Policy transfer and feedback from domestic stakeholders: the Korean adaptation of Arts Council England

Chung, C, Park, C and Wilding, MA

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Policy Transfer and Feedback from Domestic Stakeholders:  
The Korean Adaptation of Arts Council England

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Mark Wilding, University of Salford

Abstract
Despite a growing interest in adaptation and indigenization in the process of policy transfer, less attention has been paid to communication with domestic stakeholders in borrower countries and its impact on policy success. This study aims to highlight how feedback from domestic stakeholders can be a vital part of the transfer process and the ways in which it can contribute to the policy transfer heuristic. The South Korean adaptation of Arts Council England is explored from two perspectives: (1) borrower – lender communication, and (2) borrower – stakeholder communication. Interviews with key transfer actors from the Korean side are drawn upon along with newspaper reports, National Assembly records and grey literature from government organizations in England and Korea. The findings reveal that, despite a clear understanding of the functioning of the English policy, the Korean government’s efforts were less successful due to disagreements arising from stakeholders’ interpretation of the arm’s length principle.

Keywords: policy transfer, communication, policy success, arts and cultural policy, Arts Council England, Arts Council Korea

1 Draft version, post review. Please note that a number of minor changes were made prior to publication. The latest version, published in Korea Observer can be obtained from http://kiss.kstudy.com/journal/list_name.asp?key1=29333&key2=9192
2 Contact: csp7111@gmail.com
Policy Transfer and Feedback from Domestic Stakeholders:  
The Korean Adaptation of Arts Council England

I. Introduction

During the past two decades, policy transfer has become one of the most popular approaches to explain policy change and its constituent processes (e.g., Dolowitz and Marsh, 2000; Dussauge-Laguna, 2012; Evans and Davies, 1999; Marsh and Sharman, 2009). Policy transfer research has furthered knowledge of agents, processes and outputs of policy transfer, as well as the practices, ideational, comparative and multi-level responses involved (Evans, 2009). Still, the literature has been criticized for the lack of consideration given to context and the extent to which policies change as they move (McCann, 2011; McCann and Ward, 2012; Peck, 2011; Johnson and Hagström, 2005; Carstensen, 2010; Lendvai and Stubbs, 2007). Over time, however, policy transfer has become more sophisticated, for example, taking into account processes of indigenization (Stone, 2012) and communication (Park et al., 2014). A further criticism of policy transfer is that it is difficult to judge whether a transferred policy has been a ‘success’ or ‘failure’ (James and Lodge, 2003), although, again, efforts have been made to address these shortcomings (Marsh and Sharman, 2009; Marsh and McConnell, 2010; Fawcett and Marsh, 2012; Park et al., 2014).

The present study aims to contribute to the on-going development of the policy transfer heuristic through highlighting how investigating feedback between ‘borrower’ governments and domestic stakeholders can improve understanding of the indigenization of policy as well as the reasons why a policy may face strong criticism. To this end, an empirical case is explored which demonstrates the importance not only of a thorough understanding of the ‘borrowed’ policy and the way it operates in the lender country, as emphasized in the
policy transfer literature (Dolowitz and Marsh, 1996, 2000), but also of the role that feedback from domestic stakeholders and borrower governments can play in the process of indigenization and ultimately policy success.

The case explored is the transfer of art support policy from England to South Korea (hereafter Korea). As the Korean Ministry of Culture and Tourism (MCT) explicitly stated its intention to learn from English art support policy (Presidential Advisory Committee for Policy Planning, 2003), this case is well suited to the application of the policy transfer heuristic, particularly in terms of interaction between the two governments. An aim in transferring the policy was to democratize the fund allocation system following decades of authoritarian rule. However, implementation brought negative side effects, namely continued inequitable representation and fund distribution, as political favouritism was replaced by fighting between various arts sectors (i.e., ‘branch egoism’), which developed in the arts council system and its sub-committees, and ultimately led to the disuse of the sub-committee system. In order to explore the reasons for these developments, this study will examine the transfer process from two perspectives: (1) borrower – lender communication to explicate the Korean government’s understanding of the English policy, and (2) borrower – stakeholder communication in the form of feedback from representatives of the creative arts in Korea in response to their government’s efforts at transfer.

A wide range of data sources are utilized to achieve these goals. These include interviews with key Korean policy actors, as well as newspaper reports, National Assembly records and grey literature produced by Arts Council England (ACE), Arts Council Korea (ARKO), related organizations such as the English Department for Culture, Media and Sport.

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3 Throughout this study we refer to England rather than the United Kingdom (UK), due to the devolution of responsibility for arts policy to the governments of Northern Ireland, Scotland, and Wales. It is important to note that while the Korean government did examine the Scottish Arts Council, its learning focused for the most part on the policies and institutions of England (MCT, 2003a, 2003b).
(DCMS) and the Korean MCT. The interviewees, who included two top-level managers in the MCT, two senior managers in the Korean Culture and Art Foundation (KCAF) and two MCT Task Force Members, were selected on the basis of their involvement in and in-depth knowledge of the transfer from England to Korea. In order to protect the identity of interviewees all names have been removed from quotations presented in this study. Furthermore, due to the number of occupants in these posts and turnover rates, they are not identifiable from the information presented within.

The main body of this study is organized as three consecutive sections. The next section clarifies ways in which investigating feedback processes between borrower governments and their stakeholders can contribute to the on-going development of the policy transfer heuristic, particularly in terms of the modification of policies by borrower governments and understanding the success or failure of policies. On the basis of this theoretical discussion, the case analysis is composed of two sections. The first part explores art support policy transfer from England to Korea based upon borrower understanding of the policy and the way in which it works in the lender country, as emphasized in the policy transfer literature. The second part then examines different aspects of the same case, in order to ask whether the Korean government was able to utilize feedback to fully appreciate the domestic context and adapt the policy accordingly. The conclusion explicates the implications from the case analysis and identifies priorities for the future development of the policy transfer heuristic.

