

Patterns of Policy Change: A Typology of State Interventions and a Korean Case Study

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Abstract

The existing studies of policy dynamics produced models of the 'stages' of policy evolution or schemas for understanding the main types of policy change. This paper attempts to develop such models or schemas by introducing a new 'typology of state interventions'. The application of the typology to empirical cases is examined in the context of two aspects of recent Korean development which were seen as the major negative by-products of rapid industrialization in the period from the 1960s to the end of the 1980s - the problems of low-paid industrial workers and of heavy environmental pollution creating pollution victims. After reviewing the major studies on policy dynamics and introducing the typology of state interventions, a brief account is given of policy development with respect to the above two aspects using the typology. The Korean policy cases demonstrate a distinctive sequence (from a 'disregard' style to 'positive response' styles via 'negative response' styles) in the evolution of state responses to a social problem. In the concluding part, the typology's theoretical implications are discussed.

Key Words: Policy dynamics; Policy developments; Minimum wages; Pollution victims; South Korea

I . Introduction

Public policy on any social problem is not static but always changing. As Hogwood and Peters put it, "the problem for the analyst of policy change is not to distinguish between those policies which are undergoing change and those which are static in the sense of being delivered in a

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constant form at a constant volume." (Hogwood and Peters 1983, 25). It is highly unlikely that a social problem can be solved completely by 'a' public policy. Thus, once the state is involved in a social issue, we can expect that there could be a series of policies on the issue over a longer-term period. In that sense, public policy is dynamic in nature. Existing studies of policy change have been largely focused on two points: Are there regular or predictable patterns in which policy changes (or state interventions) occur? And if so, why do they occur? Among these two points (the first empirical and the second explanatory), this paper concentrates on the first one, patterns of policy change, which has been less examined than the explanatory aspect of policy change.¹⁾ The next section reviews the major contributions to the studies of policy change pattern in general literature of public policy or state intervention, and suggests a typology of state interventions developed in this study. In the second section, the Korean state's policy responses to the problems of low wage levels and compensation for pollution victims are traced out by using the typology of state interventions suggested in the first section. Finally, the third section discusses the theoretical implications of the typology of state interventions.

II. Studies of Patterns of Policy Change and the Typology of State Interventions

The studies of policy change pattern have been relatively underdeveloped compared to the explanatory aspect of policy dynamics studies. However,

1) For the explanatory aspect of policy dynamics, see Hood 1994, chs. 1, 8. Hood identifies four proto-typical causes of policy change (i.e., ideas, interests, social 'habitat', and policy of its own cause), and applies his framework to the studies of economic policy reversals.

the literature concerning policy change pattern has been developing from the studies of state interventions and those of policy patterns. Some political scientists found a pattern 'displacement effect' – in the growth of public expenditure or posited a hypothetical model 'ladder of interventions' in liberal conservative political theory (Peacock and Wiseman 1961; Buchanan and Wagner 1977; Dunleavy 1989).²⁾ Also, some students of public policy challenged the 'stagist' model of policy process and developed some notable concepts for policy changes such as policy innovation, policy succession, and policy maintenance (Hogwood and Peters 1983; Polsby 1984).³⁾ One of their findings is that policy succession, rather than policy innovation, has become the dominant type of policy-making in the Western developed countries in the contemporary period (Hogwood and Peters 1983).

These contributions, however, have limitations either in theoretical completeness or in accommodating the varieties of policy change patterns. First, the pattern found in the state growth in the UK has not been upgraded into a hypothesis having general implications. On the other hand, the 'ladder of interventions model' is not empirically based. If the liberal conservative ideology behind the 'ladder of interventions' is a regime's ideology, then the model may causally explain policy development implemented by the regime for a period. Dunleavy argues that the ladder model underpins new right interpretations of British 'exceptionalism' which are unsatisfactory (Dunleavy 1989, 255–6). But the ladder model remains solidly normative, not empirically based.

2) Buchanan and Wagner have discussed a similar point raised by Peacock and Wiseman. They argue that budget surpluses, needed to reduce inflation in a boom, did not follow budget deficits, mobilized to control unemployment in a slump, which resulted in the expansion of the state (Buchanan and Wagner 1977, 83). However, they did not develop the argument in terms of generalization backed up by systematic evidence.

3) The 'stagist' model of policy process, largely beginning with 'problem recognition' and ending with 'evaluation' or 'termination', still influences the structure of public policy textbook. For a review of the model and its critics, see Parsons 1995, 77–81.

Second, the orthodox account of policy dynamics in terms of policy innovation and policy succession, framed for a liberal democratic context, seem to be based on the assumption that a public policy is the state's 'positive' response to a social problem aiming to solve it. Hogwood and Peters interpret policy innovation in terms of government's new 'organization, laws, or budgetary provision' (Hogwood and Peters 1983, 26), and policy succession as the replacement of an 'unsatisfactory' policy by others (Hogwood and Peters 1983, 27, 109). When they discuss the processes of policy innovation and policy succession, they refer to the 'hurdle of legitimacy' for an issue at the stage of agenda-setting. But they do not pay attention to the legitimacy 'hurdles' which may be generated by governing elites' reluctance to be involved in an issue (Hogwood and Peters 1983, 107-35). In short, it is difficult for us to catch 'negative' implications from those concepts of policy innovation or policy succession. However, this positive interpretation of government policy can be questioned, especially when we examine policy development under authoritarian governments. Government policy responses to a social problem do not always take positive forms. Governments may deliberately neglect the existence of a problem, or adopt negative responses such as 'repression' or 'non-decision' (Bachrach and Baratz 1970).

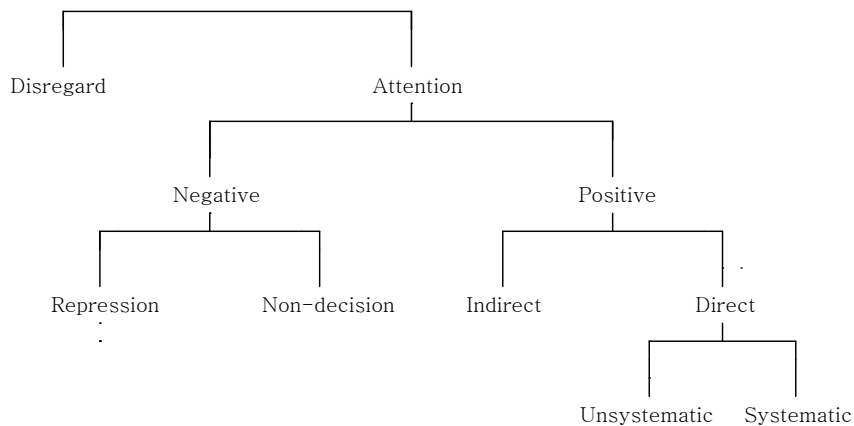
It follows that a government's initial policy for dealing with a social problem does not necessarily take a form of 'action'. Sometimes, a government's 'inaction' can be regarded as a proper policy. Here, the concept of policy innovation needs to be replaced by 'policy initiation' which covers not only 'positive' but also 'negative' responses and 'inaction'. Polsby uses 'policy initiation' and 'innovation' interchangeably, although he discusses the issue of non-decision (Polsby 1984, 11-13). But this paper challenges such a narrowed use of 'policy initiation'. Thus, in the case that 'inaction' is a government's 'policy initiation', 'policy succession' includes all

the government's subsequent activities, both 'negative' and 'positive', concerning a social problem.

Building upon the limitations of the previous studies reviewed above, a typology of state interventions in a social problem is introduced below, drawing on the South Korean experience. After the typology is introduced, several possibilities of dynamic changes in state interventions will be considered.

Examination of the policy development on the problems of low wages and pollution compensation in Korea during the 1960s–1980s revealed an underlying trend in the two successive Korean governments' responses to the two issues. That is, the state's involvement in the two problems developed from 'doing nothing' to 'doing positive things' via 'doing negative things'. Also, the state's degree of involvement in the problems, especially positive involvement, gradually increased over the three decades. In order to understand the policy development in a more systematic way, government's policy responses to a social problem are classified into a set of logically exclusive categories as shown in Figure 1, conceived as 'typology of state interventions'.

〈Figure 1〉 Typology of State Interventions



Here, 'disregard' is the type of response that a government does not pay attention to a social issue in spite of the fact that the issue and related social problems manifestly exist. By contrast, 'attention' indicates that the government no longer neglects the social problems and issues. But the 'attention' does not necessarily take 'positive' forms: it can take 'negative' forms in the first place. There are two possible 'negative' forms of 'attention'. The first one is 'repression'. That is the type of state response that the social issues, problems, and groups which challenge or could challenge the vested interest of state elites or the institutions sustaining the interest, are suppressed either by repressive laws or by physical force. The second type, 'non-decision', is the type of state intervention that the social issues, problems, and groups which challenge or could challenge the interest or the institutions are excluded from government agendas mainly through the mobilization of bias of the institutions (Bachrach and Baratz 1970).

In terms of 'positive attention', the following types can be conceivable. The category, 'direct' and 'indirect', is based on the question whether a positive policy directly deals with a raised problem and a related group or not. If the policy deals with them directly, then it is called a 'direct' style. If the policy does not treat them directly, but it is related to them and produces indirect effects, then it is called an 'indirect' style. The next category, 'systematic' and 'unsystematic', was made to describe the sub-development of policy responses under the 'direct' style. The 'systematic-direct' policy measures mean the policies that are implemented on the basis of precise and comprehensive regulations governing the problems, while the 'unsystematic-direct' policies have only vague or incomplete principles even if they handle the problems directly. The main demarcation line between 'systematic' and 'unsystematic-direct' policies is whether a 'direct' policy is implemented on a legal basis or on an ad-hoc

(non-legal) basis.

The typology of state interventions suggested above implies dynamics. That is to say, we can expect that state intervention in a social problem could develop from a 'disregard' style to a 'systematic-direct' style through 'repression', 'non-decision', 'indirect', and 'unsystematic-direct' styles. But there is no necessity for state interventions to follow all these types step by step. Thus, state response can jump from a 'disregard' style to a 'direct' style without taking 'negative' and 'indirect' styles. Also, state response can take only one style from one category. For instance, we can conceive a series of state responses consisting of 'disregard', 'repression', and 'systematic-direct' styles. Further, in some cases, the state may take more than one type of intervention at the same time. For instance, a 'repression' strategy can coexist with an 'indirect' strategy and/or a 'direct' strategy, although the former strategy is likely to precede the latter two strategies in terms of the timing of adoption. There could even be a reverse order. For example, a 'direct' style could precede an 'indirect' type, or the state could withdraw its 'attention' to a social problem and return to a 'disregard' type. In addition, the state can take a different set of intervention types according to different social problems.

Given these various possibilities, it is in fact impossible to predict 'the' exact path of intervention styles that the state may take to deal with a social problem. Despite these complexities, however, we can have a moderate expectation that state interventions in a social problem largely begin with a 'disregard' style and develop toward a 'systematic-direct' style. In that sense, the typology of state interventions can be transformed into 'stages of state interventions', though it is highly unlikely to have the same stages in every case of policy development. Coinciding with this expectation, the main empirical finding of this study is that the Korean state's interventions in the problems of low wages and pollution

compensation developed from a 'disregard' style to a 'direct' style through the 'negative' styles. More detailed examination of the Korean cases is conducted below.

III. Korean Policy Developments

South Korea's economic development through rapid industrialization during the 1960s accompanied several social issues. Among the social issues were low wage levels of industrial workers and damage to pollution victims (largely farmers and fishermen) which represented respectively the negative social and physical by-products of economic development (such as the social cleavage between rich and poor and environmental pollution). However, the issues of low wages and pollution compensation were not important social problems during the period. The problems were handled between the parties concerned such as employers and employees, and factory owners and pollution victims. The government at that time, under President Park Chung-Hee, did not intervene in such issues. Although some welfare and environmental policies such as the Medical Insurance Law and the Pollution Prevention Law were enacted in 1963, these policies were not implemented because of the lack of any mandatory standards, enforcement ordinances, or budget allocation. Moreover, there was no legal or administrative measures directly dealing with the low wage and pollution compensation problems. Therefore, we can say that the government's response to the problems remained in the 'disregard' mode during the 1960s.

The problems of low wages and pollution victims began to attract people's attention from the late 1960s, and became manifest social issues in the 1970s. The Park regime's first responses to these emerging issues

were 'negative' ones. The regime tried to curb the wage and compensation claims by either 'repression' or 'non-decision'. With regard to the pollution issue, the main response was 'non-decision', and it was conducted within the terms of the legal system, institutional arrangements, and information control. On the other hand, 'repression' was the regime's main response when it came to the wage issue, and the regime's major tactic was to block the development of bargaining power on the workers' side through a repressive legal system and the mobilization of physical force. These two 'negative' responses became the Korean state elites' basic strategies, in dealing with the two issues, during the whole period of the authoritarian regimes of Park (1961–79) and Chun Doo-Hwan (1980–88). The state elites justified their positions by arguing that in order to continue economic growth, wage increases should be checked and pollution could be allowed.

Although the 'repression' strategy adopted in the early 1970s was the Park regime's main position toward the low wage issue, the regime also showed some 'positive' attention to the issue during the first half of the 1970s. President Park, in 1973, made strong representations to the business people to pay proper wages to their employees, and this event eventually resulted in the adoption of a 'positive' policy – the Administrative Guidelines for a Minimum Wage. The point of the policy was to set an annual administrative guideline for a minimum wage. Also, Park showed his positive attention to workers' hardship in his Emergency Decree (the Presidential Emergency Decree for Stabilizing the People's Life) in 1974. The Decree included a clause governing the issue of wage non-payment by employers and several other measures protecting workers. Reflecting the provisions of the Decree, labor laws were amended in the same year to consolidate the measures for protecting workers. Although these new measures, particularly the Administrative Guidelines for a Minimum Wage,

tackled the low wage problem directly, they did not have any systematic and coherent principles for dealing with the problem. Moreover, since the Administrative Guidelines were implemented on an ad-hoc basis, they were not sustained for long. (The policy was implemented during 1974-78.) Therefore, this stage of the state's response to the low wage issue can be called an 'unsystematic-direct' form of state intervention.

The transition into the next stage of state response to the low wage problem can be seen with the revision of the Medical Insurance Law in 1976 (implemented in 1977) to introduce a compulsory insurance scheme. As in the case of the Administrative Guidelines, President Park initiated this policy development by giving orders and support to the Ministry of Health and Social Affairs, the department responsible for social welfare. The nominal purpose of the Medical Insurance Law of 1976 was to improve national health and enhance social security by facilitating access to medical care in the event of illness, injury, childbirth or death. However, the main target of the initial medical insurance scheme was industrial workers. The initial compulsory scheme was applied only to employees and intended "to protect workers and their families against the loss of income due to disease, injury, childbirth or death, as well as to provide medical services" (ISSA 1978, 230). Although the Medical Insurance Law aimed to alleviate the economic insecurity of industrial workers, it only had an indirect effect on low wage levels. Thus, in these context, the Medical Insurance Law can be seen as an 'indirect' form of state intervention in relation to low wages.

The state's involvement in the low wage problem finally developed into a 'systematic' stage in the Chun government. The Minimum Wage Law was enacted in 1986, which became effective from 1988. As with previous policies, the state elites played an initiating role in developing the policy, but, this time, the main element of the state elites assuming the leading

role was the executive members of the governing party rather than the President himself. Nevertheless, President Chun did also play an important role by announcing the adoption of the policy by himself, which added the symbolic weight to the policy. Indeed, the significance of the Minimum Wage Law was increased when Chun promised the introduction of a national pension scheme and the expansion of the compulsory medical insurance scheme to farming and fishing villages with the adoption of the Minimum Wage Law. As a result of the enactment and implementation of the Minimum Wage Law, low paid workers could be protected from the extremely low wage levels on a systematic legal basis. Therefore, the Minimum Wage Law can be regarded as a 'systematic-direct' state intervention in the low wage problem.

There were a few 'positive' policies relating to the problem of pollution victims during the 1970s and 1980s as well. The Pollution Prevention Law that had existed in name only was replaced by the Environmental Preservation Law in 1977, which came into effect in 1978. Like the policy developments on low wages, President Park played an initiating role in the enactment of the Environmental Preservation Law. We can see several improvements in the Environmental Preservation Law, as compared to the Pollution Prevention Law, in terms of both substantive provisions and binding power. Such legal improvements included the requirements for environmental impact assessment, environmental quality standards, and designation of special zones for pollution control. Moreover, the Environmental Preservation Law improved the regulatory provisions governing environmental conflicts. In particular, Commissions for the mediation of environmental conflicts were established and specific mediation procedures were put in place for the first time. Furthermore, a no-fault liability principle (polluters had the liability for victims without their fault) was adopted by the Law. The Environmental Preservation Law

could provide pollution victims with some general benefits such as better long-run living conditions. Also, given the legal arrangements mentioned above, the possibility of proper compensation for pollution victims increased considerably. However, the Environmental Preservation Law and the specific measures did not tackle the issue of compensation itself directly. They only governed the relations between polluters and victims. In this sense, the Environmental Preservation Law was an 'indirect' form of state intervention in the issue of pollution compensation.

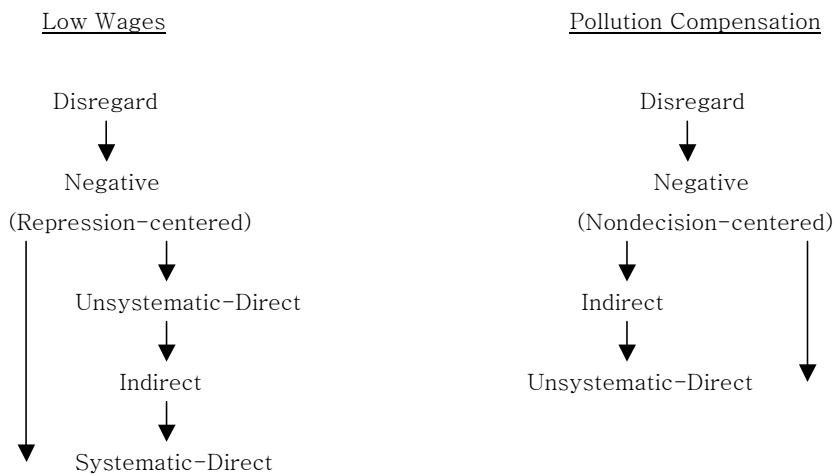
In 1985, the Chun government decided to implement an evacuation program for the residents of Ulsan and Onsan which were in the south-eastern coastal region of the country. Both Ulsan and Onsan were famous for their Industrial Complexes concentrating on petrochemicals, and, at the same time, they were notorious for their severe pollution. During the 1960s-70s and the first half of the 1980s, the residents of the region were badly troubled by pollution and demanded compensation from the factories responsible. However, the compensation was always far less than the residents' demands. Despite the chronic appearance of the disputes, the conflict was largely settled between the parties concerned during the period without state intervention. In 1985, however, the government at last decided to intervene directly in the dispute. The total number of the residents evacuated was about 35,000 (1,100 households), and the government paid the lion's share of the required costs (89 percent of the total costs: 120 billion Won). It was the state's unprecedented direct involvement in pollution disputes. However, since it was conducted on an ad-hoc basis without systematic legal background, it can be termed as an 'unsystematic-direct' form of state intervention in the problem of pollution compensation.

No major policy development on either of the two issues has occurred since 1988. The Minimum Wage Law was progressively revised in 1989,

1990, and 1999. The mediation arrangements for environmental conflict developed into the Environmental Pollution Disputes Settlement Law in 1990 and the law was progressively revised in 1998. But these changes can be interpreted as a kind of 'policy maintenance'.

Using the 'typology of state interventions' introduced in the previous section, the Korean state's intervention in the problems of low wages and pollution compensation developed from a 'disregard' style to the 'positive/direct' styles, passing through the 'negative' styles. Figure 2 puts each policy development in the form of the 'stages of state intervention', and Figure 3 summarizes the historical development of government policies regarding the problems of low wages and pollution compensation.

〈Figure 2〉 Stages of State Intervention in Low Wage and Pollution (Problems)



〈Figure 3〉 Development of Government Policies on Low Wage and Compensation Problems in South Korea

Low Wages	Year	Pollution Compensation
Disregard	1961	Disregard
Repression	1970	Non-decision
	1971	
	1972	
	1973	
Unsystematic-Direct <Administrative Guideline for a Minimum Wage>	1974	
	1975	
Indirect <Medical Insurance Law>	1976	
	1977	Indirect <Environmental Preservation Law>
	1978	
	1979	
	1980	
	1981	
	1982	
	1983	
	1984	
	1985	Unsystematic-Direct <Evacuation Program>
Systematic-Direct <Minimum Wage Law>	1986	

IV. Theoretical Implications of the Typology and the Korean Experience

The increasing state responsibility for social welfare and environmental protection in South Korea supports the general accounts of state expansion

established by the state growth theories. However, the 'typology' and 'stages' of state interventions developed from the Korean experience challenges other existing accounts of policy change reviewed earlier, and suggests some possible ways of developing the literature. First, the 'typology' and 'stages' of state interventions can be seen as a developed form of the 'ladder of interventions model'. There are some similarities between the 'ladder of interventions model' and the 'stages of state intervention' summarized in Figure 2, since both of them claim that there are several phases in the development of state responses to a social problem. However, there is also a basic difference between the two models because the 'stages of state intervention' came from empirical studies, while the 'ladder of interventions' account does not. Compared to the latter, the former is empirically grounded, and it may better address the idea that the state's involvement in a social problem could be phased. Second, the 'typology' of state interventions is an attempt to supplement the orthodox account of policy dynamics. It redefines the concept of policy initiation by introducing 'inaction' and refines the concept of policy succession both by accommodating different kinds of 'negative' responses and by suggesting different patterns of policy succession.

Third, the 'typology' and 'stages' of state interventions also show a possible way of developing the 'non-decision' argument. Since the establishment of the concept, several attempts have been made either to apply the concept to empirical cases or to develop the concept in different ways (for a review of the attempts, see Parsons 1995, 134–45). In the attempts to develop the concept, the main emphasis has been placed on the control of governmental agendas in a liberal-democratic state (see, for example, Lukes 1974; Offe 1976). However, the original accounts of non-decision were not limited to agenda control. The idea was applied to the other stages of policy process including policy-making and

implementation: "If... the status-quo defender was unsuccessful and the demand for a policy change persisted, the agency would still be able to oppose it within the decision-making arena or, as a last resort, within the implementation arena." (Bachrach and Baratz 1970, 57-8). Indeed, the 'filter system' sometimes fails to block (or allows) the entrance of some 'unpleasant' issues into governmental agendas, which eventually results in the development of public policies. Then, what shape do these policies take? If an 'unpleasant' issue is handled by a series of policies during a longer-term period, can we identify a pattern in state responses? Neither Bachrach and Baratz nor Lukes and Offe give us proper answers to these questions, whereas the 'typology' and 'stages' of state interventions suggest at least some preliminary answers to these questions. Furthermore, given the difficulties in conducting empirical studies of non-decision phenomena, this line of study can be another way of developing the non-decision literature.

Whether the 'typology' has a wider applicability to other cases both in Korea and in other countries cannot be determined at this stage. But the above finding can be transformed into a generalized hypothesis that there could be a distinctive sequence in the development of government policy on a social problem in both authoritarian and liberal democratic regimes.

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