The Emergence of the Merit-Based Bureaucracy and the Formation of the Developmental State: the Case of South Korea in a Historical Perspective

A thesis submitted to the University of Manchester for the degree of Doctor of Philosophy in the Faculty of Humanities

2013
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<th>Full Form</th>
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<tbody>
<tr>
<td>AAKNR</td>
<td>Aid Association for the Korean National Representative</td>
</tr>
<tr>
<td>AYJ</td>
<td>Alliance of Youth Chosun</td>
</tr>
<tr>
<td>CC</td>
<td>Coalition Committee</td>
</tr>
<tr>
<td>CCP</td>
<td>Chosun Communist Party</td>
</tr>
<tr>
<td>CDYA</td>
<td>Chosun Democratic Youth Alliance</td>
</tr>
<tr>
<td>CEMC</td>
<td>Central Election Management Committee</td>
</tr>
<tr>
<td>CIC</td>
<td>Counter-Intelligence Corps</td>
</tr>
<tr>
<td>CPKI</td>
<td>Committee for the Preparation of Korean Independence</td>
</tr>
<tr>
<td>CPKIYSC</td>
<td>Committee for the Preparation of Korean Independence Youth Security Corps</td>
</tr>
<tr>
<td>DNF</td>
<td>Democratic National Front</td>
</tr>
<tr>
<td>GACY</td>
<td>General Alliance of Chosun Youths</td>
</tr>
<tr>
<td>GAYMKAI</td>
<td>General Alliance of Young Men for Korean Acceleration of Independence</td>
</tr>
<tr>
<td>JCG</td>
<td>Japanese Colonial Government</td>
</tr>
<tr>
<td>KCKLU</td>
<td>National Council of Korean Labour Union</td>
</tr>
<tr>
<td>KDP</td>
<td>Korean Democratic Party</td>
</tr>
<tr>
<td>KDYA</td>
<td>Korean Democratic Youth Alliance</td>
</tr>
<tr>
<td>KIYMP</td>
<td>Korea Independence Young Men's Party</td>
</tr>
<tr>
<td>KLRC</td>
<td>Korean Law Research Committee</td>
</tr>
<tr>
<td>KLYMA</td>
<td>Korean Liberation Young Men's Association</td>
</tr>
<tr>
<td>KNP</td>
<td>Korean National Police</td>
</tr>
<tr>
<td>KNYC</td>
<td>Korean National Youth Corps</td>
</tr>
<tr>
<td>KPG</td>
<td>Korean Provisional Government</td>
</tr>
<tr>
<td>KRP</td>
<td>Korean People's Republic</td>
</tr>
<tr>
<td>KYA</td>
<td>Korea Youth Association</td>
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<tr>
<td>KYMA</td>
<td>Korea and Young Men's Association</td>
</tr>
<tr>
<td>KYMANC</td>
<td>Korean Young Men's Association for National Construction</td>
</tr>
<tr>
<td>NDC</td>
<td>Neighbourhood Defense Corps</td>
</tr>
<tr>
<td>NEC</td>
<td>National Election Committee</td>
</tr>
<tr>
<td>NSAKI</td>
<td>National Society for Acceleration of Korean Independence</td>
</tr>
<tr>
<td>NRSC</td>
<td>National Reconstruction Supreme Committee</td>
</tr>
<tr>
<td>NWYA</td>
<td>Northwest Youth Association</td>
</tr>
<tr>
<td>RNWYA</td>
<td>Rebuilt Northwest Youth Association</td>
</tr>
<tr>
<td>SDC</td>
<td>Student Defense Corps</td>
</tr>
<tr>
<td>SKD</td>
<td>South Korean Detachment</td>
</tr>
<tr>
<td>SKLP</td>
<td>South Korean Labour Party</td>
</tr>
<tr>
<td>SYMA</td>
<td>Salvation Young Men's Alliance</td>
</tr>
<tr>
<td>UNTCOK</td>
<td>United Nations Temporary Commission on Korea</td>
</tr>
<tr>
<td>USAFIK</td>
<td>United States Army Forces in Korea</td>
</tr>
<tr>
<td>USAMGIK</td>
<td>United States Army Military Government in Korea</td>
</tr>
<tr>
<td>UYMC</td>
<td>United Young Men's Corps</td>
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<td>YKA</td>
<td>Young Korean's Alliance</td>
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<td>YKP</td>
<td>Young Korean's Party</td>
</tr>
<tr>
<td>YLNSAKI</td>
<td>Youth League for National Society for Acceleration of Korean Independence</td>
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ABSTRACT

This research has analyzed how the institutions of the merit-based bureaucratic system in the Korean Government changed from 1948 to 1963, applying the gradual institutional change theory of Mahoney and Thelen (2010). Though copious research has been produced on Korean economic development, little analysis has been made on the emergence of the Korean developmental state. This research aimed to fill in the analytical gap by examining how effective bureaucratic institutions was established in the Korean developmental state to draw out implications for the institutional change theory as well as the discussion on the developmental state and state capacity.

This research has found that the merit-based bureaucratic institutions of the Korean Government positively changed in a piecemeal approach from 1948 to 1963, though once disturbed from 1955 to 1959. Contrary to the existing literature, this research also has found that the institutional setting for the merit-based bureaucracy was set from the very beginning of the Syngman Rhee Administration; however, the selective implementation and enforcement of the rules in the Syngman Rhee period hindered the Weberian bureaucracy. This research has, therefore, drawn out that for positive institutional change, the role of the change agents is critical especially the vertical chain of reformative leadership and capable practitioners. The low level of opposition is beneficial for not only positive but also negative change. In the end, in the case of Korea, the initially ambiguous institutions provided the actors with considerable discretion to manipulate or misuse rules. As a result of the institutional reform the rules and regulations became detailed reducing the gap between what the rules say and how the rules are implemented.

The empirical tests of this research have confirmed the basic assumptions of the gradual institutional change theory of Mahoney and Thelen (2010). Firstly, the empirical results have shown that the institutional change has more to do with a piecemeal internal process than to do with any external shock or event. Secondly, the gap between the existence and the enforcement of an institution has also been proved valid. Thirdly, the empirical tests have confirmed the influence of three change factors producing different types of change in the theory. Based on the empirical findings, this research has identified important implications for the institutional change theory with three key areas for improvement. The first is the validity of the three modes of change in the theory. The test has identified the need to address the different magnitudes of the three factors affecting change. This research has also identified the need to clarify the definition of gradualness and the concept of the change agents to solidify the theory.

This research has also enriched the discussion on the developmental state and state capacity by identifying the limitations of the merit-based institution in different contexts. Based on the analysis, this research has drawn out four key lessons for developing countries and for the donors: the importance of the enforcement of rules; the synchronized reform coalition between committed leadership and competent practitioners; the importance of understanding local contexts; and the relationship between dictatorship and development. By analyzing the emergence of the bureaucratic institutions, this research has not only broadened our understanding of development and state capacity but also presented a practical policy solution to overcome the persistent state of incapacity in the developing countries today.
DECLARATION

I, Sooyoung Park, hereby declare that no portion of the work referred to in this thesis has been submitted in support of an application for another degree or qualification of this or any other university or other institute of learning.

Sooyoung Park
Date: 10 December 2013
Degree: PhD, the Faculty of Humanities, the University of Manchester
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ACKNOWLEDGEMENT

As long as I can remember, getting a doctoral degree is my lifetime goal. It seems that I have always assumed to be a doctor someday even when I was very young. Now, after a decade of working in a development field and three years of rigorous study, I finally made my dream come true. And I am proud that I kept the promise that I had made to myself.

Though becoming a doctor has been my lifetime goal, the road to become an independent researcher was much harder than I had expected. There were countless sleepless nights wondering about quitting the programme and running away.

As I look back, the only thing that made my long and winding journey bearable was the loving support of my family and friends. Without their kindness and trust, I would not have finished my study. So I would like to express my sincere gratitude to them. Dr. Piyawadee Rohitarachoon was kind enough to constantly building confidence and trust in me. I am also thankful to all of my fellow Korean students for sharing joys and pains of difficult study. Even from far away, my friends and colleagues also sent loving support. Yohan Ko, Hanseul Cho, Jeonghyun Park, and Minkyung Sul helped me get through tough days with frank comments as well as warm cheers. Kiyoon Oh and Myongjin Kim also rooted for me from Seoul. They all believed in me even when I could not and I am so lucky to have such caring friends. Last but not least, I would like to express my gratitude to my family—especially my sister, Soyeon, and my mother, Ms. Yoonsung Yoo—for being there for me.

I have just finished a difficult journey and am about to embark on another. I just hope that I can find the right way in the uncharted path with the love and friendship as I did to become a doctor.
Chapter 1. Introduction

1.1. Background

The role of the government in development has been in the centre of debate in social science for a long time. Since the global financial crisis in 2008 the dispute between the market-centred view and the state-centred view has become invalid and the general consensus now is to acknowledge the positive role of the state in economy and development for the advanced as well as for the developing countries. The developmental state argument (Johnson, 1982) is receiving renewed attention. For the late comer states, it is necessary to lead and guide the different interest groups while establishing and managing sound institutions with adequate capacity. The debate has been further developed to effective state argument for inclusive development which tries to improve the positive implications of developmental state in today’s context.

Traditionally, the developmental state is characterized with a high level of state capacity, which is epitomized by effective bureaucracy. Though the recent literature has developed and expanded analysis of the different types of state capacity, including territorial as well as infrastructural capacity, the core of state capacity lies in effective bureaucracy, since the other components of capacity cannot be properly exercised without effective bureaucracy. On the other hand, despite the expansion of analysis on state capacity, there still exists an analytical gap in the discourse on the developmental state, which is its inception. How and why do some countries manage to improve their state capacity while others cannot?

Drawing from state formation theories, some theorists apply a Tillyan model of war and state making nexus leading to state formation. As Tilly himself admitted, however, the war/state nexus is not suitable for analyzing current developing countries. Moreover, it is not acceptable to initiate wars hoping that this will help build capacity in developing countries. Others argue for the colonial legacies affecting the later trajectories of institution building. O’Donnell (1980) and Alavi (1973) argue that the strong state with military power is made as a legacy of colonial rule. However, state strength does not always generate state effectiveness. As Evans (1995) argued, they can be predatory but not capable states. Moreover, apart from their validity, colonial legacy arguments have an innate limitation, in that they only provide limited accounts of the situations that some developing countries are in, and fail to provide any constructive prescription on how some countries endowed with adverse legacies can overcome their situation.
If it returns to the developmental state argument to solve the puzzle of its creation, a state first needs to build an effective bureaucracy for which is the fundamental core of state capacity. Building an effective bureaucracy, however, is not an easy task. Since bureaucracy plays a key role in shaping and determining political and economic gains, the vested interest groups, which benefit from the status-quo, are naturally reluctant to co-operate and oppose the change. Developing countries with poor institutions, in many cases, fail to overcome the institutional lock-in and remain predatory (Evans, 1995), weak (Krasner, 1978) or soft states (Myrdal, 1968).

Bureaucracy is based on legalized official institutions. Therefore, research on institutional change can be applied to identify ways to develop an effective bureaucracy. Some scholarship on institutional development focuses on identifying the kinds of institutions necessary for economic success by conducting cross-country comparisons between the poor and the wealthy countries (Rauch and Evans, 1999; LaPorta et al., 1999). Though they provide useful descriptions of what kinds of institutions the prosperous countries have, those studies do not explain how the rich countries managed to break the institutional lock-in and to bring about the necessary change. It is one thing to say that rich countries enjoy certain types of effective institutions and another to say how those institutions can be developed. We need to take a step forward and try to solve the mystery of institutional change.

In the disciplines of politics and social studies, new developments have been made in understanding institutional change. By applying the newly developed analytical framework of theories on institutional change, the process of state capacity building can be systematically analyzed, with renewed understanding of the factors affecting the change. This research applies the theory on institutional change to examine the core institutions of state capacity, the codified rules and regulations in the merit-based system. In this way, this research can enrich our understanding of the formation and development of state capacity. With empirical case analysis on the Republic of Korea (hereinafter referred to as ‘Korea’), this research can refine our understanding of the capacity formation process by identifying factors of change as well as providing detailed accounts of their interaction.

1.2. Aims and Objectives

This research aims to explain how effective bureaucratic institutions have been established in the developmental state in Korea.

The objectives of the research are:
1) to examine persistence and changes in bureaucratic institutions from 1948 to 1963;

2) to analyze how different factors and/or conditions of institutional change interacted and affected building effective bureaucratic institutions in Korea;

3) to present the implications of theories of institutional change and of developmental states based on empirical assessment of the formation of bureaucratic institutions.

To achieve the objectives of the research, the following research questions are to be examined.

1) Have the bureaucratic institutions of state capacity changed?

2) How the institutions themselves affect the persistence or change process?

3) How the political contexts surrounding the bureaucratic institutions affect the persistence or change?

4) How the actors managing bureaucratic institutions affect the persistence or change?

5) How can this research of the Korean case relate to the existing theories on institutional change?

6) What are the implications of this research for the developing countries, especially the so-called fragile states of today?

1.3. The Structure of the Thesis

The research is composed of nine chapters. Chapter One introduces the background, including the motivation of the research. It also shows the aims and objectives that this research attempts to achieve and provides six research questions. Chapter Two examines the existing literature pertinent to the research. This chapter first shows the theoretical development of state capacity and shows that the crux of state capacity is the bureaucratic capacity. It then examines the various factors that have been pointed out in improvement in bureaucratic capacity, with their limitations. This chapter concludes that the core of bureaucratic capacity lies in merit-based bureaucratic institutions, and that to examine how these can be developed; the gradual institutional change theory needs to be applied.

Chapter Three shows the conceptual framework of this research. To address the aim of the research, how merit-based bureaucratic institutions have improved in Korea, this research needs to adopt a theory to examine the institutional change. The gradual institutional change model of Mahoney and Thelen (2010) has advanced our understanding on institutional change by developing a framework to examine different interactions between institutions,
actors, and contexts. **Chapter Four** shows the methodology of the research. It examines the limitations and strengths of a single case study of historical analysis. This chapter shows that to meet the aims and objectives of the research, and to answer the how questions, qualitative case study is the method of choice.

**Chapter Five** provides a review of the literature on Korean bureaucracy and traces its historical development. Before going into full blown empirical analysis, this chapter examines the institutional setting under USAMGIK, applying the conceptual framework. This chapter shows that Independence from Japan created room for change, and USAMGIK as a change agent conducted a series of reforms, introducing new institutions. However, the strong ideological goals of USAMGIK, as well as the lack of understanding and interest of the Korean bureaucrats and the politicians in reform prevented the new institutions from being fully implemented and applied. The routine work was done as it had been under Japanese rule. After the three years of USAMGIK rule was over, many of the reformative institutions became obsolete with the establishment of the Korean Government.

**Chapter Six**, as the first empirical chapter, examines the first component of the conceptual framework, the institution and its characteristics that affect change. Following Evans and Rauch (2000), the rules and regulations in a merit-based bureaucratic system means 1) the codified rules on civil servants’ recruitment, 2) on internal promotion and career stability, and 3) on competitive salary are examines. Contrary to the existing literature, the change did not always mean a positive improvement. The merit-based system was hindered in the later period of the Syngman Rhee Administration, but gradually revised under Chang Myun and Park Chung-Hee. The pivotal difference was that it was not well practised under Rhee. The level of discretion was consistently high due to a high level of ambiguity. The high level of discretion resulted in a different kind of change in accordance with the change in the political context. Though the codified institutions for a merit-based system are important, this is not adequate for improving bureaucratic capacity.

**Chapter Seven** examines the second component, the political context. Two sub-factors are analyzed, the types of political system and the positions of political parties with regard to institutional change. This chapter concludes that the veto power was weak under Park and Rhee but temporarily high in the Chang Myun Cabinet. Though the veto power was weak both under Rhee and under Park, the contents of institutional change were different. While the weak veto from 1954 to 1969 resulted in a retreat from the merit-based system, from 1961-63 the weak veto contributed to the positive change in the Merit-based System. The eclectic changes in the bureaucratic institutions were influenced by the changes in political
context, mainly due to the interests of the ruling party. Chang showed enthusiasm and introduced a series of reforms; however, the political conflicts between the two factions did not give Chang a chance to implement the new rules and regulations. It was Park who took advantage of the reformative institutions made under Chang. He and the junta, also with great interest in reform, actually implemented the institutions planned under Chang, with the weak veto created by the military coup d’état.

Chapter Eight is an analysis of the Change Agents. Since any change in the bureaucratic system is the responsibility of the administrative branch, change agents are the top leadership and the bureaucrats working in the organizations for a merit-based system. This chapter first analyzes the attitudes and motivation of the three different top leaderships toward advancing a merit-based system and shows how the same bureaucrats changed their attitude to institutional reform in accordance with the interests of the top leadership. The attitude of change agents can differ in accordance with the priorities of top leadership and changes in political context. The insurrectionaries were able to put the reform in place in Park’s Junta when the strong veto was removed with the military coup d’état.

Chapter Nine shows the findings and draws out theoretical implications, as well as policy level implications. This research found that the rules and regulations for merit-based institutions gradually changed from Syngman Rhee to Park Chung-Hee. The changes in political context and the attitudes of the change agents mainly brought about the reform. The level of discretion was high, but as a result of the gradual reform became low after 1963. Therefore, the change in political leadership was crucial in bringing about change in Korea. This research confirms the importance of the distinction between enforcement and implementation of rules in interpreting institutional change. It also confirms that the gradual change process may result in significant difference. However, there are some shortcomings, including the validity of modes and the problem of defining gradual change. This research also draws out some key implications, particularly for the donors and the developing country governments that try to implement institutional reform. This research finds that introduction of reform alone is not sufficient, since institutions can be enforced in different ways. The empirical analysis also finds that creating a ‘vertical chain for reform’ is crucial. That is, in order for the institutions to actually work, there should be a vertical linkage from the political commitment to the bureaucrats. The political commitment needs to be linked with capable bureaucrats to interpret and enforce the rules and regulations.
Chapter 2. Literature Review on State Capacity

2.1. Introduction

This research aims to examine the evolvement of the administrative capacity of the Korean bureaucracy. In order to achieve that, it first needs to review the current scholarship on state capacity and clearly conceptualize the meaning of ‘state capacity’. The discussion on state capacity stems from the theories of the state. Discourses on the role of the state vis-à-vis society have developed especially within the statist approach. Although the dominance of behaviouralism in social science in 1970s constricts the discussion, state capacity has been brought back to the centre of debate since the ‘Bring the State Back In’ trend in the 1980s. This has been further developed and broadened towards an analysis of the effective state.

In the state-centred perspective of state theory, scholars argue that state strength is needed to promote the independent agenda of the state. The term ‘state strength’ has been developed into ‘state capacity’, which is applied in various disciplines of politics, economics, as well as public administration. The discussion on state capacity has moved from ‘what it is’ to ‘how it is developed’. Scholars on state formation and on developmental states pay special attention to the emergence and change of state capacity, since state building can also mean state capacity building.

To address the objectives of this research, this chapter first reviews the theoretical development on state capacity and examines the different concepts of state strength, autonomy, and capacity. The latter half of the chapter reviews the current scholarship on the dimensions of state capacity and the causes of capacity improvement. This chapter shows administrative capacity to be the core of state capacity and identifies an analytical gap that needs to be dealt with—the change process of state capacity.

2.2. Theoretical Development of State Capacity

2.2.1. Theoretical Discourse on State Capacity

Various analyses have been made on the definitions and functions of the state. With regard to the role and the status of the state in relation to society, two perspectives exist—the society-centred and the state-centred view (Kim S, 1992). The society-centred view denies the distinct role of the state and regards it as an entity no more significant than any other group in society (Hirst, 1989). Scholarship under the liberal tradition and the Marxist
tradition takes this position. For the pluralists, the state is an arena where various interest groups and organizations in the society compete and cooperate to achieve their objectives. For the Marxists, the state is a tool of the dominant class to achieve their interests (Lim, 1987). Both question the possibility of the state setting and pursuing its own goals.

While Classical Marxism views the state as an instrument of the dominant class in a society for achieving and protecting their interests and denies the competent role of the state, a more sophisticated analysis came with a variant of neo-Marxism. Poulantzas (1973) accepted the relative autonomy of the state in preserving the capitalist mode of production, rather than the interests of the capitalist class. He argued that the central function of the state is to promote ‘cohesion’ in the inevitable conflict and contradictions of each capitalist society and its ‘relative autonomy’ was both a condition and measure of that. State intervention in the economy is for promoting reproduction of the capitalist regime which is not relevant to changes in dominant groups in society. In fact, it was Marx’s work “The Eighteenth Brumaire of Louis Bonaparte” which first analyzed the autonomy of a state, separate from the influence of other social interest groups. The concept of state autonomy, later combined with the Weberian bureaucratic modern state, is used to explain the state capacity for development.

The state-centred view, following Weber, lies on the opposite side. The statist theorists argue that the state is an independent entity pursuing national interests separate from those of the certain organizations or interest groups in society (Skocpol, 1985). The state-centred view of the state originated from Weber’s work on the modern state. Max Weber (1968) interprets the state as a bureaucratic entity legitimized by the law and rationality. He denies the passiveness of the state in reflecting class interests. According to Weber (1968), the state is a social institution based upon common understandings on culture and tradition, is economically self-sufficient, politically enjoys exclusive sovereign rights, and works to maintain solidarity for a society. In the classic definition of the modern state, Weber specified that: “a compulsory political organization with continuous operations will be called a ‘state’ insofar as its administrative staff successfully upholds the claim to the monopoly of the legitimate use of physical force in the enforcement of its order” (Weber, 1968: 58). To sustain exclusive control over its territory, the state requires two kinds of apparatus—the bureaucracy and the standing army.

Following Weber, a group of scholars called Neo-Weberians further elaborated his understanding of the state. In the 1980s, some of the researchers in the Social Science Research Council (SSRC) in the United States reasserted the importance of the state and
“brought the state back in” to the social science research arena, as a reaction to the society-centred analysis of the state in the 1950s and 1960s. Neo-Weberians drew upon the works of Weber (1968) and Hintze (1975) in that they saw the state as having sovereign authority over its territory, with an exclusive right to use force and the bureaucratic system (Kim, 1991). Theda Skocpol (1985), who led the movement, challenged the society-centred perspective of research on the state and re-emphasized the unique status of the state along with its autonomy. Rueschemeyer and Evans (1985:47) argue that “coherent state action will be a concern of state elite, a concern for which they can mobilize outside support and they may come to stand in conflict even with dominant interests.”

Adopting state-centred perspectives, the statist theorists argue that the state is an autonomous and independent entity with separate objectives, means and procedures. They focus on analyzing the structure of a state and its relation with other social organizations, and on expansion of state capacity, or state resources. According to them, the objective of a state is not a mere reflection of the interests of social groups but a pursuit of national interests. The state has distinct national interests separate from the interest of a social group and is an autonomous actor trying to control different social groups. The capacity of a state, therefore, becomes an important concept in the state-centred view, since states need an adequate level of capacity to develop and deliver separate goals. State capacity, in the state-centred view, means the ability of the state to pursue its goals by coercing or collaborating with society. Detailed discussion on state capacity has developed from this theoretical tradition.

This research, following the statist theory, defines the state as a bureaucratic apparatus and institutionalized legal order in its totality. The theoretical questions posed by this research can be addressed by drawing upon the work of Katzenstein, Krasner, Zysman, Haggard, Ikenberry, Skocpol, Evans, Gerschenkron, and Hirschman. After recognizing the unique status of the state, the central theme of statist theory has shifted to examining the instruments used by the state to achieve its goals. In other words, what kind of capacity does a state need to achieve its own interests or goals? Various scholars have tried to identify state strength from the late 1970s. The next section examines four main arguments on state strength and capacity, thus drawing out a working definition of ‘state capacity’ for this research.

2.2.2. Developmental State and State Capacity

The state-centred view of the state is adopted to analyze the role of the state in economic development. The tradition continues while scholars (Gerschenkron, 1962; List, 1885) argue for the active intervention of the state as a necessary condition for economic development,
especially for the later comers. In his discussion on the Asiatic mode of production, even Marx himself admitted the “autonomy” of Asian states in relation to history (Marx, 1981).

In line with this theoretical tradition, the developmental state theory emerged by focusing on the autonomous role of the state in economic development. It is a combination of Weberian state theory and late-industrialization theory, which can be traced back to Friedrich List (1885), who argued the need for protection of industrial development. In his seminal work on industrialization, Gerschenkron (1962) argued that late comers in industrialization should promote protectionist policies and price distortion to foster their own manufacturing activities. Johnson (1982), Amsden (1989) and Wade (1990) have refined this argument and applied it to explain the development of Japan, Korea and Taiwan respectively. Johnson (1982) historically analyzed the role of the Ministry of International Trade and Industry of Japan and introduced the concept of a “capitalist developmental state.” From this perspective, state intervention was a fundamental policy that led to development (Johnson 1987; Amsden, 1989; Wade, 1990; Chang, 1994). The government actively coordinated different industries and strategically allocated and mobilized resources for development plans. Though attacked by the neo-liberals (Balassa et al., 1986; Williams, 1990), the developmental state argument still provides important lessons. The complementary role of the state, to regulate and compensate for the market, gained more support after the global financial crisis in 2008. Neither market nor state can be a panacea for development. The point is how to make a state act effectively and efficiently to promote development.

A developmental state has four distinct features. First, developmental states have “high administrative capability” based on meritocracy and competent technocrats. The second characteristic is their autonomy from civil society (Haggard, 1990; Evans, 1995). The third is internal cohesiveness in the bureaucratic system (Johnson, 1982). The fourth is the political commitment of the head of the government for achieving development goals (Haggard, 1990). In other words, a developmental state is a state with capacity for development. State capacity is not only a necessary condition for state formation, but also for establishing a developmental state. The first and third factors of a developmental state are the state capacity, translated into a merit-based bureaucratic system. The second characteristic means state autonomy from society. The fourth is the actor’s contribution to building and managing state institutions for capacity and autonomy.

In other words, state capacity means the establishment of Weberian bureaucratization with embedded autonomy. Evans has taken these ideas further in his comparative political economy of third-world states (1989, 1995) and has provided the most widely used and
adopted concept of state capacity, bureaucratization and external embeddedness (Vom Hau, 2012). This approach involves the notion that state capacity in the industrial arena is founded upon a set of institutions which simultaneously insulate the economic bureaucracy from special interests, and establish cooperative links between bureaucrats and organized business. Evans (1995) argues that states which are more effective in achieving their transformative goals tend to be not merely sufficiently autonomous to formulate their own goals, but also sufficiently embedded in particular industrial networks to implement them. In the notion of ‘embedded autonomy’, Evans gives us an important intellectual tool, not merely for differentiating third world state capacities, but also for making sense of differential capabilities within the advanced industrial world. Weiss’s (1998: 5) definition of state capacity as “the ability of policy-making authorities to pursue domestic adjustment strategies that, in cooperation with organized economic groups, update or transform the industrial economy” is also in line with the view of Evans.

This perspective is widely recognized and used to explain East Asian economic development. It has, however, a few limitations. Firstly, it shares the same limitation with the state capacity argument of statist theory. It lacks a solid explanation of how a state can form or develop state capacity. That is, it only provides a static explanation, not a dynamic one. In order to solve this puzzle, scholars have recently turned their attention to the state formation process in the contemporary Third World and conducted comparative historical analyses (e.g. Vu, 2010; Waldner, 1999; Dodge, 2006; Reno, 2003). Studies on the improvement of state capacity in relation to state formation are reviewed in more detail in the next section.

On the other hand, positive feedback from patrimonialism also questions the relations between state capacity and development by arguing that some patrimonial countries can actually bring about development (e.g. Kenya (1965-1975) and Rwanda (after 2000)). Golooba-Mutebi and Booth (2012) and Kelsall (2011) examine African countries and argue that the relationships of patrimonialism and clientalism to development are complex. Darden (2008) supports the argument with a Ukraine study on corruption. This argument, however, needs more in-depth studies, since it poses as many questions as answers concerning the developmental patrimonial state. Firstly, even patrimonial states need a minimum level of working bureaucracy to monitor and control graft. The second issue involves the definition of development. The economic growth of a developmental patrimonial state is in danger of non-inclusive growth for a small number of social groups. Lastly, even if the growth promotes inclusive development, there is an issue of sustainability.
2.3. The Different Dimensions of State Capacity

With regard to state capacity, various definitions have been made to identify the capability needed for the state to promote its agenda independent from society. This section examines the development of the concept of state capacity from state strength to good governance. Later, this section presents the multi-dimensionality of state capacity and shows that its core lies in administrative capacity.

2.3.1. State Strength, Autonomy, and Capacity

Discussion based on the statist theory of state strength, autonomy and capacity is applied to address the role of the state in a country. The relationships between the strength, autonomy and capacity of the state are: the capable state has the ability to operate as a corporate actor using effective state interventions, while the strong state without adequate capacity for development acts as a repressive and authoritarian dictator. An effective state structure with useful policy instruments enhances the degree of state autonomy, which facilitates the state’s capacity to operate as a corporate actor. Therefore, positive state strength is useful for enhancing state autonomy, which facilitates state capacity.

State capacity in the Weberian tradition means the ability of the state to set and execute policy objectives independent of pressure from various interest groups. As shown above, Weber (1968) argues that the state is in essence a bureaucratic organization with legitimate control. Although there are several arguments against Weberian bureaucracy, bureaucratization organization is the most efficient form of organizing large-scale administrative activities. The construction of an extensive, coherent bureaucratic system is the basic prerequisite for an effective state. The major characteristics of Weberian bureaucracy are: corporate cohesion of the organization, differentiation and insulation from its social environment, unambiguous location of decision making and channels of authority, and internal features fostering instrumental rationality and activism, including suitable recruitment and promotion practices, as well as organizational designs that minimize obstacles to personnel replacement and to the restructuring of roles and bureaus as needed (Weber, 1947, 1952; Bendix, 1960).

1 They are mainly from organization theories in the discipline of public administration. For example, Argyris and McGregor criticize the Weberian model as misunderstanding the human as an extreme rational being, rather than recognizing different personalities among them. Simon, Blau, Likert, and Bennis also criticize Weber for overemphasizing physiological needs rather than self-esteem and self-actualizing needs in analyzing human motivation. Steinbruner, Cyert, Braybrooke, and Lindblom criticize the extremely rational decision making process of Weber. Bendix and Wilson also criticize the abuse of power of bureaucrats when the organization is operated according to Weberian bureaucracy. Some suggest different types of organization to complement the shortcomings of the Weberian model, such as matrix organization, task-force, T group etc. For a basic type of major organization, however, they also acknowledge bureaucracy as the most effective form of organization. Refer to Argyris, 1970; McGregor, 1960; March and Simon, 1958; Blau, 1963; Cyert and March, 1963; Steinbruner, 1974; Braybrooke and Lindblom, 1963.
In more detail, Weberian bureaucracy identifies specific organizational design as: a) hierarchy of authority, b) division of labour, meaning specialization of work, roles and duties, c) recruitment, personnel management and organizational management by the professional quality of an individual, meaning a merit-based recruitment system, d) work according to written documents and writing down what is done, e) rule of law, f) separation of public jobs from private appropriation, and g) full-time work of its incumbents (Weber, 1947, 1952; Mouzelis, 1969).

Krasner (1978) and Katzenstein (1978) argue for state strength in the policy making process in a society. Krasner (1978) empirically proved that the United States defended its national interests against multi-national corporations and argued that the state is an autonomous actor working to realize its own ideology and interests. He focuses on strong states with the ideologies of the state, such as “national interest.” Katzenstein (1978) examines state strength by assessing state structure, i.e., the centralization of state and societal structures. State strength can be measured with the creation of new institutions or a major shift of power between institutions (Katzenstein, 1978). Katzenstein emphasizes centralized state structure while Krasner focuses on strong states with their own ideologies.

Theories of state strength, however, are criticized due to the difference between a state’s strength and its capability. Ignoring this difference assumes a constancy of state capacity both across issue areas and over time (Ikenberry, 1986), and it disregards the irony of strength, that is, a strong policy instrument can limit the state’s freedom manoeuvre (Haggard and Moon, 1986). States with strong power do not always exert this power to promote development. As Evans rightly pointed out, a state with strength but without close ties to society can be predatory (1995). Zysman (1983) and Ikenberry (1988) enriched the Weberian tradition by adding institutional influence in studying the state policy making process. After examining the cases of the Western developed countries, they argued that national policy is influenced by state institutions such as bureaucratic centralization or state-society relations.

The distinction between capacity and strength brought attention back to the issue of autonomy. State autonomy originally means the level of independence that the state has from society to pursue its own policy objectives (Skocpol, 1985). In general, state autonomy is assumed to increase when conflicts increase among social groups (Park, 1987). Division within or between the classes, or ethnic, regional, or religious strife can be opportunities for the state to exert more control over society, increasing its autonomy. On the other hand, confrontation among different departments in the government, the limited resources of the state, or weak government structures can all weaken the relative autonomy of the state.
Alavi (1979) pointed out the overdeveloped bureaucratic-military state apparatus descended from colonial rule as a key factor in state autonomy after independence in the Third World. State autonomy is assessed in relation to the society. On the other hand, the level of autonomy can differ from policy sector to sector as the dynamic between the state and the society is not the same in all dimensions. Even in the same sector, the level of autonomy shifts in response to changes in circumstance.

State autonomy does not, however, mean the total separation of the state from society; rather, it means a relative autonomy in constant interaction with society (Evans, 1995). An adequate level of autonomy is especially important for effective state intervention for development, as the state must effectively deter social pressures. Hamilton (1981) enriched the discussion by arguing for two different levels of autonomy. According to Hamilton (1981), instrumental autonomy means autonomy from the ruling class, while structural autonomy refers to autonomy from the social structure. The key condition of state autonomy is a cohesive bureaucracy. Horowitz and Trimberger (1976) pointed to bureaucrats being recruited from outside the dominant class as a key condition for autonomy. A meritocratic promotion and recruitment system, therefore, is a prerequisite for building autonomy. Evans (1992: 164) provided a lucid definition of relative autonomy for the developmental state, which is “of a completely different character from the aimless, absolutist domination of the predatory state… It is an autonomy embedded in the concrete set of social ties which bind state and society and provide institutional channels for the continuous negotiation and renegotiation of goals and policies.”

By adding relative autonomy to strength, four different interpretations have been developed to understand state capacity. Table 2-1 summarizes the four different types of state capacity in the theoretical discussion on the developmental state. Evans, Rueschemeyer, and Skocpol (1985) and Stepan (1985) interpret state capacity as the effectiveness of organizations to control and lead the society. In this sense the existence of an effective bureaucratic system becomes a key to assessing the level of capacity. Ikenberry (1988) views capacity as the policy network and instruments that the state employs in relation to the social organizations. For embedded autonomy, policy networks such as organizational instruments, including state-owned enterprises, joint-ventures, stockownership, regulation, credit instruments encompassing state-controlled banks, selective credit policy, government finance corporations, spending instruments comprising direct subsidies, research and development expenditures, tax incentives, and market instruments covering market-sharing arrangements, tariffs, decontrol, divestiture antitrust were identified as important factors in state capacity.
Deyo (1987) proposed the strategic capacity model, where the strategic coalition works to control foreign capital, exclude domestic political influence, and combine different organizations economically. Migdal (1988) interprets state capacity as an ability to achieve social change. He points to extraction capacity, ability to regulate social relations, and management capacity as key variables of state capacity. John A. Hall (1986) also points out three dimensions of state capacity—the internal structure of a state, policy tools of a state, and types of industrial organizations which can ease or constrain state intervention.

Table 2-1: Different Types of State Capacity of the Developmental States

<table>
<thead>
<tr>
<th>Type</th>
<th>Scholar</th>
<th>Main Argument</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Structure</td>
<td>Evans, Rueschemeyer, Skocpol</td>
<td>State capacity means having an effective state structure to dominate through violence and to finance the budget.</td>
</tr>
<tr>
<td>Network</td>
<td>Ikenberry</td>
<td>State capacity means having a policy network(^2) with effective organization, credit, spending, and market instruments.</td>
</tr>
<tr>
<td>Strategic Capacity Model</td>
<td>Deyo</td>
<td>State capacity means having a strategic coalition to control foreign capital.</td>
</tr>
<tr>
<td>Social Change</td>
<td>Migdal</td>
<td>State capacity means achieving social change by extracting resources and controlling social relations.</td>
</tr>
</tbody>
</table>

Source: Author

Scholars have stressed the importance of the strategic role of bureaucracy in economic development (Sigelman, 1971). Recent scholarship has expanded the concept of state capacity from embeddedness and bureaucratization and broadened its usage in relation to maintaining peace and security (Sobek, 2010; Hanson and Sigman, 2011). Some broadened the concept of state capacity to mean quality of government or good governance (Vom Hau, 2012). Despite some differences, state capacity is closely linked to effective bureaucracy. For a state to have an adequate level of capacity in relation to the society and to foreign influences, an effective bureaucracy is a primary condition to fulfil. As Table 2-1 shows, the policy network or strategic coalition are the extended versions of capable bureaucracy. In order for the network with society or coalition with societal group to work for national goals, effective bureaucracy should be in place first. In the next section, this research briefly examines how

\(^2\) The term policy network is broadly defined as linking state and society, while the term in public administration is narrowly defined as linking state elite and experts in the policy arena (Aberbach et al., 1981)
state capacity is further developed with different dimensions and presents the working definition of state capacity of this research.

2.3.2. Good Governance and State Capacity

From 1990s, the concept of state capacity has broadened into a discussion on good governance. The term governance has been widely used in international development since the 1990s; however, it was not clearly defined and has been used in different contexts, which resulted in variety of meanings. The notion of governance has evolved mainly within the World Bank. The term ‘governance’ was first used in the World Bank’s 1989 *Long Term Perspective Study Sub-Saharan Africa: From Crisis to Sustainable Growth*. This document declares that ‘underlying the litany of Africa’s development problems is a crisis of governance’ (World Bank, 1989: Ch.2). Two senior officials of the World Bank later provided a definition of governance as ‘the exercise of political power to manage a nation’s affairs’ (Landell-Mills and Serageldin, 1991).

Initially, the point of governance was in power and management. The definition was slightly changed to be ‘the manner in which power is exercised in the management of a country’s economic and social resources for development’ (World Bank, 1992). In this document, good governance was considered ‘synonymous with sound development management’ (World Bank, 1992) and the overall quality of government (McCarney, 2000). The approach was state-centric, putting much emphasis on efficiencies in government, and sound financial management. In 1994, the Bank published another document, *Governance: The World Bank’s Experience*. The bank stated that good governance is epitomized by predictable, open and enlightened policy making (that is, transparent processes); a bureaucracy imbued with a professional ethos; an executive arm of government accountable for its actions; and a strong civil society participating in public affairs; and all behaving under the rule of law’ (World Bank, 1994:vii). While the World Bank maintained its state-centric policy approach to strengthen the institutional weaknesses in the enabling environment, it added a civil society dimension to the concept of governance. In 1997, the World Bank yet again broadened the concept of good governance by including the aspect of corruption control (World Bank, 1997).

The notion of good governance has been under criticism, especially after the global financial crisis. Firstly, the features of good governance have not been tested in history. Secondly, they are developed mainly by examining what is missing in developing countries, based on Western experience and ideology. Thirdly, the causality issue still persists in the debate on governance and development. Though international aid programmes put forward conditions
based on good governance, it is still unclear whether governance promotes development or the other way round. Those requirements, moreover, can cause more problems than they solve. Achieving good governance calls for reforms in virtually every dimension of the public sector. It needs reforms in institutions, in policy making procedures, in decision-making processes, in civil service delivery systems, in resources management systems, and so forth. According to Grindle (2004), 116 agendas for good governance are listed in the World Development Reports 2002/2003, which is a more than a double increase from the 45 agendas stated in the 1997 report. In particular, the governance agenda will put more burdens on the poor and politically disrupted countries, such as Highly Indebted Poor Countries (HIPC).

Grindle (2004) has proposed a ‘good enough governance’ agenda, which seeks to promote governance reforms in a more realistic way with a prioritized process. Recently, some researchers have modified the notion of good governance by taking the historical evidence of the developmental state (Fritz and Menocal, 2007). In this way, the state capacity of a developmental state has been broadened from effective bureaucracy to good governance. After the global financial crisis of 2008, the argument adopted historical evidence from comparative research studies, with the concept of the developmental state serving as a marker. The researchers and policy makers focused on finding a way to bring evidence from history to cope with today’s policy challenges.

Different scholars have proposed different components of good governance. The most popular and widely used one is the Worldwide Governance Indicators (WGIs) produced by Kaufmann, Kraay and Zoido-Lobaton of the World Bank. Kaufmann, Kraay, and Zoido-Lobaton (1999) and Kaufman, Kraay, and Mastruzzi (2003) advanced a working definition of governance: the traditions and institutions by which authority in a country is exercised. Based on this definition, they developed the WGIs, measuring six clusters of governance; voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, and control of corruption.

Mauro (1995) examined bureaucratic quality, while others measured well-functioning governments, that is, governments that abide by the rule of law, whose bureaucrats and policy makers are not affected by graft practices, and whose administrative machinery delivers goods and services in an efficient manner as a proxy for good governance (Easterly and Levine, 1997; Kaufmann, Kraay, and Zoido-Lobaton, 1999). LaPorta et al. (1999) empirically examined the quality of government in cross-section. The quality of government was divided into (1) government intervention, meaning taxation, (2) public sector efficiency,
(3) public good provision, (4) size of government, and (5) political freedom. They argued that states that were (1) poor, (2) close to the equator, (3) ethnolinguistically heterogenous, (4) under French or Socialist laws, and (5) with a high proportion of Catholics or Muslims, exhibited inferior government performance. Montenegro and Islam (2002) identified three determinants of quality of institution: (1) openness is important, (2) social variables e.g. income inequality or ethnic diversity are not associated with institutional quality, (3) features of specific institutions, like freedom of the press and checks and balances, are positively associated with overall perceptions of institutional quality.

In conclusion, good governance is an extended version of state capacity, with as much emphasis on harnessing the state as on promoting the effectiveness of the state. While the core component of a developmental state is the state/bureaucratic capability, good governance also emphasizes accountability and performance assurance. As Figure 2-1 shows, the concept of state ability has been broadened from state strength and state capacity to good governance. While state strength is limited to the coercive power of the state to enforce its rule, state capacity means the ability of the state to set and execute policy objectives independent of pressure from various interest groups. The concept of state capacity is also enriched by incorporating ‘autonomy.’ Good Governance moved further, including predictable and transparent policy making; a professional and ethical bureaucracy; and accountable government behaving under the rule of law. However, to promote governmental accountability and assure quality of government performance, effective bureaucracy should be in place first. The performance evaluation and quality control check that are required by many donor agencies for good governance are also first conducted by the government itself. Therefore, the sequence of state capacity to governance is shaped as in Table 2-1. In sum, effective bureaucracy is the core condition for all three capabilities of the state, state strength, capacity and good governance.

Figure 2-1: State Strength, Capacity and Good Governance

Source: Author.
2.3.3. Three Dimensions of State Capacity

Discussion on the definition of state capacity has been further developed to allow its multi-dimensionality. As Weiss (1998) argues, the government is not a monolithic entity. Different departments in the government can have different levels of capacity, as different sectors require various kinds of capacity. In line with this, the concepts of state strength and state autonomy are categorized as components of capacity. Based on the review of the theoretical evolvement of and various usages of state capacity in the previous section, this section identifies different components of state capacity by comparing the different arguments. This research broadly divides state capacity into three dimensions—coercive, administrative, and infrastructural capacity. This section examines the three dimensions of state capacity, and concludes that administrative capacity is the core capacity for development.

Coercive capacity means the ability to deter challenges or threats against the state. As Weber (1968) argues, one of the prominent characteristics of the modern state is the exclusive dominance of military forces. Scholars of modern state formation also point out military power as one of the state power sources, as shown in the previous section. Military dominance, however, is more like a feature of a state than a component of state capacity. Moreover, military capacity shares similarities with administrative capacity. Once the monopoly of physical violence is accomplished by the state, military organizations are controlled and managed, applying similar principles to public administration management. Therefore, to maintain coherence, this research mainly focuses on examining bureaucratic administrative capacity.

The second dimension, administrative capacity, is a crucial variable in determining a state’s capability to manage its environmental conditions and to implement its developmental goals (Park and Lee, 1976). In fact, many scholars have stressed the importance of the strategic role of bureaucracy in economic development (Sigelman, 1971; Court, Kristen, and Weder, 1999). For a state to have an adequate level of capacity in relation to the society and to foreign influences, effective bureaucracy is a necessary precondition. Especially for developing countries, to bring about necessary social change the state bureaucracy has to be in place to plan and implement policies (Sigelman, 1971; Almond and Powell, 1966; Weaver, 1971). State bureaucracy assumes an independent role in advancing social change in developing countries, not merely being limited to the implementation and execution of developmental policies, but becoming actively engaged in formulating priorities and programmes for development.
Strong capable states, however, do not simply automatically rise out of nothing. Like many other institutions, a functioning state is developed and constructed only with effort. An effective state needs effort and time to be developed. In looking at the internal structuring of the state within the Weberian approach, the construction of a cohesive bureaucracy is as essential as the state apparatus. A well-developed bureaucratic apparatus should not be taken as a simple institution requiring only the creation of a set of formal organizational ties together with a corresponding structure of incentives (Kim S, 1992). The construction of an adequate bureaucratic machinery depends on a “more delicate, long-term process of institution building, which makes it much less probable that a given state will have the bureaucracy it needs when it needs it” (Rueschemeyer and Evans, 1985: 48-49).

Evans and Rauch (1999) collected estimates of the extent to which the core organizations of economic administration in a sample of developing countries conformed to the basic features of true bureaucracies as originally identified by Weber: whether recruitment to public positions involved impersonal meritocratic criteria, and whether those recruited into these organizations could expect long term career rewards that approximated those available in the private sector, providing they performed well. In this research, investments in improving bureaucratic capacity had very large consequences. Roughly speaking, an increase of one-half of a standard deviation in the “Weberian” score resulted in a 26 per cent increase in Gross Domestic Production (GDP) from 1970 to 1990 (Evans and Rauch, 1999). Evans and Rauch further tested their meritocracy variables in less developed countries (2000).

While the administrative capacity is about quality of bureaucracy, the discussion on state capacity has broadened to include apparatus to cooperate with society. The third dimension, therefore, is the infrastructural capacity of the state (Vom Hau, 2012). To enforce the political decisions and goals of the government the state needs linkages to social actors (Weiss, 1998). Evans (1995) provides an analytically useful statement of how state bureaucratic capacity affects state-society relations, with the concept of embedded autonomy. Embeddedness refers to the ability of the state bureaucracy to enmesh itself in a ‘concrete set of social ties that binds the state to society and provides institutionalized channels for the continual negotiation and renegotiation of goals and policies’ (Evans, 1995: 12).

From this, the state capacity means more than the bureaucratic effectiveness. The policy network or the coalition model of state capacity is an example of a state capacity model which includes management of the state-society relationship as a part of capacity. States cannot work alone and need cooperation from society or to work with foreign actors, which cannot be examined only by looking into the bureaucratic institutions. However, for a state to elicit
cooperation from society and manage networks or coalitions, it needs to have effective bureaucracy vis-à-vis society. Ineffective bureaucracy can either be manipulated or dominated by elite interest groups. Evans (1995) provides useful insights regarding state autonomy as a part of state capacity.

The recent scholarship on state capacity diversifies the definition of state capacity to include territorial, legal, or fiscal capacity. Table 2-2 summarizes the various dimensions of state capacity argued by different scholars. Legal capacity means the capacity to enforce contracts and property rights, such as a judicial system for dispute settlement (Collier, 2009); while fiscal capacity means the capacity to extract tax revenue (Besley and Persson, 2011). Territorial capacity means the extent to which state control can be exercised (Soifer, 2008). Table 2-2 also shows the theoretical tradition on state capacity. The coercive capacity means the state strength, which now interpreted as military capacity. The infrastructural capacity is drawn from the concept of state autonomy. The administrative capacity is diversified accepting the argument of Weiss (1998) on the different level of capacity within a government.

The ability to extract tax or enforce rules, however, is based on the effective bureaucracy of the government. In other words, except for territorial capacity, which is about where a state exists, the military, legal, fiscal, and infrastructural capacities are all based on administrative capacity, especially the merit-based bureaucracy. Therefore, this research identifies the merit-based bureaucracy as the core concept of state capacity. To examine the merit-based bureaucracy, this research draws on the criteria of Evans and Rauch (2000). Three variables will be examined: competitive salaries, internal promotion, career stability and meritocratic recruitment (Evans and Rauch, 2000).

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Key Concept</th>
<th>Scholars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative</td>
<td>Merit-Based Effective Bureaucracy</td>
<td>Evans, 1995; Stephan, 1985; Evans and Rauch, 1999; Evans, Rueschemeyer, and Skocpol, 1985; Schneider, 1997; Tilly, 1990</td>
</tr>
<tr>
<td></td>
<td>Taxing ability</td>
<td>Levi, 1988; Besley and Persson, 2011</td>
</tr>
<tr>
<td></td>
<td>Contract enforcement</td>
<td>Collier, 2009; Besley and Persson, 2007</td>
</tr>
<tr>
<td>Coercive Capacity</td>
<td>Military capability to deter threats</td>
<td>Tilly, 1990; Centeno, 2002</td>
</tr>
<tr>
<td>Infrastructural</td>
<td>Ability to govern and state-society relation</td>
<td>Deyo, 1987; Evans, 1995; Mann, 1986; Migdal, 1988; Soifer, 2008; Vom Hau, 2012; Ikenberry, 1988; Stephan, 1985</td>
</tr>
<tr>
<td>Territory Capacity</td>
<td>Territory reach of state authority</td>
<td>Soifer, 2008</td>
</tr>
</tbody>
</table>

Table 2-2: Dimensions of State Capacity

Source: Author.
2.4. Cause of State Capacity Improvement

The previous section has identified the core concept of state capacity as administrative capacity, especially the merit-based bureaucracy. This research now needs to look at what factors build up or enhance state capacity. Drawing from the studies on state formation, early studies show war or colonial legacy as reasons for some countries to gain capacity for development while others fail. Recent studies referring to institutional analysis enrich the limited discussion by incorporating the role of agents or the dynamics within the complex of institutions. This section reviews three causes for state capacity—war, foreign influence, and internal factors of leadership and political coalition, and bureaucracy itself. This section shows that the causes are linked to the three factors of institutional change: contexts, agents, and institutions.

2.4.1. War and State Capacity

In the research on state building, state capacity is examined in the process of state formation. Based on the discussion on state formation, war is identified as providing an opportunity for capacity development. This section reviews the key literature on state capacity in state building. It first reviews the war/state nexus of Charles Tilly and the modern state building theory of Michael Mann. To better analyze state formation in developing countries, this section later moves to the recent literature on state formation.

According to Tilly, in Western Europe some elite groups, which tried to dominate history by raising wars, extracted resources from other social groups to expand their control and dominance. This extraction process was institutionalized, resulting in the emergence of rules and regulations, which to some extent at least developed to protect the weak against indiscriminate plunder. The convergence of interests of the dominant and the weak gave birth to the structured and institutionalized effective governance system. Drawing upon Weber (1968) and Hintze (1975), Tilly (1985: 20) argued that “the deployment of coercive means in war and domestic control” obliged “coercion-wielders” (1985: 21) to prepare by building up not only armies, but also an infrastructure of administration and taxation that often outlasted the particular wars they fought. If rulers succeeded, they would have to administer and exploit the lands, goods and people they conquered. Tilly (1990) assumed that “coercion-wielders” or rulers were motivated primarily by a desire for survival, and would not have embarked upon state building unless forced by circumstances. Rather than being designed by rulers, the institutional structures of European states emerged gradually out of a “mosaic of adaptations and improvisations” in response to immediate needs at
particular moments (Tilly, 1990: 26). States were by-products of wars (Tilly, 1990). Therefore, states gradually become equipped with capacity to extract tax and deliver its rules within their territories through repeated wars. The “bellicist account” (Centeno, 2002) of European state formation has received considerable support and has further been applied to explain state formation in other regions of the world (for the application of the Tillyan model see Jeffrey Herbst, 2000; Centeno, 2002; Victoria Tin-Bor Hui, 2005; Ian Lustick, 1997; Cohen, Brown, and Organski, 1981).  

While Tilly focused on the institutionalized use of physical violence and its influence on state building, Mann analyzed state building as the complex interaction of different types of social power and changes in “despotic” and “infrastructural” power. Mann (1984: 185) argued that the state has two different kinds of autonomous power: infrastructural and despotic. Pre-modern imperial and European absolutist states had much despotic power over a civil society but little infrastructural power to penetrate civil society or implement its control on the ground (Mann, 1984). Feudal states had little despotic or infrastructural power, while the Authoritarian states had both (Mann, 1984). Today’s bureaucratic-democratic state is built with high infrastructural power and low despotic power (Mann, 1984).