II. Theoretical Background

Policy transfer is commonly regarded as involving the use of knowledge about policies, administrative arrangements, institutions and ideas from one political setting in other political
settings (Dolowitz and Marsh, 2000). Policy transfer is a useful heuristic as it helps us understand a widespread phenomenon in contemporary policy making (Marsh and Evans, 2012). Broad in approach, that which is transferred ranges from the general, for example principles behind a policy, to the specific, such as support systems and operational level knowledge, and the heuristic also accounts for degrees of transfer ranging from inspiration and imitation through to copying (Dolowitz and Marsh, 2000; Rose, 2005). It should be noted however that the latter is usually regarded as the exception due to the predominance of adaptation and modification (Marsh and Sharman, 2009; Stone, 2012). A strength of policy transfer is that it can further understandings of ways in which knowledge of policies in other contexts is used as part of efforts to create more effective policy solutions. It therefore sheds light on the processes that borrower and lender governments engage in, and how these impacts upon the extent of transfer and modification that takes place.

The policy transfer literature shares some similarities with other approaches, including convergence (i.e., the way in which policies become more alike in terms of their goals, contents, instruments, outcomes or style) (Bennett, 1991); institutional isomorphism (i.e., the way in which policy choices in one context affect those elsewhere) (DiMaggio and Powell, 1991); and policy diffusion (i.e., the way in which one unit in a population comes to resemble other units) (Simmons and Elkins, 2004; Walker, 1969). Policy transfer differs from the first two of these as their analytical focus is on effects rather than processes (Knill, 2005), and thus they pay less attention to political agency. Indeed, the dependent variable in transfer is content and/or process, rather than similarity of change in convergence and institutional isomorphism. Policy diffusion shares some characteristics with transfer, however, diffusion researchers are interested in adoption patterns and so tend to have more of a large-N focus and less emphasis on the political agency of actors involved in the transfer (Marsh and
Sharman, 2009). While policy transfer research often privileges agency, it is understood that actors do not operate in a vacuum; institutions mediate and constrain the impact of actors and knowledge about ‘new’ policies is understood via existing systems (Evans and Davies, 1999; Ladi, 2005).

As with the public policy literature more generally, less has been written about what makes policy transfer successful. This is not to say that there has been an absence of work in this area. Dolowitz and Marsh (2000) emphasized the importance of a rational understanding of the borrowed policy and what made it work, stating that uninformed, incomplete and/or inappropriate transfer was likely to lead to policy failure. There has also been literature which has problematized the idea of success and acknowledged the difficulties of defining the concept, for example, Robertson (1991) stressed the importance of context in his suggestion that policy transfer is more likely to be successful in cases where the policy reflects the dominant political ideology of the borrower. Marsh and Sharman have also drawn attention to the fact that power relations mean that ‘we should not expect government, politicians, civil servants, interest groups, citizens etc. to all agree on whether or not any aspect of a particular policy is successful’ (2009: 284). On this basis, studies of policy transfer (Marsh and Sharman, 2009; Marsh and McConnell, 2010; Fawcett and Marsh, 2012; Park et al., 2014) have drawn upon research into policy success which advocates the use of frameworks that identify different indicators of success (Bovens, t’Hardt and Peters, 2001; Bovens t’Hardt and Kuipers, 2006). At their broadest these could be seen to include process (consideration of available policy alternatives, consultation of interests and transparent decision making), programmatic (effectiveness, efficiency and resilience) and political indicators (lack of political upheaval and public satisfaction with policy or confidence in authorities and public institutions). Though success is seen as possible, it is certainly not straightforward to measure,
and there is a need for further studies which shed light on processes that increase the chances of policy success or failure.

As a range of actors may play a role in determining a policy’s chances of success, interaction between a borrower government and interest groups can be significant in the sense that cooperation and support from interest groups is more likely to result in a successful policy (Marsh and McConnell, 2010). Indeed, it would appear that the support of stakeholders is usually required in order to satisfy process and political indicators of success, as these require consultation of interests and a lack of political upheaval. Similarly, the support of stakeholders is often essential to the effective functioning of a policy, and hence its programmatic success. Nevertheless, the literature has less to say about how this cooperation and support can be achieved. More specifically, less has been written about how the following impact on the success of policy transfer: (1) the effects of different understandings between borrower governments and domestic policy stakeholders of the ways policies work in their ‘original’ contexts, and (2) efforts to overcome these differences.

While a number of policy transfer studies have emphasized government level interactions (Dolowitz and Marsh, 1996, 2000), the wider policy literature has noted that lack of appreciation for the role of stakeholders in the policy process may result in difficulties devising solutions to seemingly intractable problems (Reich, 1988), as well as hindering implementation (Thomas, 1995). In addition, the policy transfer heuristic has been criticized for taking a straightforward view of communication by researchers who take a social constructivist standpoint, which emphasizes that policies may be interpreted differently due to inter-subjectivity (McCann, 2011; McCann and Ward, 2012; Peck, 2011; Johnson and Hagström, 2005; Carstensen, 2010; Lendvai and Stubbs, 2007). Policy transfer researchers have responded by paying more attention to the ways that policies change as they move, are
implemented and embedded, as well as the role that persuading domestic stakeholders plays in this. For example, Stone (2012) discusses the extent to which existing policy processes and socio-cultural conditions impact upon transferred policies and the way in which policies develop over time. However, studies connecting these debates to the success or failure of policies are few in number (Park et al., 2014). The present study suggests that more needs to be done to explore these links, as different understandings between government and stakeholders of the ways in which a candidate for policy transfer operates may mean that there is no firm basis on which to build subsequent discussions, and also that it is more difficult to reach agreement, let alone introduce policies which are widely perceived as successful.

