

SEOUL

Model for

e-Governance



WeGO 

World e-Governments Organization of
Cities and Local Governments

Vision

Seoul

Vision of the Seoul Model for e-Governance

- We provide customized and optimized services to citizen by sharing and harmonizing the process between citizens, public administration, data, and natural phenomenon.
- We communicate with citizens to build cooperative e-governance together.



Mission

- **Innovative**
We lead the administrative innovation
- **Convenient**
We leverage ICTs for the safe and convenient living environment of citizens
- **Participatory**
We build participatory communication process to interact with and engage citizens
- **Transparent**
We disclose public information and introduce anti-corruption clean policy system
- **Mutually Beneficial**
We cooperate and partner with cities and businesses to achieve shared growth



Seoul Payment Monitoring System

<http://hado.esoul.go.kr/>

Prevention of Wage Overdue

Real-time Monitoring of Payment Status

Protective Measure for Construction Workers, Subcontractors, and

Suppliers of Materials and Equipments

Mr. Lee has been day laboring in construction sites all over the country for the last 20 years. He participated in Seoul subway finishing process for 4 months, but his contractor, unlike what they promised, did not pay him in time. He instead only received the wage for the first month. Mr. Lee requested his contractor to pay the wage in time, but they repeatedly said "just wait" and kept on postponing the payment.

As the situation showed no signs of getting better, the Seoul government required practical measures to protect both the construction laborers and the subcontractors. The government in turn developed a system to shape a fair culture of subcontract. Thanks to the Seoul Payment Monitoring System, Mr. Lee was able to receive all overdue wages, and he could work in any construction sites without having to worry about not getting paid.

About

Online system which enables the Seoul government to monitor in real-time whether the payment has been provided appropriately after the government deposits the construction cost to the prime contractor (the buyer-designated company responsible for the construction)'s account, which then divides into the payment for the prime contractor, the subcontractor (the contractor-designated company for the construction), and labor cost and so on.

Related Laws and Regulations

- Article 34 of Framework Act on the Construction Industry (Subcontractor Payment etc.)
- Article 9 of Contract Regulation (General Conditions of Contract)
 - Article 43-2 (Verification on the Payment for Subcontractor), and Article 43-3 (Separate Management and Payment Verification for Labor Cost)
- Article 13 of Fair Transactions in Subcontracting Act (Payment for Subcontractor etc.)
 - ▶ Legislation that provided a legal basis for the deadline and conditions of payment for subcontractors

Main Functions

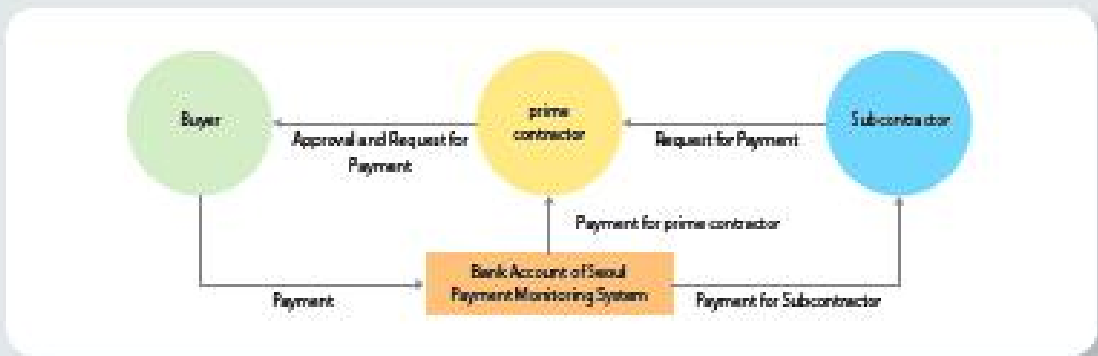
- **Divided Payment of Construction Cost**
 - When the prime contractor request payment, the buyers should pay according to the division of payment that the prime contractor registered for themselves and for subcontractors
- **Real-time Monitoring of Payment History (timely payment status)**
 - Cooperate with banks to monitor and collect the history of payment in real-time
 - Take timely care of non-payment, delayed payment and overdue payment
- **Automation of Payment Verification and SMS Sending Service**
 - Simplify the payment procedures and required documents with the online payment verification
 - SMS is sent to subcontractors and laborers when Seoul city deposit payment to original contractors

- **Financial Support for Subcontractors:**

- When the subcontractors complete their tasks and need funds before the prime contractor is paid, the bank makes loan for the subcontractors using the payment overdue as security for loans.
- When the prime contractor are paid, the loans are automatically repaid.

Operational Status

- 923 prime contractor introduced the Seoul payment monitoring system as of 2013. 9.
- Operation Process



Expected Benefits

- Promote the stable living of laborers by preventing the chronic wage overdue problems and eliminating anxieties about not getting paid
- Promote the culture of fair trade by securing the transparency of payment
- Realize the fair society and achieve shared prosperity with timely and accurate payment
- Establish a fair order in subcontracting transactions
 - The number of reports decreased by 63% from 168 to 106 compared to the same period in the previous year.
 - Organizations that introduced the Payment Monitoring System experienced a remarkable decrease in the number of civil complaints than those that did not.