Mann identifies the path in history: after the feudal “coordinating state”, political power expanded with the rise of the “organic state” from the Reformation to the Napoleonic Wars (Schroeder, 2005). During this period, militarism and geopolitics centralized the state and added to its despotic power, but also deepened its reach down into civil society—acquiring infrastructural power (Schroeder, 2005). Militarism and geopolitics remained the major causes of state-building into the 19th century (Schroeder, 2005). Afterward, there was a further “rise” and “tightening” of the state-society relationship, “caging social relations” (Mann, 1993). As a result, the “polymorphous” state emerged, with expanded scope and functions, but at the same time, with diversification in function and capacities, the state could no longer be described in a singular form. It is this tightening of the state-society relationship that replaced despotic state power over civil society and produced the “bureaucratic-democratic” state of today (Schroeder, 2005). Mann’s argument on

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3 Herbst (2000) and Centeno (2002) discuss, respectively, how conditions in Africa and Latin America impeded interstate total war compared with the European experience. Herbst (2000) argued that the demographic and geographic circumstances in Africa made it very difficult to project power over substantial distances, while Centeno (2002) contended that limited wars made limited states and vice-versa. Tin-Bor Hui (2005) compared European and ancient Chinese state-building and argued that war can be “self-weakening” as well as “self-strengthening”, depending on the type of rule and level of outsourcing for finance. She argued that in the Qin Dynasty in ancient China, and in revolutionary France in modern Europe, war helped establish states with direct control over coercion and finance. Lustick (1997) applied Tilly to the Middle East, arguing that there are no great powers in the region due to the existence of European states which prevented the outbreak of “state-building wars.”
infrastructural power influenced the analysis of state capacity and autonomy, while his analysis of militarism affected discussion of state-building in the Third World.

In this sense, state building or state formation is the process of strengthening state capacity. The state’s ability to impose order on its population, to monopolize the means of collective violence across the geographical extent of its territory, is at the heart of any definition of state capacity and assessment of state-building (Dodge, 2006). Mann’s “infrastructural power” can be viewed as a capacity of the state (Soifer, 2008).

Applying the war-making/state-making nexus to the contemporary, post-World War II world, however, has some limitations. This is a Euro-centric model examining state formation in the Middle Ages, in contexts and circumstances that are totally different from those of contemporary developing countries. Secondly, in some developing countries, lack of war helped in building states. Desch (1996) and Migdal (1988) noted that a few states, such as Korea and Israel, became strong outside the European world. Thirdly, the contextual differences between early Europe and the contemporary Third World make it difficult to apply this logic. Reno (2003) argues that African warlords deliberately weaken the state’s coercive capacity in order to protect their own interests, debilitating the state. Moreover, states in the contemporary world no longer engage in major wars that result in expansion for the victors and contraction, if not disappearance, for the losers (Taylor and Botea, 2008).

Fourthly, case studies show that frequent wars actually hindered state building process in some African states. Porter (1994) and Sorenson (2001) contend that the internal wars in Africa actually weakened, not strengthened, state capacity. The direction of causality between state capacity and contemporary civil war was also challenged by Fearon and Laitin (2003), who argued that state weakness leads to civil war, not the other way round. Barnett (1992), after a comparative study on Israel and Egypt, produces a compromise view. He contended that whether war can create the state depends on the state-building strategy pursued by rulers and their relations with domestic economic elites. Finally, the argument does not produce any practical policy implications for developing countries. To strengthen state capacity, one cannot support or pursue war.

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4 Soifer (2008) identified three possible approaches to infrastructure power: the national capabilities approach, focusing on the resources at the disposal of the central state, a possible leverage to exercise control over society and regulate social relations; the weight of the state approach, viewing the effects of the state on societal actors to observe its power in operation; and the sub-national variation approach, examining the potentially uneven reach of state institutions through territory.
2.4.2. Foreign Influence and State Capacity

Some scholars try to find the foreign influence on building state capacity. State building in developing countries begins with independence from their colonial rulers; therefore, researchers argue that colonial powers have a profound impact on the shaping of state structures in their former colonies (La Porta et al., 1997, 1998; Acemoglu et al., 2001, 2002; Engerman and Sokoloff, 1997, 2002). For example, the Japanese are credited for their effective bureaucracy in Korea, while the British are blamed for the neo-patrimonial state in Nigeria (Kohli, 2004). The Japanese colonial legacy has been challenged by those who credit the politics among indigenous elites and masses as the primary cause of the cohesive Korean state structure (Haggard, Kang and Moon, 1997). Colonial rules left persevering legacy which made influence on later development of the developing countries. By examining the impact, factors hindering or promoting capacity can be identified, which can help the developing countries.

The colonial legacy is identified as one cause. Colonial rule led to a ‘reversal of fortunes’ in most of the developing world (Acemoglu et al., 2002). In particular, studies have examined the long-term impact of colonialism on contemporary state capacities (Vom Hau, 2012). Mahoney, Lange, and Vom Hau (2006) compared the different influence of Spanish and British colonial rules on their respective colonies with regard to development. Mahoney (2010) shows that Spanish colonial rule left an enduring legacy in Latin America, depending on the type and extent of colonial state building.¹

However, focusing on colonial legacy can neglect other historical events that may be important (Vom Hau, 2012). Moreover, as Herbst (2000) shows, pre-colonial institutions may exert more influence on subsequent institutional development than those of the colonial era. Colonial history ended in the last century. Ascribing institutional development or failure to colonial history may be too deterministic, ignoring the efforts made after the colonial period. Also, identifying colonial factors in relation to state building, though important, only shows the half of the story, which needs to be completed by identifying factors in colonial influence that lead to failure or success. We need to assess the positive or negative influence of colonialism to better understand the situations of developing countries, but we also need to present the ways to overcome the dependent path of the colonial legacy.

As shown above, the ‘war or foreign influence’ argument ascribes the causes of capacity building to the changes in external conditions surrounding the developing countries. War,

¹ For more, see also Melissa Dell, 2010; and Matthew Lange, 2009.
revolution, or types of colonial rule are not the innate sources of change but disturbances in the status-quo, which are analogous to the critical juncture or punctuated equilibrium in institutional studies.

2.4.3. Internal Sources of State Capacity

While these two causes, war or foreign importation, are external factors, some scholars are turning their attention to endogenous factors in the government of the developing countries. Recent works emphasize the importance of leadership and political coalitions or political settlements among contending social groups and classes in analyzing state capacity. The argument on developmental states points out the commitment of leadership as one of the conditions. Bureaucracy is a hierarchical organization, where the orders of the top leadership shape the direction of the government. Kemal Ataturk, Lee Kwan Yu, Park Chung-Hee, and Chiang Kai Shek are examined in their influence on the modernization of their countries. Leftwich and Hogg (2007) argue for the importance of leaders and reform agents to accomplish economic growth and development. Empirical evidence suggests that the developing countries lacked leaders and elites with ‘national’ goals and with incentives to form positive coalitions for reform (Leftwich and Wheeler, 2011).

Geddes examines politicians’ choice and state capacity. For Geddes, state capacity is a function of the strategic choices of politicians (1994). Politicians boost state capacity by substituting meritocratic norms for patronage only when doing so is to their short-term political advantage. She depicts the dilemma of a collective good, in this case, civil service reform, whose costs of provision are that individual politicians must forego the electoral gains from patronage (Geddes, 1994). Acemoglu and Robinson (2006) find that due to a “political replacement effect” political elites may block technological and institutional development. They show the relationship between blocking and political competition. Elites are unlikely to block development when there is a high degree of political competition or when they are highly entrenched. Blocking is also more likely when political stakes are higher, for example, because of land rents enjoyed by the elites (Acemoglu and Robinson, 2006).

Waldner (1999) and Vu (2007) show how differences in political coalition and conflicts, as well as the institutional setting, created developmental states in Korea. In other words, the commitment and interest of leaders or political entities can promote or hinder state capacity building. The priority of the top leadership or the political support is an important factor for positive institutional reform. However, this needs further examination, since many regimes in developing countries which plan administrative reform often fail to bring in reform results.
As Andrews (2013) shows, many of the institutional reform programmes introduced by donors in developing countries also fail to bring in the intended changes, despite the high level of commitment of the governments in the developing countries. Further research, therefore, is needed to examine the relationship between political commitment and institutional reform.

The other factor of internal source in state capacity is the bureaucracy itself. Some researchers focus on the capacity of the bureaucrats, while others look at the institutions of bureaucracy. It is generally agreed that a bureaucracy with well trained staff on the basis of merit has administrative capacity (Maxfield and Schneider, 1997). If the bureaucrats are capable, within systematic institutions, the capacity of the state will be enhanced. Various capacity building and training programmes have been provided, while institutional reform programmes for the government are extensively implemented. Recent studies drawing on public management and institutional analysis, however, show more complex pictures. Bureaucrats with their distinct interests can hinder or promote government reforms, irrespective of their level of capability. On the other hand, some researchers focus on the institutions of bureaucracy. In fact, the Weberian bureaucracy is about building institutions to create an institutional environment to recruit and compensate capable bureaucrats (Evans and Rauch, 2000). Bureaucracy is not a single entity but a complex consisting of different levels of institutions. The interactions within can strengthen or weaken its effectiveness. Chibber (2003), for example, argues that export-led industrialization policy improved the state capacity by strengthening the state business relations.

As shown above, endogenous factors such as leadership, political coalition, and bureaucracy itself are critical factors promoting state capacity. Further analysis, however, is needed on the mechanism of change, to clearly identify the relationship between the factors and state capacity. For example, little is known of how the complex sets of bureaucratic institutions interact with each other to promote state capacity. On the other hand, still less is known about why, in some cases, a high level of commitment of leadership or competent bureaucrats does not produce positive reform. A systematic analytical tool is needed to examine the interactions and relationships between the internal factors.

2.5. Concluding Remarks

This chapter has examined the theoretical development of the concept of state capacity in social science and reviewed the different applications of the term in various disciplines. The
concept of state capacity has developed in state-centred statist theory, since a state needs to have an adequate level of capacity to achieve its independent goals. Initially, state strength was the centre of analytical attention; and later the discussion evolved with the concept of autonomy and good governance being added. This chapter has shown that the core of state capacity for developing countries is an effective merit-based bureaucracy with Weberian bureaucratic institutions, as Evans and Rauch (2000) argue. The diverse research on state capacity has moved on to discussion of the causes of state capacity.

This chapter shows the causes initially examined were outside of the government, such as war or foreign influence in line with discussion on state building, but focus then shifted to looking within the government at factors such as reform leadership, political coalitions, the bureaucrats, or bureaucratic institutions. However, the current literature on state capacity has not clearly shown the mechanism of capacity development. The war/state nexus has limitations in explaining why the conflict stricken developing countries still suffer from administrative incapacity; while foreign influence, especially the colonial legacy, also has limitations in application. If a favourable colonial legacy is important, an institutional reform to overcome the poor legacy is needed for those developing countries with poor colonial legacy. The endogenous accounts on state capacity building are important in this sense. By examining the endogenous factors, not only can the analytical gap on causes of state capacity be filled in but also practical policy suggestions can be made for the developing countries.

This chapter has shown the drivers of state capacity building in three ways—political contexts, the actors involved, and the institutional interaction. An analytical tool to examine the interactions of those factors is needed to fill the gap in discussion on state capacity. Since state capacity is defined as effective bureaucratic institutions, the theory on institutional change can be applied to examine the bureaucratic institutional change. In fact, the existing literature on state formation and state capacity also broadly follows the tradition of historical institutionalism, in that they study how the historical setting affects institutional change, which, in this case, is change in the state. State structures are historically contingent creations, and therefore the proposition that they are “available” should be treated not as an a priori premise, but as an empirical claim that needs to be substantiated (Ganev, 2005). The war/state nexus of Tilly, for example, can be categorized as a study of historical institutional analysis, applying external shock, a war, as the factor of abrupt institutional change.

The theories on institutional change have become more sophisticated, with new concepts of internal factors and models of gradual change. The current scholarship on state capacity building, therefore, may also be enriched by adopting the new development. Incorporating
recent theoretical development in institutionalism on examining change, this research aims to fill this gap in the existing literature on the emergence of state capacity. The next chapter provides more detailed analysis on historical institutionalism and the theory of gradual institutional change and presents a conceptual framework for the research.
Chapter 3. Analytical Approaches

3.1. Introduction

In the previous chapter, this research has reviewed current scholarship on state capacity and shown that the merit-based bureaucracy is the core concept of state capacity. The previous chapter has also identified the analytical gap in current scholarship on state capacity, the lack of adequate explanation on how state capacity can be positively changed. Drawing upon exogenous institutional change theory, the current scholarship focuses on war or foreign influence as possible causes for change. For in-depth understanding on change, it requires systematic attention on the efforts of the developing countries themselves.

To examine how administrative capacity has been developed, this research first needs to build an analytical model to analyze change. Recent theoretical development in historical institutionalism on institutional change can help overcome the limitations of current scholarship. The new theory of gradual institutional change enables us to examine the dynamic interactions of factors related to the capacity building process. This research, therefore, tries to answer the “how” question by applying the gradual institutional change model of historical institutionalism.

This chapter first examines how institutional change theories have been applied to examine state capacity. Secondly, this chapter introduces the gradual institutional change theory of Mahoney and Thelen (2010) with key concepts and modes of change. Thirdly, this chapter identifies and develops the working definitions for the three factors affecting the institutional change, in accordance with Mahoney and Thelen (2010). Finally, this chapter operationalizes the theory and builds the conceptual framework for this research.

3.2. Institutional Change Theories

3.2.1. Institutional Change in the Study of State Capacity

As shown in Chapter 2, scholars of state theories and capacity building have applied historical institutional analysis for their study. The state/war nexus of Tilly is, in fact, about the changes in institutions brought about by an exogenous shock, war. Many studies on the origins of developmental states which ascribe the success or failure of developmental change to the colonial legacy (e.g. Kohli, 1994, 1997; Booth, 2007) are also in line with path dependence and punctuated equilibrium models of institutional change.
However, the abrupt change model has some analytical shortcomings. It cannot explain the gradual changes that happen more often in the real world. In reality, not all changes are linked with exogenous shocks. Even what seems an abrupt change, once examined carefully, is often the final result of gradual cumulative change (Streeck and Thelen, 2005). Ascribing the causes of state capacity change to external forces also underrates the domestic efforts made in developing countries, and does not explain the whole process of change. Finally, the external model does little good to the developing countries. If external shocks alone can shake the status quo of incapacity, all the governments of developing countries can do is either wait for the shocks to happen or initiate one by starting an armed conflict.

As the institutional change theories have become sophisticated with more detailed analysis on internal sources of change, studies on state building have also moved to examine the role of the domestic actors and institutions, to identify the sources of change. This research aims to complement current scholarship on state capacity by applying the new theory of gradual change in analyzing the administrative capacity building process. By doing so, this research also attempts to come up with policy suggestions applicable in the current development context. Lastly, by conducting empirical analysis, this research tests the validity of the theory. To examine the development and changes of bureaucratic institutions of state capacity, this research applies the gradual institutional change theory of Mahoney and Thelen (2010).

3.2.2. Development in Institutional Change Theories: From Exogenous to Endogenous

One of the oldest questions of social science is about the interaction of structures and actors. Against the behavioural tradition in the 1960s and 1970s, historical institutionalism rose to emphasize the role of structures in making decisions. Basically, historical institutionalism was about how institutions, which seldom change, may constrict or affect actors’ choices. In the beginning, historical institutionalism focused on showing how the structure constrains or directs the choices of the actors. The institutions, once built, seldom change. The abrupt change theory applies the concept of path dependence and has been widely used to explain change. As Pierson (2000a) said, it was used too broadly, and thus lost what it actually means. Path dependence was originally used to explain the dominance of certain technologies (Arthur, 1994; David, 1985), and later in economics (North, 1990). Pierson (2000a) defines path dependence as a social process grounded in a dynamic of “increasing returns.” Due to

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6 Path dependence, in more detail, means the institutions in time T will tend to maintain stability even though new institutions are needed with changes in society. The institution of time T will constrain the direction of change in time T+1 while the changed institution in T+1 constrains the options in time T+2. The institution of time T+1, which used to be a dependent variable, becomes an independent variable in time T+2 (Krasner, 1988).
increasing returns and transaction costs, institutions can persist despite alternatives which are more effective or efficient. The sequence and timing, and fortuity of events have importance in path dependence analysis, since a fortuitous event can have a long-lasting effect, depending on the timing and sequencing of the occurrence. The specific mechanism and process of change in a specific time and context, therefore, gain importance for analyzing change (Thelen and Steinmo, 1992; Pierson and Skocpol, 2000).

While widely used, the concept of path dependence is very different in how various authors understand and apply the concept. Sewell (1996: 262-3) defines path dependence in very broad terms, saying “what happened at an earlier point in time will affect the possible outcomes of a sequence of event occurring at a later point in time. Path dependence is interpreted in two different ways—one in explaining the stickiness of institutions with little change, and the other in showing discontinuous and abrupt change. This has yielded a strangely “bifurcated literature that links path dependence as a concept to two completely different and in some ways diametrically opposed conceptions of change” (Streeck and Thelen, 2005: 6).

Scholars who insist on a stricter concept of path dependence brought in the punctuated equilibrium model to interpret change. The persistence of institutions is broken with a concept of critical juncture. Critical junctures 7 are often understood as periods of contingency during which the usual constraints on action are lifted or eased (Capoccia and Kelemen, 2007). Institutions can change after external shock events which create a critical juncture. Though very useful to explain the persistent constraints of change, the path dependence and critical juncture model has been criticized for its inflexibility. It cannot explain endogenous processes of change and only narrowly conceives institutional creation and change as functions of exogenous shocks, or as Steinmo (2008) puts it, ‘products of fate.’ The model also assumes a complete breakdown of existing institutions while in reality, total replacement of existing institutions rarely occurs.

In fact, the existing scholarship on state building and capacity formation follows the exogenous abrupt change theory. The literature that ascribes the origin of state capacity to the colonial legacy, after all, insists on the persistence of institutions and the original setting as in the path dependence model. The external events, such as war or coups d’état, form a critical juncture that opens up the opportunity for change in the punctuated equilibrium model. The scholarship, therefore, has the same analytical limitations that the model has.

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7 Hall (1993) compares the path dependency of an institution to Kuhn's paradigm shift. Critical junctures are the period of paradigm shifts, while the stable period corresponds to a time of normal science.
Moreover, though it can describe the locus of or context for change, the research did little for the developing countries today by not explaining how they can break the path without starting disruptive events such as war. We need to find an alternative theory that can not only describe change but also provide viable options to be taken by developing countries today.

Recently, theoretical modification has been made to better understand the complex dynamics of change. In political science, economics and sociology, various studies conceded the incompleteness of both views—actors as rule-makers or as rule-takers, and a consensus is being formed to view actors and institutions as mutually constitutive of each other. Jackson writes, “a constitutive approach conceptualizes actors and institutions as being mutually interdependent reflexively intertwined with one another” (Jackson 2010: 65). Milhaupt and Pistor (2008) explore the relationship between legal institutions and market-oriented economic institutions and argue for a “rolling” dynamic between actors and institutions, reacting to each other through human and institutional mediation.

Studies increasingly pay more attention to the gradual and incremental change caused by the interaction among actors and between actors and institutions. (e.g. North 1990; Collier and Collier, 1991; Arthur, 1994; Clemens and Cook, 1999; Mahoney, 2000; Pierson, 2004; Thelen, 2004). Drawing from rational choice institutionalism, gradual change theory acknowledges the role of actors as rule-makers. Accepting organizational institutionalism, this theory also regards institutions as a complex set with different layers and levels. At first, the gradual institutional change theory did not emerge as a general theory. Different scholars applying the new institutional approach in their studies proposed various modes and causes of change (e.g. Schickler, 2001; Campbell, 1997; Moe, 1990; Gibson and Falleiti, 2004). Based on empirical research, Streeck and Thelen (2005) categorized different changes into five types.

Drawing from Streeck and Thelen (2005), Mahoney and Thelen (2010) went further and proposed a gradual institutional change theory with three modes of change resulting from the interaction between three factors. As the title of the book\(^8\) says, rather than a specific issue or event, Mahoney and Thelen put more focus on the interaction among variables resulting from their characteristics—the ambiguity of the institutions; the characteristics and strategies of change agents; and the power distributional change in the political contexts. Acknowledging the complexity of institutions, this theory emphasizes the internal contradiction and interaction between the components as another cause of change (Mahoney and Thelen, 2010).

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\(^8\) The title is ‘Explaining Institutional Change: Ambiguity, Agency, and Power.’
In sum, change in the political context surrounding the institution, the characteristics of institutions and the types of change agents can bring about four different types of gradual change by interacting with each other. These types of changes are dependent on how the three variables interact with each other. Thus the gradual intuitional change theory can overcome the limitations of exogenous abrupt change theories and provide a more detailed account of how institutions change. This research adopts Mahoney and Thelen’s theory (2010) for its analysis of the evolvement of administrative capacity in Korea. The next section provides a detailed explanation of Mahoney and Thelen’s theory of gradual institutional change, with key concepts and modes of changes.

3.3. Gradual Institutional Change Theory

3.3.1. Introduction of the Theory

Gradual change theory was developed to analyze the various types of changes which cannot be assessed with a simple punctuated equilibrium model. Scholars who have conducted empirical studies on institutional change have identified various types of gradual change. Hacker (2005) brings in a new type of gradual change, called ‘drift’, while Schickler (2001) argues for a new type called layering. Streeck and Thelen (2005) categorize five different types of gradual change with their causes and processes based on the various empirical research studies on change. Further developing Streeck and Thelen (2005), Mahoney and Thelen (2010) produce a gradual change theory with three kinds of factors and more sophisticated illustration on modes of change. This section first introduces the theory with definitions of the terms used and examines the three modes of change process suggested. This research argues that the theory of Mahoney and Thelen (2010), as a collection of research on institutional change, can shed some new light in understanding the evolvement of administrative capacity.

Mahoney and Thelen (2010) draw their theory from the power-distributive approach on institutions.9 Informal as well as formal institutions affect distribution of resources; therefore, institutions are fraught with tensions and any kind of attempt at change faces resistance from the vested interest groups (Mahoney and Thelen, 2010). Any given set of rules or expectations—formal or informal—that give rise to a specific pattern of action will have

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9 Distributional aspect of institutions is not only commonly used in historical institutionalism but also found in the other two branches of new institutionalism. For historical institutionalism, see Hall, 1986; Skocpol 1995; Mahoney, 2010. Some works on the rational-choice perspectives are Knight 1992; Acemoglu, Johnson, and Robinson, 2005; Moe, 2005 and on sociological accounts include Stinchcombe, 1987.
unequal implications for resource allocation, and clearly many formal institutions are specifically intended to distribute resources to particular kinds of actors and not to others (Mahoney and Thelen, 2010). This is true for precisely those institutions that mobilize significant and highly valued resources including most political and political-economic institutions (Mahoney and Thelen, 2010).

There is nothing automatic, self-perpetuating, or self-reinforcing about institutional arrangements (Mahoney and Thelen, 2010). Rather, a dynamic component is built in, where institutions represent compromises or relatively durable, though still contested, settlements based on specific coalitional dynamics, which are always vulnerable to shifts. Change and stability are in fact inextricably linked. Those who benefit from existing arrangements may have an objective preference for continuity, but ensuring such continuity requires the ongoing mobilization of political support as well as, often, active efforts to resolve institutional ambiguities in their favour (Thelen, 2004).

An institution does not naturally emerge out of thin air, but is built when actors with different endowments of resources are normally motivated to pursue the creation of different kinds of institutions (Mahoney and Thelen, 2010). The institutions are consequently created reflecting the relative contributions of, and often conflicts among, these differentially motivated actors (Mahoney and Thelen, 2010). However, institutions can also be an accidental outcome of mediation or negotiation. While a dominant actor or group can establish institutions for their own purposes, institutions can also be the unintended outcome of conflict among groups, or the result of “ambiguous compromises” among actors who can coordinate on institutional means even if they differ on substantive goals (Schickler 2001; Pailer, 2005).

The first factor affecting institutional change is the characteristics of the political context, which are described as balance of power shifts between coalitional dynamics. Changes in environmental conditions can reshuffle power relations; or in less obvious ways, interaction among actors and the institutions they are embedded in may allow unforeseen changes in the ongoing distribution of resources (Mahoney and Thelen, 2010). Mahoney and Thelen argue that changes to the balance of power may be generated internally or externally and reinforced via feedback loops (2010). This might happen when new environmental conditions emerge, or when a disadvantaged subordinate group within an institution decides to mobilize (Mahoney and Thelen, 2010). The success of attempts at incremental change depends on the strength of its defenders’ blocking power (Mahoney and Thelen, 2010).
Other strands of scholarship examine how the expected operation of institutions themselves can sometimes generate pressure for change. This can occur if the distributional effects of institutions over time trigger divisions among institutional power holders, or if subordinate groups are pushed to the point that they organize and come to identify with one another and increase power and capacity to break prevailing institutional arrangements. These correspond to the themes of “divided elites” and “united subordinate groups” (Yashar, 1997).

The second factor of change is the characteristics of the targeted institution, which becomes especially important with the issue of compliance. Traditionally, institutions are regarded as stabilizers. By providing information on the probable behaviour of others, institutions control the behaviour and expectations of the actors. Enforcement is endogenous in the sense that the expected costs and extent of noncompliance are factored into the strategic behaviour of the actors in a particular institutional equilibrium (North, 1990).

However, Mahoney and Thelen (2010) pay attention to the differential implementation and enforcement. If the self-reinforcing is broken for some reason, compliance becomes an important variable for change and stability. The need to enforce institutions carries its own dynamic of potential change not just from the politically contested nature of institutional rules but also from a degree of openness in the interpretation and implementation of these rules (Mahoney and Thelen, 2010). Even formally codified institutions are often ambiguous and are always subject to interpretation, debate and contestation. Struggles over the meaning, application, and enforcement of institutional rules are inextricably intertwined with the resource allocation they entail (Mahoney and Thelen, 2010). Therefore, the basic property of institutions, the level of discretion in interpretation and enforcement, is the second cause of institutional change.

The innate characteristics of institutions result in some implications to be considered in institutional change (Mahoney and Thelen, 2010). The discrepancy between the institutions and the real world can cause institutional change. Rules are never precise enough to cover the complexities of all possible real-world situations. Institutions are always embedded in assumptions that are often only implicit. The shared implicit understandings can often trigger a de facto institutional change even though formal rules remain intact. The level of compliance (Mahoney and Thelen, 2010) or the interactions (Orren and Skowronek, 1994) or conflicts (Thelen, 1999) within institutions mean that the characteristics of institutions can help initiate the institutional change.
Firstly, the ambiguities of rules provide actors with opportunities to exploit their creativity to establish new precedents for action that can “transform the way institutions allocate power and authority” (Sheingate, 2010: 169). An actor’s interpretation or compliance with regard to an institution can also be a cause of change. The need to enforce compliance within institutions carries its own dynamic of potential change, partly due to the politically-contested nature of institutional rules as well as to a degree of openness in the interpretation and implementation of these rules (Mahoney and Thelen, 2010). Even when institutions are formally codified, their guiding expectations often remain ambiguous and are always subject to interpretation, debate, and contestation among actors with divergent interests (Mahoney and Thelen, 2010). Compliance is inherently complicated by the fact that rules can never be precise enough to cover the complexities of all possible real-world situations. Institutions are always embedded in assumptions that are often only implicit. The shared implicit understandings can often trigger a de facto institutional change, even though formal rules remain intact.

The second factor is the discrepancy between institutions and the context. The actors can develop institutions which can accommodate the complex world at the time of initiation; however, as time changes the situations surrounding institutions can change in ways unforeseen by the designers of the institution. This discrepancy can affect the different attitudes of actors toward institutional change or stability. The change in implicit understanding on formal institutions by social groups can also bring about change in institutions. Institutions rely on the shared understanding of the community. When the common understanding changes, or if no such common belief exists, institutions can shift or be exploited by institutional “predators” (Streeck and Thelen, 2005).

The concept of ambiguity or discrepancy enriches our understanding on institution and change dynamics. Initially, our understanding on institutions was too simplistic, disregarding tensions between an institution and its surroundings. As historical institutionalists argue, institutions, once established, tend to outlive their designers, and sometimes the context which justified their establishment. This is especially important in the study of capacity building in developing countries, since in many cases the designers of new institutions for enhancing capacity are foreigners who would not be involved in implementation. The prolonged existence of institutions can create discrepancies between an institution and its contexts, as well as between the institution and its enforcers or implementers, which may create momentum for change. The issue of interpretation also called new attention to the
The third factor is the change agents. This is a new interpretation of actors that has been developed from the emphasis on compliance. The change agents are the actors or the coalitions that drive institutional change. Not all actors are change agents and they can change as the contexts and environments change. The distributional aspect of an institution results in ‘winners’ and ‘losers’, who have different interests in how to interpret rules or to dedicate resources for enforcement (Mahoney and Thelen, 2010). However, the issue of compliance makes distinguishing winners from losers difficult. When the possibility of enforcing compliance within the institution is not certain or challenged, or when the rationale for the institution is not clear or undecided, an actor’s interest in institutional continuity may be equivocal and mutable (Mahoney and Thelen, 2010). The strategies and positions of change agents, therefore, can be different in relation to the positions of the different actors affecting change and the institutional characteristics.

This mixed position of change agents makes them different from the institutional entrepreneurs (Clemens and Cook, 1999). While institutional entrepreneurs represent actors who actively try to create new institutions or transform existing ones, based on their particular interests (Levy and Scully, 2007), change agents are more diverse and intricate in their motivations and strategies. They may actively pursue change as entrepreneurs but they may also be passive or even choose not to do anything. Institutional entrepreneurs, therefore, are a variant of change agents. In the same way, change agents are also different from the ‘reform coalitions’ of Leftwich and Hogg (2007). Not all change agents can be reform coalitions.

Rather than simply equating losers with change agents, Mahoney and Thelen (2010) provide a more refined description in accordance with the change in contexts or the types of institutions. Moreover, they argue for the mutability of change agents. Actors, or coalitions who are change agents at a specific point in time, may be opponents of change at different points in time. Thus the change agents here are roles that actors or groups of actors play rather than fixed identities (Mahoney and Thelen, 2010).

It should also be noted that the change agents in this theory are not the only actors in institutional change. Mahoney and Thelen (2010) acknowledge that the change agents in most cases form coalitions with other institutional actors. Due to increasing returns to institutionalized power the success of change agents depends on the coalitions that emerge in
the distributional struggle. Hall (2010) notes that the relative power of various actors is important in affecting their ability to assemble the coalitions they need to change or to defend existing arrangements. Therefore, to examine institutional change, the configuration of coalitions supporting or opposing the targeted institution is needed. The analysis can be done by going back to the first factor, the balance of power shifts. Then we can examine the change coalitions by analyzing the relationships between change agents and the actors or group of actors with veto powers.

Figure 3-1 displays how the three factors of Mahoney and Thelen (2010) interact and engage with each other to bring about change. One of the advantages of the theory is that it shows not only the interactions between the factors for change but also provides specific mechanisms for each type of change. In this way, researchers can conduct more clear and detailed analysis on what types of specific process and what kinds of factors are linked to generating specific types of change. Figure 3-1 shows the mechanism of gradual institutional change of Mahoney and Thelen (2010). The three factors, political context, the institution itself, and the change agents define the type of institutional change interacting in three different ways. The four types of institutional change are analyzed in the next sub-section followed by the three different modes of interaction among the factors.

Figure 3-1: Framework for Explaining Modes of Institutional Change

Source: Mahoney and Thelen (2010)

3.3.2. Types of Gradual Institutional Change

Streeck and Thelen (2005) have offered five types of commonly observed patterns of institutional change that allow us to classify and compare cases across diverse empirical settings. Drawing upon the empirical analysis on institutional change and the types of change delineated by Streek and Thelen (2005), Mahoney and Thelen (2010) have advanced

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10 Streeck and Thelen (2005) include exhaustion as a mode of change. However, since exhaustion is strictly the process leading to institutional breakdown rather than change, this research excludes exhaustion, following Mahoney and Thelen (2010).
the theoretical discussion by developing specific mechanisms for four different types of change. Table 3-1 shows the four different types of gradual change. This sub-section first reviews the four types of gradual change and the examination of the three modes of changes in the theory is presented next.

Table 3-1: Four Types of Gradual Change

<table>
<thead>
<tr>
<th></th>
<th>Displacement</th>
<th>Layering</th>
<th>Drift</th>
<th>Conversion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Removal of old rules</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Neglect of old rules</td>
<td>-</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Changed impact/enactment of old rules</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Introduction of new rules</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

Source: Mahoney and Thelen (2010)

### 3.3.2.1. Displacement

The first type of institutional change is displacement. As shown in Table 3-1 above, displacement occurs when existing rules are replaced by new ones. This kind of change can be abrupt and radical, as is often shown in the exogenous institutional change models. Displacement, however, can happen slowly. In the political science literature, displacement mostly occurs due to shifts in the societal balance of power (e.g. Collier and Collier, 1991; Skowronek, 1995) while in sociology it is ascribed to cognitive or normative factors. The institutional configurations are vulnerable to change as traditional arrangements are discredited or pushed to the side in favour of new institutions and associated behavioural logic (Streeck and Thelen, 2005).

Displacement can be caused by ‘reactivation’ or ‘rediscovery’ of what Moore once called ‘suppressed historical alternatives’ (Moore, 1979: 376). As time changes, once neglected systems or rules can be rediscovered, as the German political economy survived with the end of Fordism and the resurrection of craft skills (Piore and Sabel, 1984). Within a society there are many contradictory or conflicting institutions, between which actors can move back and forth. Displacement can occur through ‘invasion’ (Castaldi and Dosi, 2006). Invasion can literally refer to the supplanting of indigenous institutions and practices with foreign ones, presumably those of the victor or occupying power. However, the imported institution cannot stay and typically produces a hybrid. In a broader sense, invasion means the importation and then cultivation by local actors of ‘foreign’ institutions and practices
Invasion, rediscovery or reactivation requires enterprising actors who either see their interests at odds with prevailing institutions and practices or test new behaviour inside old institutions, addressing emerging new external conditions (Streeck and Thelen, 2005). Invasion, rediscovery or reactivation requires enterprising actors who either see their interests at odds with prevailing institutions and practices or test new behaviour inside old institutions, addressing emerging new external conditions (Streeck and Thelen, 2005). Change is most likely to be effective if actors are willing to pay a price for their ‘incongruent’ behaviour (Streeck and Thelen, 2005). Change agents may also need to have rule makers to make changes to the institutions or rule takers to demand such changes. In the mean time, deviant behaviour becomes less deviant and traditional behaviour may face sanctions. Mahoney and Thelen (2010) further develop the process of displacement by specifying the conditions. The change agents willing to take the risk of change, in Mahoney and Thelen’s term the insurrectionaries (2010), working in the institutions with low level of enforcement and weak opposition, are the conditions for displacement (Table 3-3).

3.3.2.2. Layering

The second type of intuitional change is layering. As with displacement, layering involves the introduction of new rules. The difference, however, is that, as shown in Table 3-1, layering does not involve removal of old rules. New rules are added on the existing ones. Layering happens when new rules are attached to existing ones, thereby changing the ways in which the original rules structure behaviour (Schickler, 2001). Layering does not involve introducing whole new institutions. It rather means amendments, revisions, or additions to existing ones. Pierson (1994) showed how not only economic but also political institutions with additional vested interests become costly to be dismantled. However, the scholars of gradual change argue that if institutions are in locked-in status, this does not preclude change altogether. Reformers who learn to work around those elements of an institution that have been fixed can bring about change with a mechanism of ‘differential growth’ (Streeck and Thelen, 2005). The new elements introduced to the existing system set in motion dynamics through which they actively crowd out or supplant by default the old system. Thus, the domain of the latter gradually shrinks relative to that of the former. Schickler (2001) shows the process of layering by examining how the successive rounds of institutional reforms in the US Congress produced a highly disjointed pattern and institutional incoherence.

In other words, layering may occur when the existing institutions have a long history of increasing return in enforcement. In this case, dismantling of old institutions does not occur. Instead new layers are added for amendment or revision. The patchwork does not threaten the status quo, so it does not provoke vested interests to counter-mobilize. However, since
the new layers operate on a different logic and grow more quickly than the traditional system, over time they may fundamentally alter the overall trajectory of development as the old institutions stagnate or lose their grip and the new ones assume an ever more prominent role in governing individual behaviour (Streeck and Thelen, 2005). Pailer (2005: 131) provides another example of layering in his analysis of French social policy. The new programmes were introduced to the formidable old programmes ‘as if their purpose were only to fix or complement the system’. However, despite the incremental nature of the old system, the minor additions and repairs set in motion dynamics that resulted in a deep transformation of the French welfare state (Pailer, 2005). Summing up, Mahoney and Thelen (2010) again provide a succinct account of the layering process. When an existing system with a relatively high level of discretion has strong support, the change agents aim to change the system not by dismantling it but by gradually shaking, resulting in increasing incoherence in the system.

3.3.2.3. Drift

The third type of institutional change is drift. Table 3-1 shows that drift involves neglect of old rules as well as changed impact of old rules. In other words, drift occurs when rules remain formally the same but their impact changes as a result of shifts in external conditions (Hacker, 2005). This happens because institutions need maintenance. Institutions do not survive by standing still, nor is their stable reproduction always simply a matter of positive feedback or increasing returns (Thelen, 2004). In order to remain as they are, institutions need to be reset and refocused, or sometimes recalibrated and renegotiated in response to changes in the political and economic environment in which they are embedded (Streeck and Thelen, 2005). The maintenance needs are primarily due to the gap that may emerge between institutions and the contextual conditions. As explained above, the contexts at the time of institutional establishment may change later, and without addressing this discrepancy institutions may exert a different influence that was not intended when designed.

Drift, however, can be purposefully promoted by political cultivation. Hacker (2005) shows the intentional drift caused by parasitic agents. For example, the conservative policymakers of the US deliberately declined to close emerging gaps in coverage. Facing the proponents of healthcare, the policymakers who could not actively challenge the formidable mass, remained quiet. Change, however, took place due to the passive aggressive behaviour of the policymakers who refused to close the gap and end the slippage caused by exogenous developments that made existing institutions slowly lose their grip. In sum, drift occurs when institutions do not allow any room for maintenance while protected by power groups. In this
setting, change agents intentionally or unintentionally do nothing and the institutions, due to stickiness, ironically undergo change.

### 3.3.2.4. Conversion

The fourth type of institutional change is conversion. As with drift, conversion involves the changed impact of old rules but the difference is that the change is because of a new interpretation, not because of the lack of maintenance. Conversion also involves revival of old rules due to the new actors. As Table 3-1 shows, conversion involves changed impact or return of new rules. Conversion occurs when rules remain formally the same but are interpreted and enacted in new ways (Thelen, 2004). Institutions, which remain the same, are redirected to new goals, functions or purposes as a result of new environmental challenges or of changed power relations. This overcomes the limitations of the conventional increasing returns argument, which only provides a partial account of actors adapting to unchanging institutions. The difference between the enforcers from the designers can also open up a space for change in the way the rules are enforced or implemented. Lieberman (2006) shows how a weak institution at its inception can be transformed into a strong one by the will of the enforcers. It is usually the enforcers or practitioners who decide how and when rules are implemented, which implies the possibility of change in a positive or negative direction.

Conversion shows the opposite effect, where institutions adapt to serve the new goals or interests of new actors (Streeck and Thelen, 2005). Conversion, like drift, occurs due to the gap between the institutions and the political and economic contexts in which they are embedded. The main difference is the difference in political setting. Conversion occurs when there were no dominant actors supporting the institutions. Through contestation change agents can provide new meaning to the institutions to serve their interests. In the case of drift, due to the formidability of the supporter, contestation does not occur and institutions decay. The ambiguous characteristics of the institution itself, combined with weak supporting groups, can cause conversion. Institutions are built mainly through political negotiation, usually involving compromise. Institutions, therefore, need to accommodate the demands of different actors, which makes them ambiguous and equivocal. Political contestation on how to apply and interpret the rules may result in the redirection of institutions (e.g. Levy, 2005). The shifts in power relations can also cause conversion. When the neglected groups who were not reckoned with at the inception of an institution gain power, they can try to interpret the rules for their own good (e.g. Clemens, 2007). In some cases where old institutions outlived not only their designers but also the external conditions at the time of their
foundation, changes may be required to address the different challenges, even to the point where they contradict the initial goals (Streeck and Thelen, 2005).

As shown above, the gradual institutional change theory of Mahoney and Thelen (2010) broadens and enriches our understanding on institutional change with different types of changes. While the traditional exogenous model can only explain the displacement type of change, the gradual change theory broadens the perspectives, incorporating various types of change, including partial, cumulative, derelict or corrosive changes. The next sub-section presents three different modes of interaction among the three factors of change that can cause these four types of gradual institutional change.

3.3.3. Three Modes of Gradual Change

Streeck and Thelen (2005) delineated the different types of gradual change but did not specify the mechanism of the gradual change. Building on their previous work, Mahoney and Thelen (2010) have provided a detailed theory, linking how the different characteristics of the three factors of change are linked to the specific types of gradual change. This sub-section examines the three ways of interaction among the factors.

3.3.3.1. Mode I: The Combination of Two Factors: Political Context and Institutional Characteristics

Mahoney and Thelen (2010) first argue that the different characteristics of the political context combined with those of institution can result in different types of change, which is mode I of change in Figure 3-1. Drawing on Hacker (2005), they argue that the veto possibilities and the extent of discretion in institutional enforcement and interpretation are associated with different modes of institutional change. Veto possibilities are high when the political context provides defenders of the status quo with advantages to protect the existing institutions. This means the powerful actors are veto players or institutional veto points (Tsebelis, 2002). That is, veto possibilities are high where existing actors have access to institutional or extra-institutional means of blocking change. When faced with political contexts with a multitude of veto possibilities, the would-be agents of change will choose layering or drift as their strategies for change (Mahoney and Thelen, 2010). Conversion or displacement will not be an appropriate choice, since strong veto power will hinder the process.

The other factor affecting the course of change is from the characteristics of institutions. As shown in the previous section, institutions are different in their degree of interpretation and enforcement. The degree to which actors have discretion in implementing rules will vary
from one institution to the next (Mahoney and Thelen, 2010). The sources of variation in the scope of discretion that rules allow are of course themselves quite varied: the complexity of the rules, the kinds of behaviour regulated by the rules, the extent of resources mobilized by the rules, and so on (Mahoney and Thelen, 2010). However, the differences in levels of discretion in the interpretation or enforcement of rules help explain modes of institutional change.

When institutions have a high level of discretion in interpretation and enforcement, conversion or drift is likely to happen. Conversion happens when institutions are ambiguous so that different interpretation or enforcement is possible. Drift also needs a gap between rules and enforcement due to neglect so diverse outcomes are possible. By contrast, layering and displacement do not rely on ambiguities of the rules and are more to do with the strategic actions of change agents who introduce new rules in addition to the old ones or replace the old institutions with a new one. When institutions are tightly constructed and highly complex, the low level of discretion either results in the total replacement of or piecemeal change in the existing rule, depending on the level of veto against the change.

In conclusion, the two different levels of veto in the political context, combined with two different levels of discretion in the institution can result in four different types of change. When a highly complex institution is combined with a strong level of resistance against change, piecemeal change of layering would happen. However, the same level of strong veto meeting a high level of discretion may result in drift, since the high level of discretion allows little or no maintenance of the institution. The low level of veto mixed with the same low level of discretion may produce displacement, since they allow total change in the existing institution. But a weak veto together with a high level of discretion may result in conversion, since the high level of discretion provides room to manipulate the institution.

3.3.3.2. Mode II: Single Factor, The Change Agents

The mode II in Figure 3-1 shows the gradual change links to the characteristics of the change agents, the ones who lead change. Mahoney and Thelen (2010) pay attention to the two characteristics of the change agents, the level of adherence to existing rules and the need to preserve them. That is, different types of change agents emerge depending on their interests in institutional continuity and solely bring about institutional change. Table 3-2 shows the four different types of relation between the change agents and the types of change.
Table 3-2: Four Types of Change Agents

<table>
<thead>
<tr>
<th>Types of Change Agents</th>
<th>Seek to Preserve Institution</th>
<th>Follow Rules of Institution</th>
<th>Types of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurrectionaries</td>
<td>No</td>
<td>No</td>
<td>Displacement</td>
</tr>
<tr>
<td>Symbionts</td>
<td>Yes</td>
<td>No</td>
<td>Drift</td>
</tr>
<tr>
<td>Subversives</td>
<td>No</td>
<td>Yes</td>
<td>Layering</td>
</tr>
<tr>
<td>Opportunists</td>
<td>Yes/No</td>
<td>Yes/No</td>
<td>Conversion</td>
</tr>
</tbody>
</table>

Source: Modified from Mahoney and Thelen (2010)

Insurrectionaries consciously seek to eliminate existing institutions or rules by actively and visibly mobilizing against them (Mahoney and Thelen, 2010). Individuals or groups of individuals who experience disadvantages due to existing rules may become insurrectionaries. Since they want to replace existing rules with new ones the most likely strategy they will take is displacement.

Symbionts come in two varieties, parasitic and mutualistic, and in both instances rely and thrive on institutions not of their own making (Mahoney and Thelen, 2010). Parasitic symbionts seek to exploit institutions for their private gains even when their existence is dependent on the institutions. They do so even to such an extent that their actions undermine the rules; therefore, their actions are associated with drift. On the other hand, mutualistic symbionts, who also thrive on and derive benefit from rules they did not make, do not undermine the rules and in contrast to the parasitic variant they may violate the rules to preserve their spirits (e.g. Onoma, 2010). Mutualists, therefore, tend to preserve institutions. In some cases, they, however, can be associated with conversion.

Subversives are the ones who seek to displace an institution but work with the system (Mahoney and Thelen, 2010). They even look like supporters of the institutions from the outside. They may attempt to change institutions by adding new rules onto the old ones and shifting support from the old rules. In this sense, subversives are linked to layering (e.g. Falleti, 2010).

Opportunists are actors who have ambiguous preferences about institutional continuity (Mahoney and Thelen, 2010). They neither actively support the institutional continuity, nor do they try to change the rules, mainly due to the high cost involved. Opportunists exploit whatever possibilities exist within the prevailing system to achieve their ends, and they are the main source of institutional inertia. Their preference for making use of the existing
possibilities over the riskier strategy of mobilizing for change makes opportunists—through their inaction—“natural” (de facto) allies of an institution’s supporters (Mahoney and Thelen, 2010: 27). However, they can work as change agents by using conversion as their strategy. By taking advantage of the ambiguity of institutions, opportunists interpret or enforce the rules differently from their original purposes (e.g. Howell, 1992).

3.3.3.3. Mode III: Combination of the All Three Factors—Political Context, Institutional Characteristic, and the Change Agents

Mode III of the change process involves all three factors of change. While mode II shows the change caused solely by a certain type of change agents, in mode III, the change agents are shaped by the political context and characteristic of the institution, as shown in Figure 3-1. Specific political contexts and institutional characteristics can create favourable conditions for certain types of change agent to emerge (Mahoney and Thelen, 2010).

Insurrectionaries are likely to flourish in an environment with low veto possibilities and low discretion in interpretation and enforcement of the institution. Naturally, the type of change that will happen is displacement. Parasitic symbionts are the opposite of insurrectionaries, thriving in an environment with strong veto possibilities and a high level of discretion. Subversives are likely to emerge in an environment with strong veto possibilities and a low level of discretion, which makes drastic change difficult. In these conditions change agents resort to layering. Opportunists can flourish in an environment with weak veto possibilities and a high level of discretion. In this case, institutional supporters may allow the opportunists to enforce rules for their own interests, as long as their actions do not undermine the institutions.

Table 3-3 summarizes all three modes of change linked to the four different types of change. The first column shows four different types of gradual institutional change. The other three columns are the features of the three factors of change—political context, characteristics of institution and the change agents. While mode I only involves political context and institutional characteristics (the second and third columns), mode III involves all three columns. On the other hand, mode II shows the influence of the change agents, independent from the other two factors. For example, layering can happen due to a strong veto in the political context and a low level of discretion via mode I, due to subversive change agents via mode II, or from the subversive change agents induced from a strong veto and a low discretionary level of the institution via mode III.
Table 3-3: Types and Modes of Change

<table>
<thead>
<tr>
<th>Types of Change</th>
<th>Mode I</th>
<th>Mode II</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Characteristics of Institution</td>
<td>Change Agent</td>
</tr>
<tr>
<td>Layering</td>
<td>Strong Veto</td>
<td>Low Level of Discretion</td>
</tr>
<tr>
<td>Drift</td>
<td>Strong Veto</td>
<td>High Level of Discretion</td>
</tr>
<tr>
<td>Displacement</td>
<td>Weak Veto</td>
<td>Low Level of Discretion</td>
</tr>
<tr>
<td>Conversion</td>
<td>Weak Veto</td>
<td>High Level of Discretion</td>
</tr>
</tbody>
</table>

Source: Modified from Mahoney and Thelen (2010)

3.4. Operationalization of the Theory

Gradual institutional change theory provides various advantages in the study of political science. By examining the institutional characteristics, the changes in political context, as well as the change agents, we can not only examine how institutional change has occurred but also predict what kinds of change can happen. The theory, however, is an abstract model applied in various disciplines. As mentioned in the previous section, this theory can be applied with specified working definitions in accordance with the specific contexts and institutions of each study. Researchers using this theory need to conceptualize the abstract factors suitable for their field of research. Since this research aims to examine administrative capacity focusing on the merit-based bureaucracy, this research first needs to specify what each of the three variables mean with regard to state capacity.

Application of this theory to studying administrative capacity involves two steps. The first step is the identification and analysis of the three change factors. By applying the discussion on state capacity in Chapter 2, this section conceptualizes institution, political context, and change agents in the study of administrative capacity. The second step is the identification and conceptualization of the characteristics of the three variables. The theory indicates that the characteristics of the political context and of the institution, as well as the type of change agents determine the mode and type of institutional change. Therefore, the second step is to identify and specify the factors affecting the characteristics of each of the three variables. Based on this analysis, the conceptual framework is to be developed from Mahoney and Thelen (2010).
3.4.1. Institution

The first factor affecting gradual change is the characteristics of the targeted institution itself. For analyzing the characteristics affecting change, it is necessary to conceptualize a working definition of the targeted institution. The concept ‘institution’ covers a wide area from formal rules and regulations, legislature, and systems to norms and customs and sometimes even culture, and it is difficult to draw a precise definition. Among various definitions, the most widely used one was developed by North. According to North (1990: 3): “Institutions are the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction.” Thelen and Steinmo (1992) define institutions as formal organizations as well as informal rules and procedures that structure conduct in relation to the case under analysis. Jepperson (1991) argues that institutions exert patterned higher-order effects on the actions, indeed the constitution, of individuals and organizations without requiring repeated collective mobilization or authoritative intervention to achieve these regularities.

In historical institutionalism, there is no agreed definition of an institution. Nor is historical institutionalism interested in defining what ‘institution’ means. Immergut (1998) even argues that the lack of a standardized definition of an institution cannot be a weakness of historical institutionalism. In fact, the specific meaning of ‘institution’ varies, depending on the political events or social phenomenon to be analyzed or the research questions arising (Lieberman, 2002). Historical institutionalism is more about assessing the influence and relations of institutions on actors and their behaviour. The common understanding is that the institution is something that governs human behaviour and actions and can be varied in accordance with the specific behaviour or action that is being studied.

Taking this point, this research can draw specific boundaries and develop a working definition of an institution for logical and coherent analysis. The institution in this research is something that governs administrative capacity in the government. The institution is a social regime, meaning a set of rules stipulating expected behaviour and ‘ruling out’ behaviour deemed to be undesirable (Streeck and Thelen, 2005). Mahoney and Thelen (2010) define institutions as ‘formal or informal codified rule systems’. Following this, the institution in this research can mean the codified formal sets of rules and regulations that exert influence on the relevant actors.

This research excludes informal mores and customs from discussion, although acknowledging their importance. The scope of the research is the formation and development of administrative capacity. Since the subject of the research is the merit-based
bureaucracy, which is mainly controlled by formalized norms and sanctions, informal institutions will not be examined in this research. The other aspect to consider is ‘exert influence.’ Modern formal political institutions have an obligatory characteristic with rules that actors must abide by. Institutions, therefore, exert some level of influence over actors to force them to obey.

The other issue to consider with regard to the definition of an institution is the categorization of organizations. In fact, institutions and organizations are commonly confused concepts. While some scholars strictly distinguish the two, others regard organizations as a form of institution. In order to clearly conceptualize an institution, the distinction should be made first. Again different studies regard them differently in accordance with the scope and aims of the research. Some define organizations as types of institutions, while others distinguish the two. Going back to the definition of ‘institution’, this research argues that rules with formality, legitimacy and enforceability as institutions. Therefore, an organization is excluded from this research following North (1990). The definition of ‘institution’ in this research can be modified to be ‘the codified rules and regulations in administrative capacity’.

To finalize the definition, this research needs to clarify administrative capacity. The administration in the government is managed by a bureaucracy. In fact, as shown in Chapter 2, the crux of administrative capacity in developing countries lies in the establishment of Weberian merit-based bureaucracy. Chapter 2 has also shown that the Weberian ideal type of bureaucracy is grounded upon the exercise of legal authority (Weber 1968; Albrow, 1970). Bureaucracy for Weber is a legal and instrumental principle which provides a basis for rational and organized forms of action (Weber, 1968: 987).


