrongdoing when expected benefits is larger than expected costs, policies that mitigate expected costs and improve expected benefits of the whistleblowing are required.

Even though the whistleblowing system in Gyeonggi prvince is well established and has been managed, according to theory, references, and domestic and foreign examples, there are two problems: First, there are several reception desks for the whistleblowing. This makes it difficult to find an leaker when a whistleblower's identity is leaked. This is especially important since it is the root cause of damages resulted from the whistleblowing. If the identity leak is not prevented, it increases the expected costs of the whistleblowing and it will be deactivated. Second, reporting items overlap between the desks. It generates a work inefficiency of Gyeonggi province.

Before looking at solutions, I examine whether the activation policy has contributed to invigorate the whistleblowing and had an impact on mitigating corruption and the violations of public interest. To do this, I take diffence-in-differences method to estimate the effect of the introduction of 'Act on the Protection of Public Interest

Whistleblowers' on the whistleblowing, and OLS model to estimate the effect of the increase of the whistleblowing on wrongdoings. Empirical results suggest that the introduction of 'Act on the Protection of Public Interest Whistleblowers' invigorate the whistleblowing and the activation policy has been effective for mitigating corruption and violations of public interests.

To solve the problems, the desks should be reorganized. Since the reorganization makes a whistleblowing process concise, it contributes to reduce the possibility of the leak. As a result, the expected cost will decrease and the reporting can be invigorated. The work inefficiency can be improved by resource reallocation as well. In addition, dedicated department dealing with the whistleblowing should be taken into account. This is necessary because the task of the department requires expertise and a high level of legal knowledge. The installation of the department can contribute to mitigate wrongdoing more efficiently. Since then, incentive programs are effective.

Keyword Gyeonggi Province, Whistleblowing, Difference-in-Differences, OLS