The politics of government reform in Korea: from tripartite to bipartite politicization

Park, SH and Wilding, MA

http://dx.doi.org/10.1177/0095399714527753

<table>
<thead>
<tr>
<th>Title</th>
<th>The politics of government reform in Korea: from tripartite to bipartite politicization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authors</td>
<td>Park, SH and Wilding, MA</td>
</tr>
<tr>
<td>Type</td>
<td>Article</td>
</tr>
<tr>
<td>URL</td>
<td>This version is available at: <a href="http://usir.salford.ac.uk/31796/">http://usir.salford.ac.uk/31796/</a></td>
</tr>
<tr>
<td>Published Date</td>
<td>2016</td>
</tr>
</tbody>
</table>

USIR is a digital collection of the research output of the University of Salford. Where copyright permits, full text material held in the repository is made freely available online and can be read, downloaded and copied for non-commercial private study or research purposes. Please check the manuscript for any further copyright restrictions.

For more information, including our policy and submission procedure, please contact the Repository Team at: usir@salford.ac.uk.
The Politics of Government Reform in Korea: From Tripartite to Bipartite Politicization

Sauk-Hee Park, The Catholic University of Korea (Corresponding Author)
Mark Wilding, The University of Salford

Abstract
Government reforms in South Korea, beginning in the 1980s, moved towards deconcentration and deregulation in the 1990s and 2000s. However, the contents of the reforms under the “transformational” presidencies following democratization, which aimed to raise the quality of government and respond to increasing social polarization and political discord, did not significantly reduce state power nor depoliticize policy-making. Instead, state strength was consolidated through tripartite politicization: the rise of ministers as a third force in policy-making vis-à-vis the president and legislature. Under the “post-transformational” presidencies of Lee Myung-Bak and Park Geun-Hye, government reforms can be summarized as bipartite politicization between the president and legislature, as ministerial power has been reduced.

Keywords: Korean government reform, ministerial power, tripartite politicization, bipartite politicization, quality of government

---

1 Draft version, post review. Please note that a number of minor changes were made prior to publication. The latest version, published in Administration & Society can be obtained from https://doi.org/10.1177/0095399714527753
2 Contact: nice113@catholic.ac.kr
Introduction

After making considerable progress in terms of economic and social development (Caiden & Kim, 1999; Johnson, 1999; Kohli, 1999), the Korean state pursued a range of neoliberal policy reforms in the 1980s and 1990s. In line with critiques on state involvement, these reforms under presidents Chun Doo-Hwan (1981-1988) and Roh Tae-Woo (1988-1993) sought to depoliticize policy affairs and reduce state intervention (Chang, 1999; Johnson, 1999; Moon, 1988; Oh, 1999).

A series of reforms continued to be made under the Kim Young-Sam presidency (1993-1998), in response to increasing demands for economic and social democratization to follow political democratization. Depoliticization remained a concern under the New Public Management and New Public Governance reforms of the Kim Dae-Jung presidency (1998-2003) along with the neo-Weberian State reforms of the Roh Moo-Hyun presidency (2003-2008). Reforms under both of these presidents also sought to respond to the unintended outcomes of earlier mismanaged policies. More recently, the presidencies of Lee Myung-Bak (2008-2013) and Park Geun-Hye (2013-) have seen continued growth in the power of the National Assembly, however, this has been accompanied by the pursuit of presidential policy agendas and a general reduction in ministerial power.

Politicization (i.e., the extent to which relationships between the political and executive branch are intertwined) represents an important research topic because the government reform literature is divided according to the supposed outcomes. On the one hand, it has been argued that deconcentration and deregulation promote depoliticization (Caiden, 1988; Dunleavy & Hood, 1994; Hood, 1991; Lynn, 1998). Others, however,
have argued that deconcentration and deregulation may actually result in a more politicized policy process (Kavanagh & Richards, 2001; Pollitt, 2003; Richards, 2008).

This study reviews the reforms in detail, to investigate the effects on the politicization of policy affairs. In particular, this study asks, first, “To what extent have Korean administrative reforms resulted in politicization?”, and, second, “Have there been differences in the extent of politicization over time?” In order to answer these questions the major reforms since the 1980s are reviewed according to periods which we have termed as “transitional” (Chun Doo-Hwan and Roh Tae-Woo presidencies), “transformational” (Kim Young-Sam, Kim Dae-Jung, and Roh Moo-Hyun), and “post-transformational” (Lee Myung-Bak and Park Geun-Hye). Particular emphasis is given to the transformational period, and especially the Kim Dae-Jung and Roh Moo-Hyun administrations due to the variety of interpretations in the extant literature (e.g. Choi, 1999; Kim, 2000; Kwon, 1998, 2005; Lee et al., 2010; Song, 1999).

Korea makes for an interesting case study because of its history of a strong state and the number of attempted reform efforts. Studies focusing on the period prior to the Kim Dae-Jung administration have documented presidential depoliticization (Chung & Jun, 1991; Hahm & Kim, 1999; Moon, 1988; Oh, 1999). There are also a number of studies which suggest similar tendencies in the Kim Dae-Jung and/or Roh Moo-Hyun administrations (Kim & Moon, 2002; Kwon, 1998, 2005; Song, 1999), or which note the emphasis on limited government and market principles at this time (Dollery & Lee, 2004; Lee et al., 2010). Yet, opinion continues to be divided, with other researchers pointing to the ways in which the reforms were intended to reinforce state strength (APEC, 2007; Jung et al., 2008; Moon & Ingraham, 1998; Moon & Ju, 2007; Yang, 2004), and hence, the limits that were placed on depoliticization. With further changes in reform direction
under presidents Lee Myung-Bak and Park Geun-Hye, it is important to review the reforms in light of the existing literature on depoliticization to contribute to understanding of Korean administrative reform and its relationship to the wider reform literature.