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11 Roughly three different views exist in interpreting the relations of institutions and organizations. North differentiates the two. For North (1990: 4-5), institutions provide the rules of the game, whereas organizations act as the players. Organizations may well assist in constructing the rules, attempting to devise rules favourable to themselves, and they often attempt to change the rules by political and other means (Scott, 2008). Theorists such as Williamson (1985) take an intermediate position and view organizations and their structures and procedures as institutions. Selznick (1957) also provides a similar account. He examines the ways in which individual organizations devise distinctive character structures over time, developing commitments that channel and constrain future behaviour in the service of their basic values. In this way, organizations can be categorized as institutions. Organizations are relatively unique institutions that are either designed by or evolve out of the choices made by organizational agents (Scott, 2008). Sociologists such as Meyer, Zucker, and Dobbin dodge the distinction between organizations and their institutional environments. Focusing on the cultural-cognitive aspects of institutions, organizational sociologists emphasize the extent to which the modern organization is an institutionalized form. Depending on the theorists, organizations, therefore, can be interpreted as economic actors, as a unique entity can be transformed to an institution, or an institutionalized system. Thus, organizations can be situated as institutions, actors, or entities, depending on how the researcher perceives them.
patronage system for state officials by a professional state bureaucracy is a necessary, though not sufficient, condition for a state to be ‘developmental.’ The key institutional characteristics of the ‘Weberian’ bureaucracy include meritocratic recruitment through competitive examinations, civil service procedures for hiring and firing rather than political appointments and dismissals, and filling higher levels of the hierarchy through internal promotion (Evans and Rauch, 2000).\textsuperscript{12} Meritocratic recruitment increases the likelihood of at least minimal competence and helps generate corporate coherence and esprit de corps (Evans and Rauch, 1999). Therefore, merit-based cohesive bureaucracy enhances state capacity by improving trust and credibility between state and business with transparency and minimizing transaction costs for information exchange (Doner, 1992; Maxfield and Schneider, 1997). Drawing on Weberian bureaucracy arguments, the working definition of the institution for this research is finalized as the codified rules and regulations in the merit-based bureaucratic system which includes merit-based promotion; internal promotion and career stability; and a competitive salary.

As the second step, this research now needs to specify the characteristics of institutions affecting change. Mahoney and Thelen’s theory (2010) identifies the characteristics of institutions as a ‘level of discretion’. Since the rules need to be interpreted for implementation and enforcement, the features of the institution affecting the process can trigger different types of change. The institution, therefore, is a dependent as well as an independent variable in Mahoney and Thelen (2010). The relationship between the institution and the actor became two-way interaction. The specific features of institutions that affect the interaction can be the independent variable for examination. As stipulated in the previous section, two features affect the level of discretion of the practitioners in interpretation and enforcement: ambiguity and discrepancy.

The first feature is the level of ambiguity. Institutions can restrict the direction of change, as argued by path dependence theorists (Krasner, 1988), or can influence each other even in the same time frame, as they are a complex set of different components which have been built with temporal difference (Orren and Skowronek, 1994). The internal contradictions and interaction between the components can bring about gradual change in institutions (Mahoney and Thelen, 2010). In other words, the level of complexity of the institutions can affect the type and mode of change. Mahoney and Thelen (2010) add the issue of clarity. Institutions without lucid definitions and directions may either be misused or abused,

\textsuperscript{12} Evans and Rauch first conducted a comparative study on merit-based recruitment and career predictability (1999), later modifying the variables to three sets—competitive salaries; internal promotion and career stability; and meritocratic recruitment (2000).
resulting in a gap between what institutions say and how they are applied. If institutions are too difficult or obscure for the practitioners to understand and implement, unintentional results can happen. They are either not used or misused. Sometimes, taking advantage of the obscurity, practitioners abuse the vagueness for their own benefit, using their discretion in interpretation and implementation.

The second feature is the level of discrepancy between an institution and its surroundings. Institutions that are not actively updated to be fitted to changes in the political and market environment can be subject to a process of erosion, which is the institutional change called Drift (Hacker, 2005). The gap between the institution designed long ago and the contextual change also triggers the exploitation of the symbiotic actors (Onoma, 2010) or neglect from the practitioners (Thelen, 2004; Trampusch, 2005). The old institution following the intention of the designer may no longer fit the context.

In sum, the ‘institution’ in this research means the codified rules and regulations of the merit-based bureaucratic system. The level of ambiguity as well as of discrepancy is examined to identify the characteristics of the institution—the level of discretion in implementation and enforcement—affecting the type of change.

3.4.2. Political Context

The second factor affecting institutional change is the characteristic of political context. The term ‘political context’ is a very general concept. Moreover, though a myriad studies utilize political context in their studies, they seldom provide a clear definition of what political context means when they use it in their analysis. Scholars have selected different elements of the political context, depending on the specific questions they are raising; therefore, this research needs to specify the concept with regard to the institution, the codified rules and regulations of the merit-based bureaucratic system. Snow (2004) provide a general framework for the study on the political context in social movement with three sets of variables—structures, configurations of power, and interaction contexts. Goodwin defines political context as the manner in which a country governs and regulates its society, as well as the degree of political participation it permits (Goodwin, 2001: 14). Out of the general definition, the analysts need to specify which elements of are particularly relevant for certain kinds of questions and to formulate specific hypotheses about the relationship between these elements (Snow, 2004).

Among diverse aspects and interpretations of political context, Mahoney and Thelen (2010) focus on the veto possibility, drawing from Tsebelis (2002). Tsebelis argues that policy
stability is the effect of a constellation of “veto players,” individual or collective actors whose agreement is necessary for a change of the status quo (Tsebelis, 2002). Veto possibilities in the political context, as constraints on actors promoting change, refer to the complex interplay between leaders and their parties, the possible presence of a coalition government, and the relationship between the executive and the legislative (Cini, 2013).

According to Mahoney and Thelen (2010), the extent of veto power due to shifts in the balance of power may cause different types of gradual change. A focus on political context is not new in historical institutionalism. Institutional analysis of various types has persuasively demonstrated that political context matters—especially in the historical institutional variety (Thelen and Steinmo, 1992). Thelen and Steinmo locate the impetus for change in the socio-economic and political context (1992: 16-17). Thelen and Steinmo (1992) also argue that institutions may become important as a result of changes in their environment, analyzing the European Court of Justice as an instance of a latent institution’s becoming important as a result of legislative changes. Case (1986: 5) also points out the importance of context by saying that “To answer real-world questions one must deal explicitly with the institutional, social and political context within which economic forces operate.” A good deal of historical-institutional scholarship shows that the impact of institutions is often heavily mediated by features of the overarching political or historical context (Thelen, 2003).

It seems that scholars define political context as the political environment which surrounds the specific issue of their studies, and point out different things as the political context they are concerned with. For example, a study on voters in developed countries points out parliamentary strength and Cabinet strength as the political context (Anderson, 2000) while a study on constitutional reform in developing countries lists the president and his power in relation to parliament’s power, party politics, the bureaucracy, the private sector, local government, international players, and civil society (Luttrell et al., 2012).

In the study of developmental states, political context refers to the dynamics in the political coalitions which facilitate formulation and implementation of strategic industrial policy (e.g. Deyo, 1987; Koo 1987). This can first affect the level of insulation of the bureaucracy. For example, Waldner (1999) argues the level of elite conflicts as a determinant for state cohesion for development. Secondly, the formal procedures for changing rules and regulations with regard to bureaucracy are affected by the interests and motivations of the ruling coalition. Therefore, changes in power relations among political coalitions can also shift the course of development. Vu (2007), comparing Indonesia and Korea, contends that the difference in
the configuration of major political coalitions is reflected in different developmental outcomes.

Combining the various perspectives, therefore, the political context in this research can be defined as the political environment that affects changes in the codified rules and regulations of the merit-based bureaucratic system. According to Mahoney and Thelen (2010), the political configuration is one component of the political context since their relative positions can affect the change in the codified rules and regulations. The other component affecting institutional change is the relationship between the executive and the legislative (Cini, 2013), since the administrative branch governs the change in the rules of the merit-based system. The level of control that the legislative branch holds can promote or hinder the change.

In other words, this research defines political context as the interplay between different political coalitions in a specific political system with regard to the change in bureaucratic institutions. Therefore, the two sub-components of the political context will be the changes in the political system and in different political parties. The type of political system that affects the relative influence of political parties toward administration is first analyzed. Secondly, the relationships between the ruling coalition and the opposition parties, with their attitude toward institutional change, will also be analyzed to examine the change process.

3.4.3. Change Agents

As shown in the previous section, especially concerning the genesis of institutions, the role of actors becomes critical. Actors with different endowments of resources are normally motivated to pursue the creation of different kinds of institutions (Mahoney and Thelen, 2010). While recognizing the unintended outcome of conflicts among groups (Schickler, 2001; Palier, 2005), scholars (Acemoglu et al, 2005; Mahoney and Thelen, 2010) point to the shift of power among groups (or coalitions) as a cause of institutional change. The change in the relationships between actors can be a cause of change. However, in contrast to other literature on institutional change, Mahoney and Thelen (2010) differentiate change agents from actors. The configurations of actors are analyzed as the characteristics of the political contexts.

The change agents are, as explained in the previous section, the actors or the coalitions that drive institutional change. Not all actors are change agents and they can change as the contexts and environments change. Mahoney and Thelen (2010) provide a more refined description in accordance with the change in contexts or the types of institutions. Actors or the coalitions who are the change agents at a specific point in time can be opponents of
change at different points in time. The change agents here are roles that actors or groups of actors play rather than fixed identities (Mahoney and Thelen, 2010).

For the study of administrative capacity, this research refers to the literature on the state capacity of developmental states. The institution of merit-based bureaucracy is the rules and regulations managed by the administrative branch. Therefore, the change agents are the top leadership and the bureaucrats who are required to manage the merit-based bureaucracy in the administrative branch. The political commitment of the top leader (Leftwich, 2000; Johnson, 1987; Weiss, 1998) has been identified as one of the conditions of the developmental state. This was not just for development, in building modern states, ‘revolutions from above’ (Trimberger, 1978), changes brought about by some elites have been a way of state formation—the Meiji restoration in Japan from 1870, Ataturk’s modernization of Turkey from 1923, and the military bureaucratic reform of Thailand’s constitution in the 1930s, to name a few (Leftwich and Hogg, 2007). Leftwich (2000) and Johnson (1998) identify the commitment of the top leadership as the key condition of the developmental state leading to increased state capacity. In his comparative study on bureaucratic capacity, Chibber (2002) also argues for the cohesiveness of the state as the main cause of the bureaucratic rationality of Korea compared to that of India. In doing so, Chibber (2002) argues that it was the Park Chung-Hee regime, in contrast to the previous leadership of Syngman Rhee, which built the cohesiveness.

However, the leadership requires agents who actually design, implement, or enforce the institutional change. Therefore, the change agents are the vertical coalition of the top leadership and the bureaucrats in the organization with the mandate to manage the merit-based system. Chibber (2002) again shows this dynamic picture. The functionary in India hinders institutional change, while their counterpart in Korea promotes reform, supporting the strong will of the changed leadership after 1961. Their level of understanding of the institutions, as well as their interest in and perceptions of change, are especially important in the case of public administration, especially civil service reform. The bureaucrats of India and Korea take the position of opportunists depending on the positions of the top leadership.

Changes introduced with reforms, however, are often not fully implemented or are distorted due to the resistance of the bureaucrats who are accustomed to the old way of doing things (Frederickson, 2000). In the case of Frederickson (2000), the bureaucrats become parasitic symbionts with a high level of discretion in interpretation. Detailed analysis not only of the relationships of the bureaucrats to other political actors, but also of the knowledge,
perceptions, and interests of the bureaucrats, is necessary for examining organizational
capacity building.

This is also in line with the recent scholarship on ‘reform coalition’ for development. After
examining all leaders of the thirteen countries that had achieved more than seven per cent
growth for at least 25 years, Brady and Spence (2009) contended that leadership managed the
institutional and structural transition necessary for development, and emphasized the
importance of the leadership in generating sustained growth. Other empirical studies also
argue that the ‘reform coalition’—coalitions between policy makers and members of the
business community that work together for the intended purpose of achieving economic
reform—is central to the development path in many countries (e.g. Haggard 1990; Maxfield
and Schneider, 1997; Lim and Hahn 2006; Abdel-Latif and Schmitz, 2010). Reform coalitions,
therefore, are the change agents that pursue positive change for development. Reform
ccoalitions should have a shared perception of the development problem to be addressed and
incentives to promote change (Peiffer, 2012). In other words, the incentives and knowledge
of the change agents with regard to reform are important features necessary to produce
reformative change.

This section has developed the working definition of the political context, the institution, and
change agents, and identified key characteristics of each variable that affects institutional
change. Based on this analysis, the next section presents the conceptual framework for this
research.

3.4.4. The Conceptual Framework of the Research

Existing research regards the developmental state as a monolithic institution and has focused
on its power over and relation to the society (Evans, 1995; Johnson, 1995; Chibber, 2002).
However, the state needs to be examined as a combination of institutions, since the complex
dynamics within it are one of the factors of change (e.g. Vom Hau, 2012; Savoia and Sen,
2012). A small number of studies examined the structural change in Korean bureaucracy (e.g.
Cho, 1973); however, they did not look into the layers, rather focusing on the governmental
policy while treating the state as a unity. Research in the public administration discipline took
a cross-sectional analysis, describing the organizational structure at a certain time, and lacked
temporal analysis on how this had evolved. A mid-level analysis, dissecting the components
of state institutions, is important to trace the cause of change.

In the previous chapter, this research defined state capacity and presented the components of
capacity with factors affecting them. While the war or colonial legacy of Chapter 2 are linked
to the exogenous institutional change model, the bureaucratic institutions, bureaucrats, or political coalitions of Chapter 2 coincide with the institutions, change agents, and political contexts of Mahoney and Thelen (2010).

Based on this analysis, this research has conceptualized the factors of change and developed the conceptual framework applying the gradual institutional change theory of Mahoney and Thelen (2010). Figure 3-2 shows the conceptual framework for this research. As shown in the previous section, the ‘institution’, for this research, is defined as the codified rules and regulations for the merit-based system. This research first analyzes the codified rules and regulations on merit-based bureaucracy to examine the improvement in administrative capacity. The second step is the empirical examination of the three factors of change. The two characteristics of the institutions, the level of ambiguity and degree of discrepancy, are examined to draw out the level of discretion affecting the institutional change. The changes in political system and political coalition are examined to identify one characteristic affecting the type of change, the veto possibility. The third factor, the change agents, is analyzed to identify the type of change agents. Finally, the empirical result will be compared against the theory to test the validity of the Theory.

Figure 3-2: The Conceptual Framework of the Research

Source: Modified from Mahoney and Thelen (2010)

With this systematic analysis on administrative capacity change, this research aims to complement current scholarship on the developmental state and the effective state by presenting the endogenous dynamics for institutional change. Moreover, this research also
attempts to provide feedback on institutional change theories by testing the theory in historical context.

3.5. Concluding Remarks

Based on the analysis on state capacity in Chapter 2, this chapter has presented a conceptual framework by drawing upon the theory of gradual institutional change in historical institutionalism. This research has shown that the state capacity building process can be systematically understood by applying institutional change theories, since capacity change is a kind of institutional change. Following Mahoney and Thelen (2010), this chapter has identified three factors affecting change, specified the working definitions for each of them, and finally drawn out key characteristics of each factor that affect the modes and types of change, as shown in Figure 3-2.

Following the conceptual framework, empirical studies will be structured as follows: after a brief introduction of the case, with a brief outline of the historical contexts (chapter 5), the rules and regulations in merit-based bureaucracy will be examined (chapter 6). The chapter is divided into two sections. The first half of Chapter 6 examines change in the contents of the regulations and the latter half identifies and assesses the characteristics of the institutions, and their level of discretion in interpretation and enforcement, following Mahoney and Thelen (2010).

Chapter 7 analyzes the political context. The political system that affects the relationship between administrative and legislative branch is analyzed first. Then the changes in the interests and commitment of the ruling political party, and of the level of cooperation of opposition parties with regard to the institutional change, are examined. Finally, the level of veto against institutional change will be identified.

Chapter 8 concludes the empirical analysis by examining the strategies of the change agents, the top leadership and the bureaucrats, in design, interpretation or enforcement of the rules. In the last chapter, Chapter 9, all the empirical findings will be summarized and compared to Mahoney and Thelen’s gradual institutional change theory (2010) to check whether and how the theory is valid and viable. The policy as well as theoretical implications will be drawn out based on the empirical examination. Before conducting the empirical examination in the next chapter, this research will first discuss the methodological issues of the case study, including data collection and analysis.
Chapter 4. Methodology

4.1. Introduction

This research has reviewed the existing literature on state capacity and found the research gap that needs to be addressed (Chapter 2). To complement the current scholarship, this research has presented the conceptual framework with factors for analysis (Chapter 3). Applying the historical institutional approach, the state capacity building process can be better understood by identifying interaction among institutions, actors and contexts. In social science, methodology is assumed to follow the subject of its quest (Bryman, 1984). In other words, researchers need to apply the best possible method to analyze their subject. This research aims to complement existing cross-country comparison analyses on state capacity building by conducting an empirical case study; therefore, a qualitative historical research method has been chosen.

This chapter first discusses the analytical appropriateness of the case study method in historical institutional analysis with its strong as well as its weak points. The later part of this chapter introduces the archival research conducted for this research. To examine the bureaucratic development of the Korean Government, this research has investigated the governmental records not only on formal rules and regulations but also on the minutes and proceedings of the meetings. To have a balanced view on government action as well as to triangulate the validity of the information gathered in the governmental archives, this research has also reviewed major news media archives. Finally, memoirs, interview records, and biographies have been reviewed in order to better examine the interests and motivation of actors. The source of data and the proceedings of archival research will be presented with their limitations and strengths.

4.2. Single Case Study with Historical Interpretive Methods

In academic research, Trow’s advice that “the problem under investigation properly dictates the methods of investigation” is used to approach the research problem (Trow, 1957, cited by Bryman, 1984). This research aims to analyze how the institutions of the merit-based bureaucratic system in Korea developed, which requires methods suitable for assessing the reasons and ways within a specific historical context. This research, therefore, takes a historical approach with a single case investigation. The historical approach criticizes
nomological generalization for “generating timeless and placeless theories” (Griffin, 1992: 407) as well as interpretivism for its limitations in remaining depiction of events. The historical approach takes the middle way, trying to figure out why and how particular events happened in specific contexts and to develop the causal analysis to find causal regularities in similar cases. In other words, it aims to generalize within a limited range (Skocpol, 2003). The aim of historical interpretative methods, finding regularities by applying specific case analyses, suits the purpose of this research, which is to complement the existing theories on state capacity and institutional change by analyzing the case of Korea. In this way, this research can complement the existing literature that describes the Korean bureaucracy in synchronic generalization, or those statistical research studies that mainly perform cross-country comparisons.

A case study is a commonly used research strategy particularly appropriate for answering ‘how’ or ‘why’ research questions (Yin, 2003). George and Bennett (2005) identify four advantages of case study methods: their potential for achieving high conceptual validity; their strong procedures for fostering new hypotheses; their value as a useful means to closely examine the hypothesized role of causal mechanisms in the context of individual cases; and their capacity for addressing causal complexity. The historical case study looks directly at the sequence of events that produces an outcome, rather than just at the outcome itself (Ragin, 1997). As Katznelson (1997) and Pierson and Skocpol (2000) point out, political processes have distinct temporal dimensions that are uncovered by specifically examining politics over time. The focus of the historical case study is “on developing an adequate explanation for a well-defined outcome or pattern in history” (Skocpol, 1984: 374). The historical method makes it possible to examine evidence about historical sequences and actors and capture the complex social processes that produce motive, behaviour, and structure (Rueschemeyer and Stephen, 1997; and Skocpol, 1984).

The in-depth case study method, moreover, has some advantages that this research can draw upon. First, it allows complexity and multiple causations in the research. This research aims to examine the process of state capacity building and the intricate dynamics of various factors, which a quantitative probability analysis of linear model cannot provide. Second, a case study locates its findings in a particular historical and cultural milieu (Collier, 1998; Ragin, 1987), which is in line with the historical institutional approach that values the importance of contexts. The case-study method is, moreover, especially appropriate to examine government, since each government is in some sense unique. Each country has only one central government to study, precluding the quantitative study of comparison within a
country (Yin, 1994). As noted already, the case study complements large-scale, multiple-country quantitative studies (e.g. Barro, 1991; Evans and Rauch, 2000). Lastly, since this research aims not to produce a general theory but to examine a specific historical context, the case study method will be an appropriate choice.

Case study methods, however, also have certain limitations. First, “selection bias” can arise by selecting only cases whose independent and dependent variables vary as the favoured hypothesis suggests, ignoring cases that contradict the theory; therefore, they understate or overstate the relationship (Collier and Mahoney, 1996). Secondly, case studies can draw only tentative conclusions on how much the gradations of a particular variable affect the outcome in a particular case, or how much they generally contribute to the outcomes in a class or type of cases (George and Bennett, 2005). However, since this research aims not to estimate the generalized causal effects but to identify the conditions of a particular case, this limitation can be avoided. Some have raised the “degrees of freedom problem” as a limitation of case studies (George and Bennett, 2005). However, defining and observing the steps along the hypothesized causal path can lead to a “plethora of new observable implications for a theory” and circumvent the degrees of freedom problem (King, Keohane, and Verba, 1994). Case studies also have a lack of representativeness problem. This is, however, not a problem but a trade-off, since greater explanatory richness within a type of case usually leads to less explanatory power across other types of cases.

Every method has its strengths and limitations. The researchers need to make a decision on the method that best suits their aims, while remaining keenly aware of the limitations. This research takes advantage of the strength of single case analysis with qualitative archival research in examining the complex dynamics and relations in specific contexts. As shown in Chapter 1, this research tries to examine how the Korean bureaucratic institutions became effective and to identify factors affecting them. Quantitative methodology has innate limitations due to its indifference to the degree of influence and the complex causal relations of various factors. This research attempts to deepen the level of analysis by assessing the different degrees of influence of the various factors leading to institutional change. This will be a good exercise to complement the existing literature and move forward the discussion on state capacity building as well as on institutional change and persistence.
4.3. The Issue of Time and Periodization

The second methodological concern rises with the issue of time. Studies on institutional change try to find the causal relations at specific times and places, which can bring about a methodological concern on the justification of periodization. One of the most fundamental features of causes is, by definition, that they must precede effects. “One needs diachronic evidence about historical sequences to explore and to test ideas about causation directly” (Rueschemeyer and Stephens, 1997: 57). Therefore, studies on causal explanation need to trace the point in time when a possible causal explanation happens for a proper analysis.

Many institutional analyses employ cross-period analyses within and across country units, which provide an opportunity to examine the impact of gradual change in key explanatory variables on gradual change in the dependent variables (Lieberman, 2001). Thus periodization is a cornerstone of virtually all historical analysis that involves simplification of history or processes as more “important” than others (Katzenelson, 1997) and that uses the dates of those events as dividing lines for a chronology (Lieberman, 2001). Periods are bounded by important events, changes, or turning points that can be conceptualized as markers of variation in a potentially important explanatory variable (Lieberman, 2001).

Historical institutionalists typically use a critical juncture as a starting point to delineate one context from a second context, which is often defined ex post as the starting point of a path-dependent causal process that leads to the outcome of interest (Falleti and Lynch, 2009). Many analyses situate the critical juncture at the point of some exogenous shock (war, depression, shift in commodity prices, etc) (Falleti and Lynch, 2009).

The concept of path dependency adds ‘contingency’ to the main characteristic of critical juncture. In path-dependent sequences, the sequence and order in which events unfold has great importance (Pierson, 2000b). Early events in a sequence may have decisive impacts while later ones are less important. Path dependence perspectives emphasize the “stickiness” of inherited institutional arrangements, resulting from policy feedback and other mechanisms, which causes policies and institutions, once created, to become self-reinforcing (Rast, 2012). The emphasis on contingency as a major characteristic of critical juncture also emphasizes the quality of critical juncture as a distinctive break point from the previous context. Mahoney demands that the start of a path-dependent process be contingent, by which he means that “its explanation appears to fall outside of existing scientific theory” (2000: 514). Examples of these unpredictable events that may constitute critical junctures include exogenous shocks or decisions made by political actors, often with proper names.
Buthe (2002), on the other hand, provides a new interpretation of critical juncture. The starting point of the temporal context surrounding the causal mechanism is marked precisely by the critical juncture, which identifies the beginning of the process that is to be examined. This conceptualization of a starting point is a useful tool for identifying the beginning of a path-dependent process. It may not be a good guide, however, to illuminating continuity and change in other important aspects of the context that may have an important effect on the outcome of interest.

Lieberman’s (2001: 1019) presentation of four sets of periodization strategies can be useful to delineate a period of time for analysis. Lieberman (2001) provides four strategies to be applied in comparative historical analyses: the institutional origins strategy, the institutional change strategy, the exogenous shock strategy, and the rival causes strategy. Institutional change naturally involves periodization according to moments of change; therefore, the turning point dividing periods is the moment at which existing institutions are reconfigured in concrete ways (Lieberman, 2001). Examples of turning points are wars, presidential elections, external price shocks, and regime changes that may be useful period markers because of their potentially important impact on the outcomes under investigation. In Lieberman’s framework, periodization may be based on activity, in numerous layers of the context within which a causal process plays out, be they proximate institutions, background conditions, or truly exogenous events (Falleti and Lynch, 2009).

As Falleti and Lynch (2009) observe, most of the important works of critical juncture analysis embed critical junctures in a richly detailed context. That is, the outcome of the causal process, which begins with the critical juncture, may be influenced by a variety of other environmental features. In accordance with that, Falleti and Lynch (2009) define periodization as specifying the beginning and ending of the temporal context within which a causal process plays out. This re-conceptualization of starting points opens the door for a consideration of causal processes that are generated by interaction or friction between the different aspects of the context (Falleti and Lynch, 2009). As Orren and Skowronek note, the multiple layers, or “orders,” of institutions that constitute the policy or context at any given time are not “synchronized in their operation”; rather, these orders “abrade against each other and, in the process, drive further change” (1994: 321). Therefore, a perfect periodization scheme may prove elusive; as such, one must take care when making decisions about periodization—especially in specifying which layers of context are relevant and in what ways, as Lynch (2006) does. Because the multiple layers of context that affect the outcomes of causal processes cannot all be expected to change at the same moment, dividing a
The discussion on periodization has evolved from a breaking point of a context to a starting point of a causal mechanism, while Falleti and Lynch (2009) argue for the danger of pinpointing a starting point that ignores the layers of different mechanisms overlapping with each other. Falleti and Lynch (2009) provide two standards for periodization. The first is selecting a moment based on important moments in those layers of the contextual environment that are likely to be most relevant to the process and outcome of interest, from an explanatory point of view (Falleti and Lynch, 2009). In other words, the research questions, hypotheses, and the nature of the outcome of interest determine which institutions, events, or background conditions are likely to be the most crucial. The other strategy is to relate the context to the definition of the object of study (Falleti and Lynch, 2009). If the important concepts relate to the dependent variable as well as closely to the definition of the object change, we can confidently declare that we are in a different context. Specifying the analytically relevant aspects of the context within which a causal mechanism plays out is an integral part of building valid causal explanations.

This research applies Falleti and Lynch’s standards for periodization and selects the period from 1948 to 1963. More specifically, the period that this research examines is from the day that the Korean Government was established, 15 April 1948, to the day that the military junta ended, 17 December 1963. In accordance with Falleti and Lynch (2009), this research needs to define the moments that the advanced merit-based bureaucratic system originated from. The formal institutions for the merit-based system of the Korean Government were first developed with the establishment of the Korean Government. Therefore, the starting point of the analysis was set as the day the Korean Government was established. On the other hand, the institutional transformation was finalized with the end of the military junta in 1963. Park Chung-Hee’s military junta set up the necessary institutions for a merit-based system before it turned itself into a civilian government. The institutions for the merit-based bureaucratic system in the 1960s and 1970s, therefore, were finalized with the establishment of the Park Chung-Hee Administration on 17 December 1963. Park Chung-Hee’s administration, therefore, started with the necessary institutions for a merit-based bureaucratic system. Though this research has selected the period for research based on Falleti and Lynch (2009), the periodization also meets the strategy of Lieberman (2001). The establishment of the
Korean Government after the long period of foreign rule is a moment at which existing institutions are reconfigured in concrete ways, as Lieberman argues.

Though periodization has some methodological limitations, most notably the selection bias problem, research in social science inevitably needs to set a time frame for causal analysis. Bearing in mind the analytical limitations of periodization, the analysts need to identify what such events signify for the general theory and set a logically sensible time frame. In fact, any periodization suffers from one-sidedness and certain deviations from reality, but as Jaspers noted, "...the purpose of such simplifications is to indicate the essentials" (1953: 24). Researchers try to avoid methodological weakness by providing reasonable bases for the periodization to meet the objective of the research.

4.4. Archival Research as a Method

Since this research examines history, the most suitable method of choice is document analysis via archival research, which is one of the most commonly and widely used research methods. Archival research has a number of advantages over other methods, having less bias or distortion of information problem from the informants (Corbetta, 2003). It is a non-reactive technique, where the information given in a document is not subject to any possible distortion as a result of the interaction between the researcher and the respondent (Corbetta, 2003). It also helps the researcher to study the past (Corbetta, 2003). It is a cost-effective method, as the information has already been produced (Denscombe, 1998). As with other methods, however, archival research also has some limitations. Documents may have limitations in terms of the accuracy and completeness of the data (Patton, 1999). As Miller and Bowdon (1999) argue, archives pose the issue of accessibility. Archival work requires research skills to locate holdings and the finances to visit them. Though the internet has broadened access, it still requires technological resources and institutional affiliations.

The postmodernists have affected archival science broadly in two ways. Firstly, the postmodernist questions the contextuality of the archives. The archives are a reflection of the political, economic, social and cultural contexts of the time that they were constructed. Secondly, the postmodernists are concerned about the creation and nature of records and their designation, survival, and preservation as archives (Cook, 2001). Derrida (1995) argued that human kind has a “fever”, a desire to archive or to have memory, which is inseparable from the capacity to “forget” either willfully or naturally over time. In archival terms, he sees this “forgetting” translated into the activities of deliberately destroying or keeping records.
and archives secret from others, or even losing them in the course of time. Schwartz and Cook (2002) acknowledge that power relationships shape the documentary heritage and indeed the documents’ structure.

The challenge to archival science, however, enriches more than it weakens archival research, since the scope of study has now been widened to include not only the content but also the structure of archives. What kinds of archives are constructed, and in what way, also becomes a topic of research. The qualitative research applying archival document analysis also becomes more sophisticated as researchers pay more attention to the limitations of archives. Various techniques have been developed to enhance the quality of analysis, including triangulation (Patton, 1999). On the other hand, the postmodernists show deep ambivalence about the document or record (Cook, 2001). While they show deep skepticism on the document, as a mere trace of now missing or destroyed universes of records and activity, viewing records as trick mirrors distorting facts and past realities in favour of the narrative purpose of the author or audience, they often resort to history and historical analyses (Cook, 2001).

Archival research and document analysis is an important method of choice in case study. In fact, Yin (2003) argues for document analysis as one of the most important methods for case study, corroborating data from other sources. In fact, qualitative case study often applies methods such as document analysis (Stake, 1995; Simons, 2009). Acknowledging these limitations, this research has used diverse archives to complement the information with secondary data.

4.5. Data Collection and Source of Data

Since this research aims to analyze the governmental institutions, the main sources of data are the governmental records. Archival research has been conducted for the period from 1945 to 1963. Though the research period of this study is from 1948 to 1963, an archival search from 1945 to 1965 was conducted, to address the continuity of institutions. As shown in Chapter 3 and in Section 4.3, institutions do not spring from nothing. To better examine the institutional change, it was necessary to examine the surroundings of the research period. The existing institutions of the year 1948 had been affected by the military government period from 1945. Therefore, to enhance the accuracy, the data for this research was gathered from 1945 to 1963.
The primary archival source for the research is the government records. Firstly, this research examines the legal rules and regulations on merit-based bureaucratic institution. The constitution of Korea, the legal acts on bureaucracy, and executive or ministerial orders for enforcement and implementation are examined. The research identifies 199 legal rules and regulations and traces their changes, enactment, revision, and repeal.

Secondly, this research reviews the Official Gazettes of the Korean Government. The Official Gazette is an official journal published by the government to inform the public about the business and proceedings of the government. It announces revisions in the Constitution; proclaims legal acts, executive orders, ministerial orders, and agreements with foreign governments; notifies changes in government officials, including recruitment, promotion and placement, as well as retirement; announces the bidding or contract for government procurement and so forth. The Korean Government first published the Gazette in modern form on 1 April 1895, which was halted with Japanese colonization. In September 1948, with the establishment of the Korean Government, the first official gazette was published, which continues until today. This research examined the official gazettes from 1948 to 1963 to verify and cross-check the revisions and changes made in legal institutions and to trace the personnel changes in the organizations of the merit-based system.

This research also reviews administrative records from 1948 to 1963 to examine the official procedures of change. The records of the Cabinet Meetings, Files of Cabinet Meetings discussion items, Files of the sub-committees discussion items, and Files of the Cabinet Meeting documents, are the subject for review. The Cabinet Meetings are the top-level deliberative institution of the Korean Government, with the president, the vice-president, and the ministers as its members. It also includes records of major governmental policies. To complement the Cabinet Meeting records, this research also refers to the vice-ministers’ meeting records as well as vice-ministers’ meeting discussion item files.

The archives that this research mainly referred to are the National Archive of Korea and the Presidential Archives, which store all the documents produced by the Korean Government since its independence; the electronic archives of the Dong-ah Ilbo and Kyunghyang Shinmoon; the archives of the National Legislative Information Centre, and the electronic archives of Foreign Relations of the United States Series (FRUS). To increase the validity,

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13 From 17 May 1961 to 17 December 1963, during the military junta period, the records of Cabinet Meetings are called the records of the National Reconstruction Supreme Committee.
this research cross-examines different data sources. The major archival data reviewed for this research are listed below.

For the documents created by the Korean Government, the most important source is the National Archives in Daejun, a city located in southern Korea. The researcher first searched the website of the National Archives from November 2011 for a month to identify the availability and accessibility of the data. From December 2011 to February 2012 the researcher conducted archival research by visiting the archives in Daejun. To analyze the dynamics among relevant stakeholders, it is necessary to acquire minutes or records of the Cabinet Meetings of each administration and those of the National Reconstruction Supreme Committee (NRSC). Though the researcher found the data as planned, the minutes have limitations in that they only contain outcomes, not the process; therefore, it is difficult to fully grasp what interactions and communications were exchanged in the meeting to bring about the result.

This research benefits from the computerization of the government recordings. The official gazettes, records of the Cabinet Meetings, and legal rules and regulations are digitized in the website of the National Archives and of the Ministry of Legislation. The researcher is able to check the data validity. Moreover, the trace examination that this research conducted to review the changes in personnel is only possible owing to the digitized documents.

To study the behaviour of the political parties with regard to government actions, the researcher referred to the National Assembly Library in Seoul, which contains microfilms of the Stenographic records of the South Korea Interim Legislative Assembly from 1946 to 1948 and those of the National Assembly from 1948 to 1963. The researcher found the records of the plenary as well as of the standing committees. Since those are stenographic records, unlike those of the Cabinet Meetings, they contain all the exchanges and comments made in the sessions, which is helpful to better analyze the interests and concerns of as well as the dynamics between the actors. In addition, the Constitution and the Laws pertinent to the National Assembly, which are separately stored and managed in the National Assembly Information System from those of the Ministry of Legislation, have also been collected and reviewed.

From May to June 2012 the researcher gathered necessary records and data. It was very helpful for the researcher that all the records are digitized and readily available for the users. The researcher saved considerable temporal as well as financial resources by utilizing the digital archives.
As shown above, though the research examines the period after the inauguration of the Korean Government, the contexts, actors, and institutions before 1948 also need to be examined to better analyze the continuity as well as change. This research, therefore, has examined the records of the United States Army Military Government (USAMGIK) in Korea, which lasted from 8 September 1945\textsuperscript{14} to 15 August 1948. For the records regarding USAMGIK, the researcher mainly refers to two kinds of archive. The first is the Compilation of the Rules of USAMGIK, consisting of six volumes, which contains all the proclamation, ordinances, and some letters issued in the name of the US military government.

The other is the digital archive of FRUS, the official documentary historical record of major foreign policy decisions of the United States that have been declassified and edited for publication. In October 2011, the researcher investigated the FRUS website and downloaded the necessary information. However, some parts of the documents were blacked out for security reasons, which is a vivid indication of the limits of archival research. In the case of FRUS, the researcher has reviewed the data from 1945 to 1963 not only to collect information on USAMGIK but also to triangulate the validity of the Korean data. The different information gathered by different sources with different point of view is informative and diverse for enrichment of the research validity.

Since this research aims to identify the dynamics between actors and institutions, it was necessary for the researcher to diversify the sources of information to minimize the innate bias of documents. From March to July 2012, the researcher also investigated major new media archives and depositories to download and gather information with different perspectives, such as public opinion on government policies. The researcher also referred to some newspapers and magazine interviews by high level bureaucrats.

With this extensive archival research, the researcher gathered various data and documents but faced some challenges common in archival research. Some of the information was not available due to security reasons as shown above. The government meeting records only show the results, not the exchanges during the meetings, which makes it difficult to determine how the result was reached. It was difficult to gather records for the period of the 1940s and 1950s. Many were lost, partly because of the Korean War. However, it was mostly due to the fact that there was no official procedure or effort made during that period to collect and preserve government records. Many documents were simply thrown away or lost.

\textsuperscript{14}The USAMGIK was officially established on 12 September, but military rule was proclaimed on 8 September.
Aware of the limitations of archival research, this research has tried to ensure the validity of the information by referring to and cross-checking various data sources.

1) Documents from the Korean Government

- Compilation of the legislation under USAMGIK: This is the collection of the ordinances enacted by the USAMGIK. The Ministry of Legislation chronologically collected the ordinances and regulations made by the USAMGIK and USAFIK from 1945 to 1948, printed them out in English, and later translated them into Korean.

- The legal laws and regulations on the merit-based bureaucratic system: The Ministry of Legislation holds all the laws and regulations enacted by the Korean Government since its inception. This research reviewed laws and regulations and found 199 legal institutions that are pertinent to bureaucratic organizational development and personnel management. This research analyzes the contents of all 199 institutions to examine the development of the Korean bureaucracy.

- Official Gazettes from 1948 to 1963: This research examined the official gazettes from 1948 to 1963 to verify and cross-check the revisions and changes made in legal institutions and to trace the personnel changes in the organizations of the merit-based system.

- Minutes of Cabinet Meetings from 1948 to 1961: The National Archives hold files containing minutes of the Cabinet Meetings held from the Syngman Rhee Administration. The Cabinet Meeting, chaired by the president of Korea with the ministers as members, is the highest entity reviewing major policies of the administrative branch. To analyze how Korean bureaucracy has evolved and how the high level bureaucrats work, the minutes of the relevant period are reviewed in this research.

- Minutes of the National Reconstruction Supreme Committee from 1961 to 1963: The military officers who took power after the 16 May coup d'état dissolved the National Assembly and established NRSC. It had the highest authority to review and decide important policies on administrative, legislative and judiciary matters and lasted until the 3rd republic was established after the national election in 1963. The national archives hold minutes of the meetings of NRSC, which are essential documents to examine the policy directions of the military government.

- Stenographic records of the National Assembly from 1948 to 1963: The National Assembly holds the records of the plenary sessions, as well as of the standing committees held after the establishment of the Korean National Assembly in 1948. This research
reviews the records of the meetings to examine the legislative institutional development and the influence of the legislative body on the bureaucracy of Korea.

2) Documents from the United States Government

- **Foreign Relations of the United States Series (FRUS):** This is the compilation of the US government documents on foreign policies including declassified files. Under the Far East section, documents relating to Korea are compiled. This research reviews and refers to the documents from 1945 to 1963 to examine the US influence, especially with regard to the USAMGIK.

- **History of the United States Armed Forces in Korea (HUSAFIK):** This was compiled by Harold Rason, chief military officer, and the staff in G-2 of the United States Armed Forces in Korea. It is composed of three parts and contains much information not only on politics but also on all areas, from military to education or even agriculture, that the US armed forces were engaged in. Part I is on military issues, Part II on political affairs, and Part III on remaining issues—public administration, policing, judiciary, and education.

- **History of the United States Army Military Government in Korea (HUSAMGIK):** HUSAMGIK was compiled in 1946 by the military history officer in the USAMGIK. This contains information on the USAMGIK from September 1945 to June 1946, the early period of the military government and is a valuable source for understanding how the USAMGIK was established and functioned in the beginning. It consists of three parts: Part I contains general information and an outline of the military government, Part II the list of government officials and the structure of the government, and Part III the local level military governments.

3) Newspapers and Magazines

Newspapers are useful sources to show the political, social, and economic situations of a given period. Donga Ilbo and Kyunghyang Shinmun are mainly examined. This research refers to major magazines with some degree of influence in each period from 1945 to 1963, to examine the ideas of academics and journalists and to gain a balanced view on government policies by reviewing their opinions and views. Major news magazines are referred to in this research, which are Shindongah and Sasanggye.

4) Memoires and autobiographies

To compensate for and complement the validity of the official records this research also reviewed personal documents such as memoirs and autobiographies of the high level.
politicians, bureaucrats, and academics who played major roles in developing Korean bureaucracy.

4.6. Data Analysis

This research has built a conceptual framework assuming that the interaction among actors, political contexts, and the characteristics of institutions bring about changes in the merit-based bureaucratic institutions. This research has mainly adopted content analysis technique of data analysis. According to Titscher et al. (2000: 55), content analysis is "the longest established method of text analysis among the set of empirical methods of social investigation." Content analysis can be divided into classical quantitative data analysis and qualitative analysis (Kohlbacher, 2006). To measure the level of advancement in the merit-based bureaucracy, quantitative data on payment and compensation levels, promotion and recruitment systems, and numbers of personnel have been examined, applying classical content analysis techniques.

By comparing empirically gathered data, this research has examined how each variable interacts with and influences institutional change. The different positions of the political coalitions, top leaders, and bureaucrats on the institutions, are assessed applying qualitative content analysis methods. By examining various data, including meeting records, memoirs, and speeches, this research categorizes the information showing the preference and understanding of the relevant stakeholders.

This research has also examined temporal trends of empirical data to verify the causal relations among variables. The coded information was used for time-series analysis. By conducting process tracing (Druckman, 2004) this research has examined the process of institutional change, review the temporal relationships, and try to develop a pattern of change.

4.7. Concluding Remarks

This chapter has discussed the methodology used to examine institutional change in the institutions for the merit-based system in Korea and explained the reasons for its choice. Every research method has its own strengths and weaknesses. Each research project applies various methods which are best suited to answer the research problems while trying to
minimize the limitations. This chapter has shown the strengths and limitations of the case study and archival research techniques and provided logical grounds for determining the time frame for examination. Though qualitative research methodology has weaknesses in generalization, it has strong points in providing detailed accounts and identifying causal relationships. This research aims to examine “how” the bureaucratic institutions associated with state capacity change, and to complement the existing quantitative statistics based literature on merit-based bureaucracy. Qualitative methodology is, therefore, reasonable and logically sound choice (Neuman, 2007). Based on the conceptual framework and the methods chosen accordingly, the next chapter introduces the historical setting of modern Korean bureaucracy after independence as a background to the empirical research.
Chapter 5. Historical Background and the Inception of the Korean Bureaucratic System

5.1. Introduction

In the discussion on state capacity and development, Korea has been the central topic of debate as a successful case. Korea is unique in that it is one of very few ex-colonial poor countries which managed to join the Organization for Economic Cooperation and Development (OECD), the so-called rich countries’ club. In 1948, Korea gained independence from Japan after thirty six years of colonization. In 1953, the per capita GDP of Korea was US $73,\textsuperscript{15} approximately the same as that of Ghana. In 2000, it increased more than 150 times to US $11,292.\textsuperscript{16} In 1965, 40.9 per cent of the population of Korea suffered from absolute poverty, but by 2007 the poverty rate was reduced to 10.9 per cent.\textsuperscript{17} Korea shares a similar historical experience with other developing countries today. It suffered from a colonial regime. It experienced a tragic civil war and many armed conflicts due to ideological differences. It also suffered from abject poverty with few natural resources to sell. Despite all this, Korea managed to achieve remarkable social and economic development to turn itself from an aid recipient to a donor country. Moreover, the whole developmental process, which all happened in the 20\textsuperscript{th} century, took less than fifty years. Compared to the Western developmental process that happened in the 18\textsuperscript{th} or 19\textsuperscript{th} centuries, the Korean case can be a more useful model for developing countries today.

Much scholarship has analyzed the Korean economic development process. Most research studies, even those by neo-Liberalists, agree that the highly capable Weberian bureaucracy of Korea led to sound economic policies (see Amsden, 1989; World Bank, 1993; Evans, 1995; Acemoglu and Robinson, 2012 etc.) However, there was little explanation on how the change had occurred. Until recently, scholarship on bureaucratic capacity building in Korea has ascribed the change to external factors, mainly the positive Japanese colonial legacy. The colonial legacy argument not only fails to explain the developmental difference between the South and the North, which shared the same colonial legacy, but also provides little help to developing countries today. Also, while overemphasizing the impact of the Japanese colonial

\begin{flushleft}
\textsuperscript{15} Bank of Korea Economic Statistics System, Accessed from http://ecos.bok.or.kr
\end{flushleft}
period, which lasted less than forty years in more than 2,000 years of history, it underestimates the role of the Korean people in transforming their country.

This research aims to examine the process of bureaucratic institution building in the Korean Government, applying the gradual institutional change theory of Mahoney and Thelen (2010) to draw out useful policy implications for developing countries today and to test the theory with an empirical case. Before proceeding to the empirical examination, this chapter first reviews the existing literature on the Korean bureaucracy and the state capacity of Korea. Secondly, this research introduces the background of the Korean bureaucracy dating from the Goryo Dynasty until the Japanese colonial period. Lastly, this chapter examines more closely the bureaucratic development after Independence. The chaotic situation under USAMGIK needs to be examined to better understand the establishment of the Korean Government.

As shown in Chapter 4, contextual continuity is important in historical analysis. Before conducting an empirical examination, therefore, this chapter introduces the institutional change under USAMGIK from 1945 to 1948. To maintain consistency in the analysis, this chapter presents the contextual background in USAMGIK following the conceptual framework. First it shows the political context by introducing five key political actors, USAMGIK, KDP and right-wing groups with Syngman Rhee, Kim Gu and the Korean Provisional Government members, and CPKI and the moderates, and the Communists and left-wing groups. The contents and features of the merit-based bureaucratic institutions introduced by USAMGIK are later assessed. Finally, the characteristics of the leadership and Korean bureaucrats are examined. This chapter concludes that USAMGIK dominated Korean society, resulting in a weak veto on change in the political context, which created a good opportunity for reform. However, a high level of discretion in institutions due to the language difference and the lack of will or interest of the US personnel prevented the reforms from being successfully implemented. The opportunistic bureaucrats with more interest in manipulating or circumventing the institutions for their own good than in implementing the reforms, resulted in conversion of the reformative institutions.

5.2. Research on Korean Bureaucracy

Studies on Korean Bureaucracy, which have mainly been conducted by researchers in the discipline of public administration, can be broadly grouped into four different kinds. The first group conducts analysis on features and characteristics of individual bureaucrats, their
place of birth, level of education, and age etc. Based on the representative bureaucracy argument, the studies try to find a linkage between the personalities and their policy choice and performance. The second type is an examination of departments or agencies that constitute the government. The budget, structure, or staff numbers of the governmental organizations are the main topic of discussion. They mainly try to find out how the organizational change or characteristics affects their function. The third examines the interaction between the bureaucracy as a separate social entity and other groups in society, mainly focusing on how the relationship affects economic or political development in Korea. Lastly, some work has been produced on the historical development of Korean bureaucracy; however, they only focus on changes in overall organizational structure or personnel, not paying attention to the institutional development.

Individual level studies have focused particularly on the personal characteristics of bureaucrats. This kind of study can be divided into two kinds. The one analyzes how the social and individual background of each bureaucrat changes in accordance with the regime and with the level of their appointment (e.g. Cho, 1980; Im, 1993; Song, 2010). They list the personal backgrounds of high level bureaucrats, such as birth place, age, education level, types of schools they graduated from, and previous positions held, and analyzed linkage or patterns of appointment to the regime type or leadership.

The other kind also analyzes personal backgrounds of a bureaucrat to assess or predict the behaviour of each bureaucrat (e.g. Ryoo, 1966; Park, 1967, 1985). Some of the studies on the behaviour of bureaucrats combine traditional and cultural factors in their analysis when examining the personal background (e.g. Kim, 1978; Lee, 1981). These studies examined how different personal backgrounds may affect the work of bureaucracy. They have analytical limitations, however, in that there is no logical relationship that can prove that the level of education or birth place can affect their mental decision-making process. Moreover, they ignore the social or economic factors which can influence the performance of bureaucracy. Studies on culture and tradition have limitations where the definitions of culture and tradition are not clear and personal differences on reacting to cultural or traditional influence are not considered.

Research on the organizations in the Korean Government has examined how different organizations within the government function and interact with each other. Cho leads the studies on Korean bureaucracy applying organizational theory. Cho (1973) empirically analyzed the structure and form of the government agencies as well as interactions between them in the 1960s. Various empirical investigations have been conducted on organizational
development (e.g. Kim K, 1990; Kim, 2002; Hong and Wang, 2003). These studies provided much knowledge on how some of the major entities of the Korean Government have developed and worked; however, they ignored external influences on the bureaucratic system, mainly focusing on internal organizational structures.

Much research has been done on the role of bureaucracy in Korean economic development (e.g. Park, 1968). This has regarded the Korean Government, usually the central government, as a social entity with a single goal, interacting and collaborating with other social groups. Most studies on Korean bureaucracy and economic development agreed that while the development-oriented Korean bureaucracy with its high level of problem solving capacity helped Korean economic development, it later became too massive and negatively affected political development (e.g. Yang, 2005; Park and Joo, 2007). They did not explain, however, how Korean bureaucracy managed to acquire its high level of capacity, nor did they identify what kind of specific capacity positively affected economic development.

Some research was done on the establishment and growth of Korean bureaucracy. Lee (1967) describes the evolving nature of Koran bureaucracy from 1948 to 1965. He argued that Korean tradition and the colonial legacy negatively affected Korean bureaucracy to serve the personal interests of the political elites. Park (1967) also describes the transition from monarchy to the modern presidential government after independence from Japan, supporting Lee’s position. Kim (1991) examines the changes caused in government structure and in the composition of high level bureaucracy from 1945 to 1972. Kim concludes that political regime changes decisively affected the characteristics of bureaucracy. Park (2010), in contrast, argues that the reforms implemented in the 1950s contributed to the subsequent economic success. Though Lee and Park are constantly referred to in the study of Korean democracy, they are limited to providing historical accounts of bureaucracy without a systematic examination. More recent work, on the other hand, lacks detailed examination of the contents of bureaucratic institutions, only analyzing the overall structural change or change in the ministers.

5.3. Capacity Building and State Formation in Korea

Since this research examines the bureaucratic institutional development as a core of administrative capacity in Korea, it is necessary to review the current scholarship on state capacity building in the early Korean Government. The existing literature on state formation and capacity building in Korea has focused on the exogenous factors, such as security threats
Insecurity and confrontation against Communism are identified as the main reasons for the emergence of developmental states in East Asia (e.g. Winckler, 1988; Cumings, 1984; Woo-Cumings, 1998). Woo-Cumings (1998) argues that the positive international trading system and security threats promoted internal cohesion within Korean society, resulting in a highly centralized developmental state. Kang (2002) further argues that confrontation with the communists caused leaders to develop a serious commitment to promoting economic development. However, although the security threat was persistent from the 1950s onward following the end of the Korean War, the commitment of the political elite in the 1950s was different from that in the 1960s. The political leaders and citizens of Korea should have felt more unstable after experiencing three years of war from 1950. If security threats work as a positive factor for development, the elites in the 1950s should have shown more commitment and better performance than those in the 1960s, which was not what happened. Lastly, not only in Korea but at a global level, security threats show different outcomes. They do not always guarantee or produce positive results. For example, the sub-Saharan countries with incessant conflicts or Pakistan and India with nuclear threats failed to promote bureaucratic state capacity in the region. An external threat may promote internal cohesion and work as a positive factor for development. However, it is not a sufficient factor.

The dominant argument emphasizes the positive colonial legacy of Japan in bureaucratic developmental state building in its colonies. Though it is acknowledged that the homogeneous cultural context and Confucian tradition also helped create favourable conditions for development, it is generally pointed out that the Japanese colonial legacy played an important role in modernizing society and introducing the prototype developmental state in Korea. Kohli (1994, 1997 and 2004) argued that the Japanese colonial legacy was beneficial for Korean economic development. Unlike other colonial powers, imperial Japan regarded Korea as a part of itself and promoted the Korean economy. Kohli argued that Koreans working in the colonial government and industries established by Japan gained the necessary skills and capacity to run the state by themselves. Amsden (1989) considers that Japanese rule, combined with the homogenous culture and long history of governance in Korea, produced effective government.

The positive colonial legacy argument, however, failed to address the discriminatory development which is skewed towards Japanese interests. The Japanese ran a dual system in Korea, where all the high level positions in the government and the business were barred to Koreans. The positions that Koreans could hold under the Japanese colonial government
(JCG), therefore, were not high enough for the people to build the capacity to run the
government (Haggard, Kang and Moon, 1997). The argument of Haggard, Kang and Moon
(1997) is supported by the empirical evidence. In the letter to the Secretary of the State, the
Political Adviser to the Military Governor, H. Merrell Benninghoff, argues for the necessity
to retain Japanese people in Korea despite the orders from the US government, saying that
Koreans were not equipped with the knowledge and skill to run the government since they
only took low level positions.

