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Political Sociology of the Policy Process

*Policy Process in an Authoritarian Developmental Regime:
Politics of Bureaucracy in South Korea, 1961-79*

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Abstract

South Korea was one of the most celebrated cases of the East Asian developmental states. Many observers argue that the state was strong and autonomous, and its capacity was exceptionally high. Yet the actual policymaking process there has scarcely been studied in detail. While a developmental state model is gaining some popularity in the field of development these days. This paper is to fill the gap by looking at the process of economic policymaking under the Park regime (1961-1979), the most typical era of Korea's developmental state. It looks into the institutions of the Korean public administration and policy process, and tries to apply theories of bureaucratic behavior and policymaking in order to explore how the actors behaved in such an environment.

One of the main findings is that institutions were well-structured so that bureaucrats and ministers worked extremely hard in competition with one another. Major policy changes were accompanied by changes in power configuration which were the result of politics. The hinge of the system was the all-powerful president with a firm commitment to realizing development.

<keywords> South Korea, developmental state, politics, bureaucrats and ministers

Introduction

South Korea was one of the most celebrated cases of the East Asian developmental states, which had successfully brought its small, resource-poor agrarian economy to one of the most dynamic and advanced industrial powers in the world only in a few decades. Many observers have explored how and why it could do so, and a main thesis is that its state capacity was high: important institutions including its state bureaucracy were well-established and functioned well in making and implementing good

and appropriate policies. The country could keep up with the ever-changing conditions of the world economy through its speedy and flexible economic policy-making/change, that was enabled by a rich pool of highly capable human resources. The state was rather autonomous, and policymaking was insulated from various interest pressures in society, which usually is explained as an attribute of the authoritarian developmental regime. In other words, policymaking was depoliticized. However, is it really the case? The actual policymaking process in such a regime has scarcely been studied in detail.

As has already been well argued elsewhere, the Korean policy process in the developmental era under President Park Chung Hee (1961–1979) was dominated by the executive branch (Jones and SaKong 1980: 58-66; Haggard 1994: 6-7; Bates and Krueger 1993: 461-467; Hahm and Plein 1997: 20, 41-42). The political regime was not democracy, and deliberation of any laws, regulations and policies at the unicameral legislature was, in fact, insignificant since the ruling party always kept the majority. Indeed, when we look into the process, executive and bureaucratic actors were predominant throughout the process, from problem identification to evaluation, following well-defined procedures. Although some mechanisms of interest inputs from outside, most typically from business, were also institutionalized, which actually is regarded as one of the distinctive features of East Asian developmental regimes (Johnson 1982; Evans 1995), the whole process was otherwise predominantly administrative. The strong influence of the ‘traditional elite culture’ or the ‘Confucian political culture’ that descended from the *Yi* dynasty (1392–1910) is sometimes considered as the backdrop of this phenomenon (Kim, Bun Woong 1982: 46-61; Whang 1992: 308). However, such an influence is indirect, if it exists at all. The executive dominance over the policy process in Korea should be explained more directly in terms of both formal and informal

institutions of politics and administration.

Accordingly, this paper explores such an economic policy process in Korea. The basic assumption is that the policy process is a political one, and that the actors behave rationally, or pragmatically, within the given institutional framework. The rules of the game for policy- and decision-making were clearly defined so that most games were played in a stable and orderly manner. Likewise, the formal procedures for endorsing the results of such games were well institutionalized. Therefore, the following examination starts with the investigation into a series of arenas that constitute the formal and informal policy process, then the nature of major actors—bureaucrats and ministers—involved there. And finally, the politics of policy process is explored to understand how actors, mostly bureaucrats and ministers, worked in such an institutional environment to produce the “economic miracle.” While the main thrust of the discussion is rather deductive, or theoretical, some empirical data will accompany in order to show the argument stands.

Institutions and Procedures of Policymaking

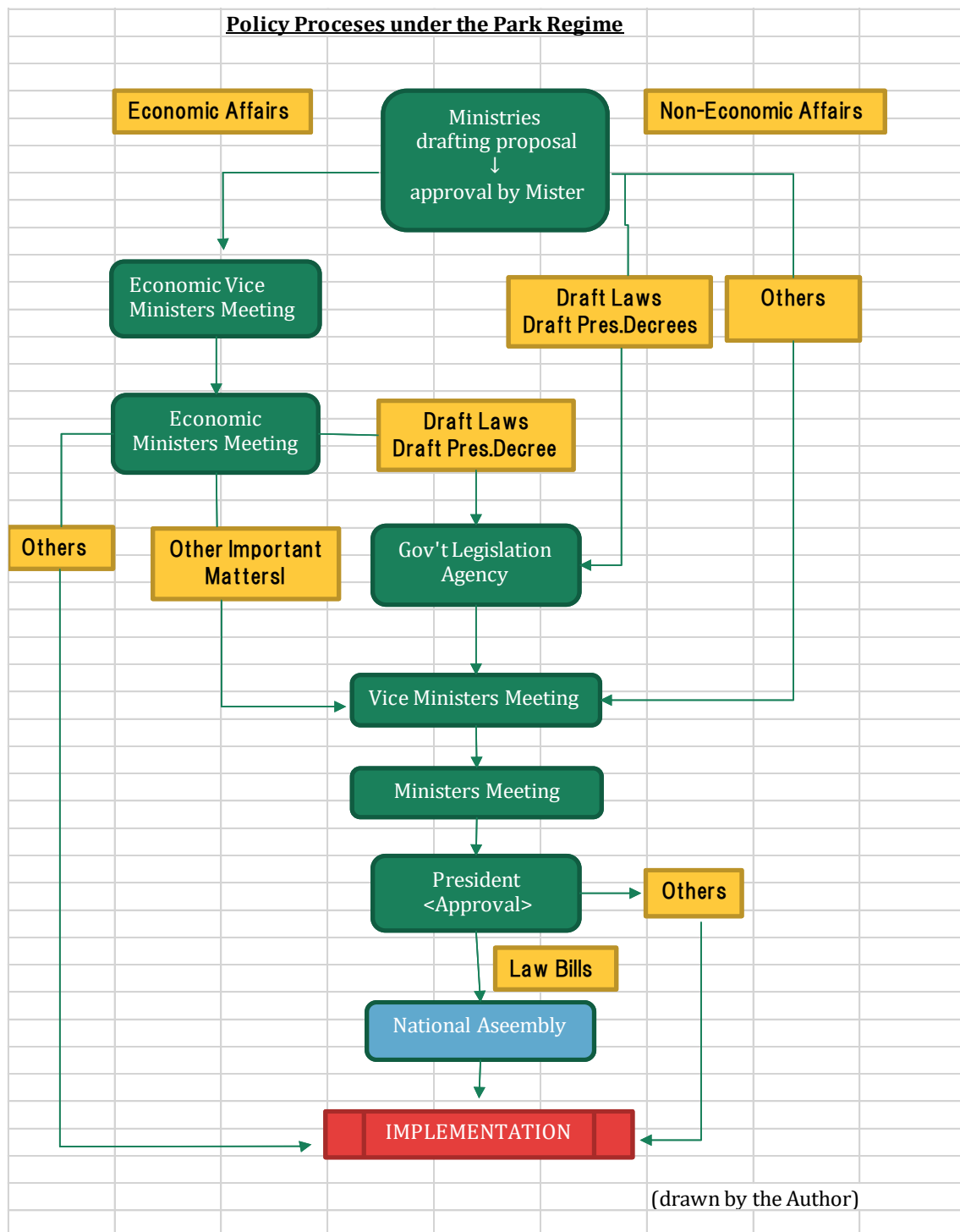
The Formal Policymaking Process

All laws needed to pass the unicameral National Assembly to be enacted, while decrees and regulations were finalized within the executive branch. As in other contemporary administrative states (Aberbach, Putnam and Rockman 1982: 244-245), the majority of bills originated in the executive branch, and they were much more likely to be passed at the National Assembly than were their party-originated counterparts (Chung 1994: 321). Under a regime in which the ruling party always held the majority, actually, policies originated and were decided almost exclusively within the administrative branch,

with some institutionalized participation from the private sector.