A Critical Approach to Principles of Public Sector Reform

Government reform across states has been undertaken in line with New Public Management principles such as deregulation, customization, deconcentration and debureaucratization (Caiden, 1988; Schelling, 1978). Viewed from the perspective of depoliticization, these principles can be divided into structural and managerial aspects: deconcentration and deregulation. Reforms for deconcentration include changes to the structure of government to diffuse power. For example, measures to disperse decision making authority among a range of ministries, and to convert hierarchical relationships between political and executive branches to contractual relationships. Reforms for deregulation include efforts to give greater autonomy to professional managers and ministers, to better meet the needs of policy customers. For example, efforts to introduce performance management systems and incentive schemes, and to replace political mechanisms for representing citizen interests with market mechanisms. Reforms based on these principles have been undertaken, with mixed results, in the US, the UK, Australia, France and Germany in the West as well as China, Japan, Taiwan and Thailand in East Asia (Campbell & Peters, 1988; Cheung, 2005; Cho & Frederickson, 1997; Common, 2001; Dollery & Lee, 2004; Hesse, 1997; Moon & Ingraham, 1998; Pollitt & Bouckaert, 2011).

The politicization of the policy process has been criticized for weakening government accountability (Hood, 1991), and the benefits of depoliticization have been noted (Caiden,
1988; Peters, 2000; Pierre & Peters, 2000). However, the effects of structural reforms for deconcentration of decision-making authority and managerial reforms for deregulation have been questioned. In particular, it has been suggested that they may undermine the quality of government (Hirst, 2000; Kickert, 1997; Pollitt & Bouckaert, 2011; Stoker, 2006), and ironically result in the increased executive or ministerial power and politicization (Richards, 2008). This section reviews the existing arguments about (1) deconcentration for structural reform, and (2) deregulation for managerial reform in order to better understand the expected effects in Korea.

**Structural Reforms for Deconcentration**

The deconcentration of decision-making authority, as a form of public sector reorganization, has been extensively undertaken across states (Caiden, 1988; Hood, 1991). Regarding positive effects, it has been argued that deconcentration paves the way for monopolistic political power to be supplemented by diverting managerial powers among a wider range of actors (Hesse, 1997; Lynn, 1998; Pierre & Peters, 2000). As policy-making power in the developmental state was concentrated in a small number of political elites, the devolution of this power to managers who work at the street level could contribute to more responsive government, capable of better meeting the needs of policy customers. Thus, deconcentration can be summarized as carving out devolved managerial power from centralized political power.

Deconcentration might also convert a political client-patron relationship between legislative and executive branches to a contractual principal-agent relationship (Caiden, 1988; Dunleavy & Hood, 1994; Hood, 1991; Lynn, 1998). Accordingly, bureaucrats, as agents of politicians, could better serve citizens, who are the ultimate principals and
policy customers, as deconcentration could minimize problems arising from client-patron relationships. Therefore actions to promote organizational innovation, simplify administrative processes, and devise performance measures have been widely adopted.

The negative consequences of deconcentration have also been noted. In particular, ultimate policy-making authority has been guarded by power elites, and only managerial authority seems to have been devolved to professional managers (Pollitt, 2003; Rhodes, 2000). As a result, government responsiveness might remain unchanged, despite continued attempts to deconcentrate policy-making authority to street-level managers. Viewed from this perspective, deconcentration has become a way to avoid charges of political irresponsibility, and to place liability at the door of frontline organizations such as executive agencies and their professional managers.

In addition, deconcentration may have weakened the political accountability of government as it has encouraged bureaucrats to provide services based on contractual relationships with politicians, and thus kept bureaucrats from actively participating in policy-making (Kavanagh & Richards, 2001; Pollitt, 2003). For these reasons, deconcentration could also prevent managers from actively articulating and representing citizen interests. In this context, the change in relationship between the legislative and executive branches from a political to a contractual one may have renewed the need for a politicized policy process, and thereby encouraged the gradual reinforcement of political controls.

**Managerial Reforms for Deregulation**

Deregulation also attempts to reduce the politicization of policy affairs, and hence improve public sector flexibility and responsiveness. Other positives are that deregulation
might reduce ill-established public policies by preventing politicians and political executives from excessively intervening in management decisions (Caiden, 1988; Hood, 1991). In this way, deregulation could enhance the fairness of government by reducing opportunities for morally hazardous behavior from politicians and political executives.

Customization (i.e., adapting public services to public needs), based on the replacement of political mechanisms for representing citizen interests with market mechanisms such as user choice, usually accompanies deregulation (Caiden, 1988; Hood, 1991). As policy affairs are open to monopolization by political elites, political mechanisms have come to be regarded as ineffective for articulating and representing citizen interests in the policy process (Dunleavy & Hood, 1994; Lynn, 1998). It has thus been argued that the customization of public services could increase policy consumer satisfaction by creating customized services and improving government responsiveness.

The desirability of deregulation has also been questioned, as managers might deal with policy problems based on their own narrow perspectives, leading to more fragmented service delivery systems (Bevir & Rhodes, 2003; Rhodes, 2000). In addition, management independence may not significantly increase, as deregulation has not always prevented politicians and political executives from intervening in the policy process. Consequently, deregulation may paradoxically result in increased state intervention, and hence, the politicization of the policy process.