“Although the hatred of the Koreans for the Japanese is unbelievably bitter, it is
not thought that they will resort to violence as long as American troops are in
surveillance. The removal of Japanese officials is desirable from the public
opinion standpoint but difficult to bring about for some time. They can be
relieved in name but must be made to continue work. There are no qualified
Koreans for other than the low-ranking positions, either in government or in
public utilities and communications.” 18

Moreover, the positive colonial legacy argument could not explain why the Syngman Rhee
Administration, which was filled with ex-employees of JCG, showed poor performance
despite the important influence of the three year US Military Government period. Kohli
(2004) argues that the Syngman Rhee Administration preserved the colonial bureaucratic
legacy in the Korean Government, which bloomed in the Park Chung-Hee Administration.

But, Lee (1968) showed that the bureaucratic system introduced by the Park Chung-Hee
Administration was taken from the military elite, who led the coup d’état and had learned
how to run a military administration from the United States. From 1951 to 1961, some 6,000
military officers from Korea undertook training courses in the United States, which equipped
the military with one of the most efficient administration systems in Korea (Lee, 1968; Kim,
1971). For example, the military elite resurrected the position classification system of
USAMGIK which had been abolished by the Syngman Rhee Administration.

Secondly, the argument cannot explain the growth discrepancy between North Korea and
South Korea. North Korea was bequeathed more legacies from Japan with the same
bureaucratic institution and more physical infrastructure. Three-quarters of the
manufacturing industries that Japan built during the colonial period were located in the
North (Huh S, 2005). North Korea, with more industrial development and the same level of
institutional influence from Japan as the South, should have achieved more development
than the South. The result is, however, precisely the opposite. South Korea excelled in

18 Archival Source: FRUS, 1945. Vol.VI. “The Political Adviser in Korea (Benninghoff) to the Secretary of the
State,” pp. 1049-1050 at http://digital.library.wisc.edu/1711.dl/FRUS.FRUS1945v06 [accessed on 21
December 2011]
economic as well as social development. This difference tells us that the policies and strategies implemented after the colonial period is more closely related to the level of performance than the legacy of colonialism.

On the Japanese colonial development, Huh S. (2005) makes an interesting point. He argues for the need to differentiate the development in Korean territory from that of the Korean people. By examining empirical data on land ownership, crop production, and manufacturing and educational development, he concluded that the proportion of the benefit from economic development gained by Korean people indeed drastically decreased compared to that of the Japanese in Korea. Income inequality, in turn, further exacerbated the inequality in property ownership, solidifying the inequality between Japanese and Korean. There was an improvement in indicators of economic development in the Korean peninsula, which did not benefit the Korean people. The lion’s share of the pie went to the Japanese in Korea. Huh’s work showed important implications for research on colonialism and development. Some research shows the increase of GDP as proof of the positive role of colonialism in development. However, as Huh’s research showed, it is important to examine in more detail how and for whom the development was made.

In conclusion, the colonial legacy argument tends to over-emphasize the influence of colonial rule while ignoring the role of the Korean people. Moreover, if colonial legacy is so critical in building a capable state, what does this mean for the developing countries today which unfortunately have not been occupied by Japan? We need to assess the positive or negative influence of colonialism to better understand the situations of developing countries, but we also need to step forward to present ways to overcome the dependent path of relying on colonial legacy. Thus, we need to re-examine what happened in Korea not only to better understand the process of capacity building but also to provide practical options for developing countries today. Recent scholarship has begun to pay attention to the internal dynamics of Korea, examining the institutional developmental and change in relation to the political contexts as shown in the previous chapter (e.g. Waldner, 1999; Chibber, 2003; Vu, 2007). Acknowledging the short-comings of the existing literature, this research examines the development of the merit-based bureaucratic institutions of Korea with recent theories on gradual institutional change of historical institutionalism.
5.4. Historical Development of the Merit-Based Bureaucratic System in Korea

Before going into detailed analysis on the inception of modern Korean bureaucracy, it is necessary to briefly examine the historical development of the Korean merit-based system. This section examines the origins of the Korean merit-based system represented by “Gwageo” and its influence on the modernization of Korean bureaucracy. Later, it briefly reviews the Japanese colonial bureaucracy and shows that some of the legacy continued to the succeeding military government. This section shows that the traditional bureaucracy was not something that was replicated but more like an old custom to overcome. On the other hand, the Japanese bureaucracy initially affected the military government, but later with reform the system was changed while the personnel remained.

5.4.1. Traditional Development of Merit-Based Bureaucratic System

Korean bureaucracy has a long tradition since a unified Goryo Dynasty was formed in Korea in AD 918. King Gwangjong of the Goryo Dynasty established a merit-based bureaucratic system by adopting the ‘Gwageo’ in AD 958. The Gwageo is a civil service entrance examination based on Confucianism. The examination was held every 2 or 3 years and people who passed the examination could receive a job in the government. The tradition continued in the succeeding Chosun Dynasty. Regular examinations were held every three years. The examination was quite difficult to pass with three steps of tests. The first examination, ‘Choshi,’ was held nationwide to select 240 people. The next year in Seoul the second examination, ‘Bokshi,’ was held to select the final thirty-three people. The last test, ‘Jeonshi’ was held for the thirty-three people, not to drop anyone off but to rank them. The higher the ranking achieved, the higher the position that could be obtained. There was also a ministry to manage personnel issues. The Ministry of the Interior was responsible for the recruitment and promotion of the bureaucrats. The Gwageo was a merit-based recruitment institution. In theory, any man except slaves could take the examination and become a nobleman. It was an open and competitive examination.

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19 The description on the tradition of Gwageo in this section is based on Lee, 1984; Lee, 1997.
20 Korean people believe that the first Kingdom of ethnic Korean people was established in BC 2333. October is a national holiday to celebrate the birth of the first Korean Kingdom called Gochosun. From that time on, various kingdoms were established and collapsed. Goryo Dynasty was established in the Korean peninsula in AD 918, which was replaced by the Chosun Dynasty in AD 1392. In fact, the Korean word ‘go’ means old, and the actual name of Gochosun is Chosun. It was changed to Gochosun to distinguish it from the Chosun Dynasty. The name ‘Chosun’ of Chosun Dynasty was selected to let people know that it was a successor of Gochosun.
21 There was a Gwageo for selecting technocrats in medicine and interpretation in Korea and in the Chosun Dynasty. A test for selecting military officers, Moogwa, also existed in the Chosun Dynasty.
22 Special examinations were also irregularly held.
The Gwageo, however, was not the only institution for hiring civil servants. In both Goryo and Chosun Dynasties, there was an institution called “Eumseo.” This was a system of hiring the descendents of bureaucrats who had performed a distinguished service or occupied senior level positions. Also, to take the Gwageo, one had to study Confucian theories for a long time, which consumed a lot of money. Ordinary peasants or merchants could not afford the time and money for their sons only to study and not help their family by working. Even when they fortunately passed the examination, the chances were that they could not get a job in the government, since the waiting list for placement was very long. Almost every year with regular and irregular examinations, thirty or more people passed the test, but the government simply did not have so many vacancies. Only the ones who were from a powerful noble family or could pay a substantial bribe could get a job. The Gwageo deteriorated with various kinds of cheating and bribery and in the late Chosun Dynasty, reformists argued for the abolition of the Gwageo. In 1894 with the ‘Gaboh Reformation,’ the Chosun Dynasty restructured its administration, adopting a modern system and abolished the Gwageo to introduce a modern recruitment system with the ‘Law on Civil Servants Recruitment.’ The law still required tests but the subjects were changed from Confucian scriptures to various subjects such as law, mathematics, and international relations.

It has been argued that the long tradition of Gwageo and Confucianism is one of the key components for building a successful developmental state (e.g. Kim, 1978; Amsden, 1989). However, the tradition did not seem so important to the Koreans in the 1960s and 1970s. Moreover, many of the Korean leaders even condemned the Confucian tradition as one of the reasons for the demise of the Chosun Dynasty and occupation by Japan. After the Japanese occupation, Koreans who tried to identify the reasons concluded that failure to accept practical Western modern culture and technology, immersed in academic and metaphysical Confucianism, was the main reason (Kang, 1984). Therefore, the Confucian tradition was not something to preserve but to discard and change. Moreover, after the Japanese occupation and US military rule, the bureaucratic system of Korea was changed to take its modern form and lost the tradition of the Chosun Dynasty.

5.4.2. Japanese Colonial Occupation and Korean Bureaucrats

The reform attempt of the Chosun Dynasty came to a halt with little result when Japan colonized Korea in 1910. The oppressive change was made under Japanese colonial rule with the establishment of the JCG. The JCG with the Imperial Decree empowered the Japanese

23 Anti-Confucianism was one of the main trends of modern Korean political and social science in the 1960s and 1970s (Kim, 2001). Park Chung-Hee specifically showed his anti-Confucian thoughts in his works (1962: 86).
Governor to rule Korea with little control or check from the Japanese Parliament. There was no parliament in Korea, while the judiciary system was under the governor. In other words, the governor was more like an emperor of Korea himself (Park, 1994). The other feature of the Japanese colonial system was its dependence on police and military forces for exploitation and for oppression of the anti-Japanese independence movement (Park, 1994; Kim, 1991). Thirdly, the colonial bureaucracy was for dominating the people, not for serving them. Originating from the Japanese government, which controlled people while serving the Emperor, the JCG also regarded the Koreans as subject to their control, not as citizens to be served.

Throughout the occupation, though with some differences, the colonial governance policies remained essentially the same for the entire period.\textsuperscript{24} The oppressive structure, heavy dependence on physical force, and the assimilation policies to rid Koreans of their separate identity continued throughout the colonial rule. The number of Koreans working for the JCG gradually increased. In the early days, two kinds of people usually worked for the JCG (Park, 1994). One group was the high level noblemen, who cooperated with Japan’s occupation of Korea. In return, they were ennobled and received high level but nominal positions. The others were the low level working staff in the rural areas which the JCG could not directly control due to shortage of manpower and forces. In the 1930s, the number of Koreans started to rise. Koreans started to join the central government by passing the entrance examination. They were the sons of wealthy people who actively or implicitly cooperated with Japanese rule. On the other hand, the JCG replaced the low level officials in the police stations and the provincial government with Koreans so that the direct rule was delivered by Koreans.

USAMGIK succeeded to the organizational structure of the JCG while the legal institutions continued to survive even after the establishment of the Korean Government. The excessive police forces were also used in USAMGIK to thwart Left-wing activists and Communists. However, the most important legacy of the Japanese rule was the people. Most of the civil servants who served the JCG continued to work in the succeeding administrations (Park, 1994). Due to the shortage of staff skilled in public administration, the officials, who had been kicked out after independence, were hired again and played an important role with their practical skills and experience. As shown in the next section, the human legacy continued even after the establishment of the Korean Government.

\textsuperscript{24} For example, the Japanese Bureaucratic Rules which were announced in 30 July 1887 as decree number 39 were not changed until the end of the colonial rule (Chung, 1995).
5.5. Role of the USAMGIK in Building Modern Merit-Based Bureaucracy

This research examines the development of the Korean bureaucracy from 1948 to 1963. On 15 August 1948, the modern Korean Government was officially inaugurated; therefore, the year 1948 is a logical choice, since it is considered as the time when the modern Korean bureaucracy was started. However, as Chapter 4 has already shown, historical analysis also recognizes the complex dynamic and continuity in history. Though the modern Korean bureaucracy officially started from 1948, its inception was influenced by the existing institutions and contexts; therefore, this research needs to examine the contexts surrounding the new government. Before conducting empirical research on the Korean bureaucracy, this section, therefore, briefly analyzes the USAMGIK period. The organizational structure and personnel of USAMGIK became the platform for the modern Korean Government. For analytical continuity, this section examines the introduction of the merit-based institution during the USAMGIK period, applying the conceptual framework. The political context, institutional formation, and the change agents will be analyzed to identify how the institutions were formed.

5.5.1. Political Context: Weak Veto Dominated by USAMGIK

Korea regained independence on 15 August 1945 with the Japanese emperor’s declaration of defeat. The independence, however, was not brought about by Koreans but more to do with international power relations. Neither Japanese nor Koreans anticipated and prepared for independence. The Allied Forces did not foresee this sudden surrender, either. In a memorandum dated 12 July 1950, the Assistant Secretary of the State for Far Eastern Affairs, Dean Rusk stated as follows:

“The suddenness of the Japanese surrender forced emergency consideration by the Department of State and the armed services of the necessary orders to General MacArthur and the necessary arrangements with other allied governments about the Japanese surrender.”

Before independence, the political configuration in Korea was like a giant with many dwarfs. The JCG, as the only dominant political actor, banned all political movements against their...

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25 Appendix 1 provides chronological table of the major political events in Korea from 1945 to 1963.
26 On 16 August 1945, the governor-general of the JCG sent a message to the Japanese Government asking about the meaning of liberation (Kim, 1996).
rule and exploited Korea as they wished (Kim W, 1992). Various very small underground resistance groups were waiting for independence to come, but were not united due to their ideological differences. On the other hand, various resistance organizations overseas, including the Korean Provisional Government (KPG) in Chungking, China, were also waiting for independence. However, all of these, within or outside Korea, were focused on fighting against Japanese rule, with little preparation for governance after the end of colonial rule.

Two kinds of efforts were made by the Koreans to prepare for the period after independence, neither of which was recognized by the USAMGIK. One was made by the KPG (Kim, 1996). However, the USAMGIK did not recognize the KPG, which was also in line with the policy of the US government in Washington DC. The other was the establishment of the Committee for the Preparation of Korean Independence (CPKI). After 15 August 1945, the JCG looked for a counterpart group to take over their rule and to protect the Japanese in Korea. The governor general belatedly contacted Yeo Woon-Hyeong, the centre-left politician, to settle the terms of repatriation (Hong, 1984). On 17 August 1945, Yeo Woon-Hyeong established the CPKI, representing the efforts of Koreans to obtain their sovereign government after the long awaited independence. The US, however, did not recognize the CPKI or any other entity as a sovereign authority to consult with.

Rather, the United States Army Forces in Korea (USAFIK) recognized and negotiated with the JCG and began the state-building process by establishing the United States Army Military Government in Korea (USAMGIK) on 12 September 1945. The strategic priority of the US was to establish a friendly regime in South Korea as a bulwark against Communist invasion (Kim, 1996; Park, 2002). In accordance with its ideological strategy, the USAMGIK supported, and sometimes bred, the anti-communist right wing political organizations, while suppressing communist or socialist organizations. Therefore, the political configuration after independence became similar to that before the liberation with a dominant actor replaced.

With independence, the suppressed desire for sovereignty exploded. The various political entities were formed, which can be broadly grouped into four types. Syngman Rhee and the conservative Korean Democratic Party (KDP), improvised after independence, gained

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28 Kim Gu and members of the KPG thus had no choice but to return to Korea as individual persons not as members of a government (Kim, 1992).
29 The United States did not acknowledge Yeo Woon-Hyeong and CPKI partly because of the communist dominance within and partly because of the lack of legitimacy (Kim, 1996). From the United States’ point of view, Korea was governed by Japan, from which the United States took over control.
30 In October 1945, the USAMGIK ordered all political organizations to register, and by 2 November, 205 organizations had finished registration (Lauterbach, 1983).
power by forming an alliance with the USAMGIK although not favoured by the Korean public. The second group was Kim Gu and the members of the KPG, who were mostly right wing freedom fighters against Japan and were supported by the Koreans. They could have gained power after independence, but due to their nationalistic inclinations they failed to form a close relationship with the USAMGIK and consequently deserted. The third group was the moderates who originally formed the CPKI, led by Yeo Woon-Hyeong, which were not welcomed by other political groups. The Communists and left wing groups, though once active by cooperating with trade unions and farmers’ unions, were suppressed by USAMGIK due to their ideological orientation. In other words, the USAMGIK played a crucial role in shaping the political configuration in Korea after independence, which left a lasting legacy until today. This section presents a brief analysis of the interests and dynamics of the five different groups with regard to the formation of the bureaucratic institutions of Korea.

5.5.1.1. The USAMGIK

The US played a crucial role in founding the Korean bureaucratic institutions as a single dominant political actor. According to its strategic objective, the USAMGIK suppressed the Communists and left wing organizations and chose Syngman Rhee and the KDP as its partner to form a right wing pro-American regime. The USAMGIK also introduced a series of reformative institutions in the Korean Government. However, its lack of knowledge and capacity, combined with apathy in implementation, failed to achieve complete displacement of the old institutions. The first priority of the USAMGIK was not the economic and social development of Korea, but maintenance of the status quo to build a friendly regime.

By the proclamation of the Commander-in-Chief of the United States Army Forces, Pacific, general Douglas MacArthur, dated 7 September 1945, the establishment of a military government in Korea was announced to the Koreans (see Appendix 3). This message among others had three important implications for the later development of the Korean Government. First, as Article I showed, it negated previous attempts of Koreans to build their own independent government. The Korean administrative system was to be developed following the policies of the USAFIK, which limited the active engagement and participation of the Korean people. Secondly, Article II allowed the Korean personnel, mostly condemned as pro-Japanese collaborators to retain their positions against the Korean people’s wish, enabling them to get away with their treacherous acts. Lastly, Article V further narrowed

down the possibility of the already small chance of participation of the Koreans in their nation-building process by making English the official language of the military government. As will be shown later, this also resulted in the deterioration of the administrative services and caused rampant corruption by the unqualified Korean staff in the USAMGIK hired simply because they could communicate in English.

Following the message, on 8 September 1945, General Hodge with the 24th Corps of the US army arrived in South Korea, meaning below the 38th parallel North latitude of the Korean Peninsula. To build a pro-American government against communism as fast as possible, the USAFIK turned to the JCG to obtain information about Korea and to build its governing structure. On 9 September 1945, Hodge declared that the JCG would maintain its function as it was and had a series of meetings with the JCG to take over the administration, excluding Koreans (Kim W., 1992). On 12 September, the USAMGIK was officially established as the sole legitimate government in South Korea, with Major General Archibald Arnold as Military Governor.

The strategic objective of building an anti-Communist stronghold in Korea led the USAMGIK to build a partnership with Syngman Rhee and the KDP. Unsurprisingly, the USAMGIK preferred the well-educated Koreans, neatly dressed in suits and ties, who understood American culture and language (Lauterbach, 1983).

“The most encouraging single factor in the political situation is the presence in Seoul of several hundred conservatives among the older and better educated Koreans. Although many of them have served with the Japanese, that stigma ought eventually to disappear.”

Though the KDP was not popular among Korean people, the USAMGIK filled most of the positions in the interim government with members of the KDP and openly or secretly oppressed communists and socialist groups (Kim, 2012). For fear of communists dominating the national assembly, the USAMGIK allowed only half of the members to be elected while filling the other half by appointment (Ahn, 2003). By using the regulations on political activities, the USAMGIK also restricted the public activities of the leftwing groups. The ideologically diverse configuration in 1945 was changed into a monopoly of right wing groups. The ignorance and lack of preparation of the US increased the rage and resentment of Korans toward the USAMGIK. In spring 1946, a survey conducted in Seoul showed that

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49 per cent of Koreans thought that Japanese control was better than that of the US (Kolko, 1982).

5.5.1.2. Korean Political Parties without Much Political Power

This research has divided Korean political parties into four types in accordance with their ideological orientation. Apart from the leftist groups, even the moderate and nationalist parties were excluded by the USAMGIK. Only the conservative pro-American right wing groups were promoted by the USAMIGK and later dominated the political configuration of Korea after 1948 (see Chapter 7). This sub-section examines the different positions of the Korean political groups and their involvement with the USAMGIK.

The first group was Syngman Rhe and the conservative Korean Democratic Party (KDP). The KDP was abruptly formed against the leftists who became a strong political power within the CPKI and Korean People's Republic (KPR) (Song, 1985). The party members did not have any specific political ideology (Kim, 1996). The KDP was the sum of the wealthy landlords, middle class or bourgeoisie who were condemned as Japanese collaborators, representing the vested interest groups at that time. Their ambiguous position on the pro-Japanese collaborators and their opposition to land reform showed the conservative characteristics of the KDP, which were in direct opposition to the wishes of the Korean people (Shim, 1982). Though the KDP was not favoured by the Korean people, the USAMGIK favoured the KDP for its strong anti-communist stance. The high level positions within USAMGIK after Koreanization were also filled with KDP members or people with close ties to the KDP. Taking advantage of the preference and support of the USAMGIK, the KDP and right wing groups formed the first Korean Government by winning the national election in 1948, which was boycotted by the leftwing and moderate nationalists who objected to forming a separate government in South Korea.

The second group was Kim Gu and the members of the KPG, who retained the strong support of the Koreans. Acknowledging the popularity and political influence of Kim Gu and the former members of the KPG, USAMGIK and almost all the political organizations in Korea tried to form a partnership with Kim Gu and former KPG members. Kim Gu, on

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33 The enthusiastic welcome disappeared when a series of policies were announced against the Korean people's wishes. The ignorance of and disrespect for Korean culture and social context of the Americans in USAFIK exacerbated the growing resentment against them. For example, Hodge chose to use the residence of the Japanese colonial governor as his house, which caused fear among the Koreans. Though his choice seemed practical, Koreans felt that the Japanese king now was replaced with an American one (Lauterbach, 1947; Dongah Ilbo, 6 April 1982).

34 To gain public support, the KDP aimed to identify itself with the famous resistance leaders or freedom fighters and actively sought the return of the leaders of the KPG (Shim, 1982).
the other hand, tried to establish an interim government with former KPG members, which naturally was not welcomed by any political organizations at that time. For the USAMGIK, Kim Gu and his followers were too nationalistic. Kim Gu was against USAMGIK policies of trusteeship and of formation of the separate Government in the South. Kim Gu and the USAMGIK turned their backs on each other when the USAMGIK collaborating with the KDP and NSAKI planned to form a separate government in the South. As with other nationalistic political parties, Kim Gu and the KIP did not participate in the national election, therefore, were excluded from the formation process of the Korean Government in 1948.

Both the moderates led by Yeo Woon-Hyeong and the left-wing groups were shunned by the USAMGIK, leaving them little influence on Korean politics after 1948. Surprisingly, in 1945 leftists had more popularity among the Korean people than right-wingers (Kim D, 1992). With the experience of fighting against Japan and the pro-poor land reform policies, the leftists were widely favoured by farmers, factory workers and students. The information report of the USAMGIK showed the grave worries of the US about the rampant popularity of the leftists in Korea. To the US Government, the CPKI and Yeo Woon-Hyeong seemed too close to the Communists; therefore, did not favour them. Yeo Woon-Hyeong and moderate members of the CPKI formed the Chosun People’s Party (CPP) and tried to bring both left and right groups together but was rejected by both. After the assassination of Yeo Woon-Hyeong, the CPP lost power and it was also excluded in the formation of the Korean Government.

The USAMGIK viewed the communist party as the most well-organized political organization in Korea (Choi, 1990). Among various left wing groups, Park Hun-Young and his Chosun Communist Party (CCP), created on 11 September 1945, received wide support from the Korean public. Though they were popular in the beginning, the left wing groups rapidly lost power mainly due to the oppression of the USAMGIK and to their internal suppression.

35 Kim Gu and the KIP, protesting against the announcement of trusteeship, adopted an anti-trusteeship resolution and organized the All People's Committee Against Trusteeship (APCAT). The APCAT also led a nationwide strike as a protest in which even some officials in the USAMGIK participated (Seoul Shinmoon, 1 January 1946).
36 The position on trusteeship changed political configuration. Leftists, who were for a trusteeship decision, formed the Democratic National Front (DNF). On the other hand, the rightists who were against trusteeship also formed an alliance. Syngman Rhee and his National Society for Acceleration of Korean Independence (NSAKI) joined the APCAT and all the parties against trusteeship formed the Emergency National Conference (ENC).
38 The CPKI worked with the Soviet army which arrived in Korea on 12 August 1945 and arrested Japanese and Korean collaborators.
39 The CPKI were gradually dominated by leftwing factions, who built the Korean People's Republic (KPR). The USAMGIK later banned using the term ‘republic’ in the KPR.
conflicts. Moreover, their pro-trusteeship position resulted in anger among the Koreans. The USAMGIK tried to decrease the influence of the left-wing groups in Korea using their approval authority in political activities. The CCP and leftwing groups led strikes and committed terrorist acts against the USAMGIK but could not recover their power and also became excluded in the formation of the Korean Government.

5.5.2. Formation of the Merit-Based Institutions under the USAMGIK: High Level of Discretion due to Ambiguity and Sparsity

This section examines the introduction of the merit-based institutions of the USAMGIK. A series of new rules were imported from the US, but due to the ambiguity and sparsity of the rules, the institutions became obsolete after the end of the USAMGIK. This section concludes that for a foreign institution to be fully implanted, a high level of understanding by the practitioners and the commitment of the leadership are important.

Facing the urgent need to govern a new country, the USAMGIK in the beginning utilized what the JCG had left (Kim, 2008). But, gradually it introduced new institutions and organizations following the administrative system of its home government. The change in the merit-based institution is a good example showing the reckless and improvised change delivered by the USAMGIK. The USAMGIK, rather than analyzing the local context for a gradual adjustment, introduced new institutions on recruitment, classification, remuneration, and performance evaluation, all at the same time (Kim, 1996). The abrupt change failed to displace the existing one and became repealed.

On 20 April 1946, the USAMGIK announced Ordinance No. 69 on “Defining the Functions of The Office of Korean Civil Service” (OKCS) and proclaimed a plan to modernize the personnel management system by introducing merit-based institutions. The OKCS was an independent unit under the direct control of the minister of the civilian government under the law. The OKCS took responsibility for modernizing the personnel management system based on career bureaucrats. The role of the OKCS, however, was limited to setting strategies and policies for human resource management (Kim W, 2001). The policies of the

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40 The OKCS had 1 unit and 7 divisions; Office of Director, Administrative Division, Recruitment Division, Classification Division, Investigation Division, Examination Division, Training Division, and Commendation Division.
41 In reality, however, it was controlled by the minister of the USAMGIK, as was the other administrative offices. At first the director was an American military officer but he was later replaced by a Korean.
42 The OKCS under Ordinance no. 69 manages: a) To provide for, direct, and administer a classified civil service system for the Government of Korea, b) To provide for, direct and administer the recruitment, placement, and training of persons in the government services, c) To design, install, and administer a programme of retirement and disability benefit for government employees, d) to determine the forms of ceremony to be observed by government officials and employees on important public occasions and to supervise their observance.
OKCS were supposed to be implemented by the Operating Personnel Offices of the each ministry in the central government and the Civil Service Offices of each district and provincial government. No such follow-ups, however, were made.

The rules and regulations on the merit-based system were also incoherent and vague. Only seventeen regulations were made with regard to personnel management in the USAMGIK. Table 5-1 shows all the regulations made in the USAMGIK on the merit-based bureaucratic system, which lacked systematic consistency. Moreover, the institutions were difficult to implement since the contents did not reflect the situation at that time. Some were too difficult and foreign to be understood by the Korean officials who were supposed to practise them.

Table 5-1: List of the Regulations on Civil Service Management in the USAMGIK

<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinance No.29</td>
<td>16/11/1945</td>
<td>Creation of Korean Personnel Review Board</td>
</tr>
<tr>
<td>Civil Service Circular No.1</td>
<td>23/11/1945</td>
<td>Publication of Civil Service Circulars</td>
</tr>
<tr>
<td>Civil Service Circular No.3</td>
<td>14/12/1945</td>
<td>Payment of Monthly Employees and Day Labourers</td>
</tr>
<tr>
<td>Ordinance No.38</td>
<td>27/12/1945</td>
<td>Name of Personnel Section Changed to Korea Civil Service Section</td>
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<tr>
<td>Ordinance No.69</td>
<td>20/04/1946</td>
<td>Defining the Functions of the Office of the Korean Civil Service</td>
</tr>
<tr>
<td>Rules No. 9</td>
<td>01/05/1946</td>
<td>Rules for the Administration of Leave and Attendance</td>
</tr>
<tr>
<td>Civil Service Circular No.9-1</td>
<td>13/05/1946</td>
<td>Daily Work Hours</td>
</tr>
<tr>
<td>Civil Service Circular No.1-1</td>
<td>15/05/1946</td>
<td>Civil Service Office in Provincial Governments</td>
</tr>
<tr>
<td>Rules No.2</td>
<td>16/05/1946</td>
<td>Rules for the Administration of the Position Classification Plan</td>
</tr>
<tr>
<td>Rules No.1</td>
<td>13/06/1946</td>
<td>Rules for the Division of Functions in Civil Service Administration</td>
</tr>
<tr>
<td>Civil Service Circular No.2-1</td>
<td>21/06/1946</td>
<td>Classification Procedures</td>
</tr>
<tr>
<td>Rules No.6</td>
<td>12/09/1946</td>
<td>Rules for the Administration of Civil Service Training</td>
</tr>
<tr>
<td>Rules No.3</td>
<td>20/09/1946</td>
<td>Rules for the Administration of the Compensation Plan</td>
</tr>
<tr>
<td>Ordinance No.135</td>
<td>15/03/1947</td>
<td>Appointment and Removal of Government Officials</td>
</tr>
<tr>
<td>Civil Service Circular No.3-2</td>
<td>05/04/1947</td>
<td>Null and Void of Civil Service Circular No.3-1 and Rescinding Rule No.3</td>
</tr>
<tr>
<td>Civil Service Circular No.3-3</td>
<td>30/07/1947</td>
<td>Rescinding Civil Service Circular No.3-2</td>
</tr>
<tr>
<td>Ordinance No.159</td>
<td>30/12/1947</td>
<td>Amending Ordinance No. 135: Korea Civil Service Approval of Appointment and Removal of Certain Provincial Officials Eliminated</td>
</tr>
</tbody>
</table>

Source: Author. Data from the Official Gazette and from the Rules of the USAMGIK complied by Korean Law Research Committee.

43 The numeric orders and the dates of some of the regulations did not match. For example, Rule No. 9 preceded Rule No.1. Also, with no official documents stipulating the establishment of the OKCS, ordinance No. 69 announced the functions and definitions of the office. Rule No.3 on compensation was revised in less than seven months by Circular No. 3-2, which also annulled Circular No.3-1, which had never been announced in the Official Gazette. Circular No.3-2 was also revised in less than four months with No.3-3. The pivotal ordinance No. 69, which introduced the American style civil service management system, was never fully supported by detailed regulations. Follow up rules were made only on classification (Rule No.1, 2) and compensation (Rule No. 3), but not on performance evaluation and recruitment.
The USAMGIK set the principles of meritocracy. With the establishment of the OKCS, it stipulated the examination based recruitment principle. Article 4 of USAMGIK Ordinance No. 69, said that all civil servants needed to pass examinations for recruitment except for some politically appointed positions. However, there was no official record of conducting any competitive examination during the entire period of the USAMGIK. Also as shown above, no detailed rules were made to prepare for competitive examinations. The USAMGIK hired personnel not based on open competition but on recommendation and appointment. The number of Koreans working for the USAMGIK actually increased to be 149,549, most of who were not recruited based on meritocratic principles.\(^{44}\)

On 16 November 1945, the USAMGIK announced the establishment of the Korean Personnel Review Board (KPRB),\(^ {45}\) to function as an investigative agency to find out whether pro-Japanese Koreans held offices in the USAMGIK. Rules on the KPRB or on competitive examination, however, could not be actualized, since the USAMGIK was filled with people who would have been fired if the regulations were implemented. It was the USAMGIK itself which guaranteed the continuation of office to the Koreans who had worked for Japan. The KPRB could not properly function and became a nominal body, since the main source of recruitment was ex-bureaucrats with pro-Japanese careers.

The most significant change in human resource management was the introduction of a new classification system. While the Japanese classification system was based on simple ranking, the American system was more complicated, with different classes, services and grades assigned to the positions. From May 1946, the USAMGIK announced that all civil servants would be re-classified within the new system.\(^ {46}\) All positions were categorized into four different services\(^ {47}\) And 15 grades.\(^ {48}\) Korean bureaucrats were not willing to implement the complicated foreign regulations (Ahn, 1973). The bureaucrats objected to the new system, arguing that the classification was arranged not by logic but by favouritism (Kim W, 1992;

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\(^{44}\) As of August 1945, the JCG, which governed the whole Korean peninsula, had 173,214 Koreans while, as of 1948, the number of Korean officials working for the USAMGIK, which governed half of the Korean peninsula, was 149,549, excluding some thirty thousand police officers and daily workers (Park, 1973: 343). Therefore, there was a de facto increase of the number of Korean staff.

\(^{45}\) Archival Source: USAMGIK Ordinance No. 29, 16 November 1945.

\(^{46}\) Archival Source: USAMGIK Rule No. 2, 16 May 1946.

\(^{47}\) Archival Source: USAMGIK Rule No. 2, 16 May 1946. The Clerical, Administrative and Fiscal Services (CAF), The Professional and Technical Services (P&T), The Crafts, Protective and Custodial Service (CPC), and the Excepted Services (ES)

\(^{48}\) Archival Source: USAMGIK Rule No. 2, 16 May 1946.
Ordinance No. 69 also required all civil servants of central and local governments with more than six months of employment record to be subject to performance rating. However, detailed guidance on how to conduct the evaluation and how the results should be linked to compensation and promotion were not provided. Rule No.3, which stipulated standards for payment for civil servants, also suffered from revisions, presumably due to miscalculation. Rule No.9 provided basic codes of conduct for the civil servants, such as standards for leave, office hours, Overtime Work and so on. Though it was meaningful to introduce standardized rules some of them were not realistic. They required compensation for overtime work, for annual leave, and even for maternity leave. They also stipulated that the maximum working week should not exceed 52 hours. All of these were ideal but not possible to abide by, considering the economic and social context. A meaningful step was taken with Rule No.6 on training for the officials. Though there was no record of actually conducting a training programme in the USAMGIK, the succeeding administrations developed and provided training programmes for the officials based on this regulation.

The USAMGIK laid the foundation for the merit-based bureaucratic system in Korea following its home country system (Kim, 1997). Regulations, however, were improvised on a daily need basis with no logical explanation or detailed layout (Park, 1992). Detailed regulations for implementation were never developed (Kim, 1993; Kim, 2008). The rules were not adopted by the Korean bureaucrats, who never fully understood how to implement the new institutions. The new institutions were too foreign in quality and too small in quantity to replace existing rules. The USAMGIK also was not particularly concerned whether their reforms were actually implemented. The language barrier exacerbated the problem, since USAMGIK could not adequately check and control whether their laws were correctly translated and understood (Park, 1993). The language difference created very great room for discretion for the Korean bureaucrats implementing the institutions. The de facto dual system ran in the whole government. Though high level laws were set by the American personnel, lower level regulations for implementation were not developed and the business was run at the discretion of Korean bureaucrats. If one looks at the institutional contents, it might be said that institutional reform was made. But, as this chapter shows, real sustainable institutional change was not made. The next sub-section shows how the indifferent

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49 After the military coup d’état, the junta reintroduced the classification system but also failed to fully implement it.
leadership of the US and the opportunist Korean bureaucrats prevented reformative institutions from being fully implemented.

5.5.3. Opportunistic Change Agents

5.5.3.1. Disinterested Leadership of American Personnel in the USAMGIK

When arriving in Korea, the 24th Corps did not have resources and staff with administrative or specialised knowledge (Lauterbach, 1983; Meade, 1951). To make matters worse, there were few sources of information on Korea. Initial estimation showed that 4,620 staffs were needed in the USAMGIK, but Hodge landed on Korea with some 400 staffs. There was little that the officers of 24 corps knew about Korea. Moreover, serving in Korea was not popular among the American soldiers. A soldier said that “I would prefer a year in prison than a year in Seoul” (Lauterbach, 1983: 23). Due to the lack of knowledge and personnel, important decisions were made under Hodge’s discretion on a daily basis, most of which were not well followed up (Meade, 1951; Cho, 1967; Kim, 1996). The USAMGIK, therefore, consistently suffered from the shortage of personnel.

On the other hand, the USAFIK regarded Koreans as the enemy and acted as an occupying force. Hodge ordered his officers to regard the Koreans under the terms and conditions of the Instrument of Surrender (Kim, 1996). He was more like a conqueror than a liberator. Hodge’s first assessment on Koreans was “Koreans are the same breed as Japanese.” (Meade, 1951: 103). Hodge said to the Press on 11 September that,

“the political situation in Korea is chaotic and Koreans only demand Independence without necessary means to achieve it, the only people who provide me with valuable information on are Japanese (Lauterbach, 1983: 40).”

Though their lack of understanding of Korean people and contexts actually hindered their objective of smooth transition of governance to Koreans, it seems that to Hodge and the American personnel the term ‘local ownership’ did not mean much at that time. The USAFIK did not have a single expert on the Korean language nor did it have a competent

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50 The main source of information was a report called Janis 75 issued by Joint Army-Navy Intelligence. Janis 75 was not for occupying and governing but more for strategic attacking. It did not have information on the politics, economy or social affairs of Korea; moreover, the information contained was not even updated (Kim, 2001).
51 The administrative personnel were still stationed in California, and for the first five weeks South Korea was under the control of the military specialized in tactical missions, not in operation and administrative missions (Meade, 1951).
52 MacArthur in Tokyo dispatched soldiers who broke rules to Korea as a punishment (Lauterbach, 1983).
53 A day before their arrival, on 7 September 1945, the US army forces distributed leaflets to Koreans to follow the orders of the JCG and not to participate in any rallies welcoming the US army. When Koreans enthusiastically welcomed the US Army in Incheon the Japanese soldiers shot two people to death and injured ten, but the USAFIK took the side of the Japanese and blamed the Koreans (Lauterbach, 1983).
interpreter (Lauterbach, 1983). The ignorance of Korea and the US national interest of fighting against communism seemed to have affected the policy choices of the USAMGIK. The Americans in the USAMGIK did not take much trouble to make sure the institutional reforms were implemented and enforced, as long as stability and order were maintained in the South. The uninterested top leadership exacerbated the opportunistic behaviour of the Korean officials, making full-blown institutional reform difficult.

5.5.3.2. Opportunistic Korean Bureaucrats Taking Advantage of the Disinterested Foreign Rule

After the repatriation of the Japanese, the USAMGIK faced an immediate challenge in running the government. Many of the Americans were military officials with little knowledge of either Korea or administration. On top of the lack of personnel with competitive knowledge and experience, the human resources problem was exacerbated due to the shortness of the working period. Little effort was made to put the right person in the job.

“An army Lieutenant junior who does not even have a high school diploma became a provincial director for education while another was made a manager for a textile factory” (Lauterbach, 1983: 202-203).

The Americans alone could not efficiently operate the government. In urgent need of civil servants with work experience, the USAMGIK had no choice but to recruit skilled Koreans. The Koreans were mainly recruited in two ways—via recommendation or via continuation of the position. At first they turned to the Koreans in the JCG. The Korean officials who had served the JCG kept their positions and continued working for the USAMGIK (Meade, 1952). This re-use of the pro-Japanese personnel enraged the Korean people; however, the USAMGIK was not bothered by the discontent, and continued hiring the collaborators.

The other method of recruitment was recommendation. Rather than conducting a competitive examination, the USAMGIK turned to recommendations from the people they could rely on (Kim, 1996). Recommendation was as a quick way to fill up a large number of positions in a very short period of time. The person who made a recommendation was the

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54 In November 1945 Military governor Arnold ordered a list to be made of all American soldiers either with college education or with office work experience, which showed how little they were prepared for the governance of Korea (Cho, 1997).

55 The USAMGIK even used Korean police officers who were notorious for their collaboration under Japanese rule, capturing and torturing Korean freedom fighters. William Maglin who supervised the centralization of the police announced that: “After sending the Japanese back, we put off communist Koreans….and gathered young people who worked with the Japanese…Some wonder that we use people who were trained by the Japanese. But many of them are natural born police officers. We think that they will work well for us since they worked for the Japanese.” (Gayn, 1948: 391).
The most important factor for recruitment was the advisory group, which mainly consisted of pro-KDP people.

The recommendation process was well captured in the case of the appointment of the Chief of Police, Cho Byung-Ok. On 17 October 1945 Colonel Williams, advisor to Hodge, visited Song Jin-Woo, a Chief of General Affairs in KDP and Advisor to the Military Governor. Williams asked Song to make a recommendation for Korean directors and the Chief of Police.

> “While most of the positions in USAMGIK were filled, the chief of police has not been filled yet. As you are well aware, North Korea was occupied by the communists. It is crucial, therefore, to select a patriotic anti-communist with a good knowledge of communism. Lieutenant General Hodge asked you to recommend a person with such a quality so I would like you to think carefully and made a recommendation.” (Cho, 1959: 149-150)

American missionaries were another important group that the USAMGIK referred to for recommendations. Military Governor Arnold appointed Americans, Horace Underwood\(^56\) and George Williams\(^57\), who used to live in Korea as Advisors to the Military Government. They recommended people that they were close to, mainly Christian Koreans with English speaking skills (Ahn, 2003). Since the sources of recommendation were mostly American missionaries, Japanese advisors, or conservative pro-American Korean advisors with anti-Communist ideology, the USAMGIK could easily maintain its conservative anti-Communist strategy in Korea. As a result, the government became off limits to the socialists or Communists and filled with Christians and ex-colonial collaborators who were mostly conservative middle class. The USAMGIK was well aware of the ideological and classical propensity in their recruitment as shown below.

> “As for favoring plutocracy in, and excluding popular left wingers from, Military Government, it is quite probable that at the beginning we may have picked out a disproportionate number of rich and conservative persons. But how were we to know who was who among this unfamiliar people? For practical purposes we had to hire persons who spoke English, and it so happened that these persons and

\(^56\) Horace Underwood was the former principal of Yonhee College.

\(^57\) George Williams testified that among some 10 thousand soldiers of 24th corps, there was not a single person who could speak Korean. Williams was the only American officer who could speak Korean. His father was a missionary and Williams was born and raised in Korea until he was 14 years old. Williams was not in the army but a medical officer of the 7th Navy fleet which convoyed the army operation. He met Hodge by accident on the deck of the Incheon when the US Army Force arrived in Korea on 8 September 1945. Williams saw Colonel Hartman who tried to talk with some Koreans. He spoke in Italian, French and English while the Koreans spoke in Korean, Chinese, and Japanese. Williams interpreted the conversation and later Hartman introduced him to Hodge, who appointed Williams as his special assistant. (Joongang Ilbo, 15 August 2011) http://article.joinsmsn.com/news/article/article.asp?total_id=5973969&cloc=olink|article|default [accessed on 21 December 2011]
their friends came largely from moneyed classes because English had been a luxury among Koreans.\footnote{58}

The preference of recommendation and utilization of incumbent staff by the USAMGIK left Korean bureaucrats with distinct features. First of all, they had a high level of education.\footnote{59} Considering the education conditions at that time this high level of education meant that most of the bureaucrats were from the ruling class, which implied that they were pro-Japanese. This fact is emphasized by the previous career of the same bureaucrats\footnote{60}, with a total of 71.7 per cent used to serve the JCG (Won, 1990). Almost half of the high level bureaucrats were from the KDP while 32 per cent were Christians\footnote{61} (Won, 1990). The analysis shows that the bureaucrats in the USAMGIK had skewed features and the discontent that the Korean people felt at that time was not without logical grounds. They were from the ruling class with conservative right-wing views, either pro-Japanese or pro-American.

Before the USAMGIK, one of the general principles of the CPKI was to penalize the pro-Japanese collaborators, which was an ardent wish of the Korean people. With the USAMGIK, many of the people who had worked for the JCG escaped the danger of losing their jobs and going to prison. It is not surprising that the pro-Japanese Koreans who were not only allowed to keep their lives but also their jobs became pro-American, welcoming the USAMGIK. Moreover, with the Koreanization in the USAMGIK, the ex-Japanese collaborators and pro-American conservatives ended up dominating the government (Kim, 1970). The opportunistic bureaucrats were less interested in implementing reformative measures than in following their own interests (Kim, 1993). The high level bureaucrats from the KDP were more concerned with gaining power after the Military Rule (Shim, 2001).

Language barriers widened the opportunity to abuse or manipulate institutions. English communication skills became the ticket for fast recruitment and promotion. Many Koreans were hired simply because they had basic communication skills in English.\footnote{62} The interpreters gradually replaced Americans and were promoted to hold higher positions. In October 1945, the dual director system was put in practice with two directors, Korean and American.

\footnote{59}{More than 92 per cent of the high and middle level bureaucrats had high school diplomas, 35.3 per cent with college degrees (Won, 1990).}
\footnote{60}{54.7 per cent used to work as civil servants, 17 per cent as police officers, prosecutors, fire fighters or prison guards. Teachers took 5.4 per cent.}
\footnote{61}{At that time, only 0.52 per cent of the whole Korean population was Christians.}
\footnote{62}{Archival Source: HUSAFIK II, Part 3, Chapter 2 pp. 15-16.}
causing many Korean interpreters to be promoted to be directors. In September 1946, with the inauguration of the interim government, the same Korean directors took full charge of the administration in Korea (Cho, 1997). A series of accounts and studies have pointed out that the Korean interpreters took advantage of the language difference. Interpreters manipulated the policy directions or decisions of USAMGIK by purposefully committing misinterpretation. Some people tried to take another’s property, while others took bribes from people who wanted to have a connection to the USAMGIK. People criticized the USAMGIK for “Interpreter Politics” (Park, 1993). The first Korean Civil Administrator, Ahn Jae-Hong, said that due to the interference of American advisors and to the disagreement among directors, implementation of reformative measures was difficult.

5.6. Concluding Remarks

This chapter has provided an overview of the current literature on Korean bureaucracy and capacity formation and has presented the research gap in bureaucratic institutional development in Korea. As a basis for full empirical analysis, this chapter examines the contexts, institutions, and actors under the USAMGIK. The analysis shows that the USAMGIK left a considerable legacy in the formation of the Korean Government. The US interest lay in building a block against communism and the influence of the Soviet Union. The USAMGIK, to achieve this objective, weakened the left wing groups. It also structured the Korean Government system with existing structures and people (Kim, 1996).

As a single dominant actor, the USAMGIK had a good opportunity to make ‘institutional invasion’ (Streeck and Thelen, 2005). The institutional reform, however, only resulted in limited influence due to the lack of leadership and competent practitioners, and to the vagueness of the institutions. The USAMGIK concentrated on establishing a government of their choice and maintained stability to fend off Communist invasion. Moreover, it was not prepared for the job of governing, with little knowledge on the Korean context or capacity to govern. It also lacked capacity and resources to finalize the reform, so ended up adding a

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63 Archival Source: Maeil Shinbo, 13 October 1945.
64 For example, an interpreter in Pyungahn province tried to take a Salt Manufacturing Factory, one of the biggest in Korea, by getting the approval from the provincial government of the USAMGIK. The dispute was settled after the Director of the Department of Commerce, Oh Jung-Soo, and the American Colonel visited and checked the fraudulent scheme (Dong-Ah Ilbo, 23 April 1982). Some interpreters wandered around to collect petty bribes from people while others abused the power of the USAMGIK for their personal gain (Chosun Ilbo, 12 August 1948).
65 In the end, the USAMGIK printed and distributed a poster to its American staff to be aware of the tricks and abuses of the Korean interpreters (Dong-ah Ilbo, 23 April 1982).
66 Archival Source: Chosun Ilbo, 14 August 1948.
small number of new institutions to the old ones on an as-needed basis. In sum, although the USAMGIK enjoyed freedom from veto from other political groups in pursuing its strategies, it only utilized its dominant status to meet its objective of building a friendly regime to cope with Communist threats.

On the other hand the new institutions were too small in number and too vague in content. They were also too foreign to be implemented by the Korean bureaucrats. The language barrier combined with the lack of interest in reform of the USAMGIK gave high discretion to the bureaucrats. The opportunistic Korean bureaucrats in the government took advantage of the situation and interpreted the rules as they liked. The lack of will, vague institutions, and the incapacity of the personnel all made it next to impossible for the reformative institutions to be fully implemented. Applying Mahoney and Thelen’s theory, the institutional change under the USAMGIK was conversion created by opportunistic change agents with weak veto context and high level of discretion.

The grave legacy of the USAMGIK was the political configuration dominated by right wing groups. It homogenized the political elites and bureaucrats by favouring the conservative right and excluding nationalists and leftists. The ideological homogeneity of the political elites that Vu (2007) observed was actually formed under the rule of the USAMGIK. The opportunistic bureaucrats who were keen on survival continued to dominate the succeeding government. As a result, this ironically contributed to maintaining vestiges of Japanese colonial rule by keeping the people with work experience from the JCG. The USAMGIK transplanted the US management system; however, the people who managed the institutional change did not change. Therefore, the institutional reform of the USAMGIK failed to be fully implemented. The dual system remained in the subsequent government with reformative simple institutions on top while the undercurrent ran the same as it used to be before the USAMGIK.

This chapter has shown the background of each of the three factors—political contexts, the bureaucrats, and the institutions on the merit-based system—before the establishment of the Korean Government. Based on this review, the next chapter conducts the empirical analysis on the first variable, the institutions of the merit-based bureaucratic system, in accordance with the conceptual framework.
Chapter 6. Institutions: Codified Rules and Regulations for a Merit-Based Bureaucracy

6.1. Introduction

The previous chapter has provided the historical background and institutional setting before the establishment of the Korean Government. The USAMGIK, taking advantage of its dominant position, laid down new regulations on a merit-based system, which was not fully understood or enforced by the Korean bureaucrats. The opportunistic Korean officials in the USAMGIK selectively enforced the regulations for their own benefit. Therefore, the new institutions imported from the US were not fully transplanted in Korea, but manipulated in accordance with the interests of the Korean bureaucrats.

This chapter examines the changes in the merit-based institutions after the USAMGIK, following the steps in the conceptual framework. This chapter first examines the development of the merit-based bureaucratic institutions from 1948 after the end of American military rule. Based on this empirical examination, Section 6.3 and 6.4 analyze the two institutional features that affected the institutional characteristics, following the conceptual framework. Section 6.3 examines the first feature, level of ambiguity, while Section 6.4 examines the second one, level of discrepancy between institutions and context. Finally, combining the two features, this chapter concludes with the institutional characteristic that affects the type of gradual change, the level of discretion in implementation and enforcement, in the Korean Government.

6.2. The Codified Rules and Regulations for the Merit-based Bureaucratic System

6.2.1. Initial Development and the Composition of Institutions for the Merit-Based Bureaucratic System

The conceptual framework defines the codified rules and regulations for a merit-based bureaucratic system as the institutions for analysis. Following the conceptual framework, this research identified 199 rules and regulations for the merit-based bureaucratic system by conducting archival research in the national archives of the Korean Government.\(^{67}\) The

\(^{67}\) The number of institutions enacted was thirty. The Enforcement Rule for Ordinance on Civil Servant Selection, however, is not included since there is only partial content of the revised part left in the Official Gazette of 24 July 1951 with the full text missing. The twenty-nine rules were revised to become 199. All the 199 rules and regulations are listed in Appendix 2.
conceptual framework divides institutions for merit-based bureaucratic systems into three categories—rules on recruitment, on promotion, and on competitive salary. This section examines the development of the 199 rules and regulations as the first step to examine the characteristics of the institutions to identify the change process.

As shown in Chapter 5, the small number of institutions introduced with the USAMGIK was abolished with the end of American rule. The institutional settings for the merit-based system were built in a disorderly way after the establishment of the Korean Government. There was no systematic plan for institutional development. Legal rules are generally made from the top downwards. The laws that provide general guidelines are enacted first, followed by the executive orders that stipulate detailed guidance for the delegated issues from the high level law. Unfortunately, however, the laws and rules of the Korean Government were developed based not on logic but on needs. Institutions were not set up in logical order but on a need basis.

The first regulation made on the merit-based system is the Ordinance on Human Resource Management. This was enacted on 17 November 1948 with four chapters and 21 articles.\(^68\) The contents show the incoherent and rudimentary features of the institution. The first chapter had three articles regulating the scope and boundaries for applying the rule. The second and third chapters were on placement and on Leave of Absence and Dismissal respectively. The last chapter was on notice of personnel management, regulating the size and dimensions of the template for notice. The structure also was not logical, and did not provide any standards on important issues of human resource management such as promotion, performance evaluation, payment, disciplinary actions or code of conducts.\(^69\)

With an urgency to run the government, the laws and ordinances on the organization of the government, which defined the functions and structure of each governmental organization, were first established out of all the legal regulations. With the establishment of the Korean Government, the Law on Governmental Organization was enacted to stipulate the scope of work of each ministry in the central government. Institutions in the merit-based system were not an exception. Regulations on mandate and composition of the organizations in the merit-based system were made before the rules on the contents of the merit-based system. Under the Law on Governmental Organization, the two codes on the organization of the

\(^{68}\) Archival Source: the Ordinance on Human Resource Management, 17 November 1948.
\(^{69}\) Strangely, the ordinance has sixteen kinds of one-page forms that are to be issued on various occasions including cases of appointment, removal, promotion, retirement, leave of absence, or payment reduction. All sixteen forms look almost identical with title, names of the persons, and the reasons for issuing the form.
Examination Committee (EC) and the Ministry of General Affairs (MoGA) were the other sources of reference for human resource management in the government in 1948.

Each ministry in the Korean Government had the code on the organization with similar formation and composition. All of them started with an article saying that a certain code was to specify the mandate and organization of a ministry delegated by the Law on Governmental Organization. Then came the staff quota of the ministry, followed by the articles on the duty and function of each department or division within the ministry. The last article was on the liberty to enact ministerial or presidential decrees to specify procedures to exercise its duty. The two codes on the organization of the EC and of the MoGA were limited to stating the duties of each bureau within, not saying anything about how to fulfil those duties. The codes on organization of the ministry were neither sufficient nor adequate for managing a merit-based system. In 1948, however, these two codes and the Ordinance on Human Resource Management were the only three regulations enacted for the merit-based bureaucratic system.