Government efforts to reduce differences in understanding have been documented (Simmons, Dobbin and Garrett, 2008). Yet, research into this area often highlights ways in which information available to governments is not fully disclosed to stakeholders, thus reducing opportunities for them to make informed decisions and feedback their views. Instead, governments may have attempted to stress tenuous similarities between the original policy and their own in order to lend the weight of evidence to their plans (Peck, 2011), or focus attention on the need to keep up with the latest developments (Robertson, 1991; Bennett, 1997). In contrast, an attempt was made by Park et al. (2014) to discuss the ways in which two-way communications can be used to minimize differences of understanding. They draw upon public relations theory to explicate the need for balanced two-way communication, both between the borrower and lender governments, and policy makers and stakeholders in the borrower context. They suggest that the benefits of this are not only to understand the original policy, but also to work towards programmatic and political success through adapting transferred policies to address the needs of the target population. Without two-way
communication between governments there is likely to be uninformed, incomplete and inappropriate transfer (Dolowitz and Marsh, 2000), and borrowers may find it difficult to assess the quality of information which they are presented with (Wolman and Page, 2002). Yet, Park et al. (2014) go beyond calling for two-way communication between governments by suggesting that there is also a need for two-way communications between borrower governments and stakeholders. Drawing on the model of symmetrical two-way communication outlined by Grunig and Hunt (1984), they advocate communication between government and the public to deepen understanding rather than simple persuasion. In what they term democratic policy translation, governments encourage citizen participation and welcome interpretations which reflect citizens’ own contexts (Dryzek, 2000), in order to undertake the necessary modifications and adaptations for policy to work in its new context. Though this end goal would be appreciated by other policy transfer researchers, the previous literature has generally had less to say about the communicative processes involved. Still, beyond their case studies of efforts to transfer congestion charges to Greater Manchester and Stockholm, their approach is untested.

Despite the lack of research in this area, the above discussion indicates that feedback from domestic stakeholders may increase the chances of policy success through helping to bring government and stakeholder understandings closer together. While a clear understanding by government of the way a borrowed policy works in its original context is important (Dolowitz and Marsh, 1996, 2000), the present study suggests that a thorough understanding by stakeholders, along with agreement on key areas by the two parties, can also play a vital role in ensuring that policies achieve their aims. As such, this study proposes a complementary approach where a rational understanding of what is transferred is combined with two-way communication between government and domestic policy stakeholders. The
next section applies this approach to an empirical case: Korea’s transfer of ACE.

III. Case Analysis

A. Case background

The Korean government introduced a new art support system in 2003, largely in response to artists’ lack of autonomy in the decision making process. In particular, there was a legacy of art support policy being used as a propaganda tool under three decades of military rule (from the Park Chung-Hee Administration, beginning in 1961 to the Roh Tae-Woo Administration, which ended in 1993). The KCAF was founded in 1973 and oversaw a system where the recipients of financial support were chosen not on the basis of excellence or cultural democracy, but rather according to the preferences of the military elite, which led to unfair fund distribution and artists performing favours for government. Thus, the autonomy of artists, particularly in terms of enhancing cultural democracy, was severely restricted.

Although art support policy appeared to be oriented toward achieving excellence, in practice the nepotistic system meant that excellence was not an immediate priority. Understandably, apart from the few with close relationships to government, many artists felt that their creative autonomy was shackled. The system did not begin to change until the mid-1990s (Choung, 1993). Following the end of military rule, campaigns for cultural democracy and fair distribution of funds began to gather pace. The Korean government gradually began to accept the problem, particularly from the Kim Dae-Jung Administration (1998-2003) onwards, not least because of President Kim’s support for cultural democracy. At this time, both government and artists came to agree that changing the system from foundation to council would be the best way of ensuring artistic autonomy (i.e., decisions about what to create, funding priorities and how to ensure citizen access to the arts). This is because
decision making power could be more widely dispersed under a council, and artist participation could be better facilitated. In contrast, under the old foundation system, a single government appointed decision maker decided where funds would be spent.

Since autonomy is an abstract concept, it was necessary to utilize a more practical device which could be understood by government and artists alike. Ultimately, it was decided that the arm’s length principle, as used in England, was the most suitable device. However, arm’s length does not mean unrestricted autonomy; rather it requires taking responsibility that public money is effectively distributed to artists to make great art for everyone. This is the starting point from which the government and artists began to build their respective understandings of ‘arm’s length’ or autonomy.

B. Analysis of policy transfer processes between the English and Korean governments

a. Transfer of the arm’s length principle, circa 1997 to 2002

Since the old system had been maintained from the early 1960s largely without modification, there was no experience of policy change in arts support policy in Korea. Thus, the Korean government attempted to learn from successful overseas cases, including ACE (MCT, 2003b; Presidential Advisory Committee for Policy Planning, 2008). Still, the decision to borrow the English model did not occur overnight. The MCT and affiliated think tanks had been gradually learning about the English system since the early 1990s. For example, a policy report titled ‘Activities of Leading Countries’ Culture and Art Promotion Institutes’ (Korea Cultural Policy Institute (KCPI), 1997) introduced mechanisms of the English art support

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4 The English arts support system has been seen to utilize the arm’s length principle to encourage the autonomy of artists. John Maynard Keynes, who played a key role in establishing the Art Council of Great Britain in 1946, has been credited with first articulating the principle (Fisher and Figueira, 2011). In practice, the principle has been supported by the belief that as an arts support agency, Arts Council decisions about who and what to support with public funds should be free from political intervention (Quinn, 1997). The principle has been increasingly set down in management standards for various cultural agencies in England (Fisher and Figueira, 2011; Lee, 2012).
system, including the arm’s length principle, grant-in-aid and the National Lottery system.\textsuperscript{5} Moreover, as evidenced by our interviews with managers in the MCT and KCAF, a considerable number of MCT civil servants were sent abroad to study at government expense, with the aim of experiencing diverse arts and cultural policies.

‘By the 1990s, public officials at MCT had already started studying overseas to learn about policies aimed at boosting arts and culture from advanced countries including England and the USA’. (Interviewee 1)

‘Research based on England’s arts and cultural policies was available since the initial study in the 1990s by the Korea Culture and Tourism Institute. Also, the organization KCAF was aware of the way ACE operated. Further research on overseas cases still continues to this day’. (Interviewee 6)

From these experiences, MCT civil servants were gradually able to increase their knowledge about English art support policies, and the arm’s length principle in particular. MCT civil servants learned of the arm’s length principle in the early 1990s and it was introduced in Korean arts and culture policy as President Kim Dae-Jung fulfilled the pledge that he made in both the 1992 and 1997 elections to ease government control.\textsuperscript{6} However, Kim Dae-Jung was not alone in his determination to ensure autonomy of the KCAF and to end its instrumental use (i.e., propaganda for legitimacy),\textsuperscript{7} as the following excerpt from an interview with a task force member/policy adviser to the Minister of Culture and Tourism illustrates:

‘Despite the fact that the new Roh administration raised the issue of KCAF’s autonomy, it had already become a hotly debated topic in the mid-to-late 90s that stakeholders in art circles were already familiar with. Thanks to the arm’s length principle proposed during the Kim Dae-Jung administration, many were already in agreement with the transition of ARKO’s stance towards greater autonomy’. (Interviewee 5)

\textsuperscript{5}The KCPI was renamed the Korea Culture and Tourism Institute (KCTI) in February 2007.
\textsuperscript{6} More specifically, Kim Dae-Jung pledged that KCAF would: 1) promote the autonomy of artists, 2) abolish government censorship, 3) limit the role of government to administrative support (Kyunghyang, 1997).
\textsuperscript{7} The Kim Dae-Jung administration reaffirmed this principle by virtue of the “New Culture and Tourism Policy”, which announced in 1998 that the government would attempt to increase the strength of cultural programmes through the arm’s length principle (MCT, 2001: 28).
Ultimately, the arm’s length principle became a cornerstone of the new art support policy. However, it was clear that a new support system and operational level knowledge were required for the policy to be effective. The subsequent presidential election campaign saw Roh Moo-Hyun promise a new support system through the introduction of an art council. More generally, the demands of artists for increased autonomy and participation were a good match for Roh’s policy orientation which emphasized autonomy, decentralization and participation across government. In May 2003 the newly elected President Roh was able to fulfill his campaign pledge by issuing a presidential order to the MCT to establish ARKO.

b. Transfer of the support system, April to July 2003

In order to execute the policy order of President Roh Moo-Hyun, the MCT organized a task force to produce a policy draft. This draft not only referred to the English system (i.e., Arts Council England), but also clearly drew upon it (MCT, 2003b). The five members of the task force (two from MCT, two from KCAF and one from the private sector) were well aware of the English policy (MCT, 2003a). The first four members, as employees of the MCT/ an MCT affiliated agency can be expected to have been familiar with the English system due to discussions within their organizations. Furthermore the civil servants continued to update their knowledge of the way the system worked in England, as an interview with a task force team member revealed:

‘Public officials designing Korean culture and art policies then had good knowledge of ACE and they actually referred to a large proportion of recent ACE cases from KCTI publications when developing them. Some officials had been studying the cases in the UK, while others studied the system from Korea’. (Interviewee 4)

Among the various parts of the policy which were transferred, the role of artists in the council
is worthy of particular attention, as enhanced autonomy was a key reason for drawing on the English case. To understand the role of artists, however, it is necessary to unpack the organizational structure of ACE, which is composed of both executive and non-executive members. While the role of the former is to develop the long-term strategy and ensure its implementation, the role of the latter is to provide macro direction for ACE through setting the mission, objectives and priorities; to approve the corporate plan, grant-in-aid and lottery accounts, and to monitor delivery of strategies. ARKO is similarly composed of executive and non-executive members. The role of the former is to develop the art support plan and monitor implementation of the plan, whereas it is the responsibility of the latter to decide on the operating plan and distribution of funds. This study focuses on the non-executive part of the Council, as this is where the artist representatives serve.

As shown in Table 1, the principle and policy goals were transferred from England to Korea, however, the role of non-executive council members was not transferred (initially at least). Rather, in the draft policy, the role of artist representatives reflected the specific situation in Korea (i.e., a concern about how to select beneficiaries of financial support).

| Table 1: Art Support System Transfer from ACE to ARKO in the Task Force Draft Policy |
|---------------------------------|------------------------------|-----------------|
| ACE                             | Cf. ARKO                     |
| Principle of art and cultural support policy | Arm’s length but hands on = Arm’s length but hands on |
| Policy goal                     | Both excellence and cultural democracy = Both excellence and cultural democracy |
| Role of non-executive council members | - Policy formulation, decision making and evaluation ≈ - Policy decision making |
|                                  | - Determining macro level direction (mission, objectives, and priorities) | - Deciding ARKO’s operating plan and distribution of funds |
|                                  | - Approving the corporate plan as well as grant-in-aid and lottery accounts |
|                                  | - Monitoring ACE strategy delivery |

Source: Adapted from MCT (2003a, 2003b)
More specifically, ACE is concerned with macro direction and strategy, but specific issues such as the selection of grant recipients and the amount of funds assigned to particular organizations are not addressed. This can be contrasted with the role of ARKO, which is limited to decision making about the plan and distribution of funds, as policy formulation and evaluation are the responsibility of the MCT, as illustrated in Figure 1 (MCT, 2003b).

Figure 1: Role Division between MCT and ARKO in the Art Support System

Source: MCT (2003b: 84)

c. Transfer of knowledge at the operational level, August 2004

Learning about the English system continued, and ultimately fed into the revised version of the bill and its management. Between 2\textsuperscript{nd} and 9\textsuperscript{th} August 2004, several MCT and KCAF employees visited ACE London and South East offices, Tate Modern, DCMS, and the Scottish Arts Council. The aim of visiting these principal arts support policy organizations
was to learn more about their practical organization and operation (KCAF, 2005), as our interview with a former senior manager at the KCAF supports:

‘Back in 2004, when the foundation of ARKO became a realistic option, government officials made the effort to acquire more concrete knowledge on a practical level by visiting the UK. They did hands-on research on the way the UK organizations or programs were run as well as the set of rules and regulations in place’. (Interviewee 3)

The visit included in-depth interviews, site visits and data collection. MCT and KCAF learning is summarized in Table 2. Learning at the instrumental level included several operational issues such as the use of grant-fund performance indicators, the operation of sub-committees and collaboration among local authorities. In addition, they were also able to confirm the meaning of the arm’s length principle (policy goal) and composition of council members (content).

Table 2: Summary of MCT and KCAF Learning from the August 2004 UK Visit

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<th>Date</th>
<th>Visit</th>
<th>Interviewee</th>
<th>Learning</th>
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<td>2004.</td>
<td>ACE (national council)</td>
<td>David McNeill (Director of Press and Public Affairs)</td>
<td>- Council composition process</td>
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<td>8. 3</td>
<td></td>
<td>Doreen Foster (Head of the Chief Executive’s Unit)</td>
<td>- Council decision making process</td>
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<td>- Advisory Panel</td>
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<td></td>
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<td>- Decision for support beneficiaries</td>
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<td></td>
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<td>- Operating programs: arts organizations, project funding</td>
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<td>- Relations with regional council</td>
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<td>- Personnel management.</td>
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<td>- Funding Agreement, Lottery fund, performance management,</td>
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<td></td>
<td>organizational reform,</td>
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<td></td>
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<td>unification of regional arts councils, social responsibilities</td>
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<td>2004.</td>
<td>Tate Modern Gallery</td>
<td>Adrian Hardwicke (Head of visitor services at Tate Modern)</td>
<td>- Construction background</td>
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<td>8. 3</td>
<td></td>
<td></td>
<td>- Information about state of visitors and economic effect</td>
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<td></td>
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<td></td>
<td>- Management</td>
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<td>2004.</td>
<td>Arts Council England, South East</td>
<td>Felicity Harvest (Regional Executive Director)</td>
<td>- Support projects and management (e.g., Funding Ambassador, Ball Room Project)</td>
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<td>8. 4</td>
<td></td>
<td>Richard Russell (Director of External Relations and Development)</td>
<td>- Local situation, cooperative mechanism with local governments</td>
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<td></td>
<td>Judith Hibberd (Senior Officer-</td>
<td>- National council/Advisory committee relations</td>
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<td>- Unification of regional arts councils</td>
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<td>2004. 8. 4</td>
<td>DCMS</td>
<td>David Fitzgerald</td>
<td>Head of Arts Education</td>
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<td></td>
<td></td>
<td>Fran Love</td>
<td>Policy Advisor, Arts Funding and Organization Branch</td>
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<td>Bruce Hellman</td>
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<td>Julie Cabrol</td>
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<td>2004. 8. 6</td>
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<td>Graham Berry</td>
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<td>Moira Gibson</td>
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<td></td>
<td></td>
<td>Iain Munro</td>
<td>Head of Capital Lottery</td>
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</table>

Source: Adapted from KCAF (2005)

Along with influencing the content of the revised bill, this knowledge also subsequently fed into discussions about how to manage ARKO. From February to July 2005, the group, which was officially set up at the request of the bill, consisted of seven outside experts and seven MCT and KCAF employees. In the 10 meetings which were held to prepare for the August 2005 launch of ARKO, the key points discussed were 1) to explain and review the Presidential Decree from the revised bill, 2) composition of the personnel recommendation committee, as well as the council’s composition and management, 3) performance evaluation methods, 4) management of KCAF arts and culture facilities, 5) composition and management of sub-committees, 6) the public relations plan, 7) articles of association, 8) organization and operation of the secretariat, 9) how to ensure professionalism of the secretariat, 10) the opening ceremony (ARKO, 2005).
In the discussions, the group members endeavoured to adapt their knowledge of the English policy to the Korean context. For example, due to their level of expertise regarding funding decisions, ACE staff had the authority to decide who to allocate arts funds to. The level of budgetary control varied by position: Directors could make decisions on amounts up to £25,000, while for the Senior Management Team /Executive Directors this figure went up to £250,000, and Executive Board or Sub Group Members could allocate amounts over £250,000) (KCAF, 2005: 5). This system was seen to support efficient decision making processes and reduce the time and cost of application procedures through dispersing budgetary authority among a range of staff. In contrast, the ARKO secretariat was seen as lacking the required professionalism to judge arts excellence and cultural democracy, and so the group recommended that sub-committees decide fund distribution in the Korean context. As such, group meetings discussed ways to encourage participation from the art sector and ways to facilitate an active role for sub-committees in decision making relating to various branches of the arts.

In England, government funding is received from the DCMS, and requirements are laid out in funding agreements including the broad framework within which ACE operates (i.e., governance and accountability, council member’s responsibility, managing public money, risk management, business planning) (ACE, 2016). The relationship between DCMS and ACE is set out at each level, with DCMS taking more of a performance evaluation role to assess whether ACE follows the funding agreements. In Korea, however, clear performance goals and indicators for arts policy as a whole had not yet been introduced. Rather, ARKO received overlapping evaluations (i.e., fund management evaluation, a government-affiliated institute evaluation, and program assessment rating tool) from several governmental agencies.
(including the Ministry of Planning & Budget, MCT, National Assembly, and the Board of Audit and Inspection) (ARKO, 2005). While discussions focused on making effective evaluation systems like for funding agreements in England, consideration of other evaluation programs and how to avoid duplicating evaluations was required. In time, it was decided that MCT and ARKO should be monitored through indicators tailored for the Korean situation, which reflected the ‘New Arts Policy’(Yesuleui Him) or ‘Creative Korea’(Changeui Hanguk).

Analysing the case according to the extent to which the Korean government had a rational understanding of the English policy, we can see that the principle was transferred first, and that learning subsequently deepened, with the result that over time, the transfer expanded to include the support system and knowledge at the operational level. There were clear efforts by the Korean government to understand the policy, as demonstrated by MCT and KCAF’s interviews on a range of operational matters with several British organizations. Moreover, the policy was not slavishly copied, and there were attempts at adaptation to the Korean context. In this way the extant policy transfer literature is useful for exploring the case thus far. However, after the decision was made to implement the policy, it became clear that artists’ understanding of the arm’s length principle differed from that of the MCT, and this resulted in opposition to particular aspects of the policy. These issues, which will be discussed below, ultimately meant that the system was not as successful as originally intended by the Korean government. From a theoretical perspective, while it is difficult to explain these developments through analysing learning from lender governments alone, borrower-stakeholder communication offers a useful analytical lens.

C. Analysis of policy transfer processes between domestic policy stakeholders

a. Different understandings and utilization of the arm’s length principle
Although the arm’s length principle had been extensively studied and accurately transferred by the MCT, artists’ understanding of the principle differed from that of government. Artists’ understanding of the term was more concerned with ‘autonomy’, how to avoid government prescription, or gaining the authority to make key decisions in the support system.

Government acknowledged that autonomy means guaranteeing the right of artists to participate in the decision making process, but took the perspective that participation should be limited to discussions of fund distribution. In this way, government aimed to improve citizens’ quality of life by balancing cultural democracy and excellence. In practice, this meant dividing the principle into two parts, 1) the arm’s length part (i.e., decisions on fund distribution would be made by artists), and 2) the hands on part (i.e., government monitoring of service delivery). The thinking behind this application of the principle was explained by a task force member as follows:

‘Some artists view the government’s support for creative art as a form of censorship because of possible interference with creative activities. The arm’s length principle means that while government encourages creative work, it needs to ensure autonomy without censoring or interfering with them. This does not mean government’s support involves outright non-interference from government. However, a large number of artists have viewed the role of government as a mere supporter, which does not involve management, and they occasionally abused the principle to some extent. What matters in this principal is to ensure and verify whether the government’s support was put to good use, serving the original purpose as intended’ (Interviewee 4)

The former senior manager of the KCAF interviewed for this study similarly argued that the artists interpreted arm’s length as having the power to decide how to distribute the art support fund, and also having full control of performance evaluation:

‘When ARKO was being formed, members of the council maintained that they were given full authority, believing that they were entitled to be involved in all decision-making process. From their viewpoint, the shift from a government-led to professional artists’ agreement-based system meant that individual council members could be fully in charge of practical matters’. (Interviewee 3)
In addition, it should be noted that artists interpreted the arm’s length principle as the basis of a formal rule, despite the principle operating more as an informal mechanism in England (Lee, 2012). Based upon our interviews with members of the MCT’s task force, it would again appear that they had a clear understanding of how the English system operated and the differences in context between the two countries:

‘What sets the English administrative system apart from Korea is that it is based on administrators’ trust. In England, officials’ discretion can often be more highly respected than stated rules and regulations, which is not the case in Korea. In contrast to England, which is often said to be a country without a written constitution, Korea has a written constitution. That means unless stated in the law everything else is regarded as against the law. The English officials possess the discretionary power to interpret a given situation on their own. This can lead to rational decision-making. Having discretionary authority can also make significant differences in results. Though ACE and ARKO look similar in shape, say like trees, they are two different organisms and not likely to bear the same kinds of fruit’. (Interviewee 4)

In sum, different understanding of the arm’s length principle, especially autonomy, by the government and artists left grounds for disagreement regarding the extent of involvement in the new system. Later in the legislative process, the issue re-surfaced as a debate over who possesses the authority to choose and appoint the council members. While artists thought that they had this authority (as they saw it as part of the art support system), the government interpreted that selection of council members fell under the ‘hands on’ part of the principle. Over time this issue evolved into a larger problem, as will be discussed in the next section.

b. Civil servants’ active utilization of transferred knowledge to persuade politicians

When the policy draft was under discussion in the National Assembly the autonomy issue re-emerged, this time in relation to the appointment of council members. According to the original draft, the Minister for Culture and Tourism would have had authority to appoint all of the council members. Since council members are selected to represent the various branches of
the arts, artists were concerned that the government may overlook particular branches, that funds would be distributed unequally, and that, rather than representing the interests of artists, council members would act more as government underlings. On the basis of their understanding of arm’s length, artists were very reluctant to accept this matter. Rather, there was a belief that they should have the autonomy to decide which branch of the arts should be represented, and who the actual representatives would be, particularly due to their practical experience of the arts and culture field. In response to the government’s draft, artists suggested that instead of the government deciding the shape of the council, each branch of the arts should be represented.

Heeding the concerns of artists, a number of politicians (mostly from the main opposition party) criticized the bill in the National Assembly. In response to this criticism, the MCT utilized evidence derived from their knowledge of the English system to persuade the National Assembly members. More specifically, through disseminating information about the authority of the Secretary of State for Culture, Media and Sport to appoint all members of ACE, the MCT argued that theirs was not an exceptional case. In addition, rather than focusing on their own role, the MCT sought to stress members’ accountability, independence from government and their responsibility for decision making (MCT and KCAF, 2004). These efforts to legitimize the role of the MCT in the appointment of ARKO members included addresses from the Vice Minister for Culture and Tourism (National Assembly, 2004a) and the Head of KCAF (National Assembly, 2004b) to the National Assembly, and consistently drew upon the English case as a source of evidence, as did the speeches of other ruling party members (National Assembly, 2004c). However, these efforts to persuade politicians were only partly successful because a number of National Assembly members, while agreeing in principle with the appointment council members by the Minister of Culture and Tourism,
sought the inclusion of a mechanism for the prevention of arbitrary government decision making.

In order to settle this issue, the main opposition party then proposed an alternative appointment system: A ‘recommendation committee’, whose membership would be negotiated between the ruling and opposition parties, to choose from among potential candidates. In turn, this led to the proposal of a compromise plan by the government, which was eventually passed by the National Assembly. Under the government’s new plan, there would be a ‘recommendation committee’, but members were to be selected by the MCT. The committee would consider representatives from various branches of the arts and recommend two candidates for each position to the Minister of Culture and Tourism, who would appoint 11 council members from among 22 candidates to represent branches such as literature, visual arts, theatre, dance, music, traditional art and interdisciplinary art (ARKO, 2013).

Ultimately, these efforts proved fruitful, as the National Assembly passed the compromise plan. However, there was an unanticipated consequence, in the form of infighting among the council members, with each claiming that their branch of the arts was most significant in terms of enhancing cultural democracy (i.e., increasing the public’s interest in and access to arts and culture), and therefore should be prioritized for the early receipt and largest amount of financial support. The subsequent unequal distribution of funds, highlighted in Table 3, was at times regarded as unfair. For example, the large amount of support given to literature in comparison to other branches of the arts has been attributed to the chairman of the council having a background in literature (Yonhap News, 2006).
Table 3: Fund Distribution by Branch of the Arts, 2005

<table>
<thead>
<tr>
<th>Branch</th>
<th>Number of projects supported</th>
<th>Percentage of projects supported</th>
<th>Amount (Unit: 1000 KRW)</th>
<th>Percentage of total budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Literature</td>
<td>164</td>
<td>47.0</td>
<td>1,500,000</td>
<td>36.2</td>
</tr>
<tr>
<td>Visual art</td>
<td>73</td>
<td>20.9</td>
<td>738,500</td>
<td>17.8</td>
</tr>
<tr>
<td>Theatre</td>
<td>42</td>
<td>12.0</td>
<td>492,000</td>
<td>11.9</td>
</tr>
<tr>
<td>Dance</td>
<td>35</td>
<td>10.0</td>
<td>674,000</td>
<td>16.3</td>
</tr>
<tr>
<td>Music</td>
<td>35</td>
<td>10.0</td>
<td>735,000</td>
<td>17.8</td>
</tr>
<tr>
<td>Inter-disciplinary art</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>349</td>
<td>100</td>
<td>4,139,500</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: National Assembly (2006: 54)

Furthermore, sub-committees of five to seven members were established for each branch of the arts, with decision making powers for the distribution of funds allocated to their particular branch. Thus, the problems associated with the selection of committee members were recreated at the sub-committee level as various branches sought representation in order to improve the chances of receiving funds. From the government perspective, the compromise deal was always likely to result in unfair fund distribution. These concerns were raised in an interview with a former senior manager at the MCT:

‘Staff in ARKO can be bureaucratic and public officials tend to be objective in decision-making. By contrast, artists have a tendency to favour their own genres. This often makes their decisions on the granting of funds lack objectivity and is highly likely to lead to biased choices based on narrow viewpoints’. (Interviewee 2)

Based upon the case description, it would appear that, despite the efforts of government and stakeholders, unequal fund distribution remained a problem after the increase of artist autonomy. However, there was a shift in the reasons for this, from political favouritism to branch egoism. An analysis of feedback processes between the borrower government and artist stakeholders offers an explanation of the process as a lack of two-way communication at the early stages meant that the policy was originally formulated without taking stakeholder values into consideration, and therefore without a full appreciation of the domestic context.
This meant that there was substantial modification of the policy at the legislative stage, which resulted in negative side effects and ultimately, further substantial revision of the policy. The policy transfer processes of the art support system are summarized in Figure 2, below.

**Figure 2. Policy Transfer Processes**

The first stage of policy transfer was mostly the transfer of ideas, in the form of the arm’s length principle for the purpose of clarifying the meaning of autonomy. Although communication was one-way, the transferred ideas had a positive impact in terms of establishing cultural democracy as a starting point for the new policy. In the second stage, the Korean government gained operational level knowledge by visiting England. The main positive effect of the transfer process at this stage was the reaching of consensus on the necessity of moving from a foundation to committee structure. However, in the third stage of policy transfer, different understandings of the arm’s length principle emerged between government and artists, which undermined the success of the policy: After the policy draft was submitted to the National Assembly, government communication focused on persuading Assembly members, rather than two-way communication with artists.
From the government perspective, the lack of two-way communication with stakeholders can be partly attributed to the timeframe for the policy process, which is an influential factor when it comes to the quality of decision making (Berrick et al., 2015; Segrave, 2015). As the introduction of a new art support system was one of the key policy pledges of President Roh, the government faced time pressures. In contrast, artists wanted more time to discuss the policy in detail, but this was not to be (Digital Times, 2003)\(^8\).

IV. Discussion and Conclusion

Examining the Korean government’s transfer and adaptation of ACE from the perspective of rational understanding of the English policy highlights the serious efforts made by the Korean government to get to grips with the English policy and the way in which government learning deepened. Over time the transfer expanded from the arm’s length principle to also include the support system and knowledge at the operational level in order to get the system to work. As such, an inter-governmental focus as emphasized in sections of the policy transfer literature (Dolowitz and Marsh, 1996, 2000) is useful for understanding the early stages of policy formulation in this case. If the story finished at this point, there would be no problem in drawing upon this literature to decipher what had happened: Thorough knowledge of the English policy assisted the Korean government in introducing a policy which achieved the aims of increasing autonomy and achieving excellence. The research undertaken by the Korean government meant that the intended transfer appeared to be informed, complete and appropriate, and thus unlikely to result in failure (Dolowitz and Marsh, 2000). The policy seemed as if it would be a success according to process, programmatic and political indicators, particularly as it came on the back of popular support for democratization of arts

\(^8\) Along with the composition of committee members, other areas of contention included the direction of support policy, transfer of powers, and budget security (Kyunghayng Shinmun, 2003).
and culture policy, it would improve the effectiveness of fund distribution, and there were no signs of political upheaval. The story continued though, meaning that the transfer was no longer straightforward to explain on this basis.

Later developments in the form of branch egoism and unequal fund distribution are more difficult to explain from the perspective of borrower-lender communication. Similarly, the policy transfer literature which points to the importance of cooperation and support from interest groups would only be of limited use as it does not go into detail about how this can be achieved (Marsh and McConnell, 2010). Analysis of feedback processes between Korean government and stakeholders can provide a useful lens. In particular, as the Korean government only sought to inform stakeholders of the specific workings of the policy, rather than engaging in two-way communication, it emerged that not enough adaptation of the policy had taken place in order to ensure that the details of the system reflected the values of stakeholders. Different understandings, especially of the arm’s length principle meant that artists called for more autonomy, while the MCT attempted to use knowledge of the English system in order to persuade opponents. When the MCT did eventually take these views on-board and modified the policy, stakeholder influence was only felt indirectly via the main opposition party in the National Assembly. Little effort had been made at direct two-way communication in order to consider artists’ values and overcome differences in understanding. When viewed through this lens it is unsurprising that the system introduced under the compromise plan, which used a recommendation committee to identify prospective council members in lieu of direct selection by the Minister of Culture and Tourism, still did not work as intended and further modifications were required.

It is important to acknowledge that while we have focused on agency factors, there may be structural reasons which affect the degree of policy success (Stone, 1999; Ladi, 2005).
Artists’ distrust of government accumulated from past experiences under military rule due to severe censorship and politically motivated fund allocation. In an attempt to overcome the distrust, the government continued to stress how the arm's length principle would facilitate autonomy. However, when it came to the details, the government's efforts were seemingly focused more on temporary expedients rather than pinpointing what the artists wanted. For example, when the artists requested revision of the appointment system, which was key to prevent unnecessary government intervention, the government responded by arguing that the system of appointing committee members is the norm internationally, and cited the case of England’s ACE to add legitimacy to their claims. Therefore, mutual trust could be a necessary but not sufficient condition for fluent two-way communications between government and policy stakeholders.

Trust takes time to develop, particularly in circumstances such as this, where there is a legacy of distrust built on the history of government institutions under military rule. By persevering with two way communications with stakeholders, changes can be achieved over time which support the successful adaptation to context of transferred policies. Clearly, this requires working to a timescale which suits not just government, but wider stakeholders too. If a longer timeframe had been employed, the concerns of artists could have been addressed and details of the policy discussed. Although it takes time, government should prioritize discussions with policy stakeholders, adjusting timeframes as necessary in order to maximize the positive impacts of policy and address the process and political indicators of success (through consultations of interests and lack of political upheaval) (Bovens et al., 2001).

The findings suggest that our approach can be used to complement the extant literature on policy transfer. Though drawing upon previous policy transfer research helped to clarify the overall process and to understand the extent to which the Korean government
learned from its British counterpart, a consideration of stakeholder feedback was able to clarify the reasons for the negative effects of the policy transfer process and why the policy was not as successful as had originally been hoped. As has been noted, two-way communications are not necessarily straightforward to achieve at a practical level, and are influenced by the ways in which institutions operate over time, and also the ways in which people interact with these institutions. From a research perspective, considering the role of stakeholder feedback in policy transfer processes requires paying greater attention to the timeframe of policy transfer studies. Extending the timeframe may lead to very different findings, as suggested by Peck and Theodore’s (2012) use of a distended case approach. Our findings also support those of Dussauge-Laguna (2012), who emphasized the need to bring an awareness of the temporal dimension back into studies of policy transfer.

A limitation of this study is that it investigates a single case and there therefore may be limits to the extent to which the findings can be generalized. An investigation of the policy transfer literature reveals that there are a number of cases in which the transfer process was relatively straightforward and the policy could be labelled a success. There are also accounts of policy failure which are adequately understood on the basis of the borrower government’s lack of knowledge of the original policy and the way it works in its original context, or by not transferring key parts of the policy or programme (Dolowitz and Marsh, 1996, 2000). Nevertheless, this study does serve to highlight that, in some cases at least, there is a need for further investigation of feedback processes.

The reasons behind the degree of success in policy transfer continue to be difficult to define and we do not pretend to have found all the answers. Still, the results of the case analysis lead us to the conclusion that two-way communication between government and stakeholders increases the chances of policy success. However, depending on the wider
context, achieving effective two-way communication may take time. There is a need to pay greater attention to the role of stakeholder feedback (and how this can be promoted) in future studies of policy transfer. On a more practical level, governments wishing to transfer policies would do well to consult stakeholders early in the transfer process, as it is through such practices that they are able to modify and adapt the policies as necessary. A degree of perseverance may be required as ways of working are adapted and trust is built. This is particularly the case for contentious areas, yet the reward could be policies which not only use knowledge from other political settings but are well adapted to their new context.

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**Interviews**

Interviewee1: a former secretary manager at the MCT, 24 October 2012, conducted by author 1.

Interviewee2: a former senior manager at the MCT, 22 November 2012, conducted by author 1.

Interviewee3: a former senior manager at the KCAF, 19 January 2013, conducted by author 1.

Interviewee4: a former Task Force Member, 12 March 2013, conducted by author 1.

Interviewee5: a former Task Force Member/Policy adviser to the Minister, 25 April 2013, conducted by author 1.

Interviewee6: a former KCAF (ARKO) manager, 11 March 2013, conducted by author 1.