A further criticism is that customization might deprive citizens of a chance to articulate various interests in the policy process, as the emphasis is on the participation of policy customers, a group that is often narrowly defined according to both the range of participants and the extent of participation (Bevir & Rhodes, 2003; Huxham & Vangen, 1996). Thus, customization may actually do little to improve government responsiveness,
and could decrease citizens’ political efficacy in the policy process. As a result, customization may increase the politicization of policy affairs (Hirst, 2000; Kavanagh & Richards, 2001; Kickert, 1997).

As can be seen from the literature, the effects of government reform are far from conclusive, with some studies pointing toward the positive outcomes of depoliticization, while others argue that the reform process often introduces further problems and that depoliticization is not a straightforward process. Yet, reforms are adapted to countries, rather than taking place in a vacuum, and so Korea’s history of concentrated decision making power in the Office of the President suggests a more complex process of depoliticization.

Trends in Korean Public Sector Reform


The term “transitional period” is used to refer to the presidencies of Chun Doo-Hwan and Roh Tae-Woo, as it was during this time that steps were taken not only towards administrative reform, but also towards democratization. The public sector made up over half of the national economy during this period, and most policy affairs were highly politicized. Indeed, until the early 1980s, the policy process in Korea was dominated by the state, and the Office of the President in particular (Chang, 1999; Johnson, 1999; Kohli, 1999). This seemed to result from the strong presidential institutions, supported by both a powerful secretariat and an efficient bureaucracy. As a result, the Korean state was able to intervene in a variety of policy affairs.
However, during the Chun Doo-Hwan administration, excessive state intervention in the policy process was criticized as undermining Korea’s economic performance and as inappropriate political interference. Thus the regime undertook neoconservative reforms to decrease state involvement in economic policies (Chung & Jun, 1991; Moon, 1988). First, for economic stabilization, it took measures to reduce fiscal expenditures for social and economic development as well as general administration1 and to control credit to both the public and private sectors. Second, for structural adjustment, it pursued industrial restructuring, financial reform, and domestic market liberalization.

The subsequent Roh Tae-Woo regime continued to pursue economic liberalization (Chung & Jun, 1991; Yang, 1995). With the erosion of state power, described as amounting to state privatization (i.e., Weber’s patrimonialism), the direct political role of the big business conglomerates (chaebol) drastically increased (Yang, 1995). For instance, a party dominated by Hyundai acquired 24 seats in the 14th National Assembly in the 1992 election.

As the reforms in this period were undertaken, state autonomy gradually decreased in comparison with earlier regimes (Chang, 1999; Chung & Jun, 1991; Moon, 1988; Oh, 1999). When faced with economic and social difficulties, however, and ultimately in social polarization and political discord, it was difficult to find new solutions that were not reliant on a politicized presidency. More specifically, the economic situation demanded measures to boost growth and improve distributional equity, while the growing political discord also demanded policy solutions. These circumstances during the two presidencies left a legacy that affected the formulation of public sector reforms during the transformational period which followed.
Public Sector Reform during the Transformational Period (1993–2008)

The “transformational period” covers the first three civilian presidencies after authoritarian rule. The early years of this period, under the Kim Young-Sam presidency saw some continuities with the transitional period regarding the reduction in state strength and liberalization (Hahm & Kim, 1999). These processes gathered pace and deepened as the reinforcement of market capitalism became a goal once political democratization was consolidated. The emphasis, though, was more on political and economic liberalization, rather than government reform per se. Accordingly, attempts were made to reduce state involvement in economic and social development, and measures to minimize the public sector were widely undertaken. For instance, the administration fully or partly privatized 16 public corporations as part of plans to privatize 61 public corporations (46 percent of the total 133 corporations) (KIPF, 2009). In contrast, relatively few government reforms relating to structural and managerial reorganization were undertaken. Liberalization efforts were redoubled in line with the neoliberal paradigm of the OECD after Korea’s accession in 1996 (Kim B.-K., 2000).

Compared with the Kim Young-Sam presidency, under the Kim Dae-Jung and Roh Moo-Hyun presidencies, extensive government reforms were undertaken through both deconcentration (structural reforms) and deregulation (managerial reforms) to improve the quality of government. However, these reforms did not result in reduced state power. Despite a brief dip in the number of public servants, initiated at the end of the Kim Young-Sam presidency at the IMF’s behest, the number of public employees increased from 888,334 in 1998 to 968,684 in 2008 (KSO, 2013a). Total government spending also increased from 130.3 trillion South Korean Won in 1997 to 240.9 in 2006 (MPB, 2006). We suggest that the reforms should be understood as tripartite politicization, as
deconcentration, and to some extent deregulation, increased ministerial power and this came to be accompanied by a more powerful legislature.

_Deconcentration for Structural Reform_

Decision-making authority was gradually devolved to ministries as ministerial power was legitimized. Both the National Assembly confirmation hearings and the Civil Service Commission qualification audits contributed to this increase in ministerial legitimacy. The confirmation hearing was first used in the selection process for prime minister Lee Han-Dong in June 2000, and was then used for other prime ministerial candidates, Chang Sang and Chang Dae-Whan in 2002. After being utilized for a range of appointments, including justice candidates for the Supreme Court and Constitutional Court, and the head of the National Intelligence Agency, the hearing was extended to all ministerial candidates in February 2006 (AKS, 2009).