In early 1949, two temporary regulations were developed to regulate issues on payment and recruitment of civil servants. The Temporary Ordinance on Civil Servant Remuneration stipulated the kinds and level of payment in accordance with the rankings and positions of each government official. The Temporary Ordinance on Civil Servant Selection was made for recruitment. It is interesting that the first regulation made for recruitment was not based on competitive examination but on screening and selection. This development also showed the need based development of the institution. In order to give salaries to the civil servants the government urgently needed to develop a standard for remuneration. For the recruitment and placement, the government took a relatively easier path, developing an institution on screening based recruitment not on examination based.

In August 1949, institutions in the merit-based system became systemized with the enactment of the Law on National Civil Servants. With the enactment of the Law on National Civil Servants, the institutional basis was made for comprehensive management of recruitment and promotion, compensation, training, and code of conduct. The Law on National Civil Servants is the highest level institution in the merit-based system which requires approval from the National Assembly for enactment and revision. The Law on National Civil Servants of 1949 consists of seven chapters and 56 articles. It regulated all the issues on merit-based bureaucratic system. Until 1963, the law stayed the same with only minor revisions. It was Park Chung-Hee’s military junta that carried out a complete revision, with four new chapters on the central authority managing personnel affairs, on the position
classification system, on efficiency, and on protection of rights (Table 6-1). The comprehensive revision, however, did not mean complete change with removal of old provisions. Table 6-1 compares the composition of the Law on National Civil Servants that was in use from 1949 to 1963 and the same law revised in 1963. The title of each chapter shows that all seven chapters of 1949 remained unchanged, with the addition of four new chapters. Most of the old provisions and articles also remained with changes only in the numerical order, while new provisions were added on the old ones. The Law on National Civil Servants in force today has the same format with twelve chapters. This is a good example of cumulative gradual change in merit-based institutions. The basic legal foundation of the institutions for the merit-based system, therefore, can be said to have originated from the Syngman Rhee Administration.

Table 6-1: The Composition of the Law on National Civil Servants of 1949 and of 1963

<table>
<thead>
<tr>
<th>Chapter</th>
<th>1949 to 1963</th>
<th>1963-1978</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 1</td>
<td>General</td>
<td>General</td>
</tr>
<tr>
<td>Chapter 2</td>
<td>Appointment and Examination</td>
<td>Central Human Resource Management</td>
</tr>
<tr>
<td>Chapter 3</td>
<td>Remuneration</td>
<td>Position Classification System</td>
</tr>
<tr>
<td>Chapter 4</td>
<td>Code of Conduct</td>
<td>Appointment and Examination</td>
</tr>
<tr>
<td>Chapter 5</td>
<td>Job Security</td>
<td>Remuneration</td>
</tr>
<tr>
<td>Chapter 6</td>
<td>Disciplinary Action</td>
<td>Efficiency</td>
</tr>
<tr>
<td>Chapter 7</td>
<td>Sanction</td>
<td>Code of Conduct</td>
</tr>
<tr>
<td>Chapter 8</td>
<td>-</td>
<td>Career Stability</td>
</tr>
<tr>
<td>Chapter 9</td>
<td>-</td>
<td>Protection of Rights</td>
</tr>
<tr>
<td>Chapter 10</td>
<td>-</td>
<td>Disciplinary Action</td>
</tr>
<tr>
<td>Chapter 11</td>
<td>-</td>
<td>Sanction</td>
</tr>
</tbody>
</table>

Source: Author. Data from www.law.go.kr

With the enactment of the Law on National Civil Servants, the legal institutions became more systemized. Each chapter of the law was supported with the enactment of lower level codes and ordinances specifying each issue in the merit-based bureaucratic system. With regard to Chapter 2 of the Law, Appointment and Examination, for example, the regulations on managing civil service examinations and screening are more specified with the enactment of the Ordinance on Higher and General Civil Service Examination and the Ordinance on Civil Servant Selection. The details on merit-based recruitment were complemented with the Ordinance on Civil Servant Recruitment & Placement of 5 November 1949. The Ordinance

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70 In fact, the revised Law on National Civil Servants of 1979 also had the same chapter outline with a new chapter added, Chapter 12 on Supplementary Provisions. The current Law on National Civil Servants, effective from 6 August 2013, still has the same 12 chapter composition introduced in 1979.
on Civil Servant Remuneration was also established in the same year. The institutions were gradually revised and specified but the basic structures remained the same, as shown in the following sections.

Table 6-2: Major Regulations on the Merit-Based Bureaucratic System

<table>
<thead>
<tr>
<th>Date</th>
<th>Type</th>
<th>No.</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>04/11/1948</td>
<td>Executive Order</td>
<td>14</td>
<td>Code on the Organization of the Ministry of General Affairs</td>
</tr>
<tr>
<td>04/11/1948</td>
<td>Executive Order</td>
<td>28</td>
<td>Code on the Organization of the Examination Committee</td>
</tr>
<tr>
<td>17/11/1948</td>
<td>Executive Order</td>
<td>30</td>
<td>Ordinance on Human Resource Management</td>
</tr>
<tr>
<td>01/05/1949</td>
<td>Executive Order</td>
<td>133</td>
<td>Temporary Ordinance on Civil Servant Remuneration</td>
</tr>
<tr>
<td>01/07/1949</td>
<td>Executive Order</td>
<td>141</td>
<td>Temporary Ordinance on Civil Servant Selection</td>
</tr>
<tr>
<td>12/08/1949</td>
<td>Act</td>
<td>44</td>
<td>Law on National Civil Servants</td>
</tr>
<tr>
<td>23/08/1949</td>
<td>Executive Order</td>
<td>174</td>
<td>Ordinance on the Higher Civil Service Examination</td>
</tr>
<tr>
<td>23/08/1949</td>
<td>Executive Order</td>
<td>175</td>
<td>Ordinance on the General Civil Service Examination</td>
</tr>
<tr>
<td>22/09/1949</td>
<td>Ministerial Order</td>
<td>1</td>
<td>Enforcement Rule on the Higher Civil Service Examination</td>
</tr>
<tr>
<td>22/09/1949</td>
<td>Ministerial Order</td>
<td>2</td>
<td>Enforcement Rule on the General Civil Service Examination</td>
</tr>
<tr>
<td>01/10/1949</td>
<td>Executive Order</td>
<td>214</td>
<td>Ordinance on Civil Servant Remuneration</td>
</tr>
<tr>
<td>05/11/1949</td>
<td>Executive Order</td>
<td>208</td>
<td>Ordinance on Civil Servant Recruitment &amp; Placement</td>
</tr>
<tr>
<td>05/11/1949</td>
<td>Executive Order</td>
<td>209</td>
<td>Ordinance on Civil Servant Selection</td>
</tr>
</tbody>
</table>

Source: Author. Data compiled from www.law.go.kr

Table 6-2 shows all major institutions of the merit-based system newly enacted with dates of enactment, type of regulation, and the coding number for legislation. As shown in Table 6-2, all the major institutions were enacted by 1949 except the ones on performance evaluation and promotion of the government officials. Before 1961, there was no objective standard for evaluating the performance of officials to be referred to in promotion and placement. Three rules were enacted in 1961 stipulating standardized procedure and formats for performance evaluation and how to link the results to promotion.

In conclusion, Figure 6-1 summarizes and shows the changes in codified rules and regulations on the merit-based bureaucratic system from 1948 to 1963. Figure 6-1 divides the institutions for the merit-based bureaucratic system into five categories. The first is the umbrella institutions that govern and provide general direction for the merit-based system.
The two umbrella rules are the constitution and the Law on National Civil Servants. The constitution provides a fundamental basis to protect the status of civil servants, while the Law on National Civil Servants supplies general guidance on all issues with regard to civil service management.
6.2.2. The Organizational Structure in the Merit-Based Bureaucratic System

Before analyzing the institutions in the merit-based bureaucratic system, it is necessary to examine the changes in organization that were responsible for managing the merit-based bureaucracy. The bureaucratic system consists of the structural organization and legal rules and regulations. In order to examine the merit-based bureaucratic system, therefore, this section first analyzes the governmental ministry in charge of managing the system and the legal rules and regulations governing the system.

The Korean Government, from the beginning, designed a centralized personnel management system. It designated an organization to manage all the issues of personnel administration. The Law on Governmental Organization defined the agency and stipulated its major functions. The detailed functions and organizations were delegated to be specified in the executive orders. Figure 6-2 shows the changes in organization and the legal institutional hierarchies for the personnel ministry. As the figure indicates, the legal structures changed in accordance with the changes in organization from 1948 to 1963. The legal act, the Law on Governmental Organization, defined the designated organization while the codes defined specific features of the structure and mandate of the organization as an executive order. As the figure shows, the organization for personnel management changed five times.
Figure 6-2: Personnel Management System of the Korean Government from 1948 to 1963


Though the legal institutions of the USAMGIK did not have much influence of the development of instructions in the merit-based system, the organizational structure and personnel affected the later establishment (Park, 1999). The function of the OKCS under the USAMGIK was divided into the two entities, the EC and the MoGA. The EC was responsible for conducting civil service examinations and screening the qualifications of the government officials. The Personnel Bureau within the MoGA was entrusted with the management of the personnel system.

The Law on Governmental Organization enacted on 17 July 1948 states the status and functions of the two organizations. Chapter 5 of the Law on Governmental Organization states its duty (Article 36) and the number of staff (Article 37). The EC is directly under the President and conducts and manages two types of recruitment and placement processes, the civil service examination and the career-based screening (Article 36). Article 38 states that all government officials should have their qualifications reviewed or tested in examinations except in special circumstances stipulated in another presidential decree. The last article of the chapter, Article 39, was on delegation, stating that the detailed regulations on the EC shall be decided in the form of a presidential decree. The MoGA was under the Prime Minister (Article 30) and controlled the government’s personnel management, audit and accounting, and the general affairs of the State Council (Article 31). The functions, structure, and

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71 Archival Source: The Law on Governmental Organization, 17 July 1948.
72 Archival Source: The Law on Governmental Organization, 17 July 1948.
73 Archival Source: The Law on Governmental Organization, 17 July 1948.
74 Archival Source: The Law on Governmental Organization, 17 July 1948.
75 Archival Source: The Law on Governmental Organization, 17 July 1948.
operational rules of the two organizations were stipulated in the Code on the Organization of the EC and the Code on the Organization of the MoGA respectively, made as presidential decrees. Though the Law on Governmental Organization was once revised in 1949 the provisions on the EC and the MoGA remained the same.

This organizational setting was changed as an aftermath of the second amendment of the constitution in November 1954. On 29 November 1954, the ruling Liberal Party (LP) passed a constitutional amendment allowing Syngman Rhee to be the lifetime president. The dictatorial rule of the LP was strengthened and the merit-based system weakened. The EC was abolished and the function of personnel management of MoGA was transferred to the Service Bureau of the State Council (SBSC) in February 1955. In the fully revised Law on Governmental Organization, only one article was designated for the SBSC. In Article 11 of the Law on Governmental Organization of 7 February 1955, the State Council is to have a Service Bureau: to conduct examinations, screen, and reward civil servants; and to manage the personnel affairs of human resources in the government. In other words, the SBSC was delegated the functions of both the EC and the MoGA. The second clause of the article states that the State Council is to have examiners for civil service examinations and reviewers for screening. The third clause is on having panels for appraisal of human resource management policies on placement and recruitment, code of conduct, status, and payment. The last clause is on the supervision of the SBSC. The chief member of the SC is empowered with the authority to supervise and command the SBSC.

This institutional change was a retrogression of the merit-based bureaucratic system. The government argued that the merging of the EC and the MoGA was to answer the public demand for downsizing. 76 The public opinion, however, was precisely the opposite, demanding transparent and accountable management of the merit-based system. 77 As the legal provisions themselves show, the change was sloppy and illogical. Though Article 11 states that the SBSC is to have examiners and reviewers, it does not have any provisions on where and how they work. On the other hand, the other four legal institutions for examination and screening—the Ordinance on Civil Servant Recruitment & Placement, the Ordinance on Higher Civil Service Examination, the Ordinance on General Civil Service Examination and the Ordinance on Civil Servant Selection were not revised accordingly. Even though the EC had been abolished the four regulations stipulated the duties and functions of the head of the EC and members of the EC. According to those unchanged

76 Archival Source: Kyunghyang Shinmoon, 12 January 1955.
regulations, reviewers and examiners were members of the EC and should work as they used to, which contradicted the Law on Governmental Organization. The supervisory authority also shows how the institutional change was illogical. The Law on Governmental Organization of 7 February 1955 states that the chief will have the supervisory authority over the SBSC (Article 13). In fact, there were twelve ministers who were the members of the State Council listed and the first person listed at the top became the chief of the SC, and when that person was not available due to accident or illness, the next person would succeed in order of appearance.\textsuperscript{78} The member listed first was the Minister of Foreign Affairs. Strangely, therefore, the head of the Ministry of Foreign Affairs also commanded the human resource management of the Korean Government.

This setting continued until 1960. The Chang Myun Cabinet, which gained power after the student protests against the Syngman Rhee dictatorship, retained the institutional settings of the previous administration with no major change, but modified the contradictions in the legal institutions. The SBSC was restructured to be the Secretariat of the State Council (SSC) and succeeded to the functions of the SBSC. Chapter two of the Law on Governmental Organization of 1 July 1960 stipulates the mandate and organization of the State Council in six articles from 8 to 13. Article 11 is on the mandate of the SSC and 12 on its organization.\textsuperscript{79} The Minister of the SSC is entrusted with the supervisory authority and the Human Resource Bureau in the SSC has the mandate to manage the merit-based bureaucratic system of the Korean Government. The other relevant legal institutions are corrected to reflect the organizational restructuring.

The organizations on the merit-based system did not change much in the early period of Park Chung-Hee’s Junta. Though the military junta revised the Law on Governmental Organization twelve times from 1961 to 1963, an organizational change with regard to the merit-based system only occurred twice. The junta continued to use the SSC for the merit-based system only with a different title. Five months after the military coup d’état, the State Council was restructured to be the Cabinet, which caused the SSC to change to be the Secretariat of the Cabinet (SC).\textsuperscript{80} The legal provisions in the Law on Governmental Organization, however, did not change much.\textsuperscript{81}

\textsuperscript{78} Archival Source: The Law on Governmental Organization of 7 February 1955.
\textsuperscript{79} Archival Source: The Law on Governmental Organization of 1 July 1960.
\textsuperscript{80} Archival Source: The Law on Governmental Organization of 2 October 1961.
\textsuperscript{81} For example, the comparison of the provisions on the SSC in the Law on Governmental Organization of 1960 (Articles 11 and 12) to that on the SC in the same law of 1961 (Article 14) shows that the provision on the SSC were basically the same in content as the provisions on the SC in 1961, with only the numerical order changed.
The institutional setting underwent another change with the establishment of the third republic in December 1963. With the political system changed from a parliamentary to a presidential system, the Cabinet was abolished and the Ministry of General Affairs (MoGA) was re-established with renewed control over personnel management, as it used to have under Syngman Rhee. This time, however, the mandate was expanded to cover the civil service examination and screening as well as supervisory authority over the provincial governments. The Law on Governmental Organization of 17 December 1963 stipulates the mandate and organization of the MoGA in Article 20 of Chapter Three on the Prime Minister.

The different codes on organization of the each entity for the merit-based system had also changed but the composition and contents showed incremental and gradual changes. Detailed analysis of the contents of the codes showed that the codified rules basically remained unchanged from 1955 to 1963. The code defines organizational structures mainly through the articles on the mandate of the organization, the rights and duties of the top leadership, the numbers and ranks of the staff, the organizations, the functions of the each department of the organization, and the relationship to the lower level regulations and delegation.

This structural order had been retained in the codes from 1948 to 1963. Table 6-3 compares the structure of the four codes on organization of the MoGA, SSBC, SSC, and SC from 1955 to 1963. The EC is excluded since it was a different entity, taking the form of a committee. As shown in Table 6-3, the structure of each code is similar. In the code on Organization of the MoGA in 1955, Articles 8 and 9 stipulated the function of the Personnel Management Section and of the Examination Section respectively. As the Service Section was enlarged to become the Secretariat in 1960, the Personnel Management Bureau was established as one of the five bureaus in the Secretariat. The Bureau had four sections—Planning Section, Personnel Section, Pension Provision Section, and Pension Fund Section (Article 6). The bureau succeeded to the military junta in 1961. Article 5 of the Code in 1961 was the same as Article 6 of the Code in 1960. Only the numeric order of the article had been changed. The

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Personnel Bureau of the Secretariat of the Cabinet in 1961 was transferred to be the Personnel Bureau of the Ministry of General Affairs in 1963 (Article 5).84

Table 6-3: The Composition of the Code on Organization of the MoGA, SSBC, SSC and SC from 1955 to 1963

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandate</td>
<td>Article 1</td>
<td>Article 1</td>
<td>Article 1</td>
<td>Article 1</td>
</tr>
<tr>
<td>Top leadership</td>
<td>Article 2</td>
<td>Article 2</td>
<td>Article 2</td>
<td>-</td>
</tr>
<tr>
<td>Staff Quota</td>
<td>Article 3</td>
<td>Article 3</td>
<td>Article 3</td>
<td>-</td>
</tr>
<tr>
<td>Organizational</td>
<td>Article 4</td>
<td>Article 4</td>
<td>Article 4</td>
<td>Article 2</td>
</tr>
<tr>
<td>Structure</td>
<td></td>
<td>Article 5-9</td>
<td>Article 5-8</td>
<td>Article 4-8</td>
</tr>
<tr>
<td>Functions of each</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>section/Bureau</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Article 3 of the 1963 Code is on the Strategic Planning Manager, the newly introduced institution of the Park Chung-Hee Administration.

Source: Author. Data constructed from www.law.go.kr

The organization changed mainly in accordance with the changes in the administration. Despite the frequent change, however, their mandate—the management of the merit-based system—was very similar. It is difficult to say which organization was better than the other. However, it seems that the SSBC was the weakest through taking on the duties of two different organizations with a smaller number of staff. The MoGA under the Park Chung-Hee Administration seems to have had the highest authority, with the Law on National Civil Servants specifying its status as the centralized personnel management authority. The structural setting for the merit-based bureaucratic system was established in the Syngman Rhee Administration, which, contrary to statements in the existing literature (e.g. Park, 1961; Kim, 1991), was passed on to the subsequent administrations. The next three sections examine the institutions in the merit-based system that those organizations above managed and implemented.

6.2.3. The Institutions on Recruitment

Based on the analysis of the organizational setting, the codified rules and regulations on the merit-based system will now be examined. To address the first research question the institutions on recruitment; on promotion and placement; and on payment will be examined, following the steps identified in the conceptual framework.

Two types of recruitment processes were used for hiring new civil servants, via examination and via screening. One way was to take the open competitive examination based on the merit principle. For the recruitment of fourth grade officials, the General Civil Service Examination was conducted, while the Higher Civil Service Examination was for the recruitment of third grade officials. The screening was to find the people with enough work experience or special skills and knowledge required for the job, for the recruitment of both third and fourth level officials. Based on the regulations on screening, an applicant submitting documents proving their experience was hired after review. Both the screening and examination process were managed based on the respective regulations. The entry level officials were fifth grade, and the third and fourth classes were the higher and mid level officials. Strangely, the examination for recruiting fifth class officials was not held until 1961. In other words, a small number of mid and high level government officials were selected via examination, while all the fifth class officials and the majority of the third and fourth level officials were selected via screening.

The umbrella regulation allowed both examination and screening for recruitment. From 1949 to 1961, Article 5 of the Law on National Civil Servants stipulated that the placement and appointment of civil servants should be done based on the examination scores or on the screening results. Article 7 also states that where there is a person who has passed the examination, screening should not be carried out, except in the case of employing technicians. The article was revised on 1 June 1963, when Article 26, the principle of placement and appointment, stated that all appointment and placement should be done based on positive proof, such as test scores or performance evaluations. The article was also supported by Article 28, recruitment, which stated that new recruitment of civil servants should be done by open competitive examination except for executive orders allowing special cases, including re-employment of retired civil servants, certificate holders or people with similar work experience or research. On 17 December 1963, Article 28 specified six conditions that exempted open competitive examination. Until 1961, the law (Article 5) allowed special recruitment for people who fought for independence during the Japanese

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87 Archival Source: The Law on National Civil Servants of 1 June 1963.
88 The first was the re-employment of ex-civil servants who had retired within the previous three years. The second was the case that the open competitive examination was not suitable and the government employed certification holders. The third was persons with similar work experience or research performance. The fourth was a person with a Master's degree who had finished internship in a governmental organization. The fifth was the employment of first grade civil servants. The sixth was the case that not enough people had passed the open competitive examination but more staff were needed to fill the quota.
colonial period; but when the military junta came to power, the special recruitment provision was abolished.\textsuperscript{89}

Figure 6-3 shows the changes in the legal institutions for merit-based recruitment from 1948 to 1963. In the beginning, as shown in the previous section, the recruitment process was managed with executive orders without an overarching legal act. There was no coherent structure between the regulations—some of the articles of the Ordinance on Human Resource Management contained overlapping contents with those of the Ordinance on Civil Servant Recruitment & Placement. On 12 August 1949, the Law on National Civil Servants was enacted. General principles and conditions on the recruitment of civil servants are stipulated in Chapter 2 and later Chapter 4 of the Law.\textsuperscript{90} The lower level rules were developed to regulate specific issues and procedures. Three ministerial orders were even developed as enforcement rules to specify details on the civil service examination and screening. The institutions were not very different from the ones in the Chang Myun Cabinet. Though they lacked specific details on management, providing a lot of discretionary power to the practitioners, the basic rules for conducting merit-based recruitment had been established since 1949.

This institutional system was changed in 1961. All the institutions on examination were integrated in the form of a council order, the Ordinance on Civil Servant Examination, while the institutions on selection were revised and merged to become the Ordinance on Civil Servant Selection by Qualification. This change was announced after the military coup d'état, but the rules were actually prepared and made by the Chang Myun Cabinet. All the junta did was to announce them.

While other articles of the Ordinance on Civil Servant Examination are similar to those in the abolished institutions, one major difference was the introduction of a specified standard on the examination for the entry-level fifth grade Officials. Though the Law on National Civil Servants from the beginning stipulated that the fifth grade officials should also be recruited by examination (Article 16), lower level institutions to conduct an entry-level examination were not developed during the Syngman Rhee Administration. The recruitment of entry-level officials solely depended on the judgment of the ministers or directors of the respective organizations, which resulted in rampant cronyism and nepotism in recruitment (Joo and Kim, 2006).


\textsuperscript{90} Archival Source: The Law on National Civil Servants of 12 August 1949.
The new Ordinance on Civil Servant Examination categorized the civil service examinations into three types, adding an Entry-Level Examination to the existing two examinations. It stipulated the procedures of three types of examinations. It should be noted that the Syngman Rhee Administration passed a plan\textsuperscript{91} to conduct Entry-Level examinations in May in the Cabinet Meeting six days before the 19 April student protests,\textsuperscript{92} which was never realized.\textsuperscript{93} Ironically, the first Entry-Level Examination was conducted not under the Chang Myun Cabinet but under the military junta.\textsuperscript{94} The first examination was held on 29 July 1961, two months after the coup d'état.\textsuperscript{95} This shows the continuity of development in the merit-based system. With the organizational change, the institutions on merit-based recruitment also changed continuously and gradually.

After the junta stabilized its rule, it delivered its own institutions all together on 17 December 1963, immediately before it turned itself into a civilian government. The Ordinance on Civil Servant Recruitment & Placement was strengthened, incorporating issues on examination and screening. In fact the Ordinance on Civil Servant Recruitment & Placement was originally enacted in 1949. Before 1963, the regulation only dealt with managerial and administrative issues with recruitment and placement. But in 1963 the Ordinance was expanded, with seven chapters and 64 articles to cover all the issues related to appointment, placement, recruitment, retirement and resignation of civil servants.\textsuperscript{96} Though the Ordinance on the Subjects of the Civil Service Examination was made on May 1963, it was a simple rule with only four articles. Therefore, the two ordinances on examination and screening from the Chang Myun Cabinet were merged to become a single rule which covered all areas of recruitment, promotion, transfer, demotion, leave, reinstatement, resignation, and dismissal.

In other words, the institutional change was in the direction of integration, with the number of regulations reduced.

\textsuperscript{91}“Plan to Conduct the First Entry Level Examination and the Outline for the Recruitment of Entry-Level Officials for the Central Government and 4th Grade Officials in Local Government,” Item No.116 for the 36th Cabinet Meeting on 12 April 1960.

\textsuperscript{92}Archival Source: Dongah Ilbo, 14 April 1960.

\textsuperscript{93}Naturally, it cannot be said for certain whether the Entry Level examination would have been held as planned, if it had not been for 19 April student protests. There was no institutional preparation except for a short outline which was not codified or legalized.

\textsuperscript{94}Some (e.g. Joo and Kim, 2006) argue that the First Entry-Level Examination was held under the Chang Myun Cabinet but the records of the Cabinet Meetings in the National Archives show that the examination was held immediately after the junta was established.

\textsuperscript{95}Archival Source: Kyunghyang Shinmun, 2 July 1961. Among 62,058 people who took the test, 1,643 people passed the test with a 40 to 1 competition ratio. Among the 1,643 people, 37 were women and 545 people only had a high school diploma, while the college graduates were 450 people (Kyunghyang Shinmun, 20 August 1961). For this, the junta enacted the Temporary Ordinance on Fifth Grade Civil Servant Examination on 15 July 1961.

\textsuperscript{96}Archival Source: The Ordinance on Civil Servant Recruitment & Placement of 17 December 1963.
The Korean Government established the basic regulations for merit-based recruitment from the beginning. As shown above, the highest level of legal institution on civil servant management strictly stated that all placement and recruitment required procedures to review and examine the capacity of the applicants. However, not all the civil servants were selected via examination or screening. The highest level officials, the first grade civil servants, were appointed by the head of administrative branch.\(^97\) Also key positions were politically appointed by law. According to the Law on National Civil Servants, the members of Cabinet, heads of ministries and vice ministers, and ambassadors, who are the ones that control and lead civil servants, were all politically appointed.\(^98\) Considering the hierarchical nature of bureaucracy, the merit-based recruitment has limitation in exerting much influence in the work of the government.

The institutions on recruitment were gradually changed with details added onto the existing rules. Though there was a setback from 1955 with the abolishment of the EC and subsequent repeal of ministerial orders, the reformative change was made in the subsequent administrations. In other words, the institutions on recruitment did not show path

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dependent one way change. There was also a gap between what the written rules stated and how they were implemented and enforced (See Section 6.3). Those findings coincide with Mahoney and Thelen (2010).

6.2.4. The Institutions on Internal Promotion and Career Stability

The second institutional component of a merit-based bureaucracy is the rule on promotion and career stability. In the Korean Government, rudimentary institutions on promotion and stability were placed as simple clauses in the Law on National Civil Servants and the Constitution. The Law on National Civil Servants states the minimum required service period necessary for each of the classes. That is, the Korean bureaucracy is based on seniority. The longer you serve, the higher your position. Bureaucrats are promoted not based on objective performance evaluation but on their seniority.

In fact, for more than ten years, the Korean Government did not have specific rules on promotion except the rule of seniority. The regulations for conducting promotion based on performance evaluation were introduced later in 1961 under the military junta. The Law on National Civil Servants also recognised seniority in promotion. Article 12 stipulated that at the request of the minister second class officials should be appointed by the president from among those officials who fulfilled two conditions: one of which was to have worked as third class officials for more than two years and to hold the required skills and knowledge to perform the duty.\(^{99}\) Article 13 stated that to be a third grade official a person should either pass the Higher Civil Service Examination or screening.\(^{100}\) The ministers of the relevant ministries with a vacancy held the right to select the person to be appointed by the president. When screening was used for third grade officials, the person should either have at least three years work experience with a college diploma, or have served more than five years as fourth grade officials, or have enough knowledge and skills to execute the job (Article 14).\(^{101}\)

Article 15 was about appointment of fourth grade officials, who were appointed by the ministers or the head of the relevant organizations. The conditions were also very similar. The six conditions were: the person should have either passed the Higher Civil Service Examination; or passed the General Civil Service Examination; or graduated from college; or graduates from high school with at least two years of work experience; or have served as a fifth grade official for more than five years; or have enough knowledge and skills to execute

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the job (Article 15). Those conditions did not change until the Law was revised in June 1963. In fact, these were all of the conditions for promotion stipulated in the codified institution. The Ordinance on Civil Servant Recruitment & Placement was simple, with only nineteen articles, and did not have detailed provisions specifying conditions for promotion. The only provision was Article 13, also emphasizing seniority.

The institution on merit-based promotion underwent most change under the Park Chung-Hee Junta. The designer of modern Korean bureaucracy, Lee Suk-Je, who served as the Minister of General Affairs from 1963 to 1969, repeatedly confessed how difficult it was to introduce and enforce the institutions (Lee, 1995). It was a significant achievement to introduce and settle a new institution requiring evaluation of co-workers, not merely depending on seniority. Major changes were made in 1961, when the military junta introduced the new institutions on promotion and performance evaluation, as well as the totally revised Ordinance on Civil Servant Recruitment & Placement. The new government stipulated conditions for promotion and developed a form for evaluation in legal institutions. The revised Ordinance on Civil Servant Recruitment & Placement stipulated that all placement and recruitment should be done via examination or screening while giving precedence to the persons who pass the examination (Article 2). It also required preservation of the records on work performance and experience (Article 42), which were to be used to select candidates for promotion and placement (Article 37 and 38).

In 1963, the rules on placement and promotion became more structured and refined, with the revised Ordinance on Civil Servant Recruitment & Placement. This took some of the clauses of the Code on Civil Servant Promotion and became the basic regulations on the process of recruitment, placement, and promotion. In accordance with this, the two ordinances on evaluation specified the details on the process and implementation of evaluation. The revised Ordinance had more objective standards for promotion. It required the preparation of a roster of candidates based on the performance evaluation and work experience (Article 10) but also required minimum working periods for promotion (Article

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104 Archival Source: The Ordinance on Civil Servant Recruitment & Placement of 13 June 1961.
Figure 6-4 summarizes all the changes in institutions with regard to promotion and career stability in the Korean Government.

Figure 6-4: Changes in the Institutions on Promotion and Job Security from 1948 to 1963

![Diagram showing changes in institutions]

Source: Author. Development from the data in www.law.go.kr

The Ordinance on Work Performance Evaluation was first introduced on 22 October 1961. It was a simple regulation consisting of twelve articles. The evaluation was conducted only for general civil servants, excluding high level politically appointed officials (Article 2). The evaluation was conducted by the direct superior official and the result was confirmed by the superior official of the evaluator (Article 4). Regular evaluation was conducted twice a year, once in March and the other in September (Article 6) while ad hoc evaluation was also allowed in special circumstances (Article 7). The ordinance stated that the results of the evaluation should be reflected in all areas of personnel management including promotion, transfer, and circulation (Article 10). Though rudimentary, the ordinance was the first attempt of the Korean Government to institutionalize merit-based promotion based on evaluation.

The ordinance was fully revised on 1 June 1963 with scoring standards and more detailed evaluation formats added. However, the application level was relaxed from below the first class officials to under the third class officials (Article 2). As shown in Table 6-4, the evaluation criteria became specified with 10 sub-categories. The ordinance also provided a

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106 Archival Source: The Ordinance on Civil Servant Recruitment & Placement of 1 June 1963.
111 Archival Source: The Ordinance on Work Performance Evaluation of 1 June 1963.
reference for scoring to reduce the interference of personal bias in evaluation. The proportion of staff for Good and Poor grades was also set. Only 20 per cent of the staff received ‘Good’ while the bottom 10 per cent were classed as ‘Poor’ (Article 8). This format was used until 1970 before the ordinance was revised in a simplified form.

Table 6-4: The Work Performance Evaluation Form of the Korean Government in 1963

<table>
<thead>
<tr>
<th>Work Performance</th>
<th>Capacity</th>
<th>Attitude and Manner</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Distribution of Mark and Evaluation Standard</td>
<td>Scoring Reference</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>How much of the work can a person finish in a given period of time?</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>How well does a person conduct his job?</td>
</tr>
<tr>
<td></td>
<td>1.5</td>
<td>Does a person have necessary knowledge and skill to do his job and apply them in work?</td>
</tr>
<tr>
<td></td>
<td>1.5</td>
<td>Does a person understand his job well and make clear judgment?</td>
</tr>
<tr>
<td></td>
<td>1.5</td>
<td>Does a person work out a new way of doing his job or try to improve his way of working?</td>
</tr>
<tr>
<td></td>
<td>1.5</td>
<td>Does a person try to improve his way of working and apply his knowledge and experience in doing his job?</td>
</tr>
<tr>
<td></td>
<td>1.5</td>
<td>As a manager, does a person try to encourage team spirit and lead his/her staff in a democratic and open way?</td>
</tr>
<tr>
<td></td>
<td>1.5</td>
<td>How well does a person communicate his opinion?</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>Does a person feel responsible for his work and how well does the person complete his job?</td>
</tr>
<tr>
<td></td>
<td>1.5</td>
<td>Does a person have enough passion and will in his job?</td>
</tr>
<tr>
<td></td>
<td>1.5</td>
<td>Does a person make enough effort to work well with superiors, subordinates and colleagues?</td>
</tr>
<tr>
<td></td>
<td>1.5</td>
<td>Does a person duly perform his job, keep the rules and obey the commands of his superiors?</td>
</tr>
<tr>
<td></td>
<td>20.0</td>
<td>13.0</td>
</tr>
</tbody>
</table>

Note: The Standard in Italics in the grey box is for the lower level officials below the Fourth Class. Source: Author. Data combined from the two forms attached to the Ordinance on Work Performance Evaluation of 1 June 1963.

Park’s Junta enacted the Code on Civil Servant Promotion on 23 December 1961. This was also a simple rule with only nine articles. It stated that promotion should be offered to the staff with the highest score in the performance and career evaluation (Article 4 and 6). The total score was the sum of the career evaluation score and the performance evaluation score, with the ratio of 6 to 4 (Article 7). In other words, seniority was given more value than performance. The code was abolished in 1963 when the Park Chung-Hee Administration tried to combine all the regulations on human resource management into one rule, the

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112 Archival Source: The Ordinance on Work Performance Evaluation of 1 June 1963.
Ordinance on Civil Servant Recruitment & Placement. In May 1973, however, it was re-enacted as a ministerial order and used until 1980.

Introduction of performance evaluation and principles of promotion are not sufficient for performance-based promotion. The form for evaluation was too rudimentary to be a solid ground for evaluation. It required the evaluators to mark scores based on their subjective opinion without any objective data or proof for their judgment. There were only three parts—character and insight, current work status, and future prospective—for evaluation, which, except for the second one, were not directly related to how a person conducted his or her duty. The three categories for evaluation were also very vague. Moreover, the evaluator was supposed to give scores for each of the three parts and to calculate the average score, which became the final result of the evaluation. Without any standardized references, the evaluation risked producing skewed or biased results depending on the personal judgment of the evaluator.

Though they were revised in 1963 to be more detailed, having 10 questions under three categories of workload, capability, and attitude, they were similar in that the questions were still asking for the personal opinions of the supervisors (Table 6-4). Moreover, the performance evaluation only accounted for forty percent of the whole. Sixty per cent was on the seniority and work experience. Lastly, the evaluation was the reference point to pick people to be on the roster for promotion, which included three times the number of the vacant positions. Selection between the officials on the roster was up to the decisions of the Personnel Committee.

With regard to career stability, the Law on National Civil Servants provided basic ground defining the status of the civil servant. The fifth chapter of the Law on National Civil Servants from 1949 to 1962 and the eighth chapter of the law in 1963 had six and seven articles on career stability respectively.\textsuperscript{115} Article 39 of the law in 1949 and Article 68 of the law in 1963 were the most important provisions with regard to the protection of status.\textsuperscript{116} It stated that the civil servant should not be put on leave of absence, suspended, or dismissed against his or her will except in the case that he or she was found guilty in a court of law or had submitted to a disciplinary measure or fell under the circumstances that this law ruled. Article 40 was on the conditions for dismissal and Article 41 referred to suspension, while


Article 42 was on the conditions for forced leave. Article 43 was the period for leave and the last one, Article 44, was on the exemption from providing security to temporary workers. The revised Law on National Civil Servants in 1963 also had a chapter on career stability. From Article 68 to 73, the contents were basically the same to those in the Law in 1948. But instead of the exemption, a new provision was added on the age limit of retirement.

From the year 1960, the Constitution itself guaranteed the security of the status of civil servants. The first Constitution of 1948 only stated the accountability of the civil servants toward the Korean people (Article 27). This Article remained in the third Constitution in 1954. In 1960, with the inauguration of the Chang Myun Cabinet, the fourth Constitution was enacted. The revised Article 27 had a new clause added which stated that the job security and the political neutrality of the civil servants should be guaranteed by law.

There is one important point on the career stability and cohesiveness of the bureaucrats. With internal promotion, the Korean bureaucracy showed a high level of cohesiveness. As of January 1960, a survey of the high level bureaucrats showed that the recruitment of the high level officials was usually done via promotion. 78.9 per cent of the second class officials and 80.1 per cent of the third class officials were appointed via promotion (Park, 1961). However, most of them were recruited not via competitive examination but via the screening process, which as shown above was misused. However, the legal regulations guaranteed their job security and with a high preference for internal promotion over new recruitment, the officials remained in the system. The internal promotion, unfortunately, resulted in the reinforcement of incompetence rather than promoting the esprit de corps of the bureaucrats, which will be discussed later in more detail.

The institutions on promotion and career stability were also gradually changed with details added onto the existing rules. As with the institutions on recruitment, there was also a gap between what the written rules stated and how they were implemented and enforced. Both of these findings coincide with Mahoney and Thelen (2010). This research has also found an important implication on the merit-based bureaucracy. The promotion of internal promotion

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and career stability can actually obstruct effective bureaucracy by making it difficult to remove incompetent people.

6.2.5. The Institutions on Competitive Salary

The Korean Government also built a rudimentary institutional system for ruling on remuneration for civil servants. With the enactment of the Law on National Civil Servants, the Ordinance on Civil Servant Remuneration governs issues on payment concerning the types of allowances, level of salaries, and pensions. The ordinance was annually updated to adjust the level of salaries in accordance with inflation and price changes.

The Ordinance on Human Resource Management of 1948 did not have any provision on payment. It only stated that the new recruit should receive remuneration in consideration of his academic background and career (Article 13) and that re-employed personnel should receive no more remuneration than they used to (Article 14). The Korean Government instated a temporary provision for payment in 1949.

But after enacting the Law on National Civil Servants, the temporary ordinance was revised to become the Ordinance on Civil Servant Remuneration. According to the ordinance, all civil servants were allowed to receive a basic salary in accordance with their ranking. The institutional relations were relatively simple. Chapter 3 of the ordinance stated the standard for remuneration as well as the allowance and salaries the government officials should receive. The remuneration for government officials should be regulated by law (Article 22) and calculated reflecting the cost of living and the salary level of the private sector (Article 23). The remuneration also considered seniority, promotion, and various allowances (Article 24). Family allowance (Article 25), compensations for injury, illness, or death on duty (Article 26) and provision of pension (Article 27) were also stated in the law.

The Ordinance on Civil Servant Remuneration was the most frequently revised regulation of all the institutions in the merit-based system from 1948 to 1963. There was little change in content; however, almost twice a year the level of salary was adjusted due to the high level of inflation and rising cost of living. The remuneration that a civil servant could receive consisted of basic pay and allowances. Basic pay was decided in accordance with seniority and ranking. A special bonus could be provided for the workers with a high performance.

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124 Archival Source: The Temporary Ordinance on Civil Servant Remuneration of 1 May 1949.
125 Archival Source: The Ordinance on Civil Servant Remuneration of 1 October 1949.
126 Archival Source: The Ordinance on Civil Servant Remuneration of 1 October 1949.
127 Archival Source: The Ordinance on Civil Servant Remuneration of 1 October 1949.
128 Archival Source: The Ordinance on Civil Servant Remuneration of 1 October 1949.
Civil servants could receive overtime work allowance (Article 22), night shift allowance (Article 23), holiday work allowance (Article 24), remote area work compensation (Article 25), danger allowance (Article 26), and family allowance (Article 27). The compensation for the bereaved family was also stated (Article 17). Through all the frequent revisions, those provisions remained unchanged until 1963. In May 1963, an allowance for the post attached was added for each of the positions of the government officials.

During the Korean War in 1952, the Code on Special Wartime Allowance was created to provide a special wartime allowance, which was double the basic salary. Even after the war, the code was constantly revised and the special allowance was given until 1962. The special allowance was to complement the meagre salary. Initially, the allowance was smaller than the salary, but from 1958 it became much higher. The government, rather than increasing the level of the basic salary, chose to raise that of the allowance. The code remained until 1960 even after the war was over. The military junta repealed the special wartime allowance in 1962 and revised the regulations. It enacted a separate regulation, the Code on Civil Servant Allowances, so that the institutional setting became clear with two regulations: one on the basic salary, the other on the allowances. Both regulations became the backbone of the compensation system in the Korean Government and with numerous revisions are today still in force. The new Code on Civil Servant Allowance governed four types of allowances—a family allowance, a danger allowance, a special duty allowance, and a special area service allowance. By doing so, the conditions for allowances to be provided to the government officials were clarified.

The other important change was the introduction of an emolument. The military government legalized an emolument for each civil servant in accordance with their ranking and position. The Ordinance on Civil Servant Remuneration, therefore, listed two kinds of remuneration for all civil servants, the basic salary and the emolument. The amount of the emolument initially was the same as that of the special wartime allowance. It can be said that the government gave an appropriate name to the anachronistic wartime allowances and thus made the institutional system more logical and coherent. In 1963, due to the budget deficit, a Temporary Ordinance on Grain Compensation to Civil Servants was made, which was abolished in 1977. Figure 6-5 summarizes the institutional changes in payment.

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129 Archival Source: The Ordinance on Civil Servant Remuneration of 1 October 1949.
130 Archival Source: The Ordinance on Civil Servant Remuneration of 1 October 1949.
131 Archival Source: The Ordinance on Civil Servant Remuneration of 1 October 1949.
The wage level of civil servants has always been a matter of concern. Various researchers argue that it is important to provide an appropriate amount of compensation to the bureaucrats to reduce corruption and raise morale for Weberian bureaucracy (e.g. Evans and Rauch, 2000; Maxfield and Schneider; 1997). Korea in the 1950s and 1960s was not an exception. While the government tried to provide an adequate level of salary within the limited budget, even some journalists argued for rationalization of the salary.\footnote{Archival Source: Kyunghyang Shinmoon, 10 April 1954; 22 July 1955.} After 1955 even the United States officials showed concern over the significantly low wage of the civil servants and advised the Korean Government to raise the level (Joo and Kim, 2006).

However, this research shows that the level of the civil servants’ wages was not low compared to that of the factory workers. Figure 6-6 shows the average wage of the workers in the manufacturing industry and the salary of the grade 3, 4, and 5 level civil servants. As Figure 6-6 shows, except for two years in 1955 and in 1956 the level of wages for civil servants was higher than that of the workers. Only in 1963 did the worker’s salary catch up with the salary of the entry level officials. The gap between the salary of the workers and that of the civil servants was higher in the 1950s. According to the existing literature, the esprit de corps of the bureaucrats in the 1950s should have been higher than that of the officials in the 1960s, with higher morale and competence. As shown in the previous sections, the institutional revisions do not confirm this. The officials in the 1960s were at least as competent as those in the 1950s with regard to the management of the merit-based...
institutions. The competitive level of salary may, therefore, not have any great significance in building Weberian bureaucracy.

This discrepancy, on the other hand, may be due to the difference in calculation of the payment. Most studies only calculate the basic salary stipulated in the Ordinance on Civil Servant Remuneration. However, this research calculates both the basic salary and the allowance. As shown above, from 1958 the special allowances made up the greater portion of the payment, so adding up the two increased the level of salary.

On the other hand, it cannot be known whether the allowances were actually provided as stated in the regulation. The Code on Special Wartime Allowances said that the government had the right to provide the payment in kind, especially in rice (Article 4). Moreover, for three years, the Temporary Ordinance on Civil Servant Remuneration and Allowance stipulated provision of allowance in grain not in cash. The records in the Cabinet Meeting show the discrepancy between regulation and actual provision. They repeatedly show worries on delay in payment as well as on the in kind provision of salary due to the budget shortage. Moreover not all the revisions were included in the records of the Cabinet Meeting. Therefore, the real amount of salary that the civil servants received might be much smaller than the institutions state. In other words, another gap between the institution and enforcement is also strongly assumed.

\[133\] Archival Source: The Code on Civil Servant Special Wartime Allowance of 1 November 1952.  
\[134\] Archival Source: The Temporary Ordinance on Civil Servant Remuneration and Allowance of 1 August 1955, 1 January 1957, and 1 January 1958.
The institutions on payment also gradually changed with details added onto the existing rules. As with the institutions on recruitment and on promotion and career stability, there also seems to be a gap between what the written rules stated and how they were implemented and enforced. Both of the findings coincide with Mahoney and Thelen (2010). As with the merit-based bureaucracy, this section also finds an important implication. The competitive salary alone may not guarantee effective bureaucracy.

6.2.6. Institutional Change in the Merit-Based Bureaucratic System

This section has examined the institutional change in the merit-based bureaucratic system in the Korean Government from 1948 to 1963. As shown above, the institutions did change in that period. Provisions become sophisticated. Rankings and orders among various institutions were streamlined to reduce the contradictions between the regulations. High level institutions regulate major issues while the lower level ones provide specified standards for each of the issues. The findings provide three implications to the existing literature on historical institutionalism and in discussion on Weberian bureaucracy.
Firstly, the empirical examination on the institutional change in the Korean merit-based bureaucratic system confirms the argument of the gradual institutional change theory of Mahoney and Thelen (2010). The merit-based institutions did change in gradual manner. The change was neither sudden nor drastic. The institutions were gradually modified, as shown in Figure 6-1. Even the fully revised institutions, if examined closely, have the same contents as the previous ones. Even after the Korean War or the change of regime, institutional upheaval did not occur. Those external events provided a breaking point for change but the changes were based on the legacy of the existing institutions. The entry level examination is a good example of a gradual progression. As shown above, the examination was initially planned under the Syngman Rhee Administration, was refined during the Chang Myun Cabinet, and actually conducted under the Park Chung-Hee Junta.

The other important point is that the gradual change was not a linear improvement, either. With the reduction of the merit-based organization in 1955, the institutional improvement was slowed down from 1955 to 1960. With the abolition of the EC, the institution of the merit-based system was once weakened. The institutional management also confirmed the temporary setback. Figure 6-7 shows the number of institutional changes—revisions, enactments, or repeals—made each year from 1948 to 1963. The figure shows that from 1949 to 1952 new regulations were enacted but from 1956 to 1959 not a single regulation was enacted, with a small number of revisions made. As shown in Figure 6-7, the number of revisions made during the war was similar to that of changes made after the war. Considering the fact that for three years from 1950 to 1953 Korea suffered from war, the small number of changes from 1955 to 1959 was incomprehensible. As will be shown in the following section, the contents of change were detrimental or irrelevant to the merit-based system. The pent-up demand for change was met from 1960 with the surge of change as shown in Figure 6-7.
The third implication is on the interpretation of the development of merit-based system. Existing literature, as shown in Chapter 5, argues that the merit-based system was developed after the military coup d’état with the introduction of a military style efficient system. The empirical examination of this research, however, contradicts this traditional understanding. The institutional setting for a merit-based bureaucratic system had existed even in the early period of the Syngman Rhee Administration. Moreover, most of the changes made under the Park Chung-Hee Junta were based on the institutions of the Chang Myun Cabinet. In particular immediately after the coup d’état, some of the ordinances passed in the name of the junta were actually developed under the Chang Myun Cabinet.

Finally, this section also finds some important implications for discussions on merit-based bureaucracy. Contrary to the existing literature, even the key components of the merit-based bureaucracy, the internal promotion and career stability, may result in hurting the merit-based system. This confirms the importance of a qualitative case study examining the specific contexts. This research has also established that competitive salary alone cannot promote competence in bureaucrats.

This section has answered the first research question of this research, which is “How did the institutions of the merit-based bureaucratic system of the Korean Government change from 1948 to 1963?” The institutions of merit-based bureaucratic system of the Korean
Government gradually changed gradually from 1948 to 1963. From the next section to Chapters 7 and 8, this research answers three research questions on the factors of change.

### 6.3. Characteristics for Change 1: High Level of Ambiguity without Detailed Regulations for Implementation

The previous sections has analyzed the change in the contents of the merit-based institutions according to the conceptual framework and shown that the codified rules and regulations became gradually more coherent and complex from 1948 to 1963. Based on the empirical examination, Section 6.3 and 6.4 analyzes how the institutional features themselves affected the change. The conceptual framework points out the level of discretion as the key characteristic affecting change. Two kinds of features of the institution affect the level of discretion—the level of ambiguity and the level of discrepancy.

#### 6.3.1. Lack of Detailed Regulation for Enforcement of the High Level Institutions

Twenty-nine legal rules and regulations had been enacted from 1948 to 1963 for merit-based bureaucratic system. Among them, only two rules were legal acts\(^\text{135}\) which required the approval of the National Assembly—the Law on National Civil Servants and the Law on Registration of Returned Civil Servants. Since the Law on Registration of Returned Civil Servants was a temporary regulation issued during the Korean War it can be said that only one legal act, the Law on National Civil Servants, was enacted for the merit-based system. The rest were administrative orders that could be unilaterally made by the administrative branch. Only two out of twenty-seven administrative orders were ministerial orders while the rest took the form of executive, cabinet, or state council orders. In other words, they were the highest level of administrative order enacted in the name of the head of the administrative branch. Those high level institutions delegated the details for implementation to the lower level regulations such as ministerial orders, enforcement rules, and bylaws.

As of January 2013, for example, twenty eight presidential orders were in force to handle the issues delegated by the Law on National Civil Servants.\(^\text{136}\) However, the same Law on National Civil Servants of 1963 only had eight rules for enforcement.\(^\text{137}\) Moreover, as of

\(^{135}\) The Law on Registration of Returned Civil Servants was a temporary rule that required all civil servants who withdrew from their jobs due to the Korean War to register after their return for human resource management purposes. It only had three articles and was neither revised nor repealed. The law was officially abolished on 1 April 2009.

\(^{136}\) Archival Source: The Law on National Civil Servants of 22 June 2012.

\(^{137}\) Archival Source: The Law on National Civil Servants of 17 December 1963.
January 2013, the Ordinance on Civil Servant Recruitment & Placement was supported by thirteen ministerial orders\textsuperscript{138}, while the Code on Civil Servant Allowance had more than thirty ministerial orders under it.\textsuperscript{139} In contrast, in 1963, neither was equipped with lower level regulations.\textsuperscript{140}

As shown in the previous section, the rudimentary institutions for the merit-based System had been set up even in the 1950s. The difference is in the details. In the 1950s and 1960s the officials did not have detailed lower level regulations to guide and direct the enforcement and implementation of the delegated matters from the upper level laws, which provided them with much discretion. Though each ministry was required to develop detailed orders, bylaws, and ministerial ordinances, the official gazettes from 1948 to 1963 did not show any such regulations except for the two enforcement rules from the E.C.\textsuperscript{141}

Not only was there an absence of detailed lower level regulations, but also the institution itself was simple, with ample room for arbitrary interpretation. Table 6-5 below shows the average number of provisions per institution was 22. Though they were gradually specified from 17 articles under the Syngman Rhee Administration to 28 articles under the Park Chung-Hee Junta, they were still too simple to prevent arbitrary interpretation and enforcement by the practitioners. As the conceptual framework shows, the ambiguity in the institutions due to sparsity created an environment for practitioners to arbitrarily enforce and implement regulations. The next sub-section shows some examples of the selective enforcement in detail.

<table>
<thead>
<tr>
<th>Admin.</th>
<th>Total Number of Provisions</th>
<th>Number of Institutions</th>
<th>Ave. Number of Provisions per Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rhee</td>
<td>1413</td>
<td>80</td>
<td>17.66</td>
</tr>
<tr>
<td>Chang</td>
<td>471</td>
<td>25</td>
<td>18.84</td>
</tr>
<tr>
<td>Park</td>
<td>2300</td>
<td>82</td>
<td>28.05</td>
</tr>
<tr>
<td>Total</td>
<td>4184</td>
<td>187</td>
<td>22.37</td>
</tr>
</tbody>
</table>

Note: The number of institutions is 187, which excludes 12 cases of sequential repeal that only stated abolition of the institution with no provisions.


\textsuperscript{138} Archival Source: The Ordinance on Civil Servant Recruitment & Placement of 1 January 2013.
\textsuperscript{139} Archival Source: The Code on Civil Servant Allowance of 9 January 2013.
\textsuperscript{140} Archival Source: The Ordinance on Civil Servant Recruitment & Placement of 17 December 1963 and The Code on Civil Servant Allowance of 1 June 1963.
\textsuperscript{141} Two rules are the Enforcement Rule on the Higher Civil Service Examination of 22 September 1949 and the Enforcement Rule on the General Civil Service Examination of 22 September 1949. The Enforcement Rule on Civil Servant Selection is excluded due to lack of records.
6.3.2. Selective Enforcement of Institutions: Discrepancy between What an Institution States and How an Institution Is Implemented

The high discretionary authority of the practitioners is also shown in the selective enforcement of institutions. The most significant example is the selective preference for the screening process in recruitment. Between the two ways of recruitment, the career-based screening process was over-used while examination-based recruitment was neglected. As Table 6-6 below shows, only some four per cent of the civil servants were recruited via examination from 1951 to 1959.