A policy initiative originated, in principle, from anywhere, but in practice not from the very bottom, below the senior civil service. Presidential instructions at various meetings were such cases in point, about which many ex-policymakers wrote in their memoirs. While a rational-comprehensive policymaking approach would require the identification of a problem as the first step before it came onto the policy agenda, actually, as noted by Lindblom, sometimes no specific problem was identified that required a policy to redress it (Lindblom 1980: 4-5). In an extremely goal-oriented regime, broad national goals or medium-term plans often substituted for a problem which required detailed plans and/or policy measures for attaining the targets. At other times, the president identified problems, for instance, through petitions from business people he met in various kinds of government-business meetings, issuing an instruction to his staff to prepare countermeasures.

Wherever its origin, once a particular issue came onto the policy agenda, then the formal bottom-up process of policy formulation and decision-making started, usually within the ministry concerned. Depending on the nature of the policy and the sensitivity or gravity of the issue, or the anticipated extent of disagreement with other ministries, the process somewhat varied. However, it seems that the usual standard process was rather firmly established and was generally followed, at least formally. The process was actually lengthy, contrary to the conventional image of swift top-down policymaking in developmental Korea. The standard process is shown in Figure 1 below.



Once the agenda was set, the work usually started at the relevant division within the appropriate ministry. Depending on the importance or urgency of the issue, a special team was sometimes organized under an assistant minister to deal with the task. Yet

almost no policy could fall completely within the jurisdiction of one single ministry. Whereas several established Korean writers claim that the system lacked consensus-building practices (Cho 1975: 81; Kim Kwang Suk 1983: 78; Whang 1992: 308), there were in fact substantial efforts within the bureaucracy to coordinate their policies, or at least to keep those who were relevant well informed. Such coordination began at an early stage: a section working on a new policy proposal would contact other appropriate ministries for their comments before it completed the proposal for formal consideration within the ministry (Kim Kwang Suk 1983: 67). Otherwise, strong repercussions might arise at later stages. Wherever the policy proposal was formulated within the ministry, it then gradually moved upward in the ministry structure, obtaining due consideration, reconsideration, and approval, finally to be approved by the Minister (Chung 1987: 504).

If the policy was related to economic affairs, the next formal steps were the Economic Vice Ministers Meeting and then Economic Ministers Meeting.

The Economic Ministers Meeting was institutionalized in order to strengthen interministerial coordination as well as to deliberate important policies and plans related to the economy (Cho 1997: 154). This meeting brought together the ministers of the economic-related ministers such as the Economic Planning Board (EPB), the Ministry of Finance (MOF), the Ministry of Commerce and Industry (MCI), the Ministry of Agriculture and Fisheries, the Ministry of Construction, the Ministry of Communications, the Ministry of Health and Society, and the Minister of Foreign Affairs.¹ The Chair was the Minister of the EPB, who concurrently was the Deputy Prime Minister (DPM). A few others, such as the Governor of the central bank, could attend and express their

¹ The Ministry of Foreign Affairs was regarded as economic-related since it was in charge of foreign aid, one of the most important sources of foreign capital and technology.

opinions if their views were considered necessary. Meetings were held, in principle, twice a week (Choi Tong-Kyu 1991: 64), while additional meetings could be called if necessary. The matters discussed were all the economic-related issues to be submitted to the State Council—draft laws or regulations, other policy proposals, and reports—and other various policies tied to economy.

All the proposals to be tabled here should be sent to the EPB first, and once the EPB received it for the agenda of a meeting, the deliberation started in the relevant division within the EPB. If the bureau concerned found it acceptable, and the Vice Minister and the Minister (DPM) agreed, the proposal would go onto the agenda. If there was any disagreement or doubt, however, the proposal was suspended until the EPB's policy stance was finalized through internal discussions. If the conclusion within the EPB was negative, the Vice Minister or the DPM would press the proposing ministry at the Meeting he chaired either to revise or to withdraw the proposal (Choi Tong-Kyu 1991: 64-65).

Deliberation at the Economic Ministers Meeting was significant and *real*, and thus many proposals had to be revised here. A majority made decisions. However, it is usually believed that the DPM's influence or pressure worked effectively through his chairmanship. According to the data by Chung, the number of revised proposals at this meeting varied across the annually aggregated figures, but roughly one-quarter to a half of all the proposals were somehow modified (Chung 1994: 54, 328-329). Such figures pose a sharp contrast with those of the State Council to be seen below. Naturally, all of these revisions could not just be due to the EPB's or the DPM's opinions. Nevertheless, based upon existing observations in the literature as well as the author's interviews with those who were actually involved in this meeting in the past, it would still be appropriate

to consider that the EPB or the DPM effectively exerted substantial coordinating power. This meeting was one source of the DPM's and the EPB's power and authority (Choi Byung-Sun 1987: 63-66; Choi Tong-Kyu 1991: 64-66; Haggard 1994: 309).

Occasionally, proposals were promptly put forward without the formal procedure through the EPB (Cho 1997: 155). Such proposals, obviously, could not be subject to the EPB's control, but were still under the firm control of the chairman, the DPM. In addition to such control over the proposals on the table, the DPM allegedly gave various instructions to other ministries at the meeting.

The Economic Vice Ministers Meeting was composed of vice ministers of the same economic-related ministries, headed by the Vice Minister of the EPB. Its function was to promote coordination among these ministries, and give prior consideration to the Ministers Meeting. As will be discussed below, vice ministers were most likely ex-civil servants who better understood technical matters within the bureaucracy, so their deliberations tended to be more technical and detailed than their masters', and therefore, generally took more time. Non-revision rates of the proposals were even lower for the Vice-Ministers Meeting than for the Economic Ministers Meetings, and that the average time spent on a proposal was longer (Chung 1994: 133).

It is notable, however, that the Economic Vice Ministers Meeting was in a powerless position within the formal decision-making structure. This meeting was only advisory in nature. The decisions, which were made on the majority principle, could not constrain the discussions or decisions of the Ministers Meeting (Cho 1997: 155). Not only could the proposals approved by the vice ministers be turned down by the ministers, but rejected proposals could also be revived at the Economic Ministers Meeting again and then passed on to the next stage.

The Vice Ministers Meeting was the next step and, finally, the State Council. Unlike the Economic Ministers Meeting, which was stipulated by a presidential decree, the State Council was a constitutional institution to ‘deliberate important policies under the jurisdiction of the Government,’ ‘comprised of the president, the prime minister and from ten to twenty ministers’ (Article 83, Constitution, December 1962). Before coming to this ‘supreme deliberation institution in the executive branch of the government’ (Lee 1993: 125), however, the policy or proposal had to go through the Vice Ministers Meeting, as in the case of the Economic Ministers Meeting. The procedure described below was necessary.

If the proposals were related to affairs under other ministries’ jurisdiction, the proposing ministry first had to seek to coordinate with the ministries concerned. Economy-related proposals needed to go through the Economic Vice Ministers and the Ministers Meetings as explained above. If the proposal was a draft law/presidential decree, it had to be sent to the Government Legislation Agency for deliberation from a legal point of view. After all these steps, the proposal could finally reach the Ministry of Government Administration for the Vice Ministers Meeting.

The Vice Ministers Meeting, as well as the State Council, in principle, met twice a week (Chung 1987: 519). The chair was the Vice Minister of the EPB, who also presided over the Economic Vice Ministers Meeting. The main function was to relieve the burdens of the State Council by giving prior examination from a practical or technical point of view (Lee 1993: 128).

However, as was the case with the Economic Ministers Meeting and the Economic Vice Ministers Meeting, the decisions at the Vice Ministers Meeting did not bind the deliberation or decisions of the State Council. Rejected proposals also went

forward onto the agenda of the State Council. When certain bills were revised at the Vice Ministers Meeting, both the original and the revised bills were submitted to the meeting of the ministers (Cho 1997: 150-152). Like the Economic Vice Ministers Meeting, the Vice Ministers Meeting was also only advisory in its formal function. Practically, however, due to severe time constraints on the ministers, the proposals rejected by the Vice Ministers Meeting were rarely discussed at the State Council (Chung 1987: 509).

The State Council was at the apex of the decision-making hierarchy of the government, and, in principle, according to the constitution, it was chaired by the president. In fact, however, the president rarely attended the State Council, and the meeting was usually presided over by its official vice chairman, the prime minister.² Decisions were made, according to the regulations, by obtaining more than two-thirds support of the attending ministers. In fact, however, there was an unwritten convention of unanimous decision. A proposal could only be approved by the full support of the members; otherwise, it would fail. A rejection would lead to backers losing face; therefore, the disapproved proposals were withdrawn from the discussion table by their supporters so that no rejection would 'occur' (Cho 1997: 156-157).

In regard to its function as the supreme deliberation institution, however, there seems to be substantial agreement that the State Council in reality had no practical power or authority. Most of the policy coordination had already been completed before this meeting, either through the formal decision-making process or by informal negotiations

² There was a monthly State Council meeting at the Blue House (Kim Chung-Yum 1997: 129-130), held regularly at least in the late 1970s. The President issued various instructions at this meeting (First Minister without Portfolio, various issues).

or presidential approval, which will be explained later. In addition, its decision could not bind the final determination made by the President. Therefore, its actual function in a pragmatic sense was understood to be a completion of the formalities by bestowing legitimacy and authority on the proposals, and a means by which information could be diffused to ministers (Lee 1993: 126). In fact, the nonrevision rates of proposals at this meeting were very high, around 80 percent on average in the 1960s, and around or even more than 90 percent during and after the 1970s. The average time spent on a proposal was only about four minutes under Chun, and even less under Park (Chung 1994: 322-323). There was, generally, no in-depth discussion. Ministers were allegedly reluctant to express any disagreement. They tended not to express any opinion unless the issue was directly relevant to their own ministries (Lee 1993: 126; Cho 1997: 158).

After approval by the State Council, bills and proposals had to be finally approved by the President, and then, in the case of law bills, forwarded to the National Assembly.

It was a lengthy process. Coordination between or among ministries was sometimes very difficult, as many ex-policymakers have recalled. To facilitate such coordination, however, there were some effective ways and shortcuts that could be employed. Such means were outside the formal procedures of decision-making outlined above, but were somehow well institutionalized so that they were generally recognized as being authorized solutions, rather than pure irregularities or exceptions.

Institutionalized Irregularities

The best known of such irregular institutions in the English-language literature is the Economic Ministers Consultation Meeting. It was institutionalized in 1977 by the

DPM in order to counter the increasing rigidity and formalization of the once active and effective Economic Ministers Meeting.

The Economic Ministers Meeting was established in 1963 and worked effectively and efficiently under powerful DPMs, mitigating the heavy burdens of the State Council and creating a more practical and constructive forum where important economic policies were discussed. The president and his staff at the Blue House did not intervene extensively in economic affairs in the 1960s. However, the Economic Ministers Meeting gradually gained rigidity in the 1970s, until it was itself almost another formality. It came to be understood that precoordination among relevant ministries was necessary before this meeting (Cho 1997: 155), which means that the coordinating role of this meeting was no more effective or expected. Nonrevision rates of proposals significantly increased from about 50 percent at the end of the 1960s to more than 70 percent in the mid-to-late 1970s (Chung 1994: 328). On the other hand, there was growing recognition that the formal hierarchical decision making was time-consuming, and yet it was sometimes still difficult to reach an agreement due to strong resistance (Choi Tong-Kyu 1991: 65). With the economy growing and diversifying rapidly, economic policy management was becoming increasingly complex; therefore, there was a need for more elaborate coordination.

The Economic Ministers Consultation Meeting was an informal means of accommodating such a situation. It was summoned by the DPM whenever necessary, and the attending members were not fixed. Presidential secretaries were also involved when necessary. The proposals that were dealt with varied in nature, but most of them required highly political or complicated consideration and decisions. The sources of the proposals also varied: ministers, the DPM himself, or even the Blue House (Choi Tong-

Kyu 1991: 65-66). No formal procedure was necessary in order to bring issues onto the agenda. No prior discussion by vice ministers was required, either (Yu 1996: 109). Since this was an informal meeting, it was allegedly more flexible; more detailed and in-depth discussions took place (Cho 1997: 155). Sometimes it was used for precoordination before the formal procedures, while at other times the coordination here was regarded as a substitute for the formal one before the Vice Ministers Meeting (Choi Tong-Kyu 1991: 66). New ideas tended to meet resistance, and major concessions were difficult to extract at lower levels, so controversial issues were often deliberately chosen to be brought to this meeting, rather than to the Economic Ministers Meeting through the standard procedures (Yu 1996: 109).

Another way to avoid the lengthy procedure was simply to dispense with it altogether, instead bringing the issue directly to the table for the ministers. Sometimes, the discussion at the Vice Ministers Meeting would be omitted, while at other times a verbal proposal came straight onto the agenda of the State Council on the day without any prearrangements. Such a tactic was allowed, in principle, when the matter was perceived to be urgent. However, this strategy was actually used sometimes for the purpose of minimizing the anticipated resistance from other ministries (Cho 1997: 150-152). According to Chung, about 20 percent of all the issues dealt with at the State Council actually arose in this way without due procedure under Park's government (Chung 1994: 325).