The strengthening of prime ministerial autonomy was particularly influenced by domestic political circumstances. For instance, the Kim Dae-Jung administration was founded on the “DJT” (Kim Dae-Jung, Kim Jong-Pil, and Park Tae-Joon) coalition, while the Roh Moo-Hyun administration to some extent followed this precedent. Combined with increased legitimacy from the hearing and audit, these led to an increase in prime ministerial discretionary power, particularly for Kim Jong-Pil under the Kim Dae-Jung presidency and Lee Hea-Chan under the Roh Moo-Hyun presidency. As illustrated in table 1, there was actually a decrease in the number of ministries under the prime minister, although this was more than offset by an increase in the number of non-ministerial departments, not to mention the increase in prime ministerial autonomy and legitimacy. Prime ministerial power was also boosted by upgrading the Administrative Coordination
Office to the Office of the Prime Minister in 1998 to enhance the government’s policy coordination, and the number of prime ministerial committees increased from 28 under Kim Dae-Jung to 35 under Roh Moo-Hyun.

**Table 1 to Feature Here**

Both the Kim Dae-Jung and Roh Moo-Hyun presidencies used deputy prime ministers to enable ministers in charge of strategically important ministries to improve policy coordination. This was seen in 2001, when both the Minister for Finance and Economy and the Minister for Education and Human Resources were upgraded to deputy prime minister status to improve economic policy coordination and to strengthen the re-education of displaced workers and human resource development, respectively. In 2005, a third deputy prime minister was added when the Minister for Science and Technology was upgraded with the purpose of reinforcing state science and technology competence.

It is important to note that there were efforts to reduce the power of senior ministers, for example, the Economic Planning Board was divided into the Planning and Budget Commission and the Office of Budget in 1998. However, both the Commission and the Office were reintegrated into the Ministry of Planning and Budget in 1999. Thus, the Minister held wide ranging discretionary power across policies. In other areas, the power of ministers was more clearly strengthened, for example, the Minister for Government Administration and Home Affairs was given an extensive role in policy-making and implementation (Kim, 2000; Lee et al., 2010).

During the Roh Moo-Hyun presidency, the Chair of the Committee on Government Innovation and Decentralization, which was established in 2003, was upgraded to senior minister status with substantial powers, even though the Committee was created as an
advisory board to the president, and the Chair of the Board of Audit and Inspection was also upgraded to senior minister status to deal with special policy issues and to improve government policy coordination competence. More generally, the number of ministries outside prime ministerial control grew from a low of 13 under president Kim Young-Sam to 18 under his successors, and the number of government departments grew from 14 to 17 during the same period. In addition, there was also an increase in the number of ministerial committees from 275 in 1999 to 480 by 2008.

Decision-making authority in the management of governmental executive agencies, which play a crucial role in economic and social development, was also devolved to ministries through the independent executive agency (IEA) system from 1999 onwards. The Planning and Budget Commission selected 28 candidates to become IEAs from 17 ministries and non-ministerial departments. Ten executive agencies were designated as IEAs at the beginning of 2000, and the number of IEAs increased to 23 in 2001. Compared with other executive agencies, the discretionary power of ministries of primary concern over IEAs was strengthened through performance contracts with IEAs and assessments (KIPA, 2007). The number of IEAs climbed to 45 in 2006, and the Korean Intellectual Property Office and the Korea Statistics Office were designated as IEAs in 2006 and 2007, respectively. On the other hand, however, there were aspects of the reforms which meant that the trend was not always one of increased control for ministers. This was the case with the enactment of laws to convert executive agencies into non-departmental public bodies (NDPBs), which had the effect of minimizing political control over management. For example, in 2005, the Korean National Railroad agency was vertically separated, and each component incorporated as a public corporation or a quasi-governmental agency (QGA).
Still, other reforms continued to empower ministers, particularly through the devolution of decision-making authority in the management of QGAs and public corporations. For example, beginning in 1999, ministerial authority was increased in the operation of the board of directors of each corporation: the system for nominating politicians and political executives as board members was abolished, and boards were now composed of both executive and non-executive members in accordance with the guidelines for ministries of primary concern. Under president Roh Moo-Hyun, authority was further devolved from the presidential institutions to ministries of primary concern, and even to NDPBs themselves, through the Public Corporations Act and the Quasi-Governmental Agencies Act. For instance, the procedure to nominate executive and non-executive directors was overhauled to reduce political involvement (KAPC, 2008).

Deregulation for Managerial Reform

To reduce ineffective regulations, a variety of managerial reforms were made, beginning in 1999. Under the reforms, incentive schemes, promotion by results, and performance guidelines were all introduced to promote merit-based rather than seniority-based personnel management, and civilians began to be appointed to the top three civil service grades. To improve budgetary efficiency, the Office of Budget adopted the Total Operational Expense System, in which it set a budget ceiling for each ministry, which was then used to determine budgetary priorities and the amounts available for specific expenditures. In addition, incentive funds were allocated to ministries based on their achievements in budget management reform, and actions were taken to prevent corruption and improve government transparency. Further developments in 1999 were the establishment of the Presidential Advisory Council for Anti-Corruption, and the
enactment of the *Public Service Ethics Act* and the *Code of Conduct for Public Officials*. The Council was upgraded to the Independent Anti-Corruption Commission in 2002.⁴

The Roh Moo-Hyun administration also carried out a series of organizational, personnel management, and budgetary reforms, most of which aimed to improve the quality of government. Some of these may have reined in ministerial discretion over personnel issues to a degree. For example, the Senior Civil Service system introduced by the Civil Service Commission in 2006 meant that 20 percent of higher-level officials should be recruited from outside government, and targets were also included for recruiting higher-level officials from other government departments. In 2007, the new Planned Program Budget System was introduced to enhance the government’s budgetary accountability and efficiency. A variety of business management systems, including team-based organization and marketability testing, were also introduced to the public sector around this time.

At the same time, measures were taken to reduce presidential intervention and increase ministerial autonomy in the internal management of approximately 20 NDPBs governed by the *Public Corporations Act* (Kim, 2004). On the one hand, committees were created to recommend candidates for chair, and new systems introduced for management evaluation and the public announcement of management results (KAPC, 2013). Yet, the measures also saw the strengthening of ministers through the introduction of management contracts between the chair and minister of primary concern. Moreover, while the Ownership Steering Committee for Public Corporations was empowered to make management decisions, the Committee was required to report to the Minister for Planning and Budget and ministries of primary concern.⁵
The enactment of the *Quasi-Governmental Agencies Act* in 2001 also saw efforts to both limit presidential intervention in the management of QGAs and to increase ministerial authority in more than 100 QGAs, which until then had been politically regulated and mismanaged under separate laws (KAPC, 2003). However, with the execution of additional reforms in 2006, the power of managers did increase (KAPC, 2008; KIPF, 2009). In particular, the *Public Corporations Act, Quasi-Governmental Agencies Act,* and *Special Act for the Privatization of Public Corporations* were replaced by the comprehensive *Non-Departmental Public Bodies Act,* which was designed to further reduce political intervention by unifying the separate governance systems for NDPBs. The new Act also had the goal of increasing transparency and accountable management through the introduction of private sector-style management techniques such as total quality management and management by objective. Moreover, a number of regulations guiding budget formation, organizational and personnel management, and business operations were deregulated to raise managerial autonomy.

Combined with deregulation, measures for customization, were also extensively undertaken. The Kim Dae-Jung administration undertook a number of initiatives to improve civil participation in the policy process and citizen satisfaction with policies. The e-government system was at the forefront of these efforts. In 1999, the *Government Information Disclosure Act* was amended and the *Comprehensive Plan for e-Government* was initiated. The *Administrative Procedure Act,* enacted shortly before the inauguration of president Kim Dae-Jung, was used to promote preliminary announcements on legislation and policy-making (Jeong et al., 2005). These were geared to enhancing responsiveness to citizens by incorporating customer-oriented procedures into the public sector (Choi, 1999). There were also efforts to raise social cohesion and the voluntary
cooperation of citizens with the state under the Roh Moo-Hyun administration. Thus a variety of participatory mechanisms to raise administrative transparency were initiated, including the Participatory Government’s Vision and Direction of e-Government in 2003, along with citizen recall and citizen initiative systems in local government in 2006.

The reform outcomes in terms of customization have been questioned however. Participation was low (Moon, 2009), and it was therefore difficult to increase government responsiveness. Moreover, the e-government initiatives were reliant on central guidance from the Presidential Committee on Government Information Strategy, the Ministry of Government Administration and Home Affairs, and the National Information Society Agency. The initiatives therefore saw relative continuity regarding power concentration, and little increase in public participation.

The Rise of Legislative Power

At the same time as the reforms for deconcentration and deregulation, the National Assembly’s political role was also increasing. In particular, with democratic consolidation, two-party competition deepened and the National Assembly’s policy capacity increased. As displayed in table 2, the two biggest parties have dominated since the elections in 2000 when the Grand National and New Millennium Democratic parties won 248 of the total 273 seats (90%). In addition, there was a general increase in the number of legislative officials as the National Assembly’s role was institutionalized (i.e., there was a normalization of the modus operandi). More specifically, the National Assembly Budget Office and the National Assembly Research Service were established in 2001 and 2007 to enhance advisory support for National Assembly Members. Still, support continued to be offered through standing committee expert advisors and the small
secretariat of each member. The National Assembly’s increased policy-making powers are evidenced in the number of bills initiated by members, which grew from 806 in the 15th National Assembly (1996-2000) to 5,728 in the 17th National Assembly (2004-2008) (Chun, 2013). Thus, rather than a depoliticized or reduced state, the situation can best be summarized as tripartite politicization of the presidency, ministers, and legislature.

Table 2 to Feature Here

Public Sector Reform during the Post-Transformational Period (2008–present)

The study refers to the Lee Myung-Bak and Park Geun-Hye presidencies as the “post-transformational period”, due to an observable shift in the nature of reforms from the transformational presidencies. A particular emphasis has been placed on increasing presidential power rather than streamlining the executive, and the reforms can therefore be summarized as concentration through structural reforms with much less attention being paid to managerial reforms. This resulted in a reduction of ministerial power vis-à-vis the president, and thereby a move from tripartite to bipartite politicization. President Lee Myung-Bak pursued economic development through the “Sell Korea Overseas” and “Green Economy” initiatives, while president Park Geun-Hye has focused on her “Creative Economy” project as a means of securing economic growth. Thus, the key policy agendas have been initiated and executed by the Office of the President or subsidiary offices during the two administrations.

Prime ministerial power was reduced by structural reforms laid out by the 17th Presidential Transition Committee for the then president-elect Lee Myung-Bak in 2008. In particular, two offices under the prime minister were abolished: the Ministry of Planning and Budget’s responsibilities were transferred to the new Ministry of Strategy
and Finance, while the Government Information Agency was merged into the Ministry of Culture, Sports and Tourism. The result was that the Prime Minister was no longer directly responsible for any ministries and only two non-ministerial departments. In addition, administrative support for the prime minister was reduced through integrating the Prime Minister’s Secretariat into the Prime Minister’s Office. The power of other ministers was also reduced: the deputy prime minister system was abolished, and the number of ministries decreased from 18 to 15. Meanwhile, the Minister for Special Affairs (the old Minister for Political Affairs), abolished in 1998, was reestablished under de facto presidential control, and the Presidential Secretariat and the Presidential Security Service were integrated into the Office of the President.

In 2008, ministerial power was further reduced through a comprehensive plan to privatize 38 public corporations (including 14 government-funded corporations), to integrate or abolish 32 NDPBs such as Korea Land Corporation and Korea Housing Corporation, and to reduce the business portfolio of around 20 NDPBs. In addition, establishing the Ownership Steering Committee for NDPBs in late 2007 led to reduced ministerial control over approximately 300 NDPBs, including 24 public corporations, as presidential control over the Minister of Strategy and Finance overseeing the committee increased. Moreover, frequent attempts were made to incorporate executive agencies. The 17th Transitional Committee drafted a policy to incorporate nine agencies, with the eventual result that the National Hospital was incorporated into a QGA and a small number of functions of three agro-forestry-fisheries agencies were decoupled from these agencies and partially incorporated at the beginning of 2010. Thus, the number of IEAs was reduced from 45 under the Roh Moo-Hyun presidency in 2006 to 38 by 2011.
The Park Geun-Hye administration has similarly emphasized a number of new presidential agendas, rather than explicit reform attempts. Although the administration has pursued “Government 3.0” to improve integrative government management, to date few measures have been taken to undergird this plan. The deputy prime minister system has been reestablished, however, only for the Minister of Strategy and Finance. Also, while the Prime Minister’s Secretariat has been rebuilt, and the Ministry of Science, ICT and Future Planning, and the Ministry of Oceans and Fisheries have been reinstituted, these reforms have been offset by the strengthening of presidential power through replacing the Office of the President with the Presidential Secretariat, the Presidential Security Service, and the National Security Service. Thus, most reforms have been geared toward reinforcing presidential power rather than streamlining the executive.

On the other hand, the legislature’s role has continued to grow. The number of officials employed by the National Assembly reached 3,974 in 2012, and despite a reduction in the strength of the two main parties in the 18th National Assembly (2008–2012), two-party competition deepened again in elections for the 19th National Assembly (2012–2016), when the two main parties won 93 percent of the total 300 seats. There has been a particular increase in the National Assembly’s policy-making power; a total of 11,191 bills in the 18th National Assembly were initiated by Members (Chun, 2013). Thus, despite a reconcentration of power in presidential institutions in the post-transformational period, the situation is best summarized as bipartite politicization between the president and legislature.

Discussion: The Politics of Government Reform in Korea
While the state, as a capitalist developmental state, had enjoyed “autonomy insulated from society” for some three decades, it increasingly experienced “autonomy embedded in society” after the mid 1980s (Lee, 1995: 61). This autonomy gradually decreased as neoliberal reforms in both the private and public sectors were undertaken (Chang, 1999; Oh, 1999). However, economic problems, along with increasing social polarization and political discord, meant that reforms were focused on streamlining government and improving efficiency. A side effect was that the extent of depoliticization was relatively limited. Managers in the transformational period were given increased powers, yet this was not accompanied by a reduction in the power of elected officials and ministers, contrary to a key section of the literature on government reform (Caiden, 1988; Dunleavy & Hood, 1994; Hood, 1991; Lynn, 1998). We suggest that the reforms can be regarded as a shift from monopolistic to tripartite politicization in the transformational period, followed by a move to bipartite politicization in the post-transformational period, as highlighted in table 3.

**Table 3 to Feature Here**

Although there were efforts during the Kim Dae-Jung and Roh Moo-Hyun administrations to maintain effective government and policy-making capacity, the relatively limited extent of depoliticization may have restricted the effectiveness of proposed policy solutions to address difficult economic and social problems. Dealing with economic problems first, many small and medium-sized firms suffered from financial difficulties and a shortage of manual workers. The labor shortage rate among them, as determined by the Small & Medium Business Administration, was 6.5 percent in 2004 (Joong-Ang Monthly, 2004). Still, employment conditions worsened, however. The
number of non-standard workers as a proportion of total employees increased from 27.4 percent in 2002 to 35.5 percent in 2006, and the wage gap between non-standard workers and full-time permanent employees increased from 32.9 percent in 2002 to 37.2 percent in 2006 (KSO, 2007). The government response was further relaxation of the labor laws through amendment of the Non-Regular Workers Act in 2007.

These economic difficulties ultimately resulted in social polarization and political discord. First, social discord—between regions, generations, and classes—undermined the political legitimacy of the Kim Dae-Jung and Roh Moo-Hyun presidencies and increased demands to reinforce state strength as a means of achieving economic and social progress. Second, ongoing economic troubles meant that crucial bases of support, from labor, students, and civil society, were eroded. In addition, political support from the state’s archetypal coalition, businesses and the middle class, was also weakened as their privileges were threatened by the economic situation.

As the state needed political resources and instruments with which to remedy the problematic outcomes, state strength was gradually reinforced through the reforms and ministerial power increased. As has been the case in other states (Spulber, 1997), the reforms were undertaken for political reasons as well as economic ones. Constructing a new statecraft to cope with difficult economic and social situations appeared to be the foremost reform goal. Thus, the reforms streamlined rather than reduced the state role. As such, the transformational period reforms can be seen to contain aspects of state-centric models such as the neo-Weberian State model, in line with Pollitt and Bouckaert (2011).

Deconcentration and deregulation might thus lead to an increase in ministerial power and reinforcement of state strength rather than depoliticization of the policy process,
particularly as state control over policy affairs may come to be prioritized over contractual relationships as a means of addressing seemingly intractable problems. The findings from the case material therefore support the literature which takes a critical perspective of government reform (Kavanagh & Richards, 2001; Peters, 2000; Pierre & Peters, 2000; Pollitt, 2003; Richards, 2008). The tendency towards ministerial empowerment, while an improvement on monopolistic presidential power in democratic terms, remained problematic, as it emerged that ministers adopted a variety of bureaucratic and political strategies to pursue their own interests. Examples include policy conflicts over the reclamation of the Saemangeum tidal flats, Yeongwol Dam construction, Gyeongju radioactive waste disposal site, and the new administrative capital (Sejong city) (Park, 2012; Park & Lee, 2008).

The subsequent reduction in ministerial power and shift to bipartite politicization in the post-transformational period can be attributed to presidential efforts to develop the economy and increase control over ministries and agencies. Again, this suggests that the post-transformational period reforms have not been able to address the core issues. For example, the employment rate fell to 63.8 percent in late 2008 and income inequality has continually risen: the Gini coefficient rose from 0.25 in 1990 to 0.315 in 2010, and the relative poverty rate almost doubled from 7.8 percent in 1990 to 14.9 percent in 2010 (Joong-Ang Daily, 2011). Meanwhile, the economic power of chaebols and other large corporations has drastically increased: the economic concentration of the top 100 companies rose from 42.5 percent in 2003 to 51.1 percent in 2010 (Hankuk-Gyongjae, 2012). Finally, as real estate prices skyrocketed, household debt increased by 9.8 percent in 2010, and the ratio of household debt to GDP reached 81 percent in 2010 (KCCI, 2012).
Conclusion

From the late 1980s to the early 1990s, the Korean state underwent neoliberal reforms geared to reducing state intervention in the policy process. In comparison, during the transformational period, and particularly under the Kim Dae-Jung and Roh Moo-Hyun presidencies, government reforms were undertaken to address many social and political problems. These reforms, based on the principles of deconcentration and deregulation, though empowering for managers through the introduction of private sector style management techniques, resulted in increased ministerial power through improved autonomy and legitimacy, especially for the prime minister. Over the same time period, the National Assembly’s policy-making power also increased to the extent that it came to represent a third pillar of policy-making in Korea.

The evidence reviewed in this study shows that the reform purposes and their results might be quite different from those of earlier governments, and that the transformational period reforms were an attempt to improve the quality of government, based on several reform models. As deconcentration and deregulation were attempted in a top-down way through political decisions, neoliberal reforms were undertaken in ways quite different from Western experiences. To some extent this points out the limits of liberalization, particularly in the context of East Asia where there is a tradition of the strong state. However, at the same time, it is important to note that there are reform elements which are significantly influenced by Korean traditions of statecraft.

Thus, government reforms in Korea should be critically scrutinized. Neoliberal reforms are not always a panacea or the best way to reorganize government. In particular, the transitional period reforms exacerbated social and political problems including political disjuncture on policy issues between various social groups. With the persistence
of the social and political problems, the transformational period reforms were moderated in such a way as to reinforce, not reduce, state strength by streamlining the government. This led to tripartite politicization between the presidential, legislative, and ministerial actors in the policy process.

There was an unprecedented increase in prime ministerial power, while other ministerial positions, including deputy prime ministers, were either newly created or upgraded as part of efforts to meet increasing economic and social demands. In addition, a wide variety of managerial reforms were undertaken to raise government effectiveness and transparency. The idea underlying the reforms was that the quality of government could be improved by reinforcing state strength rather than reducing it. Yet, this meant that only limited depoliticization of the policy process took place.

Under the post-transformational presidencies, further presidential control over the policy process has been sought, at ministerial expense, meaning that it is now more accurate to talk of bipartite politicization, particularly as the National Assembly’s policy-making power has continued to grow. The main factor in the increasing politicization of the presidency has been the desire to reinforce the presidential capacity to respond to ongoing economic and social problems.

The results of these efforts to maintain control as a response to ongoing difficulties suggest that reinforcing state power may not be the most appropriate solution. Indeed, we should not be surprised if top-down attempts at policy solutions are unable to bring a halt to rising economic and social inequality. Korea has, for over a decade, been attempting to reinforce state strength in order to respond to seemingly intractable policy problems. However, it may be that this response is feeding into problems that may be more suited to depoliticized solutions. Still, given the tremendous changes that Korean government
and society have gone through in the time frame of this study, it would be more surprising if all of the reforms had been a complete success without any ongoing issues. All government reform is a learning process, which sets the stage for further developments. Future waves of reforms will no doubt seek new solutions to the issues which we have identified.

Notes
1. For instance, government subsidies from the Grain Management Fund and the Fertilizer Account were reduced, and in total, over 30 government funds were either eliminated (for example, the Machinery Industry Promotion Fund and the Electronic Industry Promotion Fund) or transferred to state-owned financial institutions (for example, the National Investment Fund), while public corporations were also subject to tighter government scrutiny, and the wages of public servants were frozen or reduced (Moon, 1988).
2. The agencies designated as IEAs in 2000 were National Audio Visual Information Service (KTV), Defense Media Agency for Public Information Services, Korea Drivers’ License Agency, National Science Museum, National Theater of Korea, National Medical Center, National Institute of Agricultural Engineering, Korea Coast Guard Maintenance Agency, and two regional offices for road maintenance (KIPA, 2007).
3. The board of directors in each corporation assumed broad authority over the corporation’s budget, business plan, personnel and payment, and organizational management.
4. In 2008, it was integrated into the Anti-Corruption and Civil Rights Commission together with the Office of Ombudsman and the Administrative Appeals Commission (Choi, 2009).
5. The committee had the authority to assess the management performance of public corporations and determine their guidelines for budget formation and public announcements. It also had the right to suggest chair and executive director dismissal
in each corporation and recommend candidates for non-executive directors and auditor to the Minister of Planning and Budget or the minister of primary concern.

6. At the beginning of 2006, the Public Corporations Act covered 14 corporations, while approximately 100 agencies were included in the Quasi-Governmental Agencies Act. In comparison, the newly enacted Non-Departmental Public Bodies Act covered 298 bodies (24 public corporations, 77 QGAs, and 197 other types of NDPBs).

7. The agencies which the Committee planned to incorporate were: Korea Post, Rural Development Administration, Korea Forest Research Institute, National Fisheries Research and Development Institute, Korea Drivers’ License Agency, National Museum of Modern and Contemporary Art, National Theater of Korea, National Museum, and National Medical Center.

References


<table>
<thead>
<tr>
<th>Period</th>
<th>Transitional</th>
<th>Transformational</th>
<th>Post-transformational</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>Chun Doo-Hwan</td>
<td>Roh Tae-Woo</td>
<td>Kim Young-Sam</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Kim Dae-Jung</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Roh Hyun</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Moo-Bak</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Lee Myung-Bak</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Park Geun-Hye</td>
</tr>
<tr>
<td>No. of deputy prime ministers</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>No. of ministries (Won or Cheo) &amp; non-ministerial departments (Cheo) under PM</td>
<td>4</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>No. of ministries (Bu) &amp; non-ministerial departments (Cheong) outside the PM’s control</td>
<td>16</td>
<td>16</td>
<td>13~14</td>
</tr>
<tr>
<td>No. of ministers for political affairs</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>No. of committees -presidential -prime ministerial -ministerial</td>
<td>Not available (NA)</td>
<td>NA</td>
<td>(1999)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>16</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>28</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>275</td>
</tr>
<tr>
<td>No. of governmental executive agencies</td>
<td>NA</td>
<td>NA</td>
<td>NA 440 (2000)</td>
</tr>
<tr>
<td>No. of IEAs</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Sources: KIPA (2007); MOPAS (2008); MOSPA (2013); KSO (2013a, 2013b).
### Table 2: Changes in the National Assembly across the Three Periods

<table>
<thead>
<tr>
<th>Period</th>
<th>Transitional</th>
<th>Transformational</th>
<th>Post-transformational</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seats held by major parties</td>
<td>Democratic Justice (148) - New Korean Democracy (67) - Democratic Korea (35) - Korea's People (20)</td>
<td>Democratic Justice (125) - Peace and Democracy (70) - Unified Democracy (39) - Republican (35)</td>
<td>Democracy and Liberty (149) - Democratic (97) - People's Party (31)</td>
</tr>
<tr>
<td>Total (276)</td>
<td>Total (299)</td>
<td>Total (299)</td>
<td>total (273)</td>
</tr>
<tr>
<td>No. of bills initiated by National Assembly members</td>
<td>Not available</td>
<td>462</td>
<td>252</td>
</tr>
</tbody>
</table>

Sources: Chun (2013); National Assembly (2008); NEC (2012); KSO (2013a).
Table 3. Government Reform and Power Distribution across the Three Periods

<table>
<thead>
<tr>
<th>Period</th>
<th>Transitional</th>
<th>Transformational</th>
<th>Post-transformational</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presidential power</td>
<td>Strong presidential institutions, including a powerful secretariat</td>
<td>Some reductions vis-à-vis ministers</td>
<td>Increasing.</td>
</tr>
<tr>
<td>Legislative power</td>
<td>Weak.</td>
<td>Increasing.</td>
<td>Strong.</td>
</tr>
<tr>
<td>Prime ministerial power</td>
<td>Weak.</td>
<td>Increasing.</td>
<td>Decreasing.</td>
</tr>
<tr>
<td>Ministerial power</td>
<td>Weak.</td>
<td>Increasing.</td>
<td>Decreasing.</td>
</tr>
<tr>
<td>-Structural reform</td>
<td>Concentration</td>
<td>Deconcentration</td>
<td>Concentration</td>
</tr>
<tr>
<td>-Managerial reform</td>
<td>Little emphasized</td>
<td>Deregulation</td>
<td>(Re)regulation</td>
</tr>
<tr>
<td>Main political actors</td>
<td>President</td>
<td>President, Legislature, and Ministers</td>
<td>President and Legislature</td>
</tr>
<tr>
<td>Politicization</td>
<td>Monopolistic</td>
<td>Tripartite</td>
<td>Bipartite</td>
</tr>
<tr>
<td>Base of political power</td>
<td>President: the constitution, presidential institutions</td>
<td>Legislature: dual-party competition, institutionalization</td>
<td>Ministers: structural reform (including confirmation hearing and qualification audit) and managerial reform</td>
</tr>
</tbody>
</table>