The screening based selection can be justified, especially considering the lack of qualified people who could meet the requirements to take the competitive examination. At the same time, the demand for people who could immediately carry out their duties was high in the government. The Korean Government developed rudimentary guidelines for screening. The Ordinance on Civil Servant Selection stipulated the kind of professional career and the years of service required to be reviewed for employment.\(^{142}\) The applicants would be reviewed in the Sub-Committee for Screening within the EC\(^ {143}\) and they were also required to submit the necessary documents to prove their career.\(^ {144}\)

The screening process, however, was misused to recruit and promote people who could support Syngman Rhee and the ruling LP, not to recruit people with much experience and knowledge (Park, 1961; Cho, 1967; Lee, 1967). In fact, it was not possible to thoroughly review all the new officials. Newspapers continuously criticized the problems of the screening process and reported cases of unfair recruitment\(^ {145}\) but the continued preference for screening did not change. Moreover, as shown in the previous section, for the entire Syngman Rhee Administration period, no examination was conducted to hire entry-level officials. Since the recruitment and promotion of the entry level officials were subject to the head of each agency, the ministers used screening to hire and promote the people who suited their taste (Park, 1961; Lee, 1968). The handful of people recruited via examination had no choice but to assimilate to the others.

As Table 6-6 shows, in the 1950s the ratio between examination and screening did not improve. Actually, the ratio dropped from 39 per cent in 1951 to only 7.6 per cent in 1959. If

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\(^{142}\) Archival Source: Attachments 2 and 3 of the Ordinance on Civil Servant Selection, 5 November 1949.

\(^{143}\) Archival Source: Article 8, Ordinance on Civil Servant Selection, 5 November 1949.

\(^{144}\) Archival Source: Article 10, Ordinance on Civil Servant Selection, 5 November 1949

screening was initially an inevitable choice due to lack of preparation, the ratio should have improved. Also, the number of people that were recruited via examination did not increase, while the number of people recruited via screening increased. Moreover, the conditions for screening were too vague, providing the ministers a free hand to choose whoever they wanted. As shown in the previous section, the last condition for screening was ‘the person who has the knowledge and skills to execute the job’; however, the rule did not specify any way to prove this.

Table 6-6: The Number of People who passed the Entrance Test from 1951 to 1959

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</tr>
</thead>
<tbody>
<tr>
<td>Via Examination</td>
<td>38</td>
<td>40</td>
<td>9</td>
<td>13</td>
<td>58</td>
<td>11</td>
<td>7</td>
<td>27</td>
<td>36</td>
<td>239</td>
</tr>
<tr>
<td>Via Screening</td>
<td>97</td>
<td>245</td>
<td>427</td>
<td>1,978</td>
<td>1,523</td>
<td>335</td>
<td>408</td>
<td>475</td>
<td>473</td>
<td>5,961</td>
</tr>
<tr>
<td>Exam/Screening</td>
<td>39.2%</td>
<td>16.3%</td>
<td>2.1%</td>
<td>0.7%</td>
<td>3.8%</td>
<td>3.3%</td>
<td>1.7%</td>
<td>5.7%</td>
<td>7.6%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>


In other words, though the legal institution stipulated the use of both screening and examination process for recruitment and placement, the screening process was arbitrarily over-used while the examination was neglected. Though the law was changed later to prohibit screening when there was a person who had passed the examination, the preference for screening did not stop. The examination was not mandatory. The officials could choose between the two, and the top leadership was not concerned about the practice. The legal provisions were also too vague to prevent the misuse of screening to hire people that the high level officials wanted. The ambiguity of the institution resulted in a high level of discretion in enforcement, as the conceptual framework shows.

Another major example of arbitrary enforcement can be found in the payment system. Figure 6-6 shows the wage level of the civil servant was not lower than that of the factory worker. It is also true, however, that even the US was concerned about the low level of wages (Song, 2012) and even some newspapers demanded a pay rise for the officials. As shown in the previous section, the Cabinet Meeting records show the most frequently discussed topic was the payment problem. Due to the budget constraints, the Korean Government sometimes could not provide the salary in time or paid the remuneration in kind not in cash. Moreover, since the official ratio used to calculate the value of rice in monetary terms was exaggerated, resulting in a de facto reduction of payment, the actual salary that the officials received may

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146 Archival Source: Article 14 of the Law on National Civil Servants from 1949 to 1963. The provision was abolished with the whole revision of the law on 1 June 1963.

147 Archival Source: Kyunghyang Shinmoon, 22 July 1955.
have been lower than what was stated in the regulations. This means that the actual payment
that the officials received may have been lower than the law stipulated.

Other types of gap between the written law and its enforcement in the merit-based system are
also found in executing the examination and in performance evaluation. For the competitive
examination and screening, the designated authority was required to form a committee
before the examination. While the screening committee was a standing committee, the
examination committee was a temporary one selected for each examination. However, the
official gazette only has records of appointment in 1949 and partial changes of persons in
1950 and in 1952. It appears probable that either there was no change in membership, despite
what the law said, or the screening and examination were not conducted by the committee.
Either way, this was not what the law stipulated. The other example was on performance
evaluation. Though the Ordinance on Work Performance Evaluation and the Code on Civil
Servant Promotion were enacted in 1961, the degree of seniority was the dominant factor
deciding promotion (Park, 1992; Lee, 1996). Even in the 1990s, the most important factor in
work performance evaluation was the length of time one had served the government (Lee,
1996).

This section examines the discrepancy between the rules and reality in the merit-based
system. The institutions were too vague and too few, so that the practitioners did not even
need to selectively or arbitrarily implement the rules. This gap between the institution and
implementation gives an important lesson, especially to the donors that try to introduce
institutional reform in developing countries. The introduction of institutions does not
guarantee implementation, as Mahoney and Thelen (2010) argue.

6.3.3. Circumvention of the Institutions

The last point is on ‘bending the rules.’ Some of the institutions were circumvented to serve
political decisions and needs. For example, although all the ministries and agencies of the
central government were required to abide by the institutions for the merit-based system, in
reality, some did not obey them. The case of the Ministry of Reconstruction (MoR) is a good
example. The Korean War made the ruling LP and the Korean Government realize the
necessity of a streamlined plan for resource mobilization and recovery. On 7 February 1955,
the Government Organization Law was revised and the MoR was established as a new
economic planning body. It was in such a climate that the Economic Development
Committee (EDC), with the expressed mission of drafting a long-range economic
development plan, was organized in the MoR on April 1, 1958, under the leadership of
Minister Song In-Sang. Minister Song was a renowned economist, who had returned from a
prolonged stay at the Economic Development Institute of the World Bank (at that time the International Bank for Reconstruction and Development).

At the request of Song In-Sang, the EDC members received a higher salary than the other government officials of the same class, despite the legal regulations on the payment of government officials (Song, 2012). Many young foreign-educated intellectuals, who were denied access to satisfactory posts in the bureaucracy, found ready opportunities for employment in the technical positions of the Committee staff (Lee, 1968). The desperate need of the Syngman Rhee Administration to develop an economic plan caused them to circumvent the regulation, with differential payment to some of the officials. The differential payment was not even reflected in the regulations on payment. The decision of Syngman Rhee enabled the circumvention to occur without any proper administrative procedure.

This section has examined the first feature defining institutional characteristics for change, and shown the high level of ambiguity in the institution. The Korean Government enjoyed a high level of discretionary authority in interpretation, implementation and enforcement, due to the ambiguity and sparsity of rules. The next section examines the other institutional characteristic, the level of discrepancy, following the conceptual framework.

6.4. Characteristics for Change 2: Low Level of Discrepancy with Continuous Revisions of the Institution

The other feature affecting institutional characteristics is the level of discrepancy. In the case of the Korean Government, the discrepancy does not seem an important factor. Though the regulations were vague, the government diligently maintained them with continuous revision. From Syngman Rhee to Park Chung-Hee, the Korean Government constantly revised the regulations on the merit-based system, not allowing any deterioration in the rules for drifting. Though detailed regulations were not developed, the higher level of institutions, such as legal acts and high level executive orders, were enacted and regularly maintained.

The twenty-nine new legal institutions from 1948 to 1963 were constantly revised and repealed as shown in Figure 6-8. En bloc revision means revision of more than two institutions at the same time. Sequential revision means revision made due to the change in the related institutions while sequential repeal means the abolition of an institution since change in other institutions has made it invalid. Figure 6-8 shows revisions were most frequently made for maintenance. Over 16 years, 199 different types of changes had been made, which means that each regulation was revised 6.8 times on average. In other words, each institution on average was revised once every three years.
Table 6-7 below shows the number of institutional maintenance changes made for each regulation. As Table 6-7 shows, the Ordinance on Civil Servant Remuneration was most frequently updated, with 42 changes, while the Code on Special Wartime Allowance was revised 22 times. Frequent revisions were made to increase or decrease the salary and allowance to meet the high inflation and budget conditions at that time. The Ordinance on Civil Servant Recruitment & Placement is in second place with 34 changes. The ordinance changed especially often under the Park Chung-Hee Junta, when the SC tried to incorporate all the ordinances and codes on civil servant selection and recruitment into one ordinance. In the year 1962 alone, the ordinance was revised nine times.
Table 6-7: Maintenance of the Institutions for the Merit-Based System

<table>
<thead>
<tr>
<th>Name of Institutions</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code on Civil Servant Allowance</td>
<td>7</td>
</tr>
<tr>
<td>Code on Civil Servant Promotion</td>
<td>3</td>
</tr>
<tr>
<td>Code on Organization of the Secretariat of State Council</td>
<td>3</td>
</tr>
<tr>
<td>Code on Organization of the Secretariat of the Cabinet</td>
<td>5</td>
</tr>
<tr>
<td>Code on Organization of the Service Bureau of State Council</td>
<td>4</td>
</tr>
<tr>
<td>Code on the Organization of Examination Committee</td>
<td>4</td>
</tr>
<tr>
<td>Code on the Organization of Ministry of General Affairs</td>
<td>6</td>
</tr>
<tr>
<td>En Bloc Revision of the Ordinance on Civil Servant Remuneration and the Code on Civil Servant Special Wartime Allowance</td>
<td>2</td>
</tr>
<tr>
<td>Enforcement Rule on General Civil Service Examination</td>
<td>2</td>
</tr>
<tr>
<td>Enforcement Rule on Higher Civil Service Examination</td>
<td>2</td>
</tr>
<tr>
<td>Law on Registration of Returned Civil Servant</td>
<td>1</td>
</tr>
<tr>
<td>Ordinance on Civil Servant Selection by Qualification</td>
<td>11</td>
</tr>
<tr>
<td>Ordinance on Civil Servant Remuneration</td>
<td>42</td>
</tr>
<tr>
<td>Ordinance on Civil Servant Selection</td>
<td>5</td>
</tr>
<tr>
<td>Ordinance on General Civil Service Examination</td>
<td>5</td>
</tr>
<tr>
<td>Ordinance on Higher Civil Service Examination</td>
<td>7</td>
</tr>
<tr>
<td>Ordinance on Human Resource Management</td>
<td>4</td>
</tr>
<tr>
<td>Ordinance on Management of Officials with Special Career</td>
<td>1</td>
</tr>
<tr>
<td>Ordinance on Work Experience Evaluation</td>
<td>3</td>
</tr>
<tr>
<td>Ordinance on Work Performance Evaluation</td>
<td>2</td>
</tr>
<tr>
<td>Temporary Ordinance on Civil Servant Remuneration</td>
<td>3</td>
</tr>
<tr>
<td>Temporary Ordinance on Civil Servant Remuneration and Allowance</td>
<td>3</td>
</tr>
<tr>
<td>Temporary Ordinance on Civil Servant Selection</td>
<td>2</td>
</tr>
<tr>
<td>Temporary Ordinance on Grain Compensation to Civil Servant</td>
<td>3</td>
</tr>
<tr>
<td>Temporary Ordinance on the Examination for 5th Grade Civil Servant</td>
<td>1</td>
</tr>
<tr>
<td>Law on National Civil Servants</td>
<td>6</td>
</tr>
<tr>
<td>Ordinance on Civil Servant Recruitment &amp; Placement</td>
<td>34</td>
</tr>
<tr>
<td>Code on Special Wartime Allowances</td>
<td>22</td>
</tr>
<tr>
<td>Ordinance on Civil Servant Examination</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>199</strong></td>
</tr>
</tbody>
</table>

Source: Author. Data compiled from http://www.law.go.kr

In conclusion, the legal institutions were continuously revised, allowing little discrepancy between institution and environment. The level of discrepancy was low. Unfortunately, however, the regular revisions did not reduce the level of ambiguity until 1963. In other words, the two institutional features can be concluded as a high level of ambiguity and a low level of discrepancy. Combining the two results of the empirical analysis, the next section finally draws out the institutional characteristics that affect change.
6.5. Institutional Characteristic for Change: High Level of Discretion due to Ambiguity

The previous two sections have defined the two features of institutions with regard to change. The institutions in the merit-based bureaucratic system are highly ambiguous, but they show little discrepancy from the surrounding environment with continuous revision. Applying the empirical findings to the conceptual framework, this research has identified the institutional characteristic for change as the high level of discretion in implementation and enforcement caused by the high level of ambiguity.

The level of discretion was lowered after 1963, when the Park Chung-Hee Junta finalized the institutional reform. The Park Chung-Hee Junta, taking advantage of its supreme authority, revised the institutions before it changed itself to take the form of a civilian government. As shown in the previous sections, from 1948 to 1963, when the Korean Government was busy establishing its new rule, the institutions were naturally rudimentary with many loopholes. As a result of the frequent revision, the institutions in the merit-based bureaucratic system were stabilized by 1963, with little ambiguity. In fact, many of the regulations in the merit-based system today can be traced back to the 1950s and 1960s, as shown in Section 6.2.

One important point to make is that the institutional development did not show path dependency with positive feedback or increasing returns. The institutions deteriorated in 1955 following the interests of the ruling political party, but again reformative change was made with the change of administration in 1960 and 1961. It seems that the lack of resistance against change was related again to the ambiguity and nascence of the institutions. They did not hold much power over the practitioners as a formalized and routinized rule to be observed. As North argues (1995), the institutions in developing countries hold different characteristics and influences from those in advanced countries. The institutions in developing countries are not as ‘sticky’ as the ones in advanced countries, due to their nascence and to the relative importance of actors. The empirical examination of this research also confirms the difference. Therefore, as Bates (2001) argues, it seems that it is important to take into account the contextual differences in the institutional analysis.

6.6. Concluding Remarks

This chapter has identified the institutional characteristic for change as a high level of discretion in implementation and enforcement. To draw out the conclusion, the first half of the chapter has shown that the institutions for merit-based system from 1948 to 1963 gradually changed.
From the beginning, the Korean Government was equipped with rudimentary regulations for a merit-based bureaucratic system and the legal regulations became more detailed with hierarchical structures. The institutions were gradually modified. This chapter has also established that the external shocks did not bring about abrupt change. Even after the Korean War or the change of regime, institutional upheaval did not occur. The findings confirm the gradual institutional change theory of Mahoney and Thelen (2010).

The other important point is that the gradual change was not a linear improvement, either. Contrary to the existing literature, the institutional change was not a constantly cumulative improvement. The system was improved until 1955 but deteriorated from 1955 until 1960. The merit-based system deteriorated, becoming suited to the interests of the ruling party. The system was then improved again under the following administrations.

The second implication is on the interpretation of Weberian bureaucracy. Contrary to the existing literature, even the key components of the merit-based bureaucracy may result in hurting the system. As shown in Section 6.2, the internal promotion ended up the dominance of the officials who did not pass the competitive examination in the government rather than promoting esprit de corps and enhancing competency as Weber argued. Since the specific details are only found in qualitative analysis, this confirms the importance of qualitative case study examining the specific contexts.

Even under Park, top level positions were mostly politically appointed. In 1963, the number of officials recruited via competitive examination was still exceeded by the number of officials via favouritism or clientalism (Lee, 1967). High level officials were selected by the president and in many cases they were politically chosen. Moreover, to utilize the limited resources, competent staffs were strategically allocated to the pilot agencies. Thus a dual system existed during the whole period.

The pivotal difference was in enforcement and practice. Due to the selective enforcement, the codified institutions for the merit-based system do not suffice for improving bureaucratic capacity. The bureaucrats did not abide by the rules and regulations, or manipulated them for their own good.

Therefore, this research argues that although the institutional setting for the merit-based system is important, it is not enough for building state capacity. Moreover, quantitative assessment on the average merit-based system of a government may lead to false conclusions since some agencies can receive special treatment as shown in the previous section. Although
meritocratic institution building is important, it can also be manipulated in accordance with the change in power and interests of the actors (Details will be explained in Chapter 7, 8).

Based on the contents analysis, the latter half of the chapter examined the institutional characteristics affecting change. Though the institutions were constantly updated and revised, they were not specific or detailed enough to reduce the political influence. The bureaucrats, taking advantage of the high level of discretion caused by the vagueness of the rules, chose to interpret and enforce them for their own interests. Therefore, this section confirms the theory of Mahoney and Thelen (2010) on the discrepancy between the institution and enforcement. The empirical examination also shows the important interaction between the institution and the actors. Though the institution itself is important, it can be manipulated to serve the interests of the politicians or of the practitioners, which requires further examination on political context and change agents.

This chapter concludes the institutional characteristic for change as a high level of discretion in implementation and enforcement due to the high level of ambiguity in the contents. According to Mahoney and Thelen (2010), only two types of change can happen with a high level of discretion in an institution—drift or conversion via mode I or mode III. The research continues to conduct empirical examination on the other two factors to specify the type of gradual change made in the Korean Government and finally tests the theory by comparing the empirical results to the framework.
Chapter 7. Political Context: Types of Political System and Positions of Political Parties

7.1. Introduction

The previous chapter has identified the characteristic of institutions that affects institutional change in the Korean merit-based bureaucratic system as the high level of discretion in implementation and enforcement. Chapter 6 concludes that with this kind of institutional characteristic, the positions, interests and relations of different political groups and practitioners have great importance since they can easily take advantage of any obscurity in the institution for their own interests. Therefore, this chapter examine the characteristics of the political context, following the conceptual framework of Mahoney and Thelen (2010).

This chapter examines two components of the political context—the changes in political system and in political coalitions. It first examines how the different political systems affected the changes in the merit-based bureaucratic institutions. From 1948 to 1963, two different kinds of political system appeared in Korea: the first was the presidential system, followed by the parliamentary system in 1960, which was disrupted by the military coup d’état in 1961. The institutions in the merit-based bureaucratic system are managed by the administrative branch. Therefore, the political system that provides the administrative branch with more autonomy can create a lower level of veto against institutional change. In this way, the political system which sets the relationship between the administrative and the legislative branches affects the direction and speed of change in merit-based institutions. This chapter shows how the different political systems affected the level of objections or of collaboration between the two branches against or for the institutional change.

The latter part of the chapter analyzes the other factor, the different positions of the political coalitions. Various political groups and parties appeared and disappeared during the period. According to Mahoney and Thelen (2010), when the political power is concentrated in a political coalition that supports institutional change, the veto level is lowered, while any internal struggle in the coalition or relatively strong power of the opposition groups result in a high level of veto. This chapter examines how the relative power of the ruling coalitions vis-à-vis the opposition groups affected changes in the merit-based bureaucratic institutions. If the relative power of the political groups who try to bring about change is stronger than that of the groups who are against the change, the scope and speed of change can be wide and fast. In contrast, if the opposition groups hold strong veto power, the change would be small.
and slow. Finally, this chapter concludes the characteristic of the political context, the level of veto against change, in accordance with the conceptual framework.

### 7.2. Types of Political System and its Influence on Institutional Change

Different kinds of political system can exert different influences on institutional change, since each type produces different relations between administrative and legislative branches (Chin, 2004). The presidential system provides more autonomy to the administrative branch than does the parliamentary system. In the presidential system the head of the administrative branch and the lawmakers in the legislative body are elected separately. With the support of the bureaucrats, who are not politically elected, the administrative branch conducts its work with relatively less interruption or interference from the parliament. For the term of the presidency, therefore, the administrative branch holds a relatively high level of autonomy from legislative control. Since the merit-based bureaucratic institution is managed by the administrative branch, in the presidential system, there is less possibility of interference or opposition from the lawmakers in the legislative body than in the parliamentary system.

The constitution sets and defines the type of political system for the Korean Government. Table 7-1 shows the six revisions of the Constitution made from 1948 to 1963. The first, fourth, and sixth constitutions were to do with the changes in the political system. When established, the Korean Government began with a presidential system. Syngman Rhee and his ruling Liberal Party (LP) later changed the constitution twice to make Syngman Rhee a life-time president. When Syngman Rhee was brought down after the 19 April Revolution in 1960, the politicians almost unanimously agreed to introduce a parliamentary system to prevent another kind of dictatorship recurring. The fourth constitution instituted a bicameral parliamentary system for the Korean Government. Unfortunately, the parliamentary system was marred by political struggle between the two factions in the ruling Democratic Party (DP), leaving a negative experience for the Korean public. A year later the Cabinet was overthrown by military coup d’état on 15 May 1961. The military junta, with all the power of the government, changed the constitution to re-introduce a presidential system, which is in the sixth constitution of Korea. Park Chung-Hee was elected as the fifth president and the junta was changed to become a civilian government in 18 December 1963.

148 The second republic from 1960 to 1961 was the only time that the parliamentary system was adopted in Korea. Until now the parliamentary system stands for political chaos in Korea (Chosun Ilbo, 18 July 2013).
### Table 7-1: The Revisions of the Constitution and Changes in Regime Type from 1948 to 1963

<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Leader</th>
<th>Ruling Political Group</th>
<th>Political Motivation</th>
<th>Major Change in Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>17/7/1948</td>
<td>-</td>
<td>-</td>
<td>Provide presidency to Syngman Rhee</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>18/01/1952</td>
<td>Syngman Rhee</td>
<td>LP</td>
<td>Guarantee Re-election of Syngman Rhee</td>
<td>Removal of prohibition on three consecutive term in presidency</td>
</tr>
<tr>
<td>3</td>
<td>29/11/1954</td>
<td>Syngman Rhee</td>
<td>LP</td>
<td>Guarantee Life Time Presidency to Syngman Rhee</td>
<td>Introduction of the parliamentary system</td>
</tr>
<tr>
<td>4</td>
<td>15/06/1960</td>
<td>Huh Jung</td>
<td>DP</td>
<td>Change Regime Type</td>
<td>Temporary removal of prohibition on retroactive punishment for anti-democratic politicians</td>
</tr>
<tr>
<td>5</td>
<td>28/11/1960</td>
<td>Chang Myun</td>
<td>DP</td>
<td>Punish Anti-Democratic Corrupt Politicians</td>
<td>Re-introduction of presidential system</td>
</tr>
<tr>
<td>6</td>
<td>17/12/1962</td>
<td>Park Chung-Hee</td>
<td>NRSC</td>
<td>Change Regime Type</td>
<td></td>
</tr>
</tbody>
</table>

Source: Rearranged from Chung, 2003: 140.

This section first examines how the three different types of political systems from 1948 to 1963 affected the level of veto against institutional change in the merit-based bureaucratic system.

### 7.2.1. From the Hybrid Presidential System to the Presidential System: Escaping Public Control in the Syngman Rhee Administration

7.2.1.1. The First Constitution and the Hybrid Presidential System from 1948 to 1952

To establish the Korean Government, the politicians who prepared for the process in the South Korean Interim Government (SKIG) conducted a heated debate on the type of political system (Suh and Park, 2007). Some argued for the parliamentary system, as they were afraid that the presidential system might lead to dictatorship. Others argued for the presidential system on the grounds that the new government needed a certain level of stability, considering the instability of the new-born country. In the end, the political system was decided as a result of negotiation and mediation among various political groups (Shin, 2003).

The Constitutional Committee was organized in the National Assembly with thirty parliamentary members and ten legal experts on 1 June 1948. It held sixteen meetings from 3
to 22 June and drafted a constitution with ten chapters and 102 articles. A well-known scholar, Dr. Yoo Jin-Oh proposed the first draft, which was based on a bicameral parliamentary system. Based on this proposal, the Constitutional Committee drafted a constitution referring to the various constitutions of the US, UK and France as well as the Charter of the KPG.

At that time the parliamentary system was commonly regarded as a synonym for democracy (Shin, 2003). The scars from the Second World War and the theological tradition from Minobe Daski, a Japanese authority in law who strongly influenced Korean scholars, heavily affected the thinking of the members of the Constitutional Assembly to favour a parliamentary system (Lee Y, 2006). The majority group in the Constitutional Assembly, the KDP, also favoured the parliamentary system, where the president and the Prime Minister were elected in the National Assembly.

While there was no strong opponent against Syngman Rhee for the presidency, the KDP wanted to secure the position of the Prime Minister while giving up the presidency (Shim, 1982).\(^{149}\) The political calculation of the KDP was to seize the de facto political power with their leader Kim Sung-Soo as Prime Minister, since in the parliamentary system the presidency was a nominal position. Already knowing their plan, Syngman Rhee, the Chairman of the National Assembly at that time, argued for the presidential system.\(^{150}\) The Constitutional Committee adopted a bicameral parliamentary system despite the strenuous objection from Syngman Rhee.\(^{151}\) On 12 June, with only one change made, from a bicameral to a unicameral system, the Constitutional Committee presented the draft to the National Assembly for appraisal.

Syngman Rhee, however, continued to oppose the draft. He argued for the importance of the stability of the regime, while the majority of the National Assembly still argued for a parliamentary system to prevent dictatorship (Park, 2003). He even threatened to retire from politics if the constitution was not changed (Baek, 1992; Park, 2002). Due to his crucial presence in the Korean politics at that time, his demands put great pressure on the lawmakers of the National Assembly. Finally, his demand was accepted when the KDP acquiesced to Syngman Rhee. In the end, on 21 June 1948 the representatives of the major political groups

\(^{149}\) In fact, there was not a single strong political opponent against Syngman Rhee at that time. A number of memoirs stated that the Korean people at that time regarded Syngman Rhee as the first president even before the election. See Yoo (1972: 43), Ryoo (1980: 73), and Huh (1979: 151).

\(^{150}\) When Huh Jung tried to persuade Syngman Rhee for the parliamentary system, Syngman Rhee said, “I know all of that. I just don’t want to be a nominal president in the back seat” (Huh, 1979: 21).

\(^{151}\) Syngman Rhee even argued that the parliamentary system is not a democratic system (National Assembly, 2008).
agreed to adopt the presidential system by changing the draft (Kim, 1966). The National Assembly the draft was passed with a unanimous vote in the 28th plenary session on 12 July and announced on 17 July 1948. The end result was a hybrid of the presidential and the parliamentary system, resulting from the political compromise between Syngman Rhee and the KDP.\textsuperscript{152}

The first constitution of the Korean Government empowered the president (Article 58) and the prime minister and the ministers (Article 73) to issue ordinances or orders to further specify what the constitution or legal acts allowed them to do.\textsuperscript{153} Only legal acts were required to be approved in the National Assembly (Article 40).\textsuperscript{154} The presidential system, therefore, officially provided a high level of autonomy to the administrative branch, since most of the institutions in the merit-based bureaucratic system were administrative orders that did not require the approval of the National Assembly. In fact, during the Syngman Rhee Administration, only two legal acts were enacted with regard to the merit-based bureaucratic system (see Chapter 6). Basically, the merit-based bureaucratic system of the Korean Government was mainly maintained with administrative orders free from the control of the National Assembly.

There was a measure for checks and balances between the administrative and the legislative branch. The constitution provided the National Assembly with the right to conduct inspections of the administration (Article 43).\textsuperscript{155} Again, however, the regulation lacked any detailed procedure on how to carry out the inspection, as with other high level regulations of the Korean Government shown in the previous chapter. The National Assembly was not equipped with any detailed procedure on how to conduct the inspection. The inspection also suffered from the lack of knowledge and skills of the lawmakers and received little logistic support from the National Assembly. Moreover, the administrative branch did not have a clear understanding of the constitutional rights of the legislative branch on inspection. Some organizations refused to cooperate on the grounds of violation of their jurisdiction (National Assembly, 2008).\textsuperscript{156} What is more important is that the inspection did not have any binding

\textsuperscript{152} It is called a hybrid system since it has both vice-president and prime minister. The prime minister holds some rights. The Prime Minister is the vice-chairman of the Cabinet Meeting (Article 70 of the Constitution 17 July 1948); supervises the administration (Article 73 of the Constitution 17 July 1948); issues prime ministerial orders (Article 74 of the Constitution 17 July 1948); supervises local administration pertinent to his work (Article 11 of the Law on Governmental Organization, 17 July 1948); and governs four ministries—the Ministry of General Affairs, Ministry of Public Relations, Ministry of Legislation, and Ministry of Planning (Article 30 of the Law on Governmental Organization, 17 July 1948).

\textsuperscript{153} Archival Source: The Constitution, 17 July 1948.

\textsuperscript{154} Archival Source: The Constitution, 17 July 1948.

\textsuperscript{155} Archival Source: The Constitution, 17 July 1948.

\textsuperscript{156} The Prosecutor's Office refused the inspection by arguing that the inspection right of the National Assembly
enforcement power over the results. After the inspection, the National Assembly produced a final report to which the administrative branch only needed to provide written replies. In 1953 the National Assembly enacted the Act on Inspection of the Government to specify issues connected with inspection. The act, however, only legalized the cooperation of the administrative branch with the inspection and was not equipped with an enforcement clause.

7.2.1.2. Weakening Veto with the Rise of De Facto Dictatorship from 1954 to 1960

The fear of the members of the Constitutional Committee on a deterioration of the presidential system was proved not to be a false alarm. Syngman Rhee and his LP repeatedly changed the constitution to extend their rule. For fear of losing his presidency, Syngman Rhee revised the constitution during the Korean War, changing the indirect presidential election to direct election. The first constitution stated that the president and the Prime Minister were elected in the National Assembly. In 1952, the LP did not have a majority in the National Assembly; therefore, Syngman Rhee had no chance of re-election. On 7 July 1952 under martial law, the National Assembly passed the new constitution in a standing vote. The indirect election of the president and the vice minister was changed to direct election (Table 7-1). Syngman Rhee was elected as the second president by the Korean people on 5 August 1952.

Syngman Rhee did not stop there and aimed for the life-time presidency. Syngman Rhee did not have a ruling party in the beginning. After realizing the importance of having strong support in the National Assembly, Syngman Rhee strengthened the LP to move the decisions in the National Assembly in his favour, and sought other ways to further extend his rule. Elections were rigged to provide LP majority rule in the National Assembly. On 19 November 1954, the constitution was revised for the second time to remove the prohibition on three consecutive presidency terms.\(^\text{157}\) With the LP as the majority ruling party in the

\(^{157}\) After the election, the LP cajoled and co-opted independent members to gain 136 seats, which was the minimum requirement for constitutional revision. To get 136 endorsements for proposal of the revision, LP used various measures, from threats to bribes. The most controversial content was lifting the ban on three consecutive presidency terms, only for the incumbent president. In other words, it provided institutional justification for Syngman Rhee to become lifetime president. Despite the huge propaganda, public opinion was not in favour of the revision. Even some young members in the LP were against the revision. On 18 November 1954, the revised constitution was submitted to the vote in the 82\textsuperscript{nd} plenary meeting. Among 202 members present, 135 voted in favour, 60 against and 7 abstained. The Vice Chairperson, Choi Soon-Joo, announced that the bill was voted down. However, the LP claimed that the bill was passed on the grounds of round off theory. The requirement for revision was the approval of more than two thirds of the members, but two thirds of the number 203 is 135.3333… Therefore, according to the mathematical principle of round off, 135 was the required number for revision. On 29 November, Choi Soon-Joo annulled the previous announcement as a calculation mistake and announced that the constitutional revision was passed.
National Assembly and no limitations on the term of his presidency, Syngman Rhee, though elected by the people, became a de facto dictator.

The fourth constitution also abolished the position of Prime Minister. The abolition of the Prime Minister seems to have been politically motivated. The hybrid system became a presidential system with more power concentrated on the president. It was also true that the Prime Minister under Syngman Rhee did not have much power. Syngman Rhee from the beginning did not think that a Prime Minister was necessary. Though the constitution stipulated the supervisory role of the Prime Minister, he regarded the Prime Minister as a secretary supporting the President.158

The revision of the constitution consequently led to the restructuring of the Governmental Organizations. It was at this time that the merit-based system suffered regression. EC was abolished and MoGA, which was under the Prime Minister, was downsized to be SBSC (See Chapter 6). In short, the presidential system of Syngman Rhee period deteriorated to become de facto dictatorial rule through abuse of the political system.

With a rigged election, Syngman Rhee strengthened his influence in the National Assembly to revise the constitution in his favour and weaken the control of the opposition parties. The checks and balances provided by the constitution were too weak to prevent the dominance of the administrative branch. The presidential system provided a relatively higher level of autonomy than the parliamentary system. However, with a strong hold over both administrative and legislative branches after 1954, the level of autonomy of the Syngman Rhee Administration became much higher. The Syngman Rhee Administration enjoyed a high level of autonomy not only to do what they wanted, but also not to do what they did not want. As Chapter 6 shows, the institutions in the merit-based system were not managed and were only selectively implemented and enforced.

7.2.2. The Military Junta after the Coup d'état and the Demise of the Checks and Balances System in the Government

The presidential system provided the legislative branch with the legitimate right to monitor the administrative branch. The level of autonomy of the administrative branch became highest with the military junta established after the coup d’état in 1961. The National Assembly was dissolved. The emergency rule enacted by the junta took precedence over the

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158 In the letter of 21 June 1948 to Robert T. Oliver, Syngman Rhee wrote, “Koreans do not want a Prime Minister and I assumed that the congress members will oppose it. To placate the disgruntled, a nominal Prime Minister can be made to support the President.” (Oliver, 1978: 180-181).
constitution. The emergency rule also created the National Reconstruction Supreme Committee (NRSC) as the supreme entity combining all three branches of the government.

On 16 May 1961, Park Chung-Hee with some 4,000 troops staged a military coup d’état. They proclaimed martial law and set up a Revolutionary Committee (RC), which seized control over all three branches—administrative, legislative, and judiciary—of the Korean Government. The RC announced six principles of the coup d’état on the same day.\(^{159}\) On 18 May, the RC officially announced the take-over of the Chang Myun Cabinet and dissolved the National Assembly while prohibiting any form of political activities.

On 20 May, the RC changed its name to the NRSC and formed a new administration. On 6 June, the NRSC incapacitated the constitution by enacting the new Law on the National Reconstruction and Emergency with four chapters and 24 articles. The previous Constitution was neutralized (Article 24).\(^{160}\) The NRSC was also provided with the supreme authority of the judiciary (Article 17) as well as the legislative power (Article 9); therefore, there was literally no possible veto from any opposition group.\(^{161}\) The NRSC also enacted the Law on the NRSC on 10 June 1960. By this law, seven sectoral committees were formed within the NRSC (Article 5).\(^{162}\) The seven sectoral committees together constituted a standing committee which was held under the leadership of the chairman of the NRSC.\(^{163}\) After an internal struggle, the first chairman, General Chang Do-Yong, was removed and from 3 July 1963, Park Chung-Hee became the de facto leader of Korea as chairman of the NRSC. On 22 March 1962, President Yoon Bo-Sun finally resigned from his office and Park Chung-Hee officially became the head of the country as the acting president on 24 March 1962.

From 20 May 1961 to 17 December 1963, the NRSC was the sole entity with all three branches of the government in its hands. It acted as a parliament with legislative authority. It also held the right to nominate judges as well as the Chief Justice of the Supreme Court.\(^{164}\)

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159 The six principles are as below: 1. Anti-communism takes the first priority in national policy while strengthening Anti-communist alert; 2. Observe the UN Charter, duly fulfill international agreements, and solidify friendship with anti-communist free countries including the US; 3. Remove all the corruption and old vice and re-establish national spirit; 4. Resolve abject poverty and despair and re-construct an independent national economy; 5. Gain strength to win the fight against the Communists and to re-unify the country; and 6. All soldiers should be ready to return to their duty once those tasks above are completed and to turn over the government to new and honest politicians. All civilians should try their best to establish a new democratic republic by achieving the tasks above (CCHKMR, 1963: 152-153).


162 The Law on National Reconstruction Supreme Committee, 10 June 1961.

163 The Law on National Reconstruction Supreme Committee, 10 June 1961.

164 Though the actual appointment was made by the President, this was meaningless, since the President did not have any veto power against the NRSC.
Taking advantage of this dominance, the NRSC streamlined the existing regulations and introduced a series of new regulations strengthening the merit-based system. In the beginning, the NRSC continued using the institutions of the Chang Myun Cabinet, with minor changes. But, as shown in Chapter 6, it later introduced new reformatory institutions such as ordinances on the performance evaluation and promotion of bureaucrats.

The NRSC acted similar to the military junta Nordlinger (1977) described. The highest level of autonomy after a military coup d’état creates a unique environment for change. The decisions in the military junta become the law. In the NRSC the same thing happened. The institutional change process was different from that of the previous administration. It had previously been the parliament which held the authority to enact and revise legal acts, but, with the coup d’état, the military junta did this unilaterally since the NRSC also acted as the legislative branch. The decisions made in the NRSC were later carried out as proclamations which held the same effect as legal rules. With the simplified process, the second feature emerged. The number of actors who could influence the change process was also reduced. Political party activities were restricted and only a few people approved by the junta could voice their opinions within the boundaries that the junta had set. After the military coup d’état, all kinds of political activities were banned.

The NRSC was the only meaningful political actor from 1961 to 1963. Taking advantage of the high level of autonomy, the NRSC introduced reformatory institutions. However, the lack of objection provided by the systemic situation does not fully explain why under the Syngman Rhee Administration the low veto power failed to promote similar reforms. As shown in the previous sub-section, from 1954 the Syngman Rhee Administration also enjoyed a high level of autonomy, which failed to promote institutional reform in the merit-based system. On the contrary, Chapter 6 has shown the deterioration of the merit-based institutions. The different outcomes need further examination of the positions of the political coalitions and of the attitudes of the change agents, which will be discussed in the latter half of this chapter and in Chapter 8.

7.2.3. Introduction of Parliamentary System with Increased Sensitivity toward the National Assembly

The elected dictatorship of Syngman Rhee faced growing resistance from the Korean public. The rigged election on 15 March 1960 inflamed the people and triggered massive protests from students and the public against the dictatorship. On 19 April 1960, over one hundred thousand protesters marched from the National Assembly Hall to Kyongmoodae, the
strangely, the leaders of the April revolution did not take power and let the opposition party politicians bring in political changes (kim, 1998). by consensus among the parliamentary leaders, huh jung, a conservative politician who used to work under syngman rhee, was selected as the prime minister and acting president of the interim government (kim, 1999). the interim government of huh jung, however, did not have much autonomy. the huh jung administration did not have a ruling party, which meant it had little political support from the national assembly. it could not do much, therefore, without support from either the LP, which held the majority of seats in the national assembly, or the democratic party (kim, 1998). the priority of the huh jung administration was the revision of the constitution and holding a national election to form a subsequent government.

a national consensus seemed to have been made to introduce a parliamentary system which was said to better protect freedom of the people and to exert more control against ruling political groups (cho, 2013). the british parliamentary system was selected, which allows the majority party to form the administrative branch and run the government when its leader becomes the prime minister. the members of the constitutional committee at the same time tried to devise ways to solve the instability issue, the weak point associated with the parliamentary system. the fourth constitution, passed on 15 June 1960, contains those worries and measures to deal with the vulnerability of the parliamentary system. for example, the dissolution order of the national assembly was given not to the prime minister but to the state council (article 72), which is unprecedented compared to other countries with a parliamentary system. the fourth constitution adopted a bicameral parliamentary system (article 31). the cabinet had a dual structure with division between the president and the state council members (article 4 and 5). More than half of the state council members and the prime minister also had to be members of the national assembly (article 69).

the close relationship between the administrative and the legislative branch in the parliamentary system weakens the level of autonomy of the administrative branch. the parliamentary system more easily transfers political disputes in the national assembly to the

165 Archival Source: http://www.419revolution.org
administrative branch, interfering with or even disturbing the work of the administrative branch. In fact, the Chang Myun Cabinet suffered from the severe political struggles between the Old and New Factions in the ruling Democratic Party. The president, Yoon Bo-Sun, was the leader of the Old Faction, while the Prime Minister, Chang Myun, represented the New Faction. Collaboration even within the State Council was difficult, since the ministers were divided into two groups in accordance with their political orientation.

The systematic instability was worsened by the severe political struggle between the two factions, as well as by the lack of understanding of the parliamentary system. The New and Old Factions did not have a close relationship from the beginning. They had different backgrounds, following different leaders. The only reason they collaborated was to dissolve the Syngman Rhee Administration and the dominance of the LP. After Syngman Rhee stepped down and the LP lost power, there was no reason left for cooperation and the two factions started vying for control (Shim, 2001). The severe disputes between the two factions worsened the shortcomings of the parliamentary system. The stability of the administration was destroyed. Ministers were frequently changed and the policies of the Cabinet were not implemented in the vortex of political struggle.

This section has analyzed the influence of the different political systems on the level of autonomy of the administrative branch. The NRSC of Park Chung-Hee enjoyed the lowest level of veto, while the Chang Myun Cabinet had the highest. The Syngman Rhee Administration gradually raised its level of autonomy by manipulating the political system. The findings lead to some important points. Firstly, as the conceptual framework shows, the political system does seem to affect the level of veto against institutional change. Especially, in the case of the NRSC, the integration of the administrative and the legislative branch was critical in promoting institutional reform.

The political system itself, however, is subject to change in accordance with the will and motivation of the political parties, as shown in the deterioration of the presidential system under Syngman Rhee Administration. The Chang Myun Cabinet is another good example. The systematic vulnerability of the parliamentary system was exacerbated by the severe and continuous struggle between the two major political groups. In short, the political system is a factor affecting change in the merit-based system; however, the motivations and interests of the political coalitions seem to have more importance since they can actually change the political system itself, as well as affecting the direction of institutional change. The following section, therefore, further examines the political coalitions, the second component of the political context of the conceptual framework.
7.3. Political Coalitions and their Positions toward Institutional Change

The other component affecting the veto possibility against change is the position of the different political groups. If the majority party dominates the opposition parties in the National Assembly, the veto possibility would be low and vice versa. On the other hand, the different positions of the political parties toward institutional change also affect the veto possibility. This section first examines the changes in the political parties and then examines how the relative positions of the ruling coalition vis-à-vis the opposition groups affected the veto possibilities in promoting institutional change.

7.3.1. The Formation of the First National Assembly with Various Political Groups

As shown in Chapter 5, after independence, political groups and organizations sprang up like mushrooms after rain. Various political groups were formed and dissolved with their members mixed (see Figure 7-1). The election on 10 May 1948 was the first experience for the Korean people of holding an election to form a government. In the first national election, 948 candidates from forty-eight political parties and associations participated in the election (Kim, 1986).

The result of the first election was somewhat surprising. At that time the most influential political party was the KDP with alliance to Syngman Rhee. Due to the boycott of the Nationalist political groups represented by Kim Gu, the general prediction was that the KDP would win the election, using their widespread organizational networks and rich financial resources. Quite unexpectedly, however, the non-partisan independent candidates took more than forty per cent of the votes, gaining 85 out of 200 seats, while the KDP only took twenty-nine seats. In total, sixteen parties and groups managed to get their candidates elected. The National Society for Acceleration of Korean Independence (NSAKI) obtained fifty five seats, the KDP twenty-nine, the United Young Men's Corps (UYMC) twelve, the Korean National Youth Corps (KNYC) six, and the Farmers' Association for Acceleration of Korean Independence (FAAKI) two. 11 parties and associations obtained one seat each. No single party or association dominated the National Assembly.

Syngman Rhee detached himself from the KDP after becoming the President. The KDP supported Syngman Rhee when he argued for the introduction of a presidential system; however, Syngman Rhee excluded KDP members in selecting ministers for his administration. After this separation, the KDP turned away and expanded its influence by
forming alliances with other political groups. It merged with the National Association (NA)
led by Shin Ik-Hee, and the United Young Men's Corps (UYMC) led by Ji Chong-Chun, and changed
its name to the Democratic National Party (DNP). As an opposition party, the DNP put pressure on
Syngman Rhee by initiating Constitutional Revision to introduce a parliamentary system while

The chaotic situation did not change much in the Second National Assembly of 31 May 1950
with various political groups emerging or disappearing. In fact, the chaos became worse as
the proportion of independent members went up from forty two to sixty per cent with 126
seats. Though the number of groups that held seats in the National Assembly was reduced
from sixteen to eleven, still the seats were distributed widely without any majority party.
From 1948 to 1954, there was no single party dominance in the National Assembly. There
was no official ruling party, either. Strangely, Syngman Rhee did not believe in party politics
(Yoo, 1997) and initially, ran the government without a ruling party. The NSAKI was
considered close to Syngman Rhee, but it did not become the official ruling party.

From 1948 to 1952, with no ruling party, Syngman Rhee ran his administration cautiously.
He participated in the opening and closing meetings of all plenary meetings and tried to gain
support and understanding by giving speeches to the National Assembly (Baek, 1995).
Gradually realizing the need to have supportive political groups in the parliament, Syngman
Rhee prepared for his own political group by merging the KPP with parts of the NPA, the
ONC, and the KLP.

7.3.2. Emergence of the Ruling LP and Its Influence on Merit-Based Institutions:
Low Veto but Negative Change
The situation changed with the emergence of the LP as the majority ruling party under
Syngman Rhee after the third national election on 20 May 1954. Facing political challenges
from various opposition groups, Syngman Rhee decided to form his own political party on
15 August 1951. After serious political trickery and infighting, the LP was formed in
December 1951 and won the general election on 20 May 1954 by gaining 114 seats out of 203.
This domination enabled the LP to revise the constitution and on 5 September 1954, the LP
proposed a constitutional revision removing the prohibition of three-term presidency for
Syngman Rhee, as shown in the previous section. The LP also restructured the governmental
organizations, increased the close relationship between the LP and the administrative branch
(Lee, 1968).
The ruling LP of Syngman Rhee seems not to have been interested in strengthening the merit-based system (Kim, 1982; Kim, 1991). They seem to have been more interested in utilizing the system for their benefit (Kim, 1991). Major positions in the government were filled with people having personal ties to Lee Ki-Boong171, as well as people showing blind loyalty to the president (Park, 1987). Some ministers who had been free from the influence of the LP with a high performance record could no longer hold their positions.172 The LP became a wheel of oligarchy by sending its members to be high level bureaucrats and nominated ex-bureaucrats as candidates for the National Assembly (Park, 1987; Kim, 1991). The fourth national election on 2 May 1958 continued the dominance of the LP in the National Assembly. The LP gained the chairmanship and the vice-chairmanship, as well as the chairmanship for 14 standing committees in the National Assembly (Park, 1987). Using this dominance in the legislative branch, the LP continued to interfere with the appointments and promotions of important positions in the administrative branch (Kim, 1991).

Before 1954, it seems that the absence of a ruling party did not severely interfere with the institutional development. Various new rules and regulations were established right after the establishment of the government. The difference can be shown in the approval of legal acts in the National Assembly. The Law on National Civil Servants of 1949 went through seven meetings in the two plenary sessions for approval. It was initially submitted in a special session in December 1948, but the lawmakers decided to have further discussion.173 The two law reviews required to pass a legal law174 were conducted over seven days.175 The law was finally approved in July 1949 with much revision made in the National Assembly.176

In contrast, it only took a day for the approval of the Law on National Civil Servant Pensions.177 The two reviews were finished in only one day, which was two days before the

171 Lee Ki-Boong was a right-hand man of Syngman Rhee and served as the chairman of the National Assembly. He was regarded as the main culprit of the deterioration of Democracy by the Korean public. After 19 April Student Revolution, he and his family committed suicide.

172 For example, Minister of Finance since 1955, Kim Hyun-Chul was sacked on May 1959 due to the interference of the LP (Lee, 1968: 142).


174 Archival Source: The Law on National Assembly, 2 October 1948.

175 Archival Source: The Stenography record of the thirtieth meeting of the second plenary, 14 February 1949; The Stenography record of the eleventh meeting of the fourth plenary, 15 July 1949; The Stenography record of the twelfth meeting of the fourth plenary, 16 July 1949; The Stenography record of the fourteenth meeting of the fourth plenary, 20 July 1949; The Stenography record of the seventeenth meeting of the fourth plenary, 23 July 1949; The Stenography record of the eighteenth meeting of the fourth plenary, 25 July 1949; The Stenography record of the nineteenth meeting of the fourth plenary, 26 July 1949.

176 In fact, the National Assembly drafted its own version of the Law on the National Civil Servants. The final version passed by the National Assembly was a merger of the two drafts (The Stenography record of the eleventh meeting of the fourth plenary, 15 July 1949).

177 Archival Source: The Stenography record of the twenty-seventh meeting of the thirty-third plenary, 30 December 1959.
promulgation. Moreover, the law was reviewed and passed together with the Special Law on National Civil Servant Pension Fund. Moreover, from 1955 to 1959, only one new institution was enacted with regard to the merit-based system, the Temporary Ordinance on Civil Servant Remuneration and Allowance. Since this was intended to temporarily relieve the low wages, it cannot be considered a significant improvement in the merit-based bureaucracy (see Section 7.4).

Due to the characteristics of the presidential system shown in the previous section, the institutional change with regard to the merit-based system seems not to have been much affected by the National Assembly in the Syngman Rhee period. However, there was a difference in the level of veto before and after 1954. In the early period from 1948 to 1954, with the absence of a single majority party in the National Assembly either on the ruling or the opposition side, more involvement seems to have been undertaken by the lawmakers.

The moderate level of veto possibility from the National Assembly seems to have controlled the administrative branch not to arbitrarily abuse the system too much. In contrast, from 1955, the dominance of the LP lowered the veto possibility of the National Assembly. The low level of veto seems to have been used not to strengthen the merit-based institutions, but to continue business as usual with little interference from the opposition parties. The merit-based institutions were only selectively enforced and implemented, as shown in Chapter 6.

7.3.3. Higher Veto from the Opposition Within: Two Factions in the DP

As shown in Section 7.2, less than two months after the 19 April Revolution, the new constitution was proclaimed, introducing the parliamentary system. As shown in the previous section, the parliamentary system was adopted as a backlash against the dictatorship of Syngman Rhee and the LP, rather than out of systematic and in-depth research. The support for the parliamentary system in the DP seems to be due to inertia of thought, equating democracy with the parliamentary system (Lee Y, 2006).

The formation of the DP indicates that the conflicts among the party members existed from the very beginning. After the incident of rounding off for the constitutional revision in 1954, the National Assembly members of the DNP, along with independent members, gathered to deal with the political upheaval. Some sixty members later formed a parliamentary negotiation body called the Association of People Protecting the Constitution (APPC) on 30 November 1954 (Shim, 2001). The APPC gathered together all the parliamentary members
who were against the authoritarian rule of the LP and prepared for establishing a new political party.

The ideological differences between the two large factions in the APPC made it difficult to launch a single political party against the ruling LP (Shim, 2001). The Liberal Democratic Faction (LDF) led by Kim Joon-Yon, Shin Ik-Hee, and Cho Byung-Ok tried to exclude the radical political group of Cho Bong-Am by forming an integrated opposition party. On the other hand, the Democratic Union (DU) led by Suh Sang-II, argued for a grand party including all the anti-dictatorship groups. In the end, the LDF won and the DP was formed, excluding the socialists and leftists.

The DP proclaimed that it was pursuing parliamentary politics with a fair and just election. Shin Ik-Hee became the representative with four leading members, Kwak Sang-Hoon, Baek Nam-Hoon, Cho Byung-Ok, and Chang Myun. Even after its formation, the disputes over hegemony in the party became aggravated. The so-called Old Faction was formed, with the traditional mainstream group from the KDP and the DNP. The New Faction of the DP consisted of the politicians who had left the LP after the rounding off incident in the National Assembly. The two factions in the DP confronted each other on almost all issues from the selection of candidates for the presidential election to the appointment of government officials.

The antagonism between the two factions was aggravated with the resignation of Chang Myun, who was elected as the Vice-President on 26 November 1959 defeating Lee Ki-Boong. Amid continuing protests, Vice-President Chang Myun stepped down on 23 April. It was a strange move, since Chang Myun, as the Vice-President, was responsible for stabilizing the situation once Syngman Rhee stepped down. While Chang Myun claimed the resignation had been thoroughly discussed within the DP, the Old Faction claimed no consultation was made and blamed Chang Myun and the New Faction for the resignation. Syngman Rhee did step down three days after Chang’s resignation; therefore, Chang’s argument on expediting a

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178 The other explanation on the division in the APPC is vying for the leadership. The LDF tried to win hegemony in the APPC by forming the new party mainly with the former DNP members, while the DU tried to hinder the sole leadership of the LDF by embracing outsiders such as Cho Bong-Am. For more details, see Lee, 1961.

179 Cho Bong-Am was a socialist politician who led the anti-Japanese socialist movement and later served as the first minister of Agriculture and the Vice-Speaker of the National Assembly. In 1956, he formed a Progressive Party (PP) based on social democratic ideology but was arrested in 1958 for violation of the National Security Law and was executed a year later in November 1949. In 2007, the Truth and Reconciliation Commission concluded his death was anti-human political oppression and in 2011 the Supreme Court acquitted him of the espionage accusation and exonerated him from all the charges. For more details on Cho Bong-Am and the Progressive Party, see Park, 1995 and Chung, 1991.

180 The Constitution stipulated that the vice-president is required to succeed to the presidency when the president shall pass away. Chang Myun could have led smooth transition if he had held his office.
peaceful change of regime was partially vindicated (Kim, 1991). However, the decision seemed to have been made with no thoughtful plan for the future. It emerged based on the factional interests and personal wish to evade blame (Lee, 1995).

It was the 19 April Revolution that put an end to the Syngman Rhee Administration. However, with both president and vice-president gone, the chaotic situation continued. Rather than trying to stabilize the country and restore the democratic rules as the Korean public demanded, the two factions in the DP started a new round of political dispute over the control of the new government. The conflict between the Old and New Factions which had been temporarily halted in front of the common enemy, the LP, erupted and the two factions constantly locked horns with each other on almost all issues (Shim, 2001).

They fought over the order of the constitutional revision and the election. The Old Faction argued for ‘revision first, election later’, while the New Faction preferred to hold an election first based on their political calculation. The Old Faction colluded with the lawmakers of the LP, and revised the constitution and held the national election to form a government. For the Old Faction, the enemy was not the LP but the New Faction within their own party (Kim, 1991).

The severe competition continued with the nomination of candidates for the national election. Many people who did not receive a nomination from the DP still ran for election as independent candidates. Where New Faction candidates ran for election, independent candidates who had been members of the Old Faction in the DP also competed and vice versa (Song, 1990). In fact, the two factions separately prepared for the national election with separate campaign strategies and funds. The only reason they did not split was the practical calculation that the split would not be welcomed by the Korean public and time was insufficient to build a new party (Cho, 2003). Despite the internal disputes, after the demise of LP rule, the DP won the fifth national election held on 29 July 1960. Though not entirely satisfied with the DP, the Korean public had no other options (Lee, 1958). 175 seats, seventy-five per cent, went to the DP while the independents took forty nine seats. Only nine seats went to the five other parties. The parliamentary system also enabled the DP to dominate the government.

The formation of the government raised disputes between the two factions. Though the fast formation of the government was important for stabilization of the country, the disputes

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181 Even after the 19 April revolution, the majority of seats in the National Assembly were still taken by the LP. In order for the Old Faction to revise the constitution, it needed cooperation from members of the LP.
between the two factions hindered the stability of the Cabinet. The Old Faction calculated that it held the most seats in the National Assembly immediately after the national election.\textsuperscript{182} The Old Faction wanted to hold both president and prime minister positions and thus dominate the Cabinet by establishing a new political party by itself.\textsuperscript{183} Though attempting to break up the party, the Old Faction acquiesced to the public opinion demanding a united bi-partisan cabinet.\textsuperscript{184}

The Old Faction still wanted to monopolize all the key positions in the Cabinet, with Yoon Bo-Sun and Kim Do-Yun as president and prime minister respectively. The New Faction, with relatively fewer seats, built a strategy of gaining the prime minister position while giving up the presidency to the Old Faction, with Chang Myun as the prime minister. Yoon Bo-Sun became the president since both factions agreed on that. Yoon Bo-Sun then appointed Kim Do-Yon as prime minister, but this was voted down by one vote in the National Assembly.

Chang Myun was appointed as a second choice and ratified in the National Assembly,\textsuperscript{185} which gave the right to appoint ministers to the New Faction. Despite a series of negotiations, the two factions failed to form a government and started blaming each other for that. On 23 August 1960, the New Faction unilaterally announced the formation of a government which was composed of New Faction people. Only the minister of Transportation, Chung Hun-Joo, was from the Old Faction.\textsuperscript{186} There was discontent even in the New Faction. Some thought the personal aides of Chang Myun had monopolized the appointments. The young members of the New Faction formed their own alliance. The Old Faction, disgruntled with the Cabinet members, separately registered and formed a negotiation body called the DP Old Faction Alliance.

Only two weeks after the establishment of the Cabinet, on 12 September, Chang Myun announced his second cabinet, with people from the Old Faction added. Chang Myun thought this was a result of ceaseless efforts to gain the cooperation necessary for running the country (Chang, 1967). In contrast, Yoon Bo-Sun thought it was not enough (Yoon, 1967).

\textsuperscript{182} However, there was no record proving the majority of the Old Faction. As Table 7-2 shows, Dongah Ilbo reported a tie of 76 for each faction. In fact, both factions exaggerated their seats while some of the lawmakers tried to switch factions for their own benefit.

\textsuperscript{183} Their official reason for the split was prevention of one party dictatorship. It claimed that if a party took more than two thirds of the House of Representative this could lead to dictatorship. It argued that a sound opposition party was necessary for democracy. It also argued that the coalition between the old and new factions would damage stable administration (Shim, 2001).

\textsuperscript{184} The main reason seems to have been the failure to gather enough lawmakers to guarantee the dominance of the Old Faction (Dongah Ilbo, 2 August 1960).

\textsuperscript{185} Chang Myun allegedly provided a considerable amount of money to gain the necessary votes (Chung, 2001).

\textsuperscript{186} Some argue that since Chung Hun-Joo changed his affiliation from Old to New, the Cabinet consisted of people from the New Faction only.
The second cabinet did not produce constructive results to stabilize the political situation. The Old Faction refused to attend the central committee, paralyzing the DP, and on 22 September finally announced the formation of a new political party. At last, the Old and New separated and went their own ways.

Table 7-2: Change in Seats of New and Old Faction

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>New</th>
<th>Old</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 July 1960</td>
<td>National Election</td>
<td>76</td>
<td>76</td>
</tr>
<tr>
<td>5 Aug 1960</td>
<td>The Elected Conference</td>
<td>95</td>
<td>85</td>
</tr>
<tr>
<td>31 Aug 1960</td>
<td>Registration of DP Old Faction Alliance</td>
<td>95</td>
<td>86</td>
</tr>
<tr>
<td>22 Sep 1960</td>
<td>Registration of DP</td>
<td>95</td>
<td>86</td>
</tr>
<tr>
<td>24 Nov 1960</td>
<td>Registration of NDP</td>
<td>116</td>
<td>65</td>
</tr>
<tr>
<td>3 May 1961</td>
<td>The 38th National Assembly</td>
<td>131</td>
<td>60</td>
</tr>
</tbody>
</table>

Source: Author. Data from Dongah Ilbo 1 August 1960 and Yoo, 1996: 196.

When building the NDP, the Old Faction attacked the Chang Myun Cabinet for being as corrupt as the LP, and argued that it would be a constructive opposition party to monitor the ruling party for sound representative politics (Chung, 2001). Chang Myun, however, claimed that he constantly suffered from persistent obstruction from the Old Faction (Chang, 1967). In fact, for nine months of Chang Myun administration, the opposition parties threatened a no-confidence vote three times. On October 1960, February, and March 1961, the opposition parties demanded the resignation of the Cabinet.  

Table 7-2 shows the changes in the number of lawmakers of both factions. It should be noted, however, that even after the split, the DP occupied the most seats in the National Assembly. As a result of the continuous efforts to bring in more lawmakers, both factions increased the number of lawmakers until 31 August. As shown in Table 7-2, except for immediately after the election, the New Faction held the majority numbers in the National Assembly. The instability was because of the new internal struggles that started in the DP even after the split. Therefore, although the parliamentary system and the severe disputes between the two factions can be blamed for the instability of the Chang Myun Cabinet, this is not the whole picture.

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188 Both the Old and New Factions continuously tried to recruit non-partisan or other party lawmakers to increase their seats in the National Assembly.
It seems that Chang Myun himself, as the head of the Cabinet, failed to utilize the majority to reduce the political struggle and promote reform (See Chapter 8). The continued political struggles hindered not only the performance of the government but also the stability of the country. Various protests continued with dissatisfaction with the Chang Myun Cabinet growing, which became a good excuse for a military coup d’état. The dissatisfaction and distrust toward party politics rose in society, which provided a good excuse for a military coup d’état (Yoo, 1998; Shim, 2001).

As noted in Section 7.2, the parliamentary system seems to have increased the veto possibility in the Chang Myun Cabinet due to the innate shortcoming of its closer relationship between the parliament and the administration. As shown above, however, the systematic instability was worsened due to the severe struggle between the two major political groups, neither of which gained dominance over the other. Moreover, the lack of understanding of the political party system among the politicians also exacerbated the political struggle. The political parties in Korea were not formed by people who shared the same political ideology and thoughts. Competition among the political parties and politicians was mostly due to personal and emotional antagonism (Han, 1983). There was little difference between the policies that the two factions promoted and they all shared a conservative right wing ideology (Han, 1983). Lawmakers frequently changed party membership for their own interests, which increased the instability in the parliamentary system (See Figure 7-1).

The DP gained power with little serious efforts of their own, taking advantage of the bloodshed of the students. The political power was not earned, but already bestowed upon them. With the hatred for the LP but also the hope to bring democracy back, the Korean people gave majority of their votes to the DP. Both houses in the National Assembly were dominated by the DP. The Chang Myun Cabinet, with majority rule in the National Assembly, should have enjoyed a low level of veto. Unfortunately, however, the DP failed to utilize their dominance to introduce necessary reform in the government following the public demand to resolve social conflicts.

The DP did not seem to be interested in implementing radical reforms for social justice, which was the desperate demand of the Korean public, as shown in the 19 April protest. Instead, the DP devoted itself to new political disputes to gain control over the new government. Ironically, it was the struggle within the DP that raised the level of veto. Endless conflicts split the DP into two and prevented the Chang Myun Cabinet from implementing reformative measures. Though not fully meeting the demands of the public, the Chang Myun Cabinet made economic development a priority and introduced a series of moderately
reformative institutions. However, the political struggles in the National Assembly created a strong veto against institutional change, preventing any major reform from being fully implemented and enforced.

7.3.4. The Military Junta with No Remaining Opposition: Low Veto for Positive Change

As shown in the previous section, the military junta led by Park Chung-Hee did not face any serious opposition, with all three branches of the government—administrative, legislative and judiciary—under its control. There was little protest against the military coup d’état from the public. Koreans, who had become tired of the political strife in the Chang Myun Cabinet, welcomed the coup d’état. Chang Joon-Ha, the famous politician and journalist who later led an anti-dictatorship democracy movement against Park Chung-Hee, in the beginning welcomed the coup d’état. In the June issue of Sasanggye, a monthly political magazine, he wrote:

“While the 19 April movement is a revolution for democracy to gain freedom and a constitutional government, the 16 May revolution is a nationalistic military revolution to destroy Communism and straighten the future by removing disorder, corruption and incompetency.” (Chang J-H, 1961: 22)

The attitude of the Korean people toward the coup d’état seemed to be moderately favourable. The US telegram showed that more than half of people were not against the coup d’état. According to Magruder, most of the powerful people in and around the Korean Government seemed to have had knowledge of the planned coup, but at least had not opposed it (Chang, 1961). This assessment showed the level of weakness of the Chang Myun Cabinet. In fact, the series of reformative measures introduced immediately after the military coup d’état helped people change their attitude. Having become tired of the incompetence and instability of the Chang Myun Cabinet, the Korean public welcomed the military, who seemed likely to implement decisive reforms. The low veto enabled the NRSC to freely change the institutions as it wished. The difference from the Syngman Rhee Administration was that the change was reformative, promoting the merit-based bureaucratic system as shown in Chapter 6.

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189 The telegram says that a US Army CIC poll of causal bystanders along the streets indicates an average for each ten questioned of four in favour of the uprising, two in favour but consider the timing too early, and four opposed. “Telegram from the Commander in Chief, United Nations Command (Magruder) to the Chairman of the Joint Chiefs of Staff (Lemnitzer) in FRUS, 1961-1963 Vo. XXII, Northeast Asia, Document 218 [accessed on 2 June 2013 http://history.state.gov/historicaldocuments/frus1961-63v22/d218]

190 It should be noted that the favour faded away as a series of scandals broke out, but with all the power concentrated in the NRSC and no political activities allowed, serious opposition was not possible (Kim, 2001).
Figure 7-1 shows the political configurations from 1945 to 1963. Each box is a political group or party that won at least 1 per cent of the vote in a national election from 1948 to 1963. To trace their origins Figure 7-1 also contains the political groups from 1945. The political groups that share a similar political ideology with the DP as conservative moderates are marked in blue-coloured boxes. Those that are conservative right, as with the LP, are marked in orange-coloured boxes. The purple-coloured boxes show the left-wing political groups. The lines show personal exchange. Dotted lines mean partial exchange while straight lines mean direct transfer or the same political group with only the name changed.

Figure 7-1: Changes in Major Political Parties and Organizations from 1945 to 1963

Source: Author.
Figure 7-1 vividly shows how little ideological difference there was between the political groups. Both the LP and DP originated from the KIP. Some members of the NA and KPP moved to the LP while others of the same parties went to the DP. Figure 7-1 also shows the growing right-wing ideological dominance. In the beginning, diverse political organizations and parties grouped and scattered following their own interests. With the removal of left-wing groups, there was little ideological difference left between ruling and opposition parties. For example, Chang Myun was once a member of the LP serving the Syngman Rhee Administration as ambassador to the US. The acting president of the interim government after the 19 April Revolution, Huh Jung, served the Syngman Rhee Administration as a minister to name a few. As shown in this and the previous sections, the political parties were not formed and grouped based on ideology and agenda but on personal networks and interests.

The number of political groups gradually reduced. After 1955, two major political parties, the ruling LP and the opposition DP, dominated politics. Both parties, therefore, should have enjoyed a low level of veto when they gained political power. The LP, after 1954, did enjoy a low level of veto, which it abused to circumvent the merit-based institutions. On the other hand, the DP failed to retain the low level of veto, due to internal strife, and ended up bringing about only limited change in institutions. Figure 7-1 shows no presence of political parties from 1961 to 1963. Park Chung-Hee’s military junta utilized the no veto situation to promote positive institutional changes in the merit-based system.

This section has examined the second factor in the veto, the position of political coalitions, and its influence on institutional change. Initially, the Syngman Rhee Administration had a moderate level of veto without a dominant ruling party; however, after 1954, the level of veto was lowered with ruling LP domination in the National Assembly. The level of veto was the lowest after the military coup d’etat, since the NRSC was the only meaningful political entity for three years. In complete contrast, the level of veto was high in the Chang Myun Cabinet, due to the continuous political struggle between the Old and New Factions, neither of which gained full control. The following section examines how the different levels of veto affected institutional change by combining the empirical analysis on the political system and on coalitions.
7.4. Characteristics for Change: Weak Veto Maintained Once Disturbed in the Chang Myun Cabinet

The previous two sections have shown how the two characteristics of political context changed between 1948 and 1963. Following the conceptual framework, this section analyzes how the different level of veto affected the institutional changes, and concludes with the importance of the interests and intentions of the ruling leadership.

7.4.1. Weak Veto and its Influence on Direction of Change

The weak veto of the latter period of the Syngman Rhee Administration and of the Park Chung-Hee Junta produced quite different kinds of institutional change. The Syngman Rhee Administration enjoyed a fair level of autonomy in maintaining the merit-based institutions from the beginning, due to the characteristics of the presidential system in the beginning. Its level of autonomy became even higher after it won the general election and gained majority control in the National Assembly in 1954.

The latter period under Syngman Rhee, from 1955 to 1960, was considered the time when the merit-based bureaucratic system was weakened. As shown in Chapter 6, the EC was abolished while the MoGA was downsized to become the SBSC despite the public opposition. In fact, with continuous allegations of cheating and fraud, the public opinion was for strengthening the merit-based bureaucratic system by reforming the EC. The merit-based system, however, was weakened. Only two sections in the SBSC were designated for maintaining a merit-based system—one for managing examinations and the other for general affairs.

As many scholars agree, this research showed that, after the third constitutional revision, the Korean bureaucracy deteriorated with the weakening of checks and controls from the National Assembly (Lee, 1968; Kim W, 2001; Kim, 1991; Park, 1961). Organizations as well as institutions for the merit-based system were reduced and weakened. The deterioration was shown in the lack of appropriate management in the institution. The gap between the institutional ruling and its enforcement and implementation was widened. The bureaucratic system became run by arbitrary decisions of the LP not by the institutions (Kim, 1991). As shown in Table 6-6, the new recruitment via screening also rapidly increased from 1954. In other words, the Syngman Rhee Administration took advantage of the weak veto of the de facto dictatorship to weaken the merit-based bureaucratic institutions.

The ruling LP of Syngman Rhee was not interested in enforcing the merit-based system. As Table 7-3 shows, from 1955 to 1959, only two new institutions were enacted with regard to the merit-based system while, from 1948 to 1954, seventeen new regulations were enacted. The number of revisions was also smaller. From 1948 to 1954, 24 partial revisions were made, while from 1955 to 1959, 22 revisions were done. The low level of veto created with the dominance of the ruling LP seemed to be used not to strengthen the merit-based institution but to continue business as usual with little interference from the opposition parties. The one time that the low level of veto was used with regard to the merit-based system was for its regression. The LP reduced the MoGA to become the SBSC and abolished the EC. Once again, this section showed how the low level of veto can be used in both promoting and demoting reforms.

<table>
<thead>
<tr>
<th>Table 7-3: Institutional Change from 1948 to 1963</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rhee</td>
</tr>
<tr>
<td>En Bloc Revision</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>Enactment</td>
</tr>
<tr>
<td>10</td>
</tr>
<tr>
<td>Partial Revision</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>Repeal and Enact</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>Sequential Repeal</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>Sequential Revision</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>Chang</td>
</tr>
<tr>
<td>17</td>
</tr>
<tr>
<td>Partial Revision</td>
</tr>
<tr>
<td>16</td>
</tr>
<tr>
<td>Repeal and Enact</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

In contrast, the low veto of the NRSC produced quite the opposite result. Again, Table 7-3 and 7-4 show that the military junta modified the institutions the most, followed by the Chang Myun Cabinet. The military coup d'état granted the NRSC the highest level of authority, virtually incapacitating the court and the National Assembly. The NRSC took advantage of this weak veto and changed the legal institutions as they wanted. From 1948 to 1960 nineteen regulations were newly enacted with regard to the merit-based bureaucratic system; however, in only three years from the coup until 1963, fifteen regulations were enacted. The NRSC introduced important regulations establishing institutional standards for promotion and performance evaluation.
Table 7-4: Institutional Change by Administration and by Types from 1948 to 1963

<table>
<thead>
<tr>
<th>Admin.</th>
<th>Act</th>
<th>Cabinet Order</th>
<th>Executive Order</th>
<th>Ministerial Order</th>
<th>State Council Order</th>
<th>Total</th>
<th>Annual Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rhee</td>
<td>3</td>
<td>79</td>
<td>2</td>
<td></td>
<td>84</td>
<td>6.5</td>
<td></td>
</tr>
<tr>
<td>Chang</td>
<td>22</td>
<td>81</td>
<td>1</td>
<td></td>
<td>93</td>
<td>22.0</td>
<td></td>
</tr>
<tr>
<td>Park</td>
<td>4</td>
<td>81</td>
<td>1</td>
<td></td>
<td>7</td>
<td>31.0</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7</td>
<td>81</td>
<td>80</td>
<td>2</td>
<td>29</td>
<td>199</td>
<td>12.4</td>
</tr>
</tbody>
</table>

Source: Author. Data from http://www.law.go.kr

7.4.2. Strong Veto with Conflicts between the Old and New Factions and the Limited Reform

From 1948 to 1963 the veto possibilities from the opposition parties were weak except during the Chang Myun Cabinet. Though the Chang Myun Cabinet tried to restore the merit-based institutions, it only produced a limited result with the strong veto of the opposition faction within the ruling DP. Table 7-4 shows that the Chang Myun Cabinet revised 22 regulations in only nine months. This was three times higher than the annual average of the Syngman Rhee Administration. However, Table 7-3 and 7-4 also showed that the Chang Myun Cabinet limited its activity to revising existing orders, not enacting a new act. This seems to be due to the fact that an enactment required the approval of the National Assembly while a revision of orders did not. The Chang Myun Cabinet prepared for the Entry-Level examination and revised the Code on Organization of the Secretariat of State Council to include detailed regulations on the merit-based system. However, the examination was conducted under the military junta.

The severe conflicts between the two factions prevented the Cabinet from effectively conducting their work. The Cabinet members fought with each other while President Yoon Bo-Sun vetoed the work of Prime Minister Chang Myun. As a result, the Chang Myun Cabinet achieved the lowest rate of passing regulations in the National Assembly from 1948 to 1963. Moreover, not a single new institution was enacted with regard to the merit-based system in the whole period of its rule. All the changes were partial revisions of the institutions enacted in the Syngman Rhee Administration. Considering the strong desire of the Korean

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192 Yoon Bo-Sun refused to take offensive measures and suppress the coup, simply saying he could not do anything (Chung, 1992). He was thought to have said that the inevitable happened when he heard the news of coup d'état (Chang, 1967). Yoon Bo-Sun (1967) argued that he did not order attack to avoid bloodshed between Koreans. He said he would rather give up the regime to the army than kill fellow Koreans. Though some of this could be true, it seems that Yoon Bo-Sun tried to take advantage of military coup d'état to get rid of Chang Myun and to gain power. Immediately after the coup d'état, the US offered help in suppressing the coup forces, but Yoon Bo-Sun did not take the offer. Yoon also constantly took a dubious stance toward the military coup d'état (FRUS, 1961-1963 Vol. XXII).
people for reform, this was a rather disappointing result. Compared to fifteen new institutions enacted in the three years of the Park Jung-Hee Junta, the disappointing achievement of the Chang Myun Cabinet became obvious.

Statistics also show the high level of veto of the Chang Myun Cabinet. Table 7-5 compares the approval rate of the legal acts submitted by the administrative branch to the legislative body from 1948 to 1963 by dividing the number of draft acts submitted with the number of acts approved. The approval rate seems to coincide with the level of autonomy of the administrative branch. Park Chung-Hee’s NRSC had the highest approval rates with eighty-three per cent, while the Chang Myun Cabinet shows the lowest rate of twenty-five per cent. The Chang Myun Cabinet had interference from the opposing faction due to the parliamentary system, which made it difficult for any change to be implemented.

Table 7-5: Comparison of the Legal Act Approval Rate of the Syngman Rhee Administration, the Chang Myun Cabinet, and Park Chung-Hee’s NRSC from 1948 to 1963

<table>
<thead>
<tr>
<th></th>
<th>No. of Drafts Presented (A)</th>
<th>No. Approved (B)</th>
<th>Ratio (B)/(A) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syngman Rhee</td>
<td>801</td>
<td>358</td>
<td>45</td>
</tr>
<tr>
<td>Chang Myun</td>
<td>159</td>
<td>39</td>
<td>25</td>
</tr>
<tr>
<td>Park Chung-Hee</td>
<td>613</td>
<td>508</td>
<td>83</td>
</tr>
</tbody>
</table>

Source: Author. Data gathered from the National Assembly Legal Information System at http://likms.assembly.go.kr/bill/jsp/BillSearchResult.jsp

7.5. Concluding Remarks

This chapter has examined how the change in the political system as well as in the position of the political parties affects the institutional change in the merit-based bureaucratic system. The presidential system in the Syngman Rhee Administration provided a relatively high level of autonomy to the administrative branch to change rules and regulations. The military junta of Park enjoyed the supreme authority to change institutions, with no interference from judiciary or legislative branches. The parliamentary system in the Chang Myun period lowered the level of autonomy of the Cabinet, since under this system the National Assembly could easily interfere with the administration. As shown above, the Chang Myun Cabinet received demands for resignation and threats of no-confidence voting from the opposition once every three months.

The systemic characteristic on veto possibility is strengthened with the different configuration of the political coalitions. As shown in the previous sections, the level of veto
changed during the Syngman Rhee period from 1954 with the change in the political coalition. Before 1954, the level of veto was relatively moderate, without a majority ruling party. After the national election, when the LP gained the dominant position in the National Assembly after 1954, the level of veto was lowered and the de facto dictatorship began. This chapter has also shown the rise in the level of veto in the Chang Myun period, with the political struggle between the two major factions in the DP and weak leadership. Though a parliamentary system is structurally vulnerable to instability, if a majority party dominates the parliament, the level of veto can be lowered with stability in the regime. In the Chang Myun period, constant political struggles between different factions, with no one group gaining dominance, the level of veto rose and increased instability. On the other hand, Park Chung-Hee’s NRSC enjoyed unilateral authority with no political opposition groups remaining.

In conclusion, applying the empirical results to the conceptual framework, the level of veto changed from moderate to low during the Syngman Rhee period and was lowest in the Park Chung-Hee period. The level of veto was high only under the Chang Myun Cabinet. Combining the results with the findings in Chapter 6, this chapter can presume the possible type of change in accordance with the conceptual framework. According to Mahoney and Thelen (2010), mode I of change occurs with the combination of the characteristics of the institution and of the political context. Chapter 6 has already identified the institutional characteristic, the high level of discretion in implementation and enforcement. By combining this with the empirical results of this chapter, the type of institutional change is either drift or conversion. The high level of discretion combined with a weak veto is expected to produce conversion, while the same high level of discretion with a strong veto leads to drift.

Considering the definitions of drift and conversion, however, the theoretical prediction is only partially right. Drift means the outdating of an institution due to lack of management. However the Chang Myun Cabinet, as shown above and in Chapter 6, introduced limited reformative change. In fact, the annual average number of revisions made was higher under the Chang Myun Cabinet than under the Syngman Rhee Administration. Conversion means the arbitrary interpretation and enforcement of rules for positive or negative direction. It seems that from 1955 to 1960 under the Syngman Rhee Administration, negative conversion occurred, with practitioners selectively enforcing the merit-based institutions. But, for the Park Chung-Hee period and the early Syngman Rhee period, conversion does not seem to be the correct type of change. To identify the type of change, this research needs to examine the last component in the conceptual framework, the change agents, since modes II and III of
Mahoney and Thelen (2010) are the changes affected by the different attitudes of the change agents.

One important point with regard to institutional change is the content. This chapter has shown that the weak veto in the presidential system and in the military junta made it easier for the administrative branch to change legal institutions. The content of change, however, was different, due to the different positions of the ruling political groups. Though the veto power was weak both under Rhee and under Park, the content of institutional change were different. While the weak veto from 1955 to 1959 resulted in a retreat in the merit-based system, from 1961 to 1963 the weak veto contributed to the positive change in the same System.

The different changes in the bureaucratic institutions seem to have been influenced by the changes in political context, mainly due to the interests of the ruling party and the leadership. Chang Myun showed enthusiasm and introduced a series of reforms; however, the political conflicts between the two factions did not give the Chang Myun Cabinet a chance to fully implement the new rules and regulations. It was Park Jung-Hee’s Junta who took advantage of the reformative institutions made under Chang Myun. Park and the junta, also with great interest in reform, actually implemented the institutions planned under Chang Myun, with the weak veto created by the military coup d’état. For institutional reform to succeed, a low level of opposition against reform is not a sufficient but at least a necessary condition. For sustainable reform, the political stability created with a low veto should be supported and utilized by the reformative leadership as well as competent practitioners. The political stability is like a double-edged sword to either promote or hinder reformative efforts.

Based on the analysis, this chapter argues that the administrative branch of the Korean Government enjoyed a relatively high level of autonomy in pursuing institutional change except under the Chang Myun Cabinet. This chapter, by applying the conceptual framework, has also shown the limitations of Mahoney and Thelen (2010) with only partial conformity between the empirical results and the theory. This research also shows that the same high level of autonomy can result in two opposite kinds of change in contents—once it led to deterioration in merit-based institutions under the Syngman Rhee Administration, while allowing reform under the military junta. The continuous struggle and conflicts in the DP seem at least partially to have related to the competence of Chang Myun.

On the other hand, the close relationship between the LP and the bureaucrats also could not have been made without the approval of Syngman Rhee. Moreover, as mentioned in Chapter 6, the interests and behaviour of the practitioners are important with regard to the
enforcement and implementation, due to the high level of discretion. For the complete application of the conceptual framework and for further examination on reformative institutional change, the next chapter analyzes the last component of Mahoney and Thelen (2010), the change agents, adding to the findings of the two empirical chapters.
Chapter 8. Change Agents: The Change Coalitions of the Merit-based System

8.1. Introduction

This research has examined the two factors affecting gradual institutional change in the merit-based bureaucratic system of Korea. In other words, it has examined how the institution itself and political environment surrounding it interacted and worked for change. The previous chapters have also shown the important role of the change agents in setting the course of the change, since they can exert much authority in implementation and enforcement of the highly discretionary institution. The change agents are also involved in aggravating or reinforcing the effects of the political system in institutional change. This chapter now examines the last factor, the people who actually managed the institutional change.

This research has identified two kinds of change agents in the merit-based system—the top leadership of the administration and the bureaucrats that manage the merit-based institutions in the Korean Government. This chapter examines the attitudes of the change agents on institutional change. It first analyzes the position and role of the head of the administrative branch as the leading change agent. Since it is the top leader that sets the course of policy priorities and commands the bureaucrats in the administrative branch, the attitude and interest of the top leader exert considerable influence on the behaviour of the civil servants and ultimately the type and direction of change. This chapter continues by examining the bureaucrats who manage the merit-based bureaucratic system, especially their different attitudes on institutional change. Based on this analysis, this chapter finally concludes by identifying the type of change agents and their influence on the institutional change, in accordance with the conceptual framework.

8.2. Attitudes of Top Leadership to Change and Its Influence on The Bureaucrats

Leadership is important in building effective states, for it is the leaders who establish and sustain locally relevant and effective organizations, who negotiate, establish and consolidate over time the fundamental institutions of an effective state, who forge the rules and practices of economic and political governance, and who shape and ensure the implementation of sound and appropriate policies for growth, poverty reduction and social development (Leftwich and Hogg, 2007). For developing countries, in-depth reforms are necessary to
achieve economic and social development. The leaders and reform agents—often with
different initial interests and coming from different sectors—have to work collectively and
cooperatively to accomplish economic growth and development (Leftwich and Hogg, 2007).

Empirical evidence suggests that the developing countries lacked leaders and elites with
‘national’ goals and with incentives to form positive coalitions for reform (Leftwich and
Wheeler, 2011). Instead, developing countries’ leaders and elites often tend to be largely
‘predatory’ (Evans, 1995) or ‘distributional’ (Olson, 1982), anti-developmental and
undermining growth, preying off the society and economy and remaining locked in conflict
and competition in a context of persistent if not deepening poverty and destabilizing
inequality.

Where leaders are able to generate positive ‘synergies’ within the state on the basis of shared
social purposes, they are able to form ‘reform’ coalitions, capable of devising or reforming
institutions which promote economic growth and social development across a range of
sectors and challenges (Leftwich and Wheeler, 2011). For establishing and developing
effective merit-based institutions, therefore, the head of the administrative branch, who leads
change by commanding and by facilitating the staff and stakeholders for reform, and the
bureaucrats who manage reformative change need to closely cooperate and collaborate. The
change agents identified in the conceptual framework correspond to the reformative
coalitions of Leftwich and Wheeler (2011), the top leader of the administrative branch and
the relevant bureaucrats designated to manage the merit-based institutions.

The top leaders of the administration from 1948 to 1963 were Syngman Rhee, Chang Myun,
and Park Chung-Hee. This section first examines the role of these three different top leaders
in promoting or demoting change. Current scholarship on the motivation and role of
leadership mainly analyzes their speeches, interviews, memoirs or biographies. Though
important, such analysis is limited, in that what the leaders say does not always match what
they actually do. Leaders who emphasize their commitment to reform or development
frequently do not deliver, and may even hinder, the reformative policies. To overcome this
limitation, this research not only examines the interviews and memoirs but also analyzes the
actual implementation by examining the records of the Cabinet Meetings. The Cabinet
Meeting is the place where the president, the prime minister, and the ministers discuss and
decide key plans and strategies as well as the legal rules and regulations of the government.193
Based on the examination of this role, this section later defines their attitudes to change and

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193 Archival Source: Article 72 of the Constitution, 17 July 1948; 7 July 1952; 29 November 1954; 15 June 1960;
29 November 1960; and Article 82 of the Constitution, 26 December 1962.
identifies the type of change agents that they belong to by applying the conceptual framework.

8.2.1. Syngman Rhee: Predatory Leadership and Regression of the Merit-Based System

Though there are some differences, the various studies on Syngman Rhee all agree on one thing: that he had a very unique and complex personality (Chung, 2006; Park, 2010; Suh, 2007). Partly due to his complex characteristics, the assessment of his role as president is also strongly divided. Some call him the ‘Founding Farther’ of Korea (Yoo, 1996), while others criticize him as a ‘Dictator with a Thirst for Power’ (Suh, 2007).

With regard to changing the merit-based institutions, his leadership seems to lack the administrative capacity. First of all, Syngman Rhee shows a contradictory understanding of presidency in the modern government and of democracy. Though he received his higher education in the US, Syngman Rhee seemed not to fully comprehend the duty of the president as the top leader of the administration. Though critical of Confucianism for its outdated abstractness and of the Chosun Dynasty for its incompetence, Syngman Rhee acted as if he were one of the royal family of the Chosun Dynasty, partially because being a royal family member brought hospitality from Western people (Chung, 2006).

His aides and friends also confirmed the dual personality. Huh Jung, who wrote the eulogy for Syngman Rhee’s funeral, recalled that although Syngman Rhee studied and lived abroad for a long time, he had a very strong sense of aristocracy and of control and dominance (Huh, 1979:53). Gregory Henderson, who worked in the US Embassy, recorded that Syngman Rhee ruled like a regent in certain matters, despite being the first non-royal head of the country (Handerson, 2005: 214). It seems that he regarded himself as an exceptional character, above the law and free from democratic control like a monarch. His birthday was celebrated as an official government ceremonial event with cheers for his longevity. People were ordered to raise the national flag and celebrate his birthday even during the Korean War. The Cabinet Meeting records shows the ministers prepared a plan for the ceremony for this birthday.

194 This research does not aim to examine the personality of the Presidents and will not go further on the issue. For more details on the personality of Syngman Rhee, see Yoo, 1996; Lee, 2005; and Suh, 2007.
195 Syngman Rhee accepted Christianity and received a Master’s degree from Harvard University and a doctorate from Princeton University.
196 Archival Source: The Record of the 33rd Cabinet Meeting, 5 March, 1951; The Record of the 21st Cabinet Meeting, 28 February 1956; The Record of the 31st Cabinet Meeting, 20 March 1956; The Record of the 22nd Cabinet Meeting, 7 March 1958.
Syngman Rhee also seemed to lack understanding of the role of the president as the top level bureaucrat leading the administration. Unlike Chang Myun or Park Chung-Hee, Syngman Rhee issued a lot of instructions and left many comments in the Cabinet Meeting, which were sometimes spontaneous and contradicting each other. In the Cabinet Meeting, the promotion and placement of the high level officials were only reported, which Syngman Rhee changed to report all.\textsuperscript{197} But, six months later, he retracted this order, saying that since he was busy he would only decide high level officials’ promotion and placement.\textsuperscript{198} He abolished the Special Investigation Committee for Anti-National Traitors and Collaborators\textsuperscript{199} despite the opposition of the public, but ordered a list to be made of the pro-Japanese collaborators, to avoid recruiting them.\textsuperscript{200}

Some of his instructions showed his lack of understanding of the rules and regulations, while others showed his ignorance of the systematic process of administration. As shown above, the constitution states that all presidential orders and legal acts are required to be reviewed in the Cabinet Meeting; however, Syngman Rhee made an unnecessary order to review all legal acts in the Cabinet Meeting.\textsuperscript{201} After removing the prime minister and his office, Syngman Rhee simply ordered the chief member of the Cabinet Meeting, the Minister of Foreign Affairs, to take up the role of the Prime Minister\textsuperscript{202}, showing his ignorance of the roles and functions of the administration.

Some of his orders were too trivial to be discussed in the Cabinet Meeting. For example, he once ordered to change all female telephone switchboard operators to War veterans under the supervision of the police,\textsuperscript{203} while ordering the promotion of kite-flying, to preserve it as a traditional winter sport.\textsuperscript{204} He even ordered the police to encourage the public to clean all the glass windows of the public and private buildings.\textsuperscript{205} Though Syngman Rhee made orders and comments on such trivial issues, he only made one comment with regard to the merit-based system, asking the EC to work harder.\textsuperscript{206} Syngman Rhee did not order his ministers to promote the merit-based bureaucratic system.

\textsuperscript{197} Archival Source: The Record of the 12\textsuperscript{th} Cabinet Meeting, 21 January 1949.
\textsuperscript{198} Archival Source: The Record of the 70\textsuperscript{th} Cabinet Meeting, 29 July 1949.
\textsuperscript{199} Archival Source: The Record of the 87\textsuperscript{th} Cabinet Meeting, 30 September 1949.
\textsuperscript{200} Archival Source: The Record of the 49\textsuperscript{th} Cabinet Meeting, 23 August 1955.
\textsuperscript{201} Archival Source: The record of the 17\textsuperscript{th} Cabinet Meeting, 30 April 1955.
\textsuperscript{202} Archival Source: The Record of the 15\textsuperscript{th} Cabinet Meeting, 22 April 1955.
\textsuperscript{203} Archival Source: The Record of the 13\textsuperscript{th} Cabinet Meeting, 12 April 1955.
\textsuperscript{204} Archival Source: The Record of the 79\textsuperscript{th} Cabinet Meeting, 2 December 1955.
\textsuperscript{205} Archival Source: The Record of the 7\textsuperscript{th} Cabinet Meeting, 20 January 1956.
\textsuperscript{206} Archival Source: The Record of the 25\textsuperscript{th} Cabinet Meeting, 8 March 1949.
Current scholarship ascribes the micro-management to his suspicion and distrust of his own staff and bureaucrats (e.g. Allen, 1960). To Syngman Rhee, the staff and ministers were more of a trouble than a help (Oliver, 1978: 243). Not trusting the competence of his own people, he even double-checked the reports submitted by the ministers in the Cabinet Meeting with the police (Park, 2010).

However, this eclectic micro-management seems more to do with his ignorance of government administration and his misunderstanding of the duties and role of the president in representative democracy. He also did not quite understand the importance of the merit-based system or the role of the administration, nor did he have enough knowledge to improve the administrative system (Lim, 2008). Though Syngman Rhee looked down on his own staff and ministers for their incompetence, he did not actively try to change the situation by establishing a modernized system. He himself confessed that he was more like a political agitator (Oliver, 1978: 188) than an administrator and he actually was very good at mobilizing the public and playing the ‘politics of the agora’ (Lee and Park, 1998: 234).

Moreover, even though he himself complained about the incapacity of the staff, Syngman Rhee appointed his staff and ministers not based on their performance but based on their loyalty (Kim, 1991). He also constantly changed the ministers, either to get rid of possible competitors or to eliminate disloyal persons (Lim, 2008). The incompetence was partly due to his constant shifting and changing the ministers. Ministers did not have enough time to fully comprehend their jobs because of the frequent changes. Since Syngman Rhee had held his position long enough, new ministers were bound to know less. As a result, from the minister level to the working level staff, the government was filled with people who did not understand their work (Kim, 2006). Figure 8-1 shows the term of office of all 102 ministers who worked for the Syngman Rhee Administration. The figure shows the frequent changes of personnel in the government. Among 102 ministers, 48 served less than a year, which is 47 per cent. Almost 75 per cent, 76 ministers, served less than two years.

There are number of famous anecdotes on the servility and excessive loyalty of the ministers during the Syngman Rhee period. For example, the Minister of Defense, Shin Sung-Mo, was famous for crying when he saw Syngman Rhee due to overwhelming joy. The opposition party members made fun of him, calling him the ‘crying minister’ (Kyunghyang Shinmoon, 5 September 1955; Dongah Ilbo, 16 April 1974). Unfortunately, he seemed not particularly good at his job. He was the defense minister when the Korean War broke out and was not fired until 1951, even after the constant losses in battle. The Minister of Internal Affairs, Lee Ik-Heung, was famous for his servile compliments on Syngman Rhee’s farts (Dongah Ilbo, 27 November 1993). Another Minister of Internal Affairs, Choi In-Gyoo was famous for his answer “Of course, sir.” Every time Rhee said something, Minister Choi’s answer was only the one sentence “Of course, sir,” which was also mocked by parliamentary members. Minister Choi’s nickname became ‘of course minister.’ (Kyunghyang Shinmoon, 6 October 1989).
The Cabinet Meetings were dominated with military and economic issues. Developing merit-based bureaucratic systems was not a great concern of Syngman Rhee. Figure 8-2 shows the number and proportions of the items discussed with regard to the merit-based bureaucracy to the Cabinet Meetings from 1949 to 1959. Over the eleven years, a total of 12,590 items were discussed, and 235 items were related to the merit-based bureaucratic system. The average proportion of the items on the merit-based system was 2.1 per cent. The records of the Cabinet Meetings show little discussion was made on the merit-based system. Most of that discussion was on the way to increase or promptly provide salaries to the civil servants in times of budget deficit. The other issue was related to reporting the appointment of new recruitment or placement, not on changes in institutions in the merit-based system. In-depth discussion on improving the quality of bureaucracy was absent. There was no systematic effort to reform the administrative procedures; therefore, the actual administration was carried out not by the institution but by custom (Oh, 2007).

Song (2010) argues that the human resource policies of Syngman Rhee were a beneficial foundation for later development in the Park Chung-Hee period. However, Song seems to miss that the discussion focused on raising the level of salary not on improving the merit-based system by reform. Moreover, even in the discussion of remuneration, the director of the SBSC was missing. The debates and decisions were dominated by the Minister of Reconstruction, Song In-Sang, and the Minister of Finance, Kim Hyun-Cheol.
Figure 8-2: Number and Ratio of the Merit-Based System Related Items Submitted to the Cabinet Meetings from 1949 to 1959

On the other hand, it seems that Syngman Rhee held himself in high regard and believed that he was the only one qualified enough to lead the country. The presidential election of 15 May 1956, where Lee Ki-Boong lost to Chang Myun, showed the waning popularity of Syngman Rhee and the LP. However, he still seemed not to fully grasp or conceive the reality of the increasing abhorrence of his rule, rather blaming the ignorance of the people. In the press conference of 26 May, Syngman Rhee replied on the question of low approval rates as below:

“I used to believe in the intelligence and wisdom of the Korean people but now I have no choice but to doubt that (Sasanggye, August 1956: 185).”

Some ascribe the absurdity of this misunderstanding to the ‘curtain of people,’ which paralyzed his leadership\(^\text{209}\) as he grew old. The telegram from the US Embassy to the State Department also confirms the ‘Secretary Politics’ (Moon and Ryoo, 2004: 34).

\(^{209}\) They are presidential assistant, Park Chan-il; police commissioner, Kwak Young-Joo; wife of Lee Ki-Boong, Park Maria; and Mrs. Francesca Donner Rhee, wife of Syngman Rhee.
such practice is greater, and I surmise that Park Chan-il is now playing increasingly powerful role, probably with tacit consent of Mrs. Rhee. … In fact, it can be said that increasing number of decisions are being taken by Rhee’s subordinates, notably Park Chan-il, and that even in vital matters, where Rhee is always consulted, there is no doubt that his decisions are often taken without benefit of full information.”

As shown above, Syngman Rhee did not seem to be concerned with institution building or reforming. He did not seem to comprehend the need for institutional reform, nor did he know how to conduct reform. The deterioration of his rule, with heavy involvement of aides in politics, had a negative impact on the merit-based bureaucracy. His aides, focused on sustaining the regime, did not put a high priority on the merit-based bureaucracy. According to Mahoney and Thelen (2010), his attitude to institutional change shows the characteristic of opportunists. He did not promote change nor did he support preservation. Syngman Rhee simply was not concerned about it. However, he manipulated the institutions to achieve what he wanted rather than brazenly breaking them.211

Syngman Rhee can also be defined as a ‘predatory leader’ to a lesser degree. A predatory leader is one who operates in a particularly brutal and often destructive way in order to secure and maintain wealth and power, and who will do so with a combination of ruthless coercion, material inducement to key elites and the employment of personality politics (Nafziger and Auvinen, 2000). A predatory leader, however, is not the sole reason for predatory rule, which depends on the support and active collaboration of others, especially the military and security services and key parts of the bureaucracy (Bavister-Gould, 2011). The combination of political repression and the enrichment of a leader and his cronies erode the institutions and degrade the economy (Bavister-Gould, 2011). He manipulated institutions to sustain his power with the support of the coalition of the LP and some bureaucrats. Since the main concern of Syngman Rhee was to continue his presidency, the bureaucrats focused on sustaining his regime rather than on performing administrative duty for the people (Kim W, 1990; Kim, 1991). With the attention of the top leader focused on maintaining political power, the bureaucracy became more politicized after 1954 as shown in Chapter 7. In conclusion, Syngman Rhee was an opportunistic change agent, taking advantage of the situation for his own personal benefit.


211 For example, rather than disregarding the constitution, he and the ruling LP revised the constitution to continue their rule.
8.2.2. Chang Myun: a Moderate Reformer with Weak Leadership

Unlike Syngman Rhee, Chang Myun had worked for the Korean Government as a diplomat and bureaucrat. While Syngman Rhee was a political mastermind lacking administrative capacity, Chang Myun was a competent administrator without political prowess. Most of the literature on Chang Myun criticizes his poor leadership and weak personality but acknowledges his competence as a bureaucrat (Kim, 1995; Song, 1990; Park et al., 1997). Chang Myun started his career in the USAMGIK, and later hand-picked by Syngman Rhee. He served as the head of the delegation to the United Nations and as ambassador to the US. In both cases, Chang Myun showed good performance with his diligence and good command of English (Lee, 1999).

Syngman Rhee later appointed him as Prime Minister in 1950; however, he only served for less than three months amid the political struggle on constitutional revision. Chang Myun left the LP after the ‘Rounding-Off’ revision of the constitution in 1954. In September 1955, he was elected as one of the executive representatives of the DP and became the vice-presidential candidate as running mate of Shin Ik-Hee for the 1956 presidential election. Though he was elected as vice-president, his position was vulnerable, with constant disturbance from the LP and Syngman Rhee. He himself described the experience as a ‘sinner without a sin’ (Chang, 1967: 46). He resigned from the position on 23 April 1960, which caused controversy over his justification (See Chapter 7). Finally, he became Prime Minister and head of the administration in 1960.

As his career path shows, it seems that Chang Myun was not a proactive person with political finesse. He was a responsible and diligent elite civil servant, duly conducting his work in the given circumstances, but he was not the kind of person who actively organizes, leads, and inspires people. Chang Myun never had the experience of fighting for a job or a title. All the positions he held were given to him. On the other hand, as a conservative and devoted Catholic, idealizing liberal democracy, his assessment on the political and social situation after 19 April Revolution was not realistic. He seems to have underestimated the antagonism that the Korean people harboured against corrupt politicians. He thought that by establishing pure liberal democracy the spirit of the 19 April Revolution would be fulfilled (Huh D, 2001). Therefore, he was against the retroactive legislation to penalize corrupt politicians and

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212 For more on Chang Myun, see Kim, 1995; Chung, 2001; and Huh D., 2001 and 2005.
213 Against the draft of the revised constitution of Syngman Rhee and the LP, on 2 June 1951, the National Assembly elected Chang Myun as the second president and attempted to introduce a parliamentary system; therefore, Chang Myun had no choice but to resign his premiership in the Syngman Rhee administration.
214 He was not informed of important meetings and was kept under surveillance by police officers (Lee, 1999).
company leaders (Chung, 2001).\textsuperscript{215} Despite his objections, however, the law was passed and the popularity of the Chang Myun Cabinet fell. When angry students and civilians tried to break into the National Assembly, on the other hand, he refused to order the police to suppress the protesters by force. He was also generous to tax evaders, which made people become suspicious about a connection between Chang Myun and the accused companies (Han, 1983). He was generous to both the corrupt and the protesters, which was not welcomed by either side (Chung, 1997). Even in the formation of his own cabinet, he was defensive and passive. When announcing his first cabinet members, he said,

“This is the tentative list and I am ready to form a trans-partisan cabinet any time” (Lee, 1999: 140).

Chang Myun did not show confidence and lacked determination in his decisions. His dubious indecision caused him to be portrayed as a “weak Prime Minister who provides jobs to appease the troublemakers.”\textsuperscript{216} He was criticized for his hesitation between a 'New Faction Only' cabinet and a cross-factional cabinet (Han, 1986) and condemned again by both factions, when he finally formed the Cabinet with New Faction people only (Chung, 1992). Chang Myun defended himself by saying that he tried to reach an agreement but his intentions were misunderstood (Chang, 1967). His opponents argued that his first move of concession was too small and his revised offers always came too late (Chung, 2001). With the absence of a dominant leadership, the DP was split into two and the struggle over control within the DP continued.

Despite his fading popularity, Chang Myun was patient and optimistic about the policy outcomes (Suh, 1994; Chung, 2001). He thought that by devoting the administration to poverty alleviation and economic growth, he could gain the necessary public support to maintain rule (Kim H, 1990). He also believed that in the end things would go back to normal after people had finished expressing their suppressed desires and opinions (Chung, 2001). The Chang Myun Cabinet proclaimed the key priority of its administration as “Economy First” and made every effort for fast economic growth. In line with that, it also attempted to reform the inefficient bureaucratic system and improved relevant legal institutions (Joo and Kim, 2006). Unfortunately, with the military coup d’état the reform measures were halted

\textsuperscript{215} The accused were tried in the “revolutionary court”; however, when the result of the trial came out nationwide severe protests broke out due to the lightness of the sentence. The public demanded a retrial, even with retroactive legislation. Chang Myun was also said to have criticized the sentencing by saying the judges should have considered public opinion, not simply the provisions in the law (Chang, 1967; Lee, 1999).

\textsuperscript{216} Sasanggye, October, 1961: 142-159.
before achieving any visible results. As shown in Chapter 6, the reformative institutions were used by the military junta.

The Cabinet Meeting records also showed change. Chang Myun did not make any spontaneous comments or instructions in the meeting. The legal rules and regulations were reviewed as the constitution required. Figures 8-3 and 8-4 also show an increase in the number of items discussed and reviewed including those on the merit-based bureaucratic system.

Chang Myun seemed to lack proactive leadership and a strong will to make his own way in a turbulent situation. When the coup d’état broke out, he went into hiding and did not show himself for more than a week.217 A telegram from the US Embassy on 16 May reports that he was missing and had presumably gone into hiding. A telegram on 17 May even criticized Chang Myun by saying,

“The Prime Minister continues to remain in hiding and does not reveal himself to us. He does not have a reputation for personal courage.”218

Chang Myun did not even have any loyal staff. Magruder was skeptical about the loyalty of the chiefs of staff in the Chang Myun Cabinet, and went further and suggested President Yoon’s intention was to take advantage of the coup to gain control.

“President Yun Po Sun while giving lip service to the constitution initially, appeared to consider a coup as an acceptable method of getting rid of his political opponent Chang Myun and establishing a new kind of government. He still probably wants to replace Chang Myun and seems to be seeking most legally correct way of achieving this. Both President Yun and Chairman of the House of Councilors George Paik oppose bringing in troops to suppress the uprising.”219

In conclusion, he attempted to bring about reform but lacked political skill and determination in pursuing this agenda. As a leader, he failed to take control over the chaotic situation marred by continuous protests and violence. His party was in dispute over political control but he failed to correct the situation. His Cabinet was disrupted by the struggle for parliamentary control but again he failed to extract cooperation from the opposing groups. In fact, though his New Faction had most seats in the National Assembly, Chang Myun failed

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217 When the coup d’état broke out, Chang Myun first ran and knocked on the door of the accommodation of the US Embassy personnel. When no one answered, he hid himself in a convent (Hong, 2002).

218 “Telegram from the Commander in Chief, United Nations Command (Magruder) to the Chairman of the Joint Chiefs of Staff (Lemnitzer) in FRUS, 1961-1963 Vo. XXII, Northeast Asia, Document 218. [accessed on 2 June 2013 http://history.state.gov/historicaldocuments/frus1961-63v22/d218]

219 “Telegram from the Commander in Chief, United Nations Command (Magruder) to the Chairman of the Joint Chiefs of Staff (Lemnitzer) in FRUS, 1961-1963 Vo. XXII, Northeast Asia, Document 218. [accessed on 2 June 2013 http://history.state.gov/historicaldocuments/frus1961-63v22/d218].
to take advantage of this majority. His Cabinet was constantly fettered to the political struggle even after the split with the Old Faction, as shown in Chapter 7. He tried to overcome the difficult situation by showing tangible policy outcomes, but he did not understand that for policy outcomes to be produced, political stability should come first.

The Chang Myun promoted institutional change but resulted in limited change. The empirical examination shows an important implication on institutional reform—the importance of keeping a low level of veto. For his reform plan to be implemented, Chang Myun needed political stability. Without it, he lost the opportunity to actualize the plans. The First Economic Plan of the Park Chung-Hee Administration was a copy of Chang Myun’s, with only the cover changed (Kang, 2000). The introduction of an Entry-Level Examination for civil servants was also implemented under the junta. For the first two years, the junta continued to use the institutions revised under Chang Myun, with only the title changed. Tables 7-3 and 7-4 also show that the Chang Myun Cabinet worked hard to bring about reformative change in the merit-based system (See Chapter 7). Unfortunately, the weak leadership, exacerbated by the high level of opposition, prevented the reforms from being fully implemented.

