

# Exporting Urban Korea?

Reconsidering the Korean Urban  
Development Experience

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## 12 Knowledge-policy nexus

Policy research institutes and the urban  
development regime in Korea

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## Policy research institutes and the urban development regime in Korea

*Se Hoon Park*

### **Introduction: policy research institutes in the Korean urban regime**

Policy research institutes (PRIs)<sup>1</sup> in the Republic of Korea (Korea hereafter) have played a pivotal role in the nation's economic and social development since their inception in the early 1970s. The PRIs have been pipelines for transferring the knowledge and policy experiences of advanced countries into the nation, as well as sources of technical information for decision-makers in the government. Following the Korea Development Institute (KDI), founded in 1971 as the first national think tank, many PRIs in almost every policy field have been established to fill the gap between academic knowledge and policymaking. Currently, Korea operates 26 national PRIs under a governing body, the National Research Council for Economic Humanities and Social Science (NRC). The Korean PRI system is quite systematic and well organized.

This is the case in the urban and regional policy in Korea. Throughout its high economic growth era, Korea has developed a unique institutional arrangement in the urban development sector to facilitate effective and efficient land development. In this "urban development regime", many public agencies are playing important roles in policymaking and policy implementation, and the PRIs are an integral part of the regime.<sup>2</sup>

At the national level, the Korea Research Institute for Human Settlements (KRIHS) was established in 1978 as a government think tank, and has remained as a planner and knowledge provider in the urban sector in Korea. All major urban policy issues, ranging from the Comprehensive National Territorial Plan (CNTP) to national urban regeneration schemes, have been reviewed and advised by KRIHS. The national government, particularly the Ministry of Land, Infrastructure and Transport (MOLIT), and KRIHS often work together in a concerted way to produce optimized policy alternatives. At the local level, PRIs are now operated by all metropolitan and provincial governments as their think tanks and, at the same time, function as an integral part of the respective urban development regime.

A think tank itself is not special. PRIs have proliferated in many countries and are playing an important role in producing and influencing public policies.

It would be worth noting the several definitions of PRIs offered by Western scholars. Kent Weaver describes them ‘universities without students’ and ‘advocacy tanks’ (Weaver, 1989). Andrew Rich defines them as ‘independent, non-interest based, non-profit organizations that produce and principally rely on expertise and ideas to obtain support and to influence the policy process’ (Rich, 2004). Diane Stone identifies them as ‘non-profit organizations engaged in the analysis of public policy issues independent of government, political parties, and interest groups’ (Stone, 1996).

Obviously, the definitions offered here are grounded on the experiences of Western PRIs and are not suitable for those of Korea. They commonly place an emphasis on the “independence” of the PRI on the grounds that independent views are considered to be vital for producing rational policy alternatives. The world-renowned PRIs such as the Brookings Institute in the US and Chatham House in the UK are all independent and private organizations. In contrast, major PRIs in Korea are heavily dependent on the government in terms of finance and governance structure. Private and civil PRIs are significantly side-lined, though their roles have been expanding recently. Why had the Korean government built such a large-scale governmental PRI system, and how do policymakers benefit from the PRIs in their policymaking? How did this system work for the overall urban development regime, and how does it persist in the current neoliberal socioeconomic environment in Korea?

One prevailing explanation for this is the argument based on developmental state theory (Karthik et al., 2010; Mo, 2005). Developmental state theory has focused on the distinctive institutional features of the East Asian states such as business-government cooperation, bureaucratic autonomy and capacity, and authoritarian rule. Under these institutions, the state has played a dominant role in mobilizing society and the business sector for economic development (Johnson, 1982; Amsden, 1989; Woo-Cumings, 1999). This perspective, however, cannot explain why the Korean PRI system is more state-led than others such as those of Japan and Taiwan, countries that are also categorized as developmental states. The Korean system is more like those of France and Germany, which operate extensive government-sponsored research organizations under their interventionist tradition (Kim et al., 2009).

Having said that the developmental state perspective is effective in explaining the dominance of state over society and business, we need to go into further details to understand why Korea has developed such large-scale and government-led PRI systems, and what particular roles PRIs are playing in the overall state-led institutional arrangement.

Here, rather than using a theoretical and structural analysis approach, I focus on the historical and contextual understanding on how the Korean PRIs have been conceived, developed and sustained until now. In following sections, after outlining the development of the PRIs in Korea, I highlight the three elements that have been shaping the current PRI system in Korea. The first is the knowledge production market in the early days of the PRIs. Unlike in Western countries, the knowledge production capacity in the Korean private sector was so

marginal that the Korean government had utilized the PRIs as a channel to secure high-level professionals required for the nation's industrialization drive in the 1960s and 1970s. The second is the government-PRIs relations. The Korean government has built a unique governance system to provide the PRIs "independent management" to a certain degree in the late 1990s. By maintaining "some distance" between the government and the PRIs, the government could employ the PRIs more effectively under the democratized political environment. Last, Korea has built a strong partnership between the government and the PRIs under the state-led developmental regime. The regime, buttressed by comprehensive institutional and legal arrangement, has reinforced the role of the PRIs and vice versa.

### **The development of policy research institutes in Korea**

PRIs in Korea can be categorized into four types by their governance structure: national, local, business and civil. The most influential PRIs are national ones, and the other types are expanding their roles with the rise of local governments, the business sector and civil society.

First and foremost, the PRIs in Korea were the result of the national government's deliberate efforts to produce knowledge for economic development (Lee, Bae and Lee, 1991; Yoon, 1992). Quasi-governmental research institutes started to pop up from the mid-1960s amid the national government's drive towards industrialization and modernization, and contributed to directing government policies. First, they were established in the field of economics and the sciences with the financial and technical support of US development cooperation. On the other hand, after Korea had enjoyed institutional local autonomy in the 1990s, local governments started to establish their own PRIs as tools for local policy development. In addition, large conglomerates began to run economic research institutes to voice their business interests to the government and the public. Independent PRIs reflecting the interests of civil society are becoming increasingly active and sometimes exercise influence on public policies, though they are small in scale in terms of organization and budget.

The Korea Institute of Science and Technology (KIST), the first government research institute, was founded in 1966, and the Korea Advanced Institute of Science and Technology (KAIST), as well as the first PRI, the Korea Development Institute (KDI), were founded in 1971. USAID tried to accelerate industrial development in Korea by channeling science and technology into industrial action in Korea with the establishment of KIST. Similarly, for the establishment of KDI, USAID provided considerable funds to the Korean Economic Planning Board of the Park Chung-hee government with a view to conduct competent independent research on public policy issues. For this matter, the KDI Act was promulgated by the Korean government on December 31, 1970, and the KDI Endowment Fund began to finance the KDI project in 1971 (Kim, T., 2014).

Currently, there are 26 PRIs in the fields of economics and social science which are supervised by a governing body, the National Research Council

for Economics, Humanities and Social Sciences (NRC). Before 1999, PRIs were grounded in individual laws and directly controlled by their respective related ministries in terms of management and finance. The national government reformed the PRI system in 1999 by creating the NRC as an umbrella organization to administer PRIs in a bid to offer more independence in the management of the institutes and promote collaboration among them (see Table 12.1).

Since the 1990s, local governments began to follow the model of national research institutes, as the local autonomy system was reintroduced in 1995. Starting with the establishment of the Seoul Institute in 1992, 16 local government-sponsored research institutes (hereafter local PRIs) have been established. Most local PRIs are funded by local governments but managed as independent entities based on local ordinances. They conduct research, surveys and networking activities to develop and improve local policies. As local autonomy has expanded recently, the role of the local PRIs has also increased.

*Table 12.1* Policy research institutes under the NRC in Korea

<i>Name</i>	<i>Acronym</i>	<i>Establishment Year</i>
Korea Development Institute	KDI	1971
KDI School of Public Policy and Management	KDIS	1997
Korea Institute for Health and Social Affairs	KIHASA	1971
Korean Educational Development Institute	KEDI	1972
Korea Institute for Industrial Economics and Trade	KIET	1976
Korea Rural Economic Institute	KREI	1978
Korea Research Institute for Human Settlements	KRIHS	1978
Architecture and Urban Research Institute	AURI	2007
Korean Women's Development Institute	KWDI	1983
Korea Information Society Development Institute	KISDI	1985
Korea Energy Economics Institute	KEEI	1986
Science and Technology Policy Institute	STEPI	1987
The Korea Transport Institute	KOTI	1987
Korea Labor Institute	KLI	1988
Korean Institute of Criminology	KIC	1989
National Youth Policy Institute	NYPI	1989
Korea Institute for International Economic Policy	KIEP	1989
Korea Legislation Research Institute	KLRI	1990
Korea Institute for National Unification	KINU	1990
The Korea Institute of Public Administration	KIPA	1991
Korea Institute of Public Finance	KIPF	1992
Korea Environment Institute	KEI	1992
Korea Maritime Institute	KMI	1997
Korea Research Institute for Vocational Education and Training	KRIVET	1997
Korea Institute for Curriculum and Evaluation	KICE	1998
Korea Institute of Child Care and Education	KICCE	2005

Source: NRC, visited on March 13, 2019 ([www.nrc.re.kr](http://www.nrc.re.kr)).

For example, the Seoul Institute was established in 1992 in the form of a foundation of the Seoul Metropolitan Government, based on the Act on the Establishment and Operation of Local Government-Invested Research Institutes and the Ordinance on the Promotion of the Seoul Development Institute. According to this ordinance, the Seoul Institute was established with the purpose of promoting the welfare of the citizens of Seoul and contributing to the sustainable development of Seoul. The Seoul Metropolitan Government has set up a fund to provide the necessary financial support for the operation of the Seoul Institute, and the important issues regarding the Institute must be reviewed by a board of directors.

Other research institutes include those established by private companies and political parties. However, these institutes have limitations in the autonomy and independence of their research, and conduct studies that reflect the interests of their founding organizations. On the other hand, there are independent research institutes that are not affiliated with any organization. Many of these institutes are provided funding through donations and membership fees and have roots in a civil society organization, such as the East Asia Research Institute, the Korea Research Institute and the Hope Institute. While these institutes play an important role as social innovators, many of them are under the stress of budget constraints (Kim and Kim, 2014).

The following table summarizes the functions and governance of the PRIs in Korea by type. As mentioned above, the national PRIs are dominant in size and influence, while independent research institutes are relatively weak. The national and local PRIs have secured stable financial resources due to legal stipulations on funding, but civil PRIs are usually operated with donations and membership fees, often meaning that they are forced with financial difficulties. On the other hand, civil PRIs have enjoyed the high level of independence that private research institutes do not have, while the national and local PRIs are somewhere in the middle (see Table 12.2).

### **Factors behind the uniqueness of the Korean PRI system: the case of KRIHS**

#### *Knowledge production market*

One key element for why the national government had built such a large-scale PRI system was the unbalanced knowledge production market in the early stages of economic development in Korea. In the 1960s and 1970s, there was a critical deficiency of professionals in the private sector, including universities and research institutes. When the national government started to mobilize resources for economic development, the lack of knowledge was a critical concern. To cope with this, the national government made an organized effort to secure brainpower, particularly by focusing on getting scientists, engineers and other intellectuals who went abroad to foreign countries to return to Korea. The building of government-sponsored R&D institutions, including PRIs, was an integral part

Table 12.2 Types of policy research institutes in Korea

<i>Types</i>	<i>Role</i>	<i>Governance and Funding</i>	<i>Examples</i>
National Research Institutes	Research support for national government policy development 26 institutes in all policy areas	Funded and operated under the governing body of the National Research Council Independent from individual ministries	KRIHS, KDI, etc.
Local Government Research Institutes	Research support for local government policy development Covering all policy areas	Funded by but administratively separated from local governments	Seoul Institute, Gyeonggi Research Institute, etc.
Private Research Institutes	Supporting private company activities Mostly focused on economic policies	Funded and owned by private companies	Korea Economic Research Institute, Samsung Economic Research Institute, etc.
Civil Research Institutes	Alternative policy development for the general public	Independent, and funded by donors	East Asia Institute, the Hope Institute, etc.

of this strategy. Consequently, the set of programs was highly successful and repatriated intellectuals from abroad became important elements of the Korean techno-structure that began to emerge in the 1960s and 1970s (Yoon, 1992).

When KRIHS was founded in 1978, its key agenda was the establishment of the Second Comprehensive National Territorial Plan (CNTP). Before the foundation of KRIHS, the Ministry of Construction (MOC) mostly relied on in-house support groups, foreign consulting firms or individual professors at universities for their policy development and technical works. The first CNTP, the nation's top-level spatial development guideline, was established in 1971 with a help of a French consulting firm, Otam Metra. The MOC was increasingly pressed by the lack of adequate knowledge and stable technical support for policy development on a long-term basis (KRIHS, 1983).

In the late 1970s, there were a couple of planning schools in Korea, including the Seoul National University Graduate School of Environmental Studies, which provided a number of experts to KRIHS on its establishment later on. However, it was impossible to receive enough technical support from individual professors on increasing and diversifying territorial issues. The MOC had established an in-house research group, the Centre for Territorial Planning Research (CTPR), from 1969 in preparation for the first CNTP, but it was neither professional nor efficient enough. With a couple of research institutes like KDI as the model in

mind, the top MOC officials began to discuss the establishment of KRIHS from 1977 (Um, 1993).

The first president of KRIHS, Dr. Noh Yung Hee, was a professor of Seoul National University, and a highly respected figure in the urban policy field. On the establishment of KRIHS, he requested two conditions from the MOC: first, a guarantee of the independent management of the institute without intervention from the MOC, particularly on the issue of hiring new researchers, and second, the provision of sufficient incentives to new brainpower returning from abroad to join KRIHS. Actually, his concern was to secure competent researchers for the new institute. There was a request from the MOC to accept as many staff as working at the CTPR, but he insisted that they were not properly trained enough to join the research institute and accepted only a small number of staff through screening measures. More important was the provision of adequate incentives for PhD holders from prestigious foreign universities to strengthen the research capacity of the institute. Regarding this issue, there was a consensus with the MOC, which was to follow the previous practices of KDI.<sup>3</sup>

The first three professionals recruited from US universities at KRIHS were Seong Ung Hong (economist, the former president of the Construction Economy Research Institute), Soo Young Park (urban planning, the former president of the Gyeongnam Institute) and Won Young Kwon (urban planning, the former president of the Seoul Institute). On recruitment, they were all paid well, with salaries much higher than those of standard university professors at the time, but more importantly, they received abundant extra salary incentives. Particularly, KRIHS provided relocation expenses and free housing for foreign university PhD holders.

The most attractive [incentive] was an apartment unit of approximately 100 m<sup>2</sup> free of charge. There were not many apartments in Seoul back then. It looked so modern and state-of-the-art that all my relatives came to see my new apartment. At the time, KRIHS maintained around 30 units of apartments supported by major construction companies in Korea.<sup>4</sup>

It should be noted that KRIHS was only a part of the government's aggressive drive for returning scientists and intellectuals to Korea. In the 1960s, Korea, like many other Asian countries, had a serious brain drain problem. According to the Ministry of Education (MOE), 90 percent of Koreans who studied in the United States chose to remain after earning a doctoral degree (Yoon, 1992). It was not surprising because there were not enough employment opportunities at home for American-educated Koreans. The government's systematic repatriation effort began in 1966 when KIST, a multidisciplinary R&D institute for industrial technology, started to recruit a group of senior-level scientists and engineers from America and West Germany. Early Korean PRIs were all a part of this movement. The Korean government's repatriation efforts were highly concentrated in the recruitment of high-level professionals, particularly in the public sector R&D institutes (Lee, Bae and Lee, 1991). Referred to as a 'reverse brain drain' by Yoon (Yoon, 1992), the government's efforts were highly successful. Since the early



1980s, the private sector has also been aggressively pursuing this model of the state-led repatriation program.

In a nutshell, the Korean PRI system was the result of the Korean government's organized efforts to recruit high-level scientists and intellectuals educated abroad. The knowledge production market in the private sector was so underdeveloped that the government decided to develop a government-nurtured knowledge production system. The PRIs, including KRIHS, became channels through which the nation could secure high-level professionals in a more stable manner.

### *Government-institute relations*

The relationship between the government and PRIs has been a tricky issue since the beginning of PRIs. There are two conflicting arguments regarding the issue of the independence of PRIs. The first is the view that the PRIs should be under the control of the government because their *raison d'être* is to support the government with policy research and advice. In light of their roles given, building an intense partnership with and paying attention to demands from the government are important not only for the government but also for the PRIs themselves. The other argument is that the PRIs should be independent because they need to provide various alternative views on contentious social issues regardless of the government's stance. If the PRIs are just repeating the government's position, they would lose their reputation as research institutes and most likely their social roles. These two conflicting arguments demonstrate the inherent difficulties that the current government-led PRI system faces.

This issue became more problematic as Korea went through political democratization since the 1990s. Under the authoritarian rule in the 1970s and 1980s, the central government had undisputed power and single-mindedly pursued an unchallengeable goal, the so-called "modernization of the fatherland". There was no dispute regarding the social role of the PRIs under the circumstance. With the arrival of democratization, however, the influence of the central government eroded significantly and social values on various policy issues became diversified and ended up competing against each other. In particular, as conservative governments and liberal governments took office in turn from the 1990s, the PRIs often confronted embarrassing moments in which they had to negate their own achievements made under the previous government with a different ideological stance.

For example, after the Lee Myeong Bak administration took office in 2008, the importance of the previous government's pet projects was significantly downgraded. The new government tried to downplay and defund the previous Roh Moo-hyun administration's key territorial policies, such as the National Balanced Development Initiative and the New Administrative City construction project, on the grounds that they were not aligned with the philosophy of the new government. It was embarrassing for KRIHS, as a designer of these projects, to have to negate its own achievements during the previous government. Something similar happened again when another new government, the Park Geun-hye

administration, came to office in 2013. The new government tried to erase the shadow of the green growth strategy, Lee Myeong Bak administration's pet project, as the new government found its own policy narratives. Consequently, political democratization made the relationship between the government and the PRIs more complicated.

The changing circumstances have been reflected in the governance structure of the PRIs. When the PRIs were established, all institutes were based on individual laws and financed directly by their respective ministries. They had each built a close relationship with a particular individual ministry, but at the same time, the independence of the PRIs in research and management was limited. Responding to the changing circumstances brought by democratization, the central government introduced the NRC as a governing body with an integrated legal system, and brought all PRIs under the NRC.<sup>5</sup>

KRIHS as well was launched by the "KRIHS Promotion Act" in 1978 with financial support from the MOC. KRIHS was legally independent in that the president of KRIHS was responsible for the management of the institute, including the matter of hiring researchers. However, the MOC had reviewed KRIHS's management plan and provided its annual budget, so it was hard for researchers at KRIHS to express different views from the MOC's official position. With the establishment of the NRC, KRIHS's management, along with other PRIs, has been reviewed, funded and evaluated by the NRC. Still, KRIHS works closely with the MOLIT (the successor of the MOC) in research activities, but it is governed by the NRC, separate from the MOLIT (see Table 12.3).

It is not fair to say that this measure transformed KRIHS into a completely independent organization free from the political and administrative influence of the MOLIT. Still, one-third of KRIHS's budget comes from the central government through the NRC, and all the key contents that KRIHS is producing pertain to the national policies that the MOLIT takes initiative of. Yet, it is also true that the MOLIT is not in a position to direct the management of the institute, and KRIHS undertakes the MOLIT's research only by contract with the MOLIT's separate budget.<sup>6</sup> Today, KRIHS researchers are keen on the MOLIT's policy demands, but they try to suggest future directions based on fact-finding surveys and analyses, rather than just following the government's position (see Figure 12.1).

*Table 12.3* Changes in the governance of KRIHS

<i>Category</i>	<i>1978–1999</i>	<i>1999–present</i>
Law	KRIHS Promotion Act	Act on the Establishment, Operation and Fostering of Government-Funded Research Institutes, etc.
Governing Body	The Ministry of Construction	National Research Council for Economics, Humanities and Social Science (NRC)
Budget Source	The Ministry of Construction	National Research Council for Economics, Humanities and Social Science (NRC)

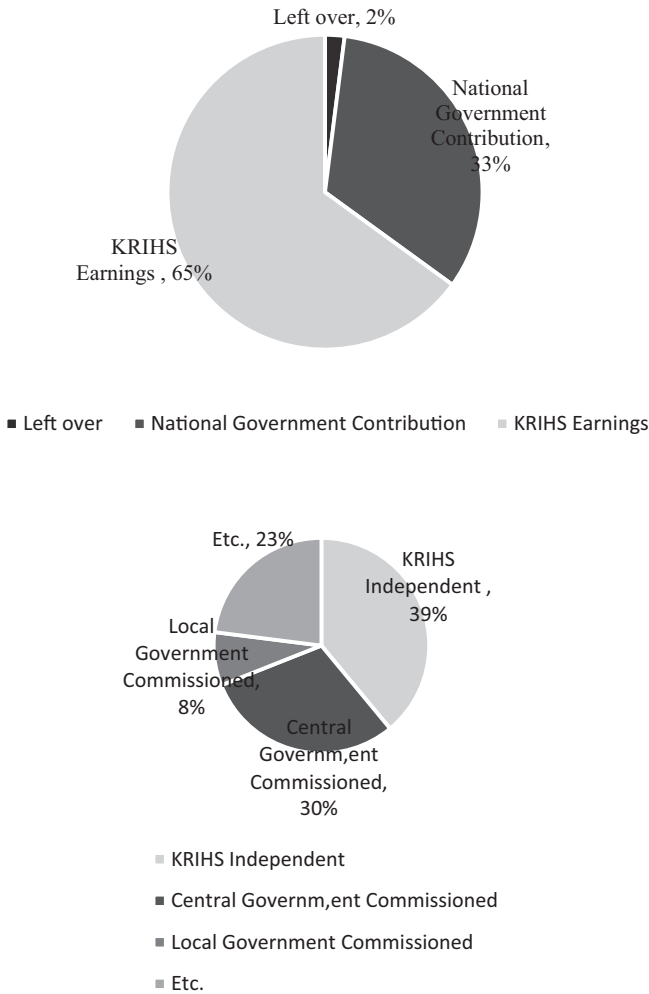


Figure 12.1 Composition of KRIHS budget (2017) by source (left) and the types of research projects between 2009 and 2018 (right).

For the government side on the other hand, providing a certain level of independence was instrumental for the effective utilization of the PRIs, which are under an increasingly competitive knowledge production environment. In the 1990s, the employment market for professionals was dramatically improved so that the PRIs were in competition with universities and other private research institutes. Without a certain level of independence, it is hard for the PRIs to maintain the good reputations that they had enjoyed in the past. In addition, the policy advice of independent but well-coordinated institutes is required for the government to

justify increasingly politicized policy issues. Consequently, it can be said that this subtle governance was the result of an interdependent relationship between the government and the PRIs.

### *State-led urban development regime*

In the urban development field, the role of the PRIs, particularly KRIHS, has been crucial for national policymaking and implementation. Most large-scale national development projects have been designed and/or reviewed by KRIHS, and implemented by various public agencies in coordination with the MOLIT. This is not necessarily because KRIHS has been one of the top research institutes in this field. Rather, the reason lies in the fact that KRIHS has been an integral part of the state-led urban development regime.

Korea's urban and regional development has been shaped by the national government's rule setting efforts since the 1960s. To respond to the unprecedented pace of urbanization and the ensuing urban problems, the national government had introduced various rules and regulations on urban planning and development. Particularly, the national government's efforts had focused on building the legal and institutional grounds for speedy and efficient land development. Under the rapid pace of urbanization throughout the 1960s to the 1990s, urban land for housing, industries and infrastructure was in constant shortage. Urban development laws were introduced to ensure speedy land development, and the role of public agencies involved in land development activities such as land value appraisals, land measurement and design/development have been strengthened. In these urban regulations, the interests of local government and individual land owners were largely side-lined under the name of "public interest". New towns and industrial complexes across the nation today are the product of the state-led urban development.

It should be noted that in this regime for "speedy land development", public agencies such as research institutes and public corporations have been playing important roles. When the MOLIT or the presidential office initiates a national project, public agencies participate in the project in a systematic way to support the achievement of the policy goals. While KRIHS undertakes the role of policy design and communication with academic circles, public corporations such as the Korea Land and Housing Corporation (LH) and Korea Water Resources Development Corporation (K-Water) join the project by taking the role of the actual implementation on the ground. Private construction companies also become partners by participating in development projects commissioned by public corporations. In a nutshell, the Korean urban development regime has a well-coordinated hierarchical structure created by the interdependence of the government and public agencies to cope with rapid urbanization in the high economic growth era. With the increased voices of local governments in the 1990s, this regime has been pursued by local governments that have been keen on expediting land development in their jurisdictions. In this regard, "local urban development regimes" have been formulated by the partnerships between local governments,

local research institutes and local development corporations. For instance, the Seoul Metropolitan Government established the Seoul Institute as its think tank, and operates SH corporation as a policy implementer, just like the relationship between the MOLIT, KRIHS and LH at the central government level.

The Multifunctional Administrative City (MAC) construction showcases how the Korean urban development regime works.<sup>7</sup> The MAC Construction Project, one of the largest urban development projects in Korea, started in 2003 as a part of the national balanced development policy. Now the MAC houses three-fourths of the central government functions and most of the PRIs and is still under construction, with the target of accommodating 500,000 people (The National Agency for Administrative City Construction, 2008). When the construction project was first conceived in 2002, the decision-makers in the MOLIT and the presidential office had the mobilization of the existing regime in mind.

Initially, the authority established the National Agency for MAC Construction Committee as a top-level decision-making body consisting of government officials and private experts. This organization undertook the role of reviewing and deciding all the important matters, from site selection and the master plan to the government agency relocation plan. At a practical level, the government, research institutes and public corporations were working together in a coordinated way. First, the MOLIT provided the arrangement of key players and the work scope surrounding the project, and research institutes, public corporations and local governments found their roles in the given work frame. Here, KRIHS, among many other research institutes that participated with their own expertise, played a crucial role in spearheading major issues of the project, from conceptual design and site selection to the master plan. Also, LH installed the special team in the organization to support the government plan, and played a pivotal role as a land developer and policy implementer. This coordinated work among different organizations was possible because they had shared organizational interests and had built partnerships through repetitive experiences of previous national urban development projects. Without the concerted efforts of these organizations, that is, the functioning of the regime, the MAC would have not been constructed in such a speedy way (see Table 12.4).

In this light, the role of KRIHS has been enhanced as it has repeatedly demonstrated its utility value within the regime. Therefore, the question of how long KRIHS will continue its social role is something to do with the matter of the survival and dismantlement of this regime in the future. In recent years, there have been signs of the dismantlement of the regime as urban development becomes no longer a lucrative business for the government and the private sector. Yet, this does not directly lead to the demise of the regime. Rather, it is being discussed that the role of KIRHS should be expanded, with a particular focus on building partnerships with emerging players such as local governments, civil society and small businesses. In the end, however, with the termination of “the era of development”, it is highly likely that KRIHS faces a difficult situation in which it has to find a new role outside of the urban development regime.

*Table 12.4* Roles of actors in the MAC Construction Project

The National Agency for MAC Construction Committee	Presidential Office	Decision-making on key issues	Review and decision on the matters of: Site selection Basic master plan Relocation plan Designation of the project manager, etc.
The National Agency for MAC Construction Support Team	The MOLIT and other ministries	Administrative works for the construction	Administrative and supporting work for the activities of the committee
The MAC Construction Research Team	KRIHS and other PRIs	Policy design and research	Conducting assigned research and providing background information, including site selection and master plan/Building consensus among academics and the public
The MAC Construction Project Management Team	LH and other public corporations	Policy implementation	All work related to the physical construction of the city, including compensation, finance and construction

## Conclusion

The PRIs in Korea are the reflection of the unique Korean development experiences in many ways. They are a part of the government-sponsored knowledge production system, and also the result of the government's nation-building strategy. Under the circumstances in which the knowledge production capacity in the private sector was by far insufficient in the 1960s and 1970s, the PRIs became tools to secure highly educated professionals and build the knowledge production system, both of which were critically required for the nation's industrialization drive. Once the PRIs had been settled in the 1990s, the Korean government tried to keep the system effective even under a liberal and democratic political environment, by modifying the governance structure and providing a certain degree of "independence" in management. The urban development regime, as discussed above, illustrates how and why the PRI system functions well as a tool for the national government's policy development and implementation.

Still, the knowledge production capacity in the private sector in Korea is by far insufficient to meet the research demand for the government's policy development. Private and public universities have grown enormously in number and size in the past six decades, but their research has been mostly focused on academic knowledge that is not easily transferable to policy development. Without the PRIs,

Korea's knowledge production market and policy development practice would have been very different from what we see today. In this regard, it is fair to say that the government's effort to establish and manage the PRIs has clearly paid off.

What, then, are the lessons that we can learn from the Korean PRIs, particularly when it comes to development cooperation with developing countries? Can we apply the Korean PRI system to developing countries that have been suffering from deficiencies in policy knowledge production? The importance of capacity building and knowledge production has been increasingly recognized in the world of international aid. Particularly, after the Paris Declaration (2005), the ownership of recipient countries became more critical than ever for improving aid effectiveness.

One key lesson from the Korean PRI experience is the fact that knowledge, particularly knowledge for policy development, is critical for economic and social development, and the government can actually build and manage the knowledge production system. The PRIs' contributions to the economic and social development of Korea are quite clear. At first, the PRIs had been established with aid from US-initiated technical cooperation and became the essential channel to promote "reverse brain drain". They took decisive roles in designing national development strategies such as, among others, the first Five-Year Economic Development Plan in 1962 and the first Comprehensive National Territorial Plan (1972), which have paved the way for industrial breakthroughs in subsequent years. Consequently, the PRIs in Korea have enhanced the capacity of decision-makers and social leaders to the extent that they could orchestrate their own projects for economic development with much stronger ownership (Kim, T., 2014).

On the other hand, it is also clear that transferring this system to developing countries is neither simple nor appropriate in more cases than not. As discussed, the PRIs in Korea are not simply think tanks functioning in an independent manner but an integral part of the institutional arrangement for the nation's economic and social development, or in other words, the "developmental regime". They can work only under the circumstance of strong central government leadership, and particular institutional and legal arrangements. Obviously, most developing countries have different state structures and are in different social and economic environments. Weak governments, fragmented and patrimonial social structures, and the neoliberal economic environment are the challenges that many developing countries are currently facing (Igbafen, 2014; E. M. Kim, 2014). That is why we need creative "translation" when it comes to applying the Korean experience to today's developing countries.

## Notes

- 1 A policy research institute is often called a "think tank", so these two terms are used interchangeably in this chapter.
- 2 I use the term "regime" to mean "an informal yet relatively stable group with access to institutional resources that enable it to have a sustained role in making governing decisions", in accordance with Clarence Stone's work (Stone, 1993).

- 3 I acquired much of the information in this session from an interview with Dr. Won Young Kwon (February 8, 2019).
- 4 Interview with Dr. Won Young Kwon on February 8, 2019.
- 5 It is said that the NRC benchmarked the Research Council system in the UK. The UK operates the seven Research Councils as governing bodies for public research institutes under the Department for Business Innovation and Skills. The UK system has been known for the Haldane principle under which the government provides financial support but does not intervene in the management of research institutes (Kim, 2012). When the NRC was introduced, there were three official reasons offered by the government for the governance change: to provide independence in management and research, to evaluate the PRIs more efficiently and to promote collaborative research among PRIs (*Maeil Economy Daily*, December 9, 1998).
- 6 These are the project-based contracts in which the MOLIT requests research projects to KRIHS, separate from the central government's annual financial support for general management. Currently, around 30 percent of research projects are those commissioned by the central government to KRIHS.
- 7 At first, the MAC Construction Project started in 2003 under a different title, the "New Capital Construction Project", with a view to relocate the capital from Seoul to the new city. After the project was judged as unconstitutional by the Supreme Court in 2004, the government modified the plan, and resumed it in the current form of the MAC. Here, I omitted the details to avoid unnecessary confusion.

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