Other notable measures were *nae-rak* (informal consent) and *nae-inka* (informal or prior approval), which mean obtaining the approval or consent of the president, or of the Blue House, before the formal procedure to reach the president. The rationale was that it would be better to sound out the president before the state administration finalized

the decision. If the president vetoed the decision, which was legally possible, the result could be devastating, possibly leading to some administrative confusion (Cho 1997: 113). Under the strong presidential system in which the president's decision was eventually the only decision, however, obtaining his agreement in advance practically killed the meaning of any further discussion at lower levels. All the procedures still had to be followed, but proposals with such informal consent would usually be approved very easily at every stage of the formal decision making.

Due to their effectiveness on the one hand, and the administrative convention of encouraging prior coordination before formal meetings on the other, these measures were in fact widely used. In the budget process, for instance, obtaining the broad approval of the president before the Vice Ministers Meeting seemed to be almost the rule for the EPB (EPB. Budget Bureau c.1973). The EPB officially noted in its publication the existence of such a practice in the decision-making process of the Five-Year Economic Development Plan as well (EPB 1982: 74). Of course, keeping the president informed and sounding out his views during the formulation process was understandable and reasonable. Small adjustments were made even after the report to the president, yet no major changes occurred. Many scholars and former policymakers refer to other more specific and isolated cases as well, when prior consent or approval was obtained to overcome coordination difficulties or to speed up the procedure (Cho 1997: 158; Park Yong-Hun 1994: 145). However, such was still the exception, not the rule.

Other Informal Coordination

Last but not least, informal coordination between or among civil servants or ministers across bureaus and ministries was the basis for almost any formal coordination.

Observers note that actual coordination was most often attained between or among ministers away from the formal negotiation tables, with substantial involvement of the Blue House (Cho 1997: 158). Available survey results seem to confirm this view (Lee 1993: 145-148). However, some also argue that ministers under the strong presidential system lacked the perception of themselves as being members of the State Council as a group where they had to consider the common national interest, and thus acted only as the representatives of partisan interests³ (Lee 1993: 127; Cho 1997: 156). Others contend that horizontal coordination was always difficult at any level in the Korean administration, where vertical authority was much respected (Cho 1975: 75; Whang 1992: 308). In fact, it seems that coordination between ministers was often rather difficult, and that the DPM or the presidential secretaries worked as effective mediators (Park Yong-Hun 1994: 328-356; Nam 1997).⁴ The Presidential Secretariat actually had no legitimate power position in the formal decision-making structure.

If ‘formal measures’ are defined as those stipulated in laws or regulations, most of the formal measures actually presuppose some type of informal coordination as preparation. For instance, when reaching agreement among ministers was difficult, President Park often called a meeting of the relevant ministers or vice ministers, and had them discuss the issue in his presence. On the basis of such discussion, the President finally drew a conclusion (Kim Chung-Yum 1997: 82). Many important decisions seem to have been thus made, through various sorts of informal coordination.

All the measures mentioned above as ‘institutionalized irregularities’ were informal. Nevertheless, by institutionalizing the procedures to some extent, they

³ This ‘partisan interests’ does not necessarily mean strong interest pressures from outside.

⁴ The author’s interview with Kim Chung-Yum, Seoul, October 1997, also confirmed this.

decreased uncertainty and diminished possible arbitrariness. Being informal did not necessarily mean being tainted with personalism, favoritism, nepotism or arbitrariness, while, of course, there should have been not a few cases of such.

Bureaucrats and Ministers in the Korean Government

Then, who were the actors involved in the process? As stated, the process was dominated by those within the executive branch—bureaucrats and ministers.

Bureaucrats and the Civil Service System

Park Chung Hee and his military followers came to power by a coup in 1961, replacing a democratically elected yet ineffective civilian government. In order to claim legitimacy, they were determined to realize economic development, for which they believed effective and efficient state organs were needed. An extensive series of reforms were introduced, and one of the foci there was the civil service. There is a certain level of agreement among scholars that a merit-based career civil service was established by the early 1970s (Choi Tong-Kyu 1991: 124-131; Chung 1994: 63, 76-77; Hahm and Plein 1997: 41).

The essence of the merit principle lies in the appointment system, and recruitment, in principle, was made through three kinds of open competitive entrance examination: the senior civil service examination, the ordinary civil service examination, and the grade V civil service examination. Among these, the most competitive and most often referred to as the symbol of Korea's merit-based civil service with the tradition of more than one-thousand years of written entrance examination to the prestigious bureaucracy, is the senior civil service examination. This examination recruited the

country's "best and brightest" directly into the assistant-director-level (Grade III-B) of the ministries, in a still poor economy where there was no prosperous private sector which could offer substantial remuneration. Some data including the number of successful applicants and competitiveness of the exam are shown in Table I below.

**Table I: SENIOR CIVIL SERVICE EXAMINATIONS*₁ &
NUMBER OF GOVERNMENT EMPLOYEES**

FY	Successful Applicants	Competitiveness * ₂	Gr. III-B Nat. Govt. Employees	Increase from Previous Year	Nat. Gen. Service Employees	Increase from Previous Year	Total Govt. Employees * ₃
1949	5	1/100					
1950	38	1/9					
1951	16	1/14					
1952	24	1/22					
1953	9	1/75					
1954	13	1/74					
1955	58	1/29					
1956	11	1/214					
1957	7	1/315					
1958	27	1/65					
1959	36	1/47					
1960	20	1/154	3717		87214		237476
1961	72	1/21	4044	327	86133	-1081	237500
1962	38	1/42	4179	135	93535	7402	253186
1963	40	1/37	4636	457	92682	-853	271725
1964	24	1/62	4694	60	94636	1954	288234
1965	8	1/25	4824	130	98324	3688	305316
1966	50	1/22	5230	406	107933	9609	332688
1967	24	1/73	5680	450	117871	9938	359955
1968	45	1/32	6050	370	125128	7257	381918
1969	55	1/36	6095	45	85522	* ₄ -39606	398050
1970	38+27	1/43, 1/70	6343	248	87173	1651	417348
1971	188	1/18	6441	98	81914	-5259	436686
1972	41+47	1/94, 1/71	6301	-130	79993	-1921	438573
1973	96+116	1/43, 1/36	6308	7	75072	-4921	452054
1974	47+68	1/92, 1/59	5508	-800	77635	2563	466444
1975	100+101	1/44, 1/44	6756	1248	78712	1077	478562
1976	73	1/93	6987	231	85110	6398	502702
1977	55+131	1/92, 1/38	7238	251	89285	4175	519110
1978	250	1/31	7556	318	91980	2695	540658

FY	Successful Applicants	Competitiveness *2	Gr. III-B Nat. Govt. Employees	Increase from Previous Year	Nat. Gen. Service Employees	Increase from Previous Year	Total Govt. Employees *3
1979	248	1/41	7566	10	91997	17	541552
1980	187	1/61	8181	615	99232	7235	596431
1981	128	1/91	7724	-457	100830	1598	665895
1982	109	1/100	7087	-637	86001	*5 -14829	647851
1983	100	1/120	7285	198	86542	541	650914
1984	100	1/132	7369	84	87627	1085	657214
1985	100	1/129	7458	89	88307	680	670637
1986	100	1/164	7361	-97	89669	1362	691670
1987	148	1/120			89113	-556	705053
1988	150	1/102			90812	1699	
1989	149	1/103			95758	4946	
1990	173	1/79			99715	3957	
1991	226	1/64			101922	2207	
1992	281	1/59			103862	1940	

(Ministry of Government Administration 1987, Suh Wun-Suk 1993)

*1 Only the Administrative Senior Service Examinations, excluding the diplomatic or the Bar Examinations

*2 $\text{=(Number of successful applicants)/(Number of total applicants)}$

*3 Including local government employees and those in the judiciary and legislative branches

*4 Police personnel was redefined from the general service to the excepted service.

*5 Telecommunication business was excluded since the public corporation for telecom was established.

Table II: NEW APPOINTMENT TO GRADE III-B

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Open Comp.Exam	211	148	193	220	231	223	157	106	82	72
Non-Comp. Exam	41	49	127	104	103	121	120	70	71	39
Promotion	518	548	861	753	574	692	409	412	411	293

(Bark Dong-Suh 1987: 563)

This examination actually started in 1949, right after independence. As the table shows, the numbers of intake through this examination tended to be extremely small as compared to the total number of civil servants particularly in the initial years, indicating that this—merit-based recruitment through open competitive examinations---was only symbolic, not the rule. There were also non-competitive recruitment examinations defined in the National Civil Service Act. However, the numbers taken through open-competitive exams gradually increased, and in the 1970s, the government vigorously increased them in order to recruit more capable youths to the government, by which recruitment through open competitive examinations became the rule rather than exception. Table II shows the changing numbers of new appointment to Grade III-B, the entry point for the Senior Civil Service Examination entrants. While the numbers for the 1960s are missing, these figures could indicate the possible magnitude of those exam entrants in the whole bureaucracy.⁵

Promotion was, in principle, also based upon merit. While there were some examinations, they were mostly based upon overall evaluation of work performance seniority in terms of work experience, training records and other additional factors. Although there were substantial efforts and institutionalization not to make the system driven by patronage or favoritism, such factors could in fact easily enter the evaluation.

There is a survey available on the values and opinions of Korean government employees conducted in 1992 with a proportional stratified sample of 2,944 (0.35% of

⁵ Figures in Tables I and II are somewhat inconsistent. One of the reasons could be while Table I shows the number of successful exam applicants, while Table II shows that for those actually became civil servants. In addition, the data for Table II might include those for diplomat or bar exams, while Table I excludes these categories.

the total population of government officials) by the job classification, grades and offices of assignment. According to this survey, a large majority supported the recruitment system as good and fair. However, on the promotion and performance evaluation system, while a majority regarded them as merely acceptable, nearly one-third replied that they were not rational or fair. The most important factor to influence promotion perceived by them was the ascriptive criteria (35.7%), followed by the length of service (26.1%), personal relationship (14.7%), capabilities (12.3%), and others (Suh and Kim 1992: 10-16, 81-83, 171, 173).

Political Appointees---Ministers and Vice Ministers

Ministers and vice ministers were also government employees, but their details were not prescribed in the National Civil Service Act. They were political appointees by the President. The President appointed the Prime Minister, and then also other ministers according to the recommendation of the Prime Minister. However, in Korea, they were not necessarily professional party politicians. The system was not a parliamentary cabinet system, and, in the 1960s, ministers were not allowed concurrently to be National Assemblymen⁶(Article 39 of the Constitution, 1962) representing the will of the people. The constitutional amendment in 1969 changed this, permitting members of the National Assembly concurrently to assume cabinet positions (*Korea Annual* 1970: 61). This allowed some powerful politicians such as Kim Jong-Pil from the ruling Democratic Republican Party into the cabinet in the 1970s. Nevertheless, it did only mean that ministers could be party politicians. They did not have to be politicians, and

⁶ The situation was the same with the President and the Prime Minister.

indeed, as will be shown below, most of them were not.

This is an important point to note in order to explore how the Korean executive branch worked. The typical image of the bureaucrats-versus- politicians relationship in the literature—the competitive relationship within a ministry over control of policy between civil servants with their source of power in the technical expertise on one hand, and their “dilettante” political masters (Weber 1947: 232) with their legitimacy conferred through elections on the other (Aberbach et al. 1981; Kingdon 1984: Chapter 2)—simply did not exist here. Most of Park Chung Hee’s economic ministers and vice ministers were experts in the relevant fields, but they had no popular endorsement through elections. Technical knowledge and expertise are usually considered in the literature as assets of bureaucrats vis-à-vis their political masters (Aberbach et al. 1981: Chapter 1; Kingdon 2003: 34).

The procedures for the appointment of such political appointees were, usually, somewhat similar to the cases of the senior civil service. The presidential secretariat prepared a list of candidates for each post, from which the President chose after some discussion with the Prime Minister. The Prime Minister could exert some influence, and sometimes made some alterations to the list. However, at least in the 1970s, Kim Chung-Yum, Park’s longest-serving chief secretary, recalls that the list prepared by the secretariat was most often applied without amendment (Kim Chung-Yum 1997: 63-65). As was noted earlier, Chong Il-Kwon, a long-term serving Prime Minister in the 1960s, also recalls that he did not add any candidates because he thought he had to respect the President’s wishes (Chong Il-Kwon 1996: 491).

It would be noteworthy, however, that Park Chung Hee actually delegated a substantial part of his authority in personnel matters to his subordinates. Appointment

of vice ministers was usually exclusively up to the ministers. Only when a minister had no specific candidate for a post, would the minister consult the President, and then they made a decision together. Appointment of the senior civil service below the level of political appointees was left totally in the minister's hands (Kim Chung-Yum 1997: 65). Even some ministerial appointments were partially devolved to the DPM in order to strengthen the DPM's control over other economic ministers (Presidential Secretariat 1965).

Who, under such circumstances, were actually appointed as ministers or vice ministers? Yang Sung Chul (1994) has conducted painstaking research into the background of the high level administrative elite in Korea from 1948 to 1993. He listed all of the political appointees in the government from the vice ministerial level and above⁷ from 1948 to 1993, totaling 1998 persons,⁸ and compiled individual data about them from published registers.

What is most notable from this research in relation to this paper is the data about the previous careers of the personnel. Of all 1930 ministers and vice ministers whose previous careers were known, 44.6 % were from the public administration, while 21.5 % were from the military and 10.9 % from educational institutions. Namely, while they were political appointees, nearly a half of them were actually career civil servants. Moreover, the share of such ex-bureaucrats was on the increase: 40.4 % in the Third

⁷ He defines these people as the Korean administrative elite. This includes some senior military personnel—the Minister and Vice Minister of National Defence, the Joint Chief of Staff, the Chiefs of Staff of the Army, the Navy and the Air Force—the mayors of Seoul and Pusan and provincial governors. Although they are public servants as stipulated in the National Civil Service Act, these military-related personnel were almost exclusively non-civilian but professional soldiers after the military coup of 1961.

⁸ Double or triple appointments of one person were counted as two or three here. The actual number of people concerned here was 1216 (Yang 1994: 31).

Republic (1963-72), 52.5 % in the Fourth Republic (1972-79), and 53.3 % in Chun Doo Hwan's Fifth Republic (1980-87). Since these figures include the appointments to some military positions almost exclusively occupied by professional soldiers, this means that well over the majority of the civilian ministers and vice ministers were ex-bureaucrats in the 1970s and 1980s. The relatively lower figure for the 1960s (the Third Republic) would be better interpreted as being reflective of the immaturity of the career civil service system, rather than of Park and other top leaders' giving less credit to experience in the civil service. Kim Hak-Yol, the powerful DPM in the early 1970s, was the entrant of the first Senior Civil Service Examination in 1950. He first served as Vice Minister of the EPB from 1963 to 1966, becoming Minister of Finance in 1966 and DPM in 1969. Such fast promotion, however, was exceptional. Many of the other Senior Civil Service Exam entrants could reach ministerial positions later in the 1970s. Accordingly, the shortage of talented personnel in the yet-to-be-established civil service was to be supplemented by many intakes from banking (3.4 %)⁹ as well as universities (14.3 %) in the 1960s¹⁰(Yang 1994: 89).

Although Yang did not differentiate ministers from vice ministers in his analysis, another interesting point could be found from his data when these two groups were looked at separately: vice ministers were more likely to be ex-bureaucrats than their masters. Of all 155 vice ministers in the period between the coup in 1961 and the abrupt end of the Park administration in October 1979, 93 (60 %) were ex-bureaucrats. This tendency

⁹ The Bank of Korea was the main source of qualified personnel to the government in economic-related fields from the 1950s.

¹⁰ The shares of these sectors in the 1970s declined to 0 percent and 4.5 percent respectively (Yang 1994: 89).

becomes more salient when only economic ministries are concerned: 69 (75.8 %) out of all 91 vice ministers were ex-bureaucrats, while the equivalent figures for the ministers were 45 (38.1 %) out of 118.¹¹ The vice ministers of the EPB, the Ministries of Foreign Affairs, Energy and Resources, and Science and Technology were exclusively ex-bureaucrats during this period. Such dominance of vice minister's positions by career bureaucrats is usually explained as due to the necessity of expertise and experience in the field (Kim Kwang-Woong 1993: 53), particularly when the minister was an outsider of the officialdom (Chung 1994: 88).

It is worth noting that assistant ministers below them were not political appointees but Grade I civil servants. However, their positions and roles in a ministry were rather special. Being somewhat out of the vertical lines of the ministerial hierarchy, without any formal decision-making power over the policy matters, they were more like staff officers working on specific missions designated by the minister, often engaged in external coordination among ministries (Cho 1997: 167-170). As such, they did not have much formal power or authority as ministers and vice ministers. Nevertheless, they often played important roles in actual policy-making which was bargaining and persuasion—namely, politics. Their positions were often sufficiently high to be recognized by the President.

Behavior of Bureaucrats and Ministers in the Korean Government

Then, in exploring how such bureaucrats and ministers behaved in the system,

¹¹ Eleven ministries including the EPB which usually constituted the Economic Ministers' Meeting were counted here as the economic ministries. Therefore, this includes the Ministry of Foreign Affairs, the top-ranked ministry on the formal order of the ministries, which was in charge of foreign aid.

some recapitulation of the meaning of the personnel system in the government might be helpful.

In the early 1960s, Park Chung Hee came to power with a firm commitment to economic development, and started institutionalization for the task of realizing it. Establishing a merit-based career civil service system was deemed necessary in this regard. Remuneration for government employees was continuously raised so that a minimum reasonable standard of living could be guaranteed. With high population growth and a still-fledgling private sector, unemployment was prevalent. Many young people, both the ambitious and most capable ones, and the more conservative clerical workers, took their chance and sat for civil service examinations which were then more widely open than under the previous governments (Chung 1994: 62-65).

Senior positions, not only ministerial ones, but also of bureau or division directors, were mostly occupied by those who were originally outsiders-- mostly either from the military, banks--most often the central bank--or academia, but recruited into the civil service at some point through lateral entry. Open competitive examinations at three levels were made the official means of entry, but the actual practice could often be different (Chung 1994: 78). On the other hand, the small number of senior exam entrants were steadily climbing up the hierarchical ladder, many of them having experienced a few years of overseas training in their early years. According to Chung Chung-Kil, there was a tradition within the civil service that the first runner--the top entrant--of each year group was promoted very fast, spending only the minimum length of service at each position. Such a practice must have offered a further incentive to ambitious and capable young entrants.

The 1970s witnessed many exam entrants in senior positions of the government,

from some ministers, more bureau directors, and down to many division directors. A lateral entry was becoming very difficult, even if it was based upon merit. As mentioned earlier, the career civil service system based upon merit was considered to have been established in the early 1970s.

In fact, commentators disagree about how firmly the merit system had been established. While some argue that it was rather securely established by the 1970s (Choi Tong-Kyu 1991; Chung 1994), others refute this, claiming that it still was—and even still is—driven by personalism based upon ascriptive criteria (Cho 1975), and the merit system was only the formal principle (Yoon 1982: 98).

Assuming that the senior civil service has different duties and responsibilities, thus different scopes and perspectives from the lower echelon personnel, both the positive and negative evaluations could be accommodated in a hypothesis to the effect that the higher echelon of the Korean civil service was operating on the basis of merit, while ascriptive factors might still have prevailed at the lower echelon, where most of the personnel was in charge of clerical duties and implementation of policies. The possibilities of speedy promotion even up to minister based upon merit, in addition to the improved monetary remuneration, must have offered brilliant and ambitious youths in Korea, where governmental positions were traditionally highly regarded, substantial incentives (Choi Tong-Kyu 1991: 125; Chung 1994: 81).¹² The fact that nearly a half

¹² In fact, one of the author's interviewees who was, as of November 1997, a senior official at the division director level of the Ministry of Finance and Economy, the successor of the EPB, stated with regret that he had thought he could be like that, which was proved to be totally wrong now. He entered the EPB in 1979 through the Senior Civil Service Examination, and received his first written appointment in person from President Park Chung Hee, strained but filled with expectation and ambition (Interview by the author, November 1997).

of the political appointee positions were filled by ex-bureaucrats must have further encouraged them to follow suit. Their career was, if successful, leading to the power and prestige of ministerial positions.

Then, the second hypothesis would be that once they successfully entered the upper echelon of the national civil service, they competed with each other on merit simply because it was the way to achieve their ambition. Reinforced by the traditional high esteem for the government and the hierarchical orientation in society, the aspiration for promotion was very strong among them (Kim Rando 1996: 5). The immediate tasks and goals for which they had to work were clearly given in line with the explicit national goals (Nam Duck-Woo, interview by the author, October 1997), and their achievements were constantly monitored and evaluated. Their promotion was in the hands of their ministers, but the appointment of ministers themselves was up to the President who had a firm commitment to economic development and security, thus assessing the achievements of the ministers by merit, and rewarding them accordingly by keeping them or further promoting them.¹³ The merits of the ministers depended not only upon their personal performances but also upon their subordinates' achievements. The ministers had to be totally responsible for their own ministries' performance. It was eventually the minister who would be sanctioned for any poor performance of the ministry which fell short of expectations. Expectations which were often expressed in terms of explicit goals or targets were usually extremely, and sometimes even irrationally, high. This affected the ministers' general attitudes toward personnel matters, encouraging them to attach more importance on achievement and performance rather than on personal ties or any other

¹³ Most of the author's interviewee ex-ministers or secretaries endorsed this, at least in the main economic ministries.

criteria.

The system was well-g geared to ambitious and capable bureaucrats and ministers, producing the maximum performance possible.

Besides, the fact that they were regularly evaluated by their supervisors naturally contributed to their attitude of dedication and loyalty to their superior. Performance evaluation could be ambiguous, subjective and even arbitrary (Ha 1993: 83). However, it affected the possibility of promotion, and then, in turn, salary and prestige. This tendency of calculated loyalty to the above was not limited to the higher echelon, but was prevalent throughout the civil service, strengthening the long-standing predisposition towards hierarchy.

Such a system seemed to have worked effectively, notwithstanding some malfunctions and persistent corruption which was controlled in a way so that it would not critically hamper development, until the mid-1980s, when the full-fledged private sector started to pose challenges to the government, competing for capable manpower. The President's strong power and authority, on which the system hinged, became subject to certain limits, and the whole system started to move towards democratization and decentralization.

“Marketing” Policies—Politics of the Economic Policy Process within the Government

Then, in light of the institutional configuration of the Korean government and its economic policy process under Park that has been described so far, let us further consider how bureaucrats and ministers worked in such an environment. Here we see the policy process from another angle, as politics primarily within the executive branch of the

government, where individual bureaucrats and ministers were major actors.

Literature on bureaucracy deals with two dimensions of politics within the government. One is between the two major elites in the government, namely, between bureaucrats and politicians (Aberbach, Putnam and Rockman 1981; Suleiman 1984; Peters 2001), and the other is among bureaucrats themselves (Downs 1967; Niskanen 1994; Dunleavy 1991).

In Korea, however, the relationship between bureaucrats and politicians was rather insignificant. The role of political parties in policymaking was almost nil. The competitive relationship between political appointees—ministers and vice-ministers—at the top and bureaucrats below them in the ministries, which is usually described in literature, did not really exist. The reason was at least three-fold. Most importantly, as argued above, Korean economic ministers were not politicians but experts in their field. Technical expertise is usually supposed to be the asset of bureaucrats vis-à-vis ministers, but this was not the case in Korea. Nor did the bureaucrats have the advantage of expertise in administrative skills and procedures, because many of the ministers were actually ex-bureaucrats (Yang 1994: 89). Second, the appointment of senior bureaucrats was completely in the hands of their ministers, which facilitated the bureaucrats' subordination to the masters (Horikane 2000). Thirdly, because many political appointees were actually recruited from among bureaucrats as noted above, ministerial positions were seen by bureaucrats as an extension of their own career path rather than as something very different. Due to all these factors, in addition to the hierarchical nature of a bureaucratic structure combined with the authoritarian inclination of Korean bureaucrats (Paik 1978: 209-212; Bark 1987: 23; Ha 1993: 70), the minister-bureaucrat relationship did not present sharp contrasts, and usually seemed to be relatively harmonious.

More important in the Korean context was the second dimension of the relations, those among bureaucrats and ministers themselves, when we try to explain the politics of the economic policy process.

Strategies for Struggle

Then, how did bureaucrats and ministers work, struggling among themselves in the Korean administrative milieu in the 1960s and 1970s? The basic premise here about bureaucrats' behavior is drawn from Downs: each bureaucrat had his own complex set of goals, which consisted of both self-interested and altruistic values, and tried to attain the goals rationally within the given circumstances (Downs 1967: 2). We will place such bureaucrats into the Korean administrative environment and explore how they might behave. Some of the important characteristics of their environment are in order.

First, the basic institutions of the government and the merit-based civil service system had been firmly established. Therefore, the rules of the struggle, including the criteria against which they were assessed, were clear to everyone. The rules were stable and reliable enough for bureaucrats to prepare a medium- or long-term strategy.

Second, there was an extremely powerful president who could virtually control everything including personnel appointment. The appointment system, supplemented by various other related systems such as that of monitoring, was of critical importance in framing the behavior of ministers and bureaucrats. For a minister or a senior bureaucrat, his position was closely related to the power he could exert. Other conditions being equal, the higher the position he assumed, the greater his power and influence became. His status was also related to his salary and prestige. Therefore, higher positions positively served both self-interested and altruistic purposes. And positions were

allocated, in principle, on merit. In the highly goal-oriented system of the Korean economic bureaucracy, where achievements were constantly and vigorously monitored and reported to the top, performance criteria were effectively applicable, and in fact ruled personnel management. Political appointees' positions were under the authority of the president, and other bureaucratic positions were under their own ministers. Firmly committed to economic development, the president selected only experts as important economic ministers as is seen in Yan's data. With their own posts dependent on the performance of their ministries, ministers also chose those who could achieve excellent results as higher-ranking officials under themselves (Chung 1994: 79, 141). As seen in the survey of public employees mentioned above, there seemed to exist substantial level of patronage, yet even patronage was to be accompanied by good performance.

Under such circumstances, personal interests—power, income, prestige, and so on—and public interests as the goals for Korean bureaucrats could actually converge to a significant extent. Moreover, in the Korean historical context in which bureaucrats had been a highly regarded elite in society, and where nationalism was still very strong only a few decades after independence and the Korean War, working hard for national development was likely to be a sincere personal desire of patriotic bureaucrats, and could be perceived as a source of pride by them. Presumably, the leadership's continuous effort to raise people's awareness of national unity and restoration further helped to strengthen the bureaucrats' sense of public duty. With the evident continuity between bureaucrats and ministers, a bureaucrat, if lucky and successful, could become a minister. The career path to ministerial office was, in principle, open to every bureaucrat, and the rules of competition were clear and stable.

We should note, however, that this does not mean that all the bureaucrats and

ministers worked equally to gain higher or more important positions. For instance, in Downs' ideal types, there were 'conservers' who were not interested in innovation or fast promotion, but rather preferred the stability of their existing power and interest. For more ambitious officials, because private and public interests did not completely converge, their individual preference still made a difference in their behavior. If their public orientation, including a devotion to some specific policy, was strong enough—namely, if they were 'advocates' or 'zealots' in Downs' words— they could pursue a policy for the sake of the policy itself, or for what they believed to be the better future of the nation or society as a whole, even to the disadvantage of their own promotion. If they put more emphasis on their own personal interests—if they were 'climbers'—they might sometimes choose to act at the expense of the public interest. However, in order to realize their personal ambition without taking the great risk of engaging themselves in corruption, they most often had to work for the national interest—making contributions to economic development—and behaved like advocates or zealots, because this was the most promising way to be positively assessed and thus rewarded.

In such a world as described above, what would be the rational strategy for officials in managing their bureaucratic life? Considering the extreme competitiveness of the Senior Civil Service Examination, it would be appropriate to assume that most of those officials were substantially ambitious. For those still at lower levels, then, the strategy would probably be to produce greater-than-expected achievements in a given task. For those at more senior positions, however, attaining the targets was of course indispensable, but not always sufficient. The final assessor both of policies and positions was the president; therefore, as a former presidential secretary to Park recalled, 'senior bureaucrats were struggling to obtain the president's recognition and trust (O

1996: 218-219).

How could a bureaucrat obtain the president's recognition and trust? As the regime was very positive towards change, always desiring a better development performance, innovations or improvements were heartily welcomed, at least by the leadership. For those in the upper echelon who were involved more in policy formulation than in implementation, this meant that they were expected to propose new policies that appropriately responded to the ever-changing circumstances, which would in turn lead to even greater achievements, in addition to exhibiting excellent performance with the existing projects or policies. In order to obtain the president's trust, and to maintain it, they had to propose a good policy, get it accepted, and finally succeed in its implementation.

Ministers were already-recognized figures. Unlike their bureaucratic counterparts, they did not apply for the jobs, but were selected from above by the president. Some of them might not, therefore, be so ambitious by nature. Nevertheless, because the same merit principle was applied to them once they assumed their positions, they needed to meet expectations to confirm and maintain presidential trust by behaving similarly in order to stay in power. Those who were insufficiently ambitious, or unsuccessful, eventually lost their jobs. The history of ministerial appointment, at least some cases of important ministerial positions, such as Park Choong-Hoon, Kim Hak-Yol, and Kim Chung Yum seems to support this.

New policies often encountered resistance from other ministries or bureaus, sometimes extremely difficult for backers of a proposal, and the proposal had to linger around or be killed. In such an instance, an efficient way for a Korean advocate or zealot to make a case was to try to gain access and 'sell' the policies directly to the President,

by persuading him of the necessity and effectiveness of the new policy and obtaining his prior approval. Notwithstanding the extreme centralization, senior bureaucrats had various occasions to directly talk to the president. Personal ties sometimes helped an individual to obtain access. However, again, selling a new policy was not always easy, particularly when there was no recognized demand or problem.

“Policy Window” and Policy Change

According to Kingdon, agenda-setting is not a step in the orderly process of rational-comprehensive policymaking, but rather a result of a ‘coupling’ by chance of three separate ‘streams’: problem recognition, proposal formulation, and politics. Problems are identified in various ways, for example, when the result of some study is published or on the occurrence of some focusing events such as crises or disasters. Various policy proposals are constantly made and refined within policy communities independent of problems, waiting for matching problems to be identified. Politics is the overall framework for policymaking. Only sometimes at a ‘critical juncture,’ a ‘policy window’ opens for advocates of proposals—‘policy entrepreneurs’—to push already-formulated proposals to be attached to specific problems so that they can come onto the agenda. The window does not stay open for long, and so the proposal must have been worked out beforehand and pushed forward while the window is open (Kingdon 1995).

Compared with the U.S. federal government, the Korean government under Park was far more compact and centralized, and effective policy circles were extremely narrow, almost limited within the executive branch of the government. In addition, Korea had an all-powerful president who could virtually decide everything, including the agenda. However, the thrust of this model still seems to fit many Korean cases as well. Senior

bureaucrats and ministers—advocates and zealots— selling policies were policy entrepreneurs in Kingdon’s term. Although they tried to sell policies, aiming at obtaining more power, they were not always successful. The content and the nature of the proposal of course mattered, but other external factors often seemed to play an important role in the proposals being accepted. This is what Kingdon designates as a ‘policy window.’

In fact, when we look into the politics of Korean economic policymaking in detail, we find a drastic policy change occurred most often only as a result of successful ‘marketing,’ with a policy window opened, accompanying a power shift from the advocates of one policy to those of the new ones. Some institutional adjustment followed, if necessary, to effectuate the change, affecting the power configuration of the regime.

Two major policy shifts under Park, the first, a move to heavy and chemical industrialization in the late 1960s and the early 1970s, and the second to stabilization in the late 1970s, are cases in point: these could be explained as the results of such struggle and successful policy marketing among bureaucrats and ministers.¹⁴ Each of these policy changes accompanied a power shift within the elite, and they were shortly followed by some institutional adjustment to suit the new power arrangement. In 1973, when the President declared the Heavy and Chemical Industrialization Push, a new senior presidential secretary office was created with substantial coordinating power which became so powerful and strong. In December 1978, after the general elections where the ruling party in fact lost for the first time in the constituencies, seven economic

¹⁴ For the details of these policy shifts, see Horikane (2005) and Choi Byung-Sun (1987).

ministers including the powerful DPM and the longest-serving presidential chief secretary changed, almost totally reshuffling the presidential economic team and embarking on the completely new set of policies for economic stabilization.

Concluding Remarks

In a speech at the Oklahoma State University in March 1985, Nam Duck-Woo, a former DPM and Minister for Finance under the Park regime stated:

.....Unfortunately, policy makers must, as I have already illustrated, operate in a world where political and other constraints often take precedence over the claims of pure theory. It has been my experience that politicians and government officials are not so ignorant of economic theory as academic economists sometimes assume. They often recognize the importance of a firm theoretical foundation for their policies but at the same time realize that these policies must be 'sold' and 'marketed' to relevant constituencies... Even in totalitarian societies, policy makers do not function in a vacuum, free of political pressures.....(Nam 1997: 127)

'Marketing' or 'selling' policies was an important strategy for competent ministers and senior bureaucrats in Korea, where the rules of the game were clearly defined through various systems and institutions such as those for the civil service and for policymaking. Successful marketing led to power, prestige, and better salary, which were among the goals of most of the ministers and bureaucrats. Excellent performance needed to follow, however, in order for the rewards to be maintained. This system was

definitely one of the keys to the ‘miracle.’

This paper has elaborated the systems and institutions in the Korean government that constituted the environment for their economic policy process, and thus, for the ‘miracle’ to be realized, and theoretically explored the behavior of the ministers and bureaucrats there. The prestigious elitist bureaucracy that could attract the ambitious best and brightest in society must have had advocates and zealots in other ministries as well who were selling their policies. They were rationally struggling for better performance, first, and, furthermore, if allowed, trying to sell new policies for even better results.

We should note, however, that the fundamental key in this system was the existence of strong leadership commitment to development as argued by Jones and SaKong in their now *classic* account of Korea’s economic development (Jones and SaKong 1980). As the supreme power holder in the government, the president was almighty and his firm commitment assured the stability of the system, influencing various institutions and the behavior of officials, who worked very hard to achieve development as described in this paper. Without such a president as the final assessor and decision-maker, the system would not have worked as effectively as it did, creating the ‘miracle.’

However, again, this does not mean we should return to the old proposition of democracy versus authoritarianism. Some established national consensus based upon rigid prioritization may replace the authoritarian president and likewise work if accompanied by proper institutionalization including some for fair evaluation of the merit. Further exploration is, however, beyond the scope of this paper.

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