8.2.3. Park Chung-Hee: Developmental Leadership as a Chief Change Agent

Park Chung-Hee is one of the most controversial figures in the modern history of Korea. Park Chung-Hee is somewhat similar to Syngman Rhee in his desire for power and political prowess to sustain his regime. Unlike Syngman Rhee, Park Chung-Hee had a better understanding and knowledge of administration. He was also different from Chang Myun, without any idealistic belief in democracy. After all, Park had been a military officer for about ten years in the army, which at that time had the most advanced management system in Korea. He was also a very pragmatic person with realistic and practical judgment. Park Chung-Hee argued that “democracy, like fool’s gold, means nothing to the public who constantly suffer from hunger and despair” and went on to say that ultimately, “the real success of democracy in Asia will be judged by the successfulness of the economic development” (Park, 1962: 226-227).

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220 Like Syngman Rhee, the evaluation also varies in accordance with the ideological orientation of the scholars. For more details on Park Chung-Hee, see Park, 1993; Park, 2001.
221 He also had a different personal background from his two predecessors. He was born and raised in a poor farmer family, where starving was as frequent as eating.
222 Without a doubt, the main priority of the government at that time was alleviation of poverty and accomplishment of economic growth. Even the most progressive political journal as Sasanggye at that time argued that elimination of poverty took precedence over any other issues such as democracy, freedom or human rights (Sasanggye, November: 48.) As shown in this section, Sasanggye was favourable toward the
His practical personality and strong desire for success were shown in the series of his career choices—from his aspiration to become a soldier, joining the Communist group, and finally leading the coup d’état. He longed to be a soldier riding a horse wearing a big sword and joined the Japanese army. His choices seem at least to be partially based on his practical assessment of the situation. Being a military officer was one of the limited ways to be successful as a Korean under Japanese colonial rule. He received admission to the Manchurian Military Academy after sending a pledge signed with his blood (Cho, 1998). He even changed his name into Japanese. 223 When he returned home after graduation, unfortunately for Park Chung-Hee, Japanese rule soon ended and he became an unwelcome unemployed person, despised by people for his collaboration history under Japanese rule.

After independence, he joined the Korean army in 1946 and became a Communist, following his elder brother. Again, it seems that his transformation was based on his practical judgment that North Korea had more chance to win. 224 His luck soon ended and two years later he was arrested by the police. After the arrest, Park Chung-Hee immediately converted political allegiance and was released by identifying his fellow members to the Police, while most of the arrested were sentenced to death. Though he saved his life, Park Chung-Hee was ostracized in the army. His future looked grim (Cho, 1998).

His career was saved by the Korean War. Amid the war, he was reinstated and found another chance to restart. He was promoted with the help of his seniors who had attended the same Manchurian Military Academy (Lee J, 2006). However, due to the sudden expansion of personnel, after the Korean War promotion slowed, and payment for the lower level army officers was reduced (Kim, 1971). On the other hand, the army after the Korean War became the most influential and advanced organization in Korea (Kim, 1971). In fact, even in the 1950s, the Korean Army was considered as an alternative to replace the existing political power. A series of other reports produced by the US on the contingency plan for the death of Syngman Rhee all pointed out the Army as one of the possible alternatives (Cho, 2009).

Park Chung-Hee made his last drastic choice of career change 225 and led the young discontented military officers and prepared to set up a coup d’état on 8 May 1960. The core

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223 Such pro-Japanese actions of his draw heavy criticism especially from Korean scholars. For them, Park Chung-Hee is an opportunist betraying his own country and people for his own personal interests (Moon, 1999).

224 In fact, more than thirty per cent of the army was Communist, while eighty per cent of the graduates of the Military Academy at that time were also Communists (Cho, 1998).

225 It may not have been particularly drastic, since as a Commander in Capital Defense Command (CDC), Park Chung-Hee had already observed an attempted coup d’état in 1952. Lee Yong-Moon, the Director of
group that led the coup were the 5th and 8th graduates of the Military Academy who were the outsiders in the Army.\textsuperscript{226} The politicization of the bloated army and the personal experience of joining a coup d’état attempt seem to have given Park Chung-Hee confidence in raising a coup d’état of his own.\textsuperscript{227} The preparation for the coup d’état, however, was neither discreet nor detailed. Young officers openly discussed their plans for the coup and by April 1961 almost every intelligence agency of Korea and of the US had received information on the plot led by Park Chung-Hee (Hong, 2002). By May 1961, even newspapers were writing about the coup d’état, but Chang Myun and those responsible in his Cabinet and the Army did not do anything to prevent the coup from happening (Hong, 2002).

A year after the 19 April Revolution, the situation in Korea was similar to what Leftwich once said—a developing country without a developmental leadership (Leftwich and Wheeler, 2011). Scholars and journalists at that time generally agreed on the needs of industrialization and modernization as a key priority of the country (Kim, 1999). After the passion of the revolution had died down, it seems that the Koreans were at a loss, not knowing what to do or how to do it. The problem was “who is going to take the responsibility of implementation.”\textsuperscript{228} Hong Ie-Byun went further by saying that Koreans seemed to want “a miracle that they could depend on.”\textsuperscript{229} The main concern was an absence of developmental leadership. Again in the editorial of Sasanggye;

“The year 1962 is the first year of the Five-Year Economic Development Plan, which must be implemented successfully. The revolutionary council must devote itself to the success of this plan. All the developing countries wish to achieve economic independence with industrialization to achieve political independence by relieving their people from poverty and ignorance, based on a logical economic development plan. Previous administrations [in Korea] also showed their intention of development but none achieved it and in the end the military government succeeded to the historic task. People in and out of the country pay

\textsuperscript{226} Operation in the Army Headquarters, plotted a coup to overthrow the Syngman Rhee administration, which Park Chung-Hee may have participated in as the assistant of Lee Yong-Moon (Hong, 2002). Even the US government itself had a secret operation called “Ever-Ready Plan” which was a contingency plan to overthrow the Syngman Rhee administration and build a more cooperative government in the South, “Memorandum by the Joint Chiefs of Staff to the Secretary of Defense (Wilson),” 7 December 1954. FRUS, 1952-1954, Vol15, Part2, p. 1932.  

\textsuperscript{227} The 5th and 8th graduates did not belong to any major factions; therefore, did not get promoted (Han, 1993). They first initiated the ‘Clean Army Movement’ demanding removal of political generals from the army (Hong, 2002). The movement was not addressed properly and the discontent among young officers grew stronger. The real motivation of the Clean Army Movement, however, is not clear. Some interpreted the movement as an excuse to get rid of the opposition and gain control.  

\textsuperscript{228} Until early 1990, the incompetence and instability of Chang Myun cabinet was given as the main reason for the coup d’état, but with the secret files of the US government unlocked, recent studies show that Park Chung-Hee prepared a coup d’état even before the 19 April student protests. The instability and incompetence later provided a justification for the coup, but it cannot be the direct reason. 

\textsuperscript{229} Archival Source: Sasanggye, April 1961: 125.  

Archival Source: Sasanggye, April, 1961: 74.
special attention to the results……the military government should move fast with audacity from the basics for success.  

As shown in the previous chapter, with the military coup d’état Park Chung-Hee gained control over the government, eliminating any kind of opposition, which was the complete opposite of the situation that Chang Myun had to face. Park Chung-Hee and his military junta could implement the policies that they wanted without being concerned about objections or disapproval from the opposition parties. Unlike his two predecessors, Park Chung-Hee had administrative experience as well as political interest in promoting reform. He had gained knowledge and experience in efficient administration in the army, which had the most advanced administrative system at that time in Korea. On the other hand, Park Chung-Hee had no choice but to promote economic development to justify his coup d’état. He himself repeatedly argued in his books that the reason for the military coup d’état was to promote modernization in Korea (Park, 1962; 1997).

His personality was reflected in his way of management. Park Chung-Hee was a realistic person moving forward towards success (Kim Y, 2001). He took advantage of anything that could be helpful. He was indifferent to ideology and simply concerned about performance and results. He seems to be the kind of person who thinks that the end justifies any means. His practicality and goal-driven personality appears in his policy choices. He and his colleagues are not hesitant about continuing to use the institutions of the Chang Myun Cabinet. Park Chung-Hee is also, as shown above, not hesitant in applying or using the policies of Japan or even of the Communist countries.

He was as autocratic as Syngman Rhee but he was concerned with the performance. Moreover, he was also quite different in that he knew how to run an administrative organization. He had been a major general in the army and received training at West Point in the US (Han, 1993). He wanted to drive the modernization and development of the country; therefore, an effective bureaucratic system became more important in his government (Oh, 2007). Park Chung-Hee thought the successful modernization of the Meiji Restoration was due to raising competent bureaucrats by building high level education facilities; therefore, he had a great interest in building a career civil service system (Han, 1993; Lee, 1995). He led

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231 This was shown in the normalization of diplomatic relations with Japan in 1965. To gather the necessary money for development, he re-established diplomatic relations with Japan despite huge protests and opposition from the Korean public. His famous Saemaul Undong, the rural community development programme, or the ‘National Mobilization for Greening Law’ all originated from Japanese colonial government policies.
232 The state-driven national economic development plan originated from the Soviet Union. Syngman Rhee refused to make such a plan, since it sounded like a ‘Communist thing’ (Park, 2007).
reform in the merit-based bureaucratic system as well as the administrative system (Oh, 2007; Lim, 2008).

Park Chung-Hee, therefore, can be categorized as an insurrectionary, according to Mahoney and Thelen (2010), as with Chang Myun. With practical knowledge and experience, Park Chung-Hee supported the reformative institutional change. The difference was in the political stability. While Park Chung-Hee created a no veto political context with a military coup d’état, Chang Myun suffered from political struggle with the opposition political groups. Their difference is confirmed in the records of the Cabinet Meeting. Figure 8-3 shows the number of items discussed and instructions made with regard to the merit-based system in the Cabinet Meeting from 1949 to 1963. Figure 8-3 shows the number, which increased from 1960, grew rapidly in 1961. Considering the nature of the Cabinet Meeting, Figure 8-3 is a good example showing the level of interest of the top leadership in the merit-based system.

Figure 8-3: The Number of Merit-Based System Related Items and Instructions in the Records of the Cabinet Meetings from 1949 to 1963

Source: Author. Data from the National Archives at theme.archives.go.kr

Figure 8-4 more clearly shows the difference in management of the merit-based system as well as of the general administration between three different leaderships. Not only the number of items on the merit-based system but also the number of items discussed in the Cabinet Meeting has increased from the Syngman Rhee period to the Park Chung-Hee period. These are four times and ten times higher in the Chang Myun Cabinet and in the Park
Chung-Hee Junta respectively than in the Syngman Rhee Administration. Figure 8-4 shows the priority of the top leadership on the merit-based system.

Figure 8-4: The Comparison of the Average Number of the Items in the Cabinet Meetings under Syngman Rhee, Chang Myun, and Park Chung-Hee

Adding the priority of the top leadership on the merit-based system.

Figure 8-4 shows the priority of the top leadership on the merit-based system.

This section has identified the type of change agent of the three top leaders—Syngman Rhee as an opportunist while both Chang Myun and Park Chung-Hee are insurrectionaries. The next section analyzes the other component of change agents, the bureaucrats, with their performance and characteristics.

8.3. The Bureaucrats Managing the Merit-based Bureaucratic System

This section examines the other half of the change agents, the bureaucrats who actually managed the merit-based institutions in the Korean Government. As shown in chapter 6, the merit-based bureaucratic system of the Korean Government was managed in five different organizations—the EC, MoGA, SBSC, SSC, and SC; therefore, the officials who worked within these are analyzed as the change agents. The officials include the heads of the

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233 All the accounts of the career paths of the ministers are based on the data collected and searched from the Korean History Database at db.history.go.kr, except where specified otherwise.
organizations as well as the high and low level civil servants. However, it is difficult to identify all the officials who worked for the government due to the lack of records on the lower level officials. Current scholarship on the attitude and motivation of the government officials is also limited to examining the social and personal background of ministers or vice-ministers, as shown in Chapter 5.

The Korean Government, on the other hand, was a highly hierarchical organization with a powerful president at the top. Decisions were made from the top, while the policies were also set at the highest level (Cho, 1980). The Cabinet Meeting was supposed to be a forum for discussion and coordination, but as shown in the previous section, one-way direction dominated the meetings, with the ministers following the orders and decisions of the president. The high level officials were politically appointed by the president (Im, 1993). In fact, ministers and directors are politically appointed positions in most countries. By the Law on National Civil Servants, the heads of all five organizations were appointed by the President. The logic of appointment was that the head of the government, who is elected by the people, appoints his people to check and control the bureaucrats, who are not elected, for increased accountability to the public (Laffin, 1997).

At the ministry level, the same one-way direction was also very common. Various studies (e.g. Cho, 1973; 1980; Park, 1976) showed that the policies were set mostly from the top by the minister or directors, with the working level staff following up on them rather than taking proactive initiatives. The attitudes of the bureaucrats on institutional change, therefore, changed in accordance with those of the ministers, as the minister’s priorities followed those of the president. This section, therefore, examines the key change agents in the ministries, the top leadership of the MoGA, EC, SBSC, SSC, and SC (Table 8-1).

Existing scholarship on the attitudes and behaviour of the bureaucrats only analyzes the influence of social background on the policy direction, or identifies trends in the social background of the high level officials of the different administrations. Social background was usually identified as the birth place, the educational level, age, or gender, years of service, and so on. The limitation is the weak linkage between the social background of each person and his or her policy decisions. Though there can exist some level of influence, it is difficult to ascribe the specific policy choices of a person entirely to his or her level of education, gender, or age. In line with this, even when identifying some repetitive pattern in appointments, it is also difficult to say whether a certain tendency in ministerial appointments can have a strong causal relation to the policy outcome. Rather than analyzing social background, this research instead examines how the changes in the head of the organizations affected the actual
in institutional change. Based on the analysis in Chapter 6 on the contents of the institution, this section traces back the attitudes of the bureaucrats on preservation and observation of change, since they are the outcomes reflecting the intentions of the bureaucrats.

8.3.1. The Ministers of the Syngman Rhee Administration

As table 8-1 shows, this research has identified the twenty-two ministers, vice-ministers, directors, and deputy-directors who worked for the five organizations managing the merit-based system from 1948 to 1963. Though they were in charge of the merit-based system, the ministers and directors did not take a competitive examination to join the government. As with other heads of the agencies or ministries, they were also politically appointed by the president.

Table 8-1: The Key Change Agents in the Merit-based System from 1948 to 1963

<table>
<thead>
<tr>
<th>No.</th>
<th>Org.</th>
<th>Title</th>
<th>Name</th>
<th>Term</th>
<th>Career</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>MoGA</td>
<td>Minister</td>
<td>Huh Jung</td>
<td>27/07/1948-25/08/1948</td>
<td>Acting President of the Interim Government after 19 April 1960</td>
</tr>
<tr>
<td>2</td>
<td>MoGA</td>
<td>Minister</td>
<td>Kim Byung-Yon</td>
<td>26/08/1948-29/11/1948</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>MoGA</td>
<td>Minister</td>
<td>Chun Kyu-Hong</td>
<td>30/11/1948-27/04/1951</td>
<td>Also worked for Chang Myun Cabinet</td>
</tr>
<tr>
<td>4</td>
<td>MoGA</td>
<td>Minister</td>
<td>Han Dong-Suk</td>
<td>07/05/1951-01/11/1953</td>
<td>Worked in Japanese Colonial Gov’t</td>
</tr>
<tr>
<td>5</td>
<td>MoGA</td>
<td>Minister</td>
<td>Chang Woon-Gab</td>
<td>02/11/1953-16/02/1955</td>
<td>Also worked for Chang Myun</td>
</tr>
<tr>
<td>6</td>
<td>MoGA</td>
<td>Vice-Minister</td>
<td>Yoon Suk-Oh</td>
<td>10/08/1948-01/11/1952</td>
<td>Retired in 1957</td>
</tr>
<tr>
<td>7</td>
<td>MoGA</td>
<td>Vice-Minister</td>
<td>Kwon Sung-Gi</td>
<td>23/11/1952-16/02/1955</td>
<td>Also worked for both Chang Myun and Park Chung-Hee</td>
</tr>
<tr>
<td>8</td>
<td>EC</td>
<td>Chair</td>
<td>Bae Eun-Hee</td>
<td>05/09/1948-08/02/1952</td>
<td>Retired in 1960</td>
</tr>
<tr>
<td>9</td>
<td>EC</td>
<td>Chair</td>
<td>Kim Buh-Rin</td>
<td>09/02/1952-04/11/1952</td>
<td>Retired in 1959</td>
</tr>
<tr>
<td>10</td>
<td>EC</td>
<td>Chair</td>
<td>Jin Seung-Rok</td>
<td>05/11/1952-16/02/1955</td>
<td>Involved in bribe scandal</td>
</tr>
<tr>
<td>11</td>
<td>SBSC</td>
<td>Director</td>
<td>Moon Bong-Je</td>
<td>17/02/1955-19/06/1957</td>
<td>Involved in libel suit</td>
</tr>
<tr>
<td>12</td>
<td>SBSC</td>
<td>Director</td>
<td>Shin Doo-Young</td>
<td>28/06/1957-30/06/1960</td>
<td>Also worked for both Chang Myun and Park Chung-Hee</td>
</tr>
<tr>
<td>13</td>
<td>SSC</td>
<td>Director-General</td>
<td>Suh Suk-Soon</td>
<td>01/07/1960-03/07/1960</td>
<td>Also worked for Syngman Rhee</td>
</tr>
<tr>
<td>14</td>
<td>SSC</td>
<td>Director-General</td>
<td>Lee Ho</td>
<td>04/07/1960-19/08/1960</td>
<td>Also worked for both Syngman Rhee and Park Chung-Hee</td>
</tr>
<tr>
<td>15</td>
<td>SSC</td>
<td>Director-General</td>
<td>Oh We-Young</td>
<td>20/08/1960-11/09/1960</td>
<td>Also worked for Syngman Rhee</td>
</tr>
<tr>
<td>16</td>
<td>SSC</td>
<td>Director-General</td>
<td>Chung Hun-Joo</td>
<td>12/09/1960-18/05/1961</td>
<td>Also worked for Syngman Rhee</td>
</tr>
<tr>
<td>17</td>
<td>SSC</td>
<td>Deputy D-G</td>
<td>Shin Doo-Young</td>
<td>01/07/1960-17/09/1960</td>
<td>-</td>
</tr>
<tr>
<td>18</td>
<td>SSC</td>
<td>Deputy D-G</td>
<td>Chang Duk-Yong</td>
<td>17/09/1960-18/05/1961</td>
<td>-</td>
</tr>
<tr>
<td>19</td>
<td>SC</td>
<td>Director-General</td>
<td>Kim Byung Sam</td>
<td>20/05/1961-01/02/1963</td>
<td>Brigadier General</td>
</tr>
<tr>
<td>20</td>
<td>SC</td>
<td>Director-General</td>
<td>Lee Suk-Je</td>
<td>01/02/1963-16/12/1963</td>
<td>Lieutenant Major</td>
</tr>
<tr>
<td>21</td>
<td>SC</td>
<td>Deputy D-G</td>
<td>Chang Tae-Whan</td>
<td>20/05/1961-09/07/1961</td>
<td>Colonel</td>
</tr>
<tr>
<td>22</td>
<td>SC</td>
<td>Deputy D-G</td>
<td>Park Young-Suk</td>
<td>09/07/1961-21/02/1963</td>
<td>Colonel</td>
</tr>
<tr>
<td>23</td>
<td>MoGA</td>
<td>Minister</td>
<td>Lee Suk-Je</td>
<td>17/12/1963-10/10/1969</td>
<td>-</td>
</tr>
<tr>
<td>24</td>
<td>MoGA</td>
<td>Vice-Minister</td>
<td>Kim Ok-Hyung</td>
<td>19/12/1963-14/12/1965</td>
<td>Lawmaker of New Democratic Party</td>
</tr>
</tbody>
</table>

Source: Author. Data from Official Gazettes and the Korean History Database.
Four ministers worked in the MoGA from 1948 to 1955, but two of them served less than six months. Huh Jung was the first Minister of General Affairs but he only held the job for about a month. Kim Byung-Yon also served for about three months. He resigned from his office due to discontent with the appointment. Chun Kyu-Hong played a pivotal role in setting the institutional basis for the merit-based system, enacting more than ten new institutions. He had been a law professor in Japan for eight years and had served as the vice-minister of law in the USAMGIK. Chun Kyu-Hong, utilizing his specialty, set the institutional basis for the merit-based system of the Korean Government. Han Dong-Suk, an alleged Japanese Collaborator, did not change much of the work done under Chung Kyu-Hong and only passively managed the institutions that needed revision due to changes in other regulations. Han Dong-Suk, however, may not have had the resources and time for reform, due to the Korean War.

Yoon Suk-Oh, who used to be the secretary of Syngman Rhee with Lee Ki-Boong, was the first Vice-Minister of the MoGA. However, he seemed to be more involved in promoting the political ideology called “One Nation Principle” of Syngman Rhee than in establishing the merit-based system. In September 1949, Yoon Suk-Oh became the Chairman of the Convention Promoting the One-Nation Principle. In 1951, Yoon Suk-Oh suddenly retired from all political positions including the Vice-Minister’s position.

Kwon Sung-Gi and Chung Woon-Gab worked as Vice-Minister and Minister of the MoGA from 1953 to 1955 until it was merged to become the SBSC. Chung Woon-Gab passed the Civil Service Examination under Japanese Rule and worked in Human Resource Administration in the Gyunggi Provincial Government. After independence, he continued working on human resource management in the MoGA. Chung Woon-Gab and Kwon Sung-Gi were the last minister and vice-minister of the MoGA. Under their leadership, the regulations on the MoGA and the EC were repealed and the merit-based bureaucratic system was relaxed. However, both of them were later re-instated under Park Chung-Hee, and

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234 Huh Jung was transferred to be the Minister of Transportation, succeeding to Min Hee-Shik. After the train accident on 6 August 1948, the Minister of Transportation, Min Hee-Shik, faced rising public demand for his resignation. On 1 October, Syngam Rhee made Huh Jung fill the position following Min Hee-Shik, who was sent to be Consul General of Los Angeles, US.

235 Kim Byung-Yon resigned from his office due to the discontent on the government re-structuring that made the Offices of the President and of the Vice-President independent (Kyungyang Shinmoon, 28 November 1948).

236 One Nation Principle is a political ideology made by Syngman Rhee and Ahn Ho-Sang, the Minister of Culture and Education. It was a far-right Fascist ideology aiming to build a country united under one leadership and one ideology.

Kwon Sung-Gi and Chung Woon-Gab worked as Vice-Minister and Minister of Internal Affairs in the Park Chung-Hee Administration.

Three chairmen worked for the EC, Bae Eun-Hee, Kim Bub-Rin, and Jin Seoun-Rok. The first chairman Bae Eun-Hee was a pastor who was much favoured by Syngman Rhee. Bae Eun-Hee did not have the skills to be a minister. Even Syngman Rhee himself said that Bae Eun-Hee could not be more than a pastor. His appointment, therefore, ironically shows Syngman Rhee’s disinterest in the merit-based system. However, during his term, the EC produced two ministerial rules on procedures of the Higher Civil Service Examination and of the General Civil Service Examination. Bae Eun-Hee was less interested in working as the chair during the two years of his term than in focusing on becoming a lawmaker in the National Assembly. He resigned from the office to be a lawmaker of the National Assembly. Kim Bub-Rin succeeded to Bae Eun-Hee, but only served for nine months during the Korean War.

The last chairman of the EC, Jin Seung-Rok, is a good example showing the pandemonium in managing the civil service examination and screening. He was involved in a bribery scandal and twenty-one out of twenty-five staff in the EC submitted a petition asking for his resignation. While Jin Seung-Rok claimed his innocence, another scandal broke out. A student filed a lawsuit against Jin Seung-Rok, claiming that he had arbitrarily changed the test results. A series of exposures continued among the staff of the EC, which gave an excuse to the Syngman Rhee Administration to abolish the EC to be merged into the SBSC.

Moon Bong-Je, the first director of the SBSC, was infamous for white terror against the Left-wing groups and did not have any training in public administration. During his period, the SBSC was attacked on the allegation of corruption with housing projects and the inauguration ceremony of the President and Vice-President. After Moon Bong-Je, Shin Doo-Young became the director of the SBSC. He served all three administrations from Syngman Rhee to Park Chung-Hee. Shin Doo-Young worked as Director of the SBSC and when the Chang Myun Cabinet was established, he was responsible for the transition from the SBSC to the SSC and served as Director. As director of the SSC he introduced the open

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238 Archival Source: Kyunghyang Shinmoon, 21 August 1958.
239 Archival Source: Kyunghyang Shinmoon, 12 February 1952.
240 Archival Source: Dongah Ilbo, 5 March 1953.
241 Archival Source: Dongah Ilbo, 1 October 1954.
242 Archival Source: Dongah Ilbo, 5 October 1954; Kyunghyang Shinmoon, 5 October and 7 October 1954.
243 Archival Source: Dongah Ilbo, 3, August 1960.
244 Moon Bong-Je was the person in charge for the inauguration ceremony, where there was no seat prepared for the Vice-President Chang Myun. People criticized Moon's excessive loyalty to Rhee (Kyunghyang Shinmoon, 23 August 1956).
competitive recruitment system. In 1967 he was appointed Vice-Minister of the MoGA and again introduced reform in the recruitment and promotion system. When he worked for the Syngman Rhee Administration as Director of the SBSC, the deterioration of the merit-based system was at its worst. But, under different leadership, his performance changed and he received good reviews from the news media.  

8.3.2. The Ministers of the Chang Myun Cabinet

In the Chang Myun Cabinet, the SSC had four Director-Generals in nine months. Suh Suk-Soon was first appointed as Director-General of the SSC on 1 July 1960, but two hours after his inauguration ceremony, he suddenly resigned from his office proclaiming his intention of going back to the university.  

Due to his unexpected resignation, the Minister of Home Affairs, Lee Ho, also took the position for a month. The appointment of Oh We-Young showed how the political struggle interfered with administration in the Chang Myun Cabinet. Oh We-Young was considered a right-hand man of Chang Myun. He was famous for his political tactics and fund raising skills. Many people in the Old Faction of the DP were suspicious about him buying out their members to convert them to the New Faction. When his appointment was announced, therefore, great objections arose and a few weeks later, Oh We-Young surrendered and resigned from his office.

Chung Hun-Joo, amid the struggle between the Old and New factions, joined the Chang Myun Cabinet as the Minister of Transportation and became the director of the SSC, following Oh We-Young. He was originally considered as a member of the Old Faction. After joining the Chang Myun Cabinet, Chung Hun-Joo was criticized for changing his political stance. His predecessor, Oh We-Young, resigned from the job due to the attacks from the Old Faction. But, regardless of the criticism, Chung Hun-Joo duly conducted his work to implement the necessary reforms to restore the merit-based bureaucratic system. However, his work abruptly came to an end with the demise of the Chang Myun Cabinet.

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245 When he was appointed as the vice-minister of the MoGA in 1967, the media wrote good reviews praising his expertise in the merit-based bureaucratic system (Kyunghyang Shinmoon, 5 July 1967).
246 Dongah Ilbo, 5 July 1960.
247 Dongah Ilbo, 5 July 1960.
248 Dongah Ilbo, 31 August 1960.
249 Kyunghyang Shinmoon, 8 September 1960.
250 Oh We-Young was the closest aide of Chang Myun, and was considered the fundraiser and schemer behind Chang Myun. Therefore, when the cabinet member list was announced, the appointment of Oh We-Young received most criticism. Chang Myun compromised by making him resign from the post, which did not do anything to gain the necessary cooperation from the Old Faction.
8.3.3. The Ministers of the Park Chung-Hee Junta: Kim Byung-Sam and Lee Suk-Je

Kim Byung-Sam and Lee Suk-Je were both from the army. Kim Byung-Sam was the first director of the SC established after the military coup d’etat. He established the ‘Research Committee for Public Administration’ in the SC and tried to implement reform in the merit-based bureaucratic system. Though he changed the regulations and introduced new institutions on performance evaluation and recruitment, his work was limited to modifying what the Chang Myun Cabinet had started.

It was Lee Suk-Je who modified and streamlined the institutions to give them logical coherence. Lee Suk-Je was considered the designer of the modern merit-based system of the Korean Government (Lee et al., 2003; Oh, 2007). In the NRSC, he worked on drafting legislature necessary to the NRSC and also worked on revision of the Constitution. After observing his performance in the Legislative Sub-Committee in the NRSC, Park Chung-Hee appointed him as director of the SC and later the first minister of the MoGA to reform the merit-based bureaucratic system (Lee, 1995). According to Lee Suk-Je, Park Chung-Hee ordered him to strengthen the merit-based institutions by firmly establishing the professional bureaucracy (Lee, 1995). With knowledge and knowhow in public administration, Lee Suk-Je solidified the merit-based bureaucratic system, successfully meeting the demands of Park Chung-Hee. Later he was again appointed as the Chairman of the Board of Audit and Inspection by Park Chung-Hee. Lee Suk-Je was considered one of the small number of people who led the military coup d’état but were not spoiled after gaining power. He was an upright and competent bureaucrat highly revered even by the opposition parties (Oh, 2007).

8.3.4. Different Attitudes of the Same Person: Kwon Sung-Gi, Chung Woon-Gab, and Shin Doo-Young

Three ministers and directors served more than two administrations with their expertise on the job. Kwon Sung-Gi and Chung Woon-Gab respectively worked as the Vice-Minister and the Minister of MoGA from 1953. They also worked together under Park Chung-Hee as Vice-Minister and Minister of Internal Affairs. Shin Doo-Young served all three administrations. In 1967 he was appointed as Vice-Minister of the MoGA and worked under Lee Suk-Je. In 1975 when Lee Suk-Je resigned from the Chairman of the Board of Audit and Inspection by finishing his term, it was Shin Doo-Young who filled the position. When Shin Doo-Young worked for the Syngman Rhee Administration as Director of the SBSC, the deterioration of the merit-based system was at its height. But, under different leadership, again, his performance changed and he was revered as a veteran administrator.
It seems that the bureaucrats respond to the priority and motivation of their superiors. In fact, Weber (1968) argues, in some ways this is how modern bureaucracy works. The bureaucrats are the neutral workers following the commands of the political leadership which was selected by the people via election. As shown in the appointment of Bae Eun-Hee, Chin Seung-Rok, or Moon Bong-Je, Syngman Rhee was not interested in promoting a merit-based bureaucracy. As shown in the case of Kwon Sung-Gi, Chung Woon-Gab, and especially Shin Doo-Young, the same bureaucrats who worked in the deteriorating merit-based bureaucratic system worked to restore it in another administration under different leadership.

The social backgrounds, often used to analyze the policy choice, do not seem to be a good cause. There seems to be no meaningful connection between their social background and their behaviour and performance. For example, both Moon Bong-Je and Chin Seung-Rok went to college in Japan while Shin Doo-Young graduated from Agricultural High School in Soowon, Korea. The education level, therefore, cannot be an appropriate cause for their different behaviour. Both Bae Eun-Hee and Chun Kyoo-Hong were born in Pyungyang, which also cannot explain their different performance. In the hierarchical organization, the attitudes of the top leadership shaped those of the bureaucrats.

This section has examined the changes in the top managers of the five different organizations with the mandate of managing the merit-based bureaucracy. Some of them showed poor performance and contributed to the degradation of the merit-based system, while others managed institutional reform. This section has found that the differences in performance were more to do with the different priorities and attitudes of the top leadership than with their own personality or background. As shown above, the assimilation of attitudes was reasonable behaviour for the ministers and vice-ministers, since the president who appointed them also held the authority to dismiss them. They needed to meet the demands of the top leadership to keep their jobs and even for their promotion. The next section analyzes the attitudes of the change agents to the preservation and observation of institutions to define their type.

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251 All the people in Table 8-1 had a college diploma except for three, Shin Doo-Young only had a high school diploma. No records have been found for Yoon Suk-Oh and Chang Tae-Whan on their level of education.
252 Seven people were from Kyunsang province, six from Pyungan province, and three from Choongchung province. Cholla and Hamkyung province each had two people. Again Chang Tae-Whan is not included due to lack of records.
8.4. Attitude of the Change Agents to Institutional Change

8.4.1. Attitude to Preservation of Rules: From Indifferent To Advocating Change

This section examines the attitudes of the change agents on institutional change, based on the analysis of the previous two sections. As shown in Chapter 3, Mahoney and Thelen (2010) argue that the change agents can choose to keep the existing rules or not, following their strategic interests. In other words, the change agents of Mahoney and Thelen (2010) are more complicated than the reform coalitions of Leftwich and Hogg (2007). The theory admits the possibility that not all change agents may bring about positive reformative change. Some change agents may choose to selectively modify the existing institutions that they want.

As shown in Chapter 6, the merit-based institutions of the Korean Government were constantly revised and updated from 1948 to 1963. While the changes were positive until 1954, with the change in political context, from 1955 the merit-based system deteriorated, with a lack of management and selective enforcement. The Chang Myun Cabinet resumed positive change, which continued under Park Chung-Hee’s Junta. The attitudes of the change agents also confirm the different institutional change. Section 8.2 shows the opportunistic characteristic of Syngman Rhee, who was not interested in strengthening the merit-based system. The bureaucrats of the SBSC seemed to take advantage of the disinterest and selectively changed the institutions that they wanted to as shown in Chapter 6. The public demand for strengthening the merit-based bureaucracy was not answered in the Syngman Rhee Administration.

In fact, many of the revisions from 1955 to 1959 were more to do with the interests of the officials. Many of the revisions were to increase the staff quota of their own organizations, despite the continued demand for reduction of the government officials. For example, the Code on the Organization of the Service Bureau of the State Council was revised three times: in 1957, in 1959 and in 1960. In 1958, the SBSC increased their staff quota from 93 to 244 (Article 3). In 1959, surrendering to the public demand on downsizing the government, the SBSC revised the Code to reduce the staff quota from 244 to 243 (Article 3). However, a year later, it increased the quota again to 306. The staff quota was constantly increased while no changes were made with regard to increased transparency. The partial revisions in 1958 and 1960 were for the quota increase and for some minor changes in the duties of the departments in the SBSC.

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Section 8.2 has shown that the Chang Myun Cabinet as well as Park’s Junta put reform as their main priority. As shown in Chapter 7, almost all the institutions of the Merit-Based Bureaucratic System were revised in the Chang Myun Cabinet. Despite the high level of veto, the Chang Myun Cabinet duly worked for institutional reform. From 1955 to 1960, for six years, the Syngman Rhee Administration revised 35 rules and regulations, while the Chang Myun Cabinet revised 22 in the nine months of their rule (see Table 7-3). Though the bureaucrats did not receive any political support, they revised whichever rules they could without approval or consent from the National Assembly. Their performance indicates that the bureaucrats, as with Chang Myun, did not seek to preserve the rules.

As shown in the memoirs of Lee Suk-Je (1995), Park Chung-Hee put the establishment of a merit-based bureaucracy as the key for effective government. Following the priority of the top leadership, Park Jung-Hee’s Junta continued the reform and also brought changes in the institutions as shown in Chapter 6 and 7. All of the merit-based institutions were revised while new regulations enacted. With no veto, the Law on National Civil Servants was finally revised to remove the much criticized toxic clause on entry level official recruitment. Article 16 of the Law stated that the entry level officials were recruited either by passing the examination or by getting approval from the officials in charge of appointment. In 1961, Park’s Junta revised this article to state that the entry level officials should be recruited either by passing the examination or the screening process. Two years later, the law was strengthened again by removing the screening process. The newly revised law of 1963 stated that the new recruitment of government officials should be done by open competitive examination (Article 28).

As a result of the continuous reform in Chang Myun and Park Chung-Hee, the level of discretion of the institutions on implementation and enforcement was lowered after 1963 with detailed clauses added. For example, the Law on National Civil Servants in 1950 had 7 chapters and 53 articles, while the law of 1961 had 11 chapters and 84 articles. Moreover, the law of 1961 delegated details to the lower level regulations. Also unlike the previous administrations, Park’s Junta actually followed the delegation of the upper level regulations and made detailed codes and bylaws. Institutions became detailed and exhaustive, so that the bureaucrats had little choice but to follow them.

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256 The only regulation that was not revised in Chang Myun Cabinet is the Law on National Civil Servants.
259 Archival Source: the Law on National Civil Servants of 17 April 1963.
260 Exceptions could be made for the re-hiring of ex-government officials, or the recruitment of certificate holders or of persons with research experience. But, these cases also required the applicant to pass a special examination.
The attitude of the officials on keeping the institutions changed with the change in their leadership. While the officials of the Syngman Rhee Administration showed indifference to preservation, the officials under Chang Myun and Park Chung-Hee brought about favourable changes in the merit-based bureaucratic system by advocating change. Syngman Rhee was indifferent to the merit-based system, while Chang Myun and Park Chung-Hee were keenly interested in reform. In other words, the synchronization of the priorities of the top leadership and the competent bureaucrats who were capable enough to deliver reform created a reform coalition in the Park Chung-Hee Junta. In the Syngman Rhee Administration, in contrast, the uninterested top leadership invited the capable bureaucrats to use their capacity for negative change.

8.4.2. Attitude on Observance of Rules: From Observant To Advocating Change

The other attitude of the change agent that needs to be analyzed to define the type of change agent is their attitude on observation of the rules. Mahoney and Thelen (2010) argue that the change agents can choose either to observe or change the existing rules or follow their strategic interests. The change agents in the Syngman Rhee Administration did not break the rules. Rather, they observed the existing rules without frequently changing them as shown in Chapters 6 and 7. Due to the ambiguity and sparsity of the institutions shown in Chapter 6, Syngman Rhee and his bureaucrats were able to do what they wanted, while still abiding by the law. The institutions were not detailed enough to tightly control their behaviour. As shown in the previous chapters, the officials of the Syngman Rhee Administration or even Syngman Rhee himself did not break the rules to achieve their goals or realize their interests. They sometimes bent the rules or took advantage of the ambiguity of their discretionary authority.

As the priority of the top leadership changed, however, their attitude on observation also changed accordingly. As both Chang Myun and Park Chung-Hee put administrative reform as their main priority, the bureaucrats also changed their attitude and revised the institutions following the orders of the top leadership. As shown in Table 7-4, in the Park Chung-Hee Junta, the annual average number of institutional changes was 31, which is five times higher than that of the Syngman Rhee Administration. The annual average number of changes under the Syngman Rhee Administration was 6.5 while the Chang Myun Cabinet recorded 22.

This section showed that the change agents of the Syngman Rhee Administration tended to selectively preserve as well as observe the rules, following the attitude of the top leadership. In contrast, both in the Chang Myun Cabinet and in the Park Chung-Hee Junta, the change
agents promoted institutional reform. Based on the results, the next section finally defines the type of change agents, following the conceptual framework.

8.5. Types of Change Agents: From Opportunistic To Insurrectionaries

In the previous two sections, this research examined the attitudinal change of the top leader and the officials toward preservation and observance of the rules. To sum up, the change agents in the Syngman Rhee Administration showed opportunistic characteristics, selectively following rules. Their opportunistic behaviour was worsened when the Syngman Rhee Administration gained dominance in the legislative branch in 1954. Especially after 1955, the bureaucrats and the politicians formed an oligarchic relationship. High level officials resigned their posts and obtained nominations from the LP, turning themselves from bureaucrats to politicians, while politicians were filling the vacant posts with their cronies (Lee, 1968; Kim, 1991; Chung, 2007). The change agents in the Chang Myun Cabinet and the Park Chung-Hee Junta showed different attitudes, seeking to change the rules rather than following them, which is the characteristic of insurrectionaries. In accordance with Mahoney and Thelen (2010), the change agents of the Syngman Rhee Administration were opportunists while those of the Chang Myun Cabinet and of the Park Chung-Hee Junta were insurrectionaries.

Current scholarship ascribes the institutional change under Park Chung-Hee to the staff change (e.g. Lee, 1968; Kim 1991). The opportunistic bureaucrats were removed when Park’s Junta fired more than 30,000 officials and the young elite officers from the army filled the positions and brought in new change (Joo and Kim, 2006). The traditional explanation had some limitations. They could not explain the positive reforms made in the Chang Myun Cabinet. Although it only lasted less than nine months, the Chang Myun Cabinet introduced reforms and revised institutions to improve the merit-based bureaucratic system, many of which were followed up by the Park’s Junta. Moreover, the consistency of personnel from the Syngman Rhee to the Park Chung Hee administration seemed stronger than recorded in the existing literature. Section 8.3 has shown some of the ministers and vice-ministers whose performance was different depending on the priorities of the top leadership. This change of attitudes in the same person is not limited to the ministerial level. This research has revealed some level of sustained continuity in staff in all three different administrations.

This research has conducted empirical examination by tracing the Notices of Promotion and Placement in the Official Gazettes of the Korean Government from 1948 to 1963. Tracing the changes in staff level used to be much more difficult due to the lack of records. This
research has taken advantage of the electronic database recently built in the Korean Government and traced the placements, promotions, recruitment, dismissals, and resignations of government personnel that are supposed to be announced in the Official Gazette of the Korean Government. This research searched the Official Gazettes issued from 15 August 1948 to 31 December 1963 and extracted the basic data.

Table 8-2: Names of the Staff Who Served More than Two Administrations

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>EC/ MoGA</th>
<th>SBSC</th>
<th>SSC</th>
<th>SC</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kang Soo-Hee</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>2</td>
<td>Kim Jin-Woo</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>3</td>
<td>Kim Kyung-Joong</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>4</td>
<td>Kim Moo-Ryong</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>5</td>
<td>Kim Shi-Cheol</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>6</td>
<td>Kim Wook-Tae</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>7</td>
<td>Kim Tae-Geuk</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>8</td>
<td>Park Sang-Rae</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>9</td>
<td>Park Sang-Ryul</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>10</td>
<td>Park Yong-Hee</td>
<td></td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>11</td>
<td>Park Ji-Han</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>12</td>
<td>Ahn Young-Gi</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>13</td>
<td>Yoon Hang-Ryul</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>14</td>
<td>Cho Don-Joon</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>15</td>
<td>Choi Gi-Bin</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>16</td>
<td>Hong In-Gi</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>17</td>
<td>Kim Han-Bae</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>18</td>
<td>Shin Choong-Sun</td>
<td></td>
<td>✓</td>
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<td>✓</td>
</tr>
<tr>
<td>19</td>
<td>Kim Seung-Yeup</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>20</td>
<td>Park Seung-Cheol</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>21</td>
<td>Kim Jae-Wan</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>22</td>
<td>Ji Chang-Soo</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Source: Author. Data from the Official Gazettes from 15 August 1948 to 31 December 1963

Table 8-2 shows that from 1948 to 1963 twenty-two staff worked for at least two different administrations. What is more striking is that twenty one of them worked after 1963 in the Park Jung-Hee administration. Table 8-3 shows the continuity of staff in detail. More than 30 per cent of the staff who served more than two administrations worked for all three administrations. The staff continuation from the Syngman Rhee to the Park Chung-Hee administration is.

261 One person did not have any record after 1963.
Administration was higher than to the Chang Myun Cabinet. Park’s Junta claimed the removal of corrupt officials; however, as with the case of the USAMGIK, the continuity shows that Park also needed skilled bureaucrats with work experience.

Table 8-3: Continuity of Staff in the EC, SBSC, SSC and SC

<table>
<thead>
<tr>
<th>Administration</th>
<th>No. of Staff</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rhee to Chang</td>
<td>10</td>
<td>45%</td>
</tr>
<tr>
<td>Chang to Park</td>
<td>13</td>
<td>59%</td>
</tr>
<tr>
<td>Rhee, Chang to Park</td>
<td>7</td>
<td>32%</td>
</tr>
<tr>
<td>Rhee and Park</td>
<td>12</td>
<td>55%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Author. Data from the Official Gazettes from 15 August 1948 to 31 December 1963.

Considering the staff quota, 22 seemed a small number; however, the quota was not completely filled. If compared, only an average of thirty per cent of the quota was filled. As shown in Table 8-4, the staff quota and the actual number of staff are different. As of 1949 the EC had 13 and the Service Bureau had 40. On average, only thirty per cent of the quota was filled (Table 8-4). As for the SSC and SC, unfortunately, the data did not seem to contain all the changes in personnel. After the initial placement was done by 1949, the records in the Personnel Section of the Official Gazette became irregular and lost coherence. Some of the personnel changes were announced while others were missed. If thirty per cent were applied, the estimate number of staff in the Personnel Bureau of the SSC would be around forty-eight staff. However, the Official Gazette only recorded nineteen staff which also contained discrepancies. In fact, it is difficult to identify who they are due to the lack of observation of the rules and the vagueness of the rules at that time. The problem was exacerbated by the records left today. The regulations on the Government Organization stipulate the quotas for all positions of staff in each organization; however, the actual recruitment did not happen as the regulations said.

Table 8-4: Comparison of Staff Quota vs. Actual Recruitment

<table>
<thead>
<tr>
<th></th>
<th>Quota</th>
<th>Actual Data</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Examination Committee</td>
<td>40</td>
<td>13</td>
<td>33</td>
</tr>
<tr>
<td>Ministry of General Affairs</td>
<td>N.A.</td>
<td>45</td>
<td>-</td>
</tr>
<tr>
<td>Service Bureau of State Council</td>
<td>93</td>
<td>39</td>
<td>42</td>
</tr>
</tbody>
</table>

Source: Author. Data from the Official Gazettes from 15 August 1948 to 31 December 1963

262 The Code on the Organization of the Secretariat of the State Council had a 240 staff quota and SSC had five departments.
The Korean Government circulates its staff to the different ministries. A staff member in the Ministry of Health may be placed in the Ministry of Transportation the next year. Considering the rotation, the number twenty two is the minimum estimation of continuity since it does not count the staff who were placed in different ministries. For example, a staff member of the Ministry of Health in the Syngman Rhee Administration who was transferred to the SSC under the Chang Myun Cabinet is not counted and vice versa.

As of January 1960, a survey of the high level bureaucrats shows that the recruitment of the high level officials was usually done via promotion. 78.9 per cent of the Second grade official posts and 80.1 per cent of the third grade official posts were filled via promotion (Park, 1961). Moreover, it seems that there also a continuity of staff from the Syngman Rhee to the Park Chung-Hee Administration. In other words, a certain proportion of the bureaucrats in the ministries that plan, implement, and change the rules and regulations on the merit-based System in the Park Chung-Hee Administration also worked for either Syngman Rhee or Chang Myun.

The continuity is more clearly shown at ministerial level than at junior level. Out of twelve ministers and vice-ministers who served the Syngman Rhee Administration, ten worked for Chang Myun and three also worked for Park Chung-Hee. Considering that two were retired and three deceased, one cannot deny that there is a certain level of continuity among the three administrations. Moreover, all five Director Generals and Deputy Director-Generals of the SSC in the Chang Myun Cabinet had also worked for the Syngman Rhee Administration. Three officials, Kwon Sung-Gi, Shin Doo-Young and Lee Ho, served all three administrations. The important point is that the attitudinal change seems more to do with the change in the top leadership than in the replacement of staff.

8.6. Concluding Remarks

This chapter has examined the attitudes of the change agents on the institutional change. The change agents in the Syngman Rhee Administration have been identified as opportunists. With little commitment from the top leader, the bureaucrats did not have any incentive to commit themselves to change. The change agents in the Chang Myun Cabinet and in the Park Chung-Hee Junta are identified as insurrectionaries. As both Chang Myun and Park Chung-Hee attached great importance to reform in the merit-based bureaucracy, the officials also duly followed their leaders, promoting reforms by revising and enacting institutions. The
high level of veto in the Chang Myun Cabinet prevented substantial institutional reform. In conclusion, for the reformative institutional change, the synchronization of the committed top leadership and competent bureaucrats in low level of veto is a crucial condition.

According to Mahoney and Thelen (2010), two modes of change involve change agents. Mode II is the institutional change, occurring solely due to the change agents. Mode III involves all three factors. The institutional characteristics and political context define the type of change agents who shape the institutional change. Mode III does not fit the empirical findings. Chapter 6 has identified the high level of discretion as the institutional characteristic while Chapter 7 has shown that the weak veto applied in the Syngman Rhee period and Park Chung-Hee period and the high veto in the Chang Myun Cabinet respectively. Applying Mahoney and Thelen (2010), a high level of discretion combined with a weak veto produces opportunists while with a weak veto, it results in parasitic symbionts. The empirical examination partially concurs with the theory. However, it is difficult to say that the opportunists under Syngman Rhee were produced due to the high level of discretion and weak veto since the opportunistic character only emerged after 1955. Since the empirical examination does not confirm the theory, mode III can be excluded in this research.

The change agents in this research, therefore, seem to have led institutional change via mode II, independently from the other two components. Applying the empirical results to Mahoney and Thelen (2010), the type of institutional change under opportunists of Syngman Rhee should be conversion while for insurrectionaries of Chang Myun and Park Chung-Hee, the type should be displacement. The type of institutional change predicted in the theory only partially confirms the empirical results. As shown in Chapter 6, during the early Syngman Rhee period before 1954, gradual improvement was made in the merit-based institutions. Conversion only happened after 1954 with the change in political context. Moreover, in the Chang Myun Cabinet, extensive change was not possible with the high level of veto. The change agents showed features of insurrectionaries; however, the strong veto prevented extensive change. Institutional change was made by revision, with new features added onto the existing institutions. The type of change was more like layering than displacement. The insurrectionaries were able to put the reform in place in Park’s Junta when the strong veto was removed with the military coup d’état.

On the other than, this chapter has also produced two key findings with regard to Korean bureaucracy. Firstly, contrary to the current scholarship, this research has found that there is a meaningful level of continuity in staffs from Syngman Rhee to Park Chung-Hee. Park Chung-Hee, like the USAMGIK, could not run the government without skilful officials.
Many of the officials fired immediately after the military coup d’état were re-hired afterwards. An even more important point is the continuity in the high level officials. As the previous section has shown, some of the high level officials of Syngman Rhee Administration also worked for Park Chung-Hee.

In line with the first finding, this research has shown how the attitude of the bureaucrats changed in accordance with the priority of the top leadership. As the top leadership changed from opportunists to reformative insurrectionaries, the bureaucrats also transformed their attitudes accordingly. Shin Doo-Young is a good example. He utilized his capacity both to debilitate and to promote the merit-based bureaucracy. This chapter concludes, therefore, that change in leadership seems to be the critical factor in institutional change, since it brings about the attitudinal change in the practitioners as well as affecting the other two factors of change (See Chapters 6 and 7). In this sense, for any kind of institutional reform to be successful, it will be important to have a reformative leadership at the top.

Chapters 6, 7 and 8 have examined the three components of institutional change, applying the conceptual framework. Some of the empirical findings confirm the theory, while others show contradictions. In the next chapter, all the empirical findings are examined together and applied to the conceptual framework. The test results will be shown with theoretical feedback and policy implications.
Chapter 9. Conclusions

9.1. Introduction

This research has analyzed how the institutions of the merit-based bureaucratic system in the Korean Government changed from 1948 to 1963. The previous three chapters conducted an empirical examination of the institutions, applying the gradual institutional change theory of Mahoney and Thelen (2010). This research has conducted document analysis by identifying and examining the 199 rules and regulations on the merit-based bureaucratic system and assessed three key factors affecting the institutional change. Summing up the empirical examination, this chapter first presents the empirical findings and compares the final results to the theory. Then, based on the empirical analysis, this chapter draws out some key implications for the gradual institutional change theory as well as for the developmental state theory. Thirdly, this chapter points out some policy implications, particularly in relation to the institutional reform programmes which are widely conducted in developing countries. Finally, this chapter puts the results together and provides answers to the research questions. Some limitations of the research and areas of further research are also briefly presented.

9.2. Empirical Findings

9.2.1. The Type of Change in the Merit-Based Bureaucratic System

Chapters 6 to 8 have examined the three factors affecting and deciding the mode and types of gradual change according to the conceptual framework developed from Mahoney and Thelen (2010). Chapter 6 has analyzed the institutional characteristics, Chapter 7 the political context, and Chapter 8 the change agents. This research has found that the institutions for the merit-based system from 1948 to 1963 gradually changed. From the beginning, the Korean Government was equipped with rudimentary regulations for a merit-based bureaucratic system, which were gradually modified. Even in the case of full revision, total change was not made. Some of the clauses and articles were always carried over from previous ones. The gradual change, however, was not a linear improvement. The merit-based system was neither gradually improved throughout the three administrations nor abruptly improved with the Park’s Junta. The institutions were improved until 1955 but deteriorated from 1955 until 1959.

The institutional characteristic that affected the gradual change was the high level of discretion in implementation and enforcement. Though the institutions were constantly updated and revised,
they were not specific or detailed enough to reduce the political influence. In the Syngman Rhee Administration, the merit-based recruitment was not fully implemented. The bureaucrats, taking advantage of the high level of discretion caused by the vagueness of the rules, chose to interpret and enforce them for their own interests. The institutions were not equally applied in the ministries, and officials chose to implement them following their own interests. The high level of discretion in implementation and enforcement, according to Mahoney and Thelen (2010), can only result in two types of change—drift or conversion via mode I or mode III.

On the second factor, the political context, this research has examined the changes in the political system as well as in the positions of the political parties. The presidential system in the Syngman Rhee Administration provided a relatively high level of autonomy to the administrative branch to change rules and regulations. The military junta of Park enjoyed supreme authority to change institutions, with no interference from judiciary or legislative branches. The parliamentary system in the Chang Myun period lowered the level of autonomy of the Cabinet, since the system provides the National Assembly with authority to interfere with the administration. The Chang Myun Cabinet often received demands for resignation and threats of no-confidence voting from the opposition. The systemic characteristic of veto possibility was strengthened with the different configurations of the political coalitions. The level of veto changed in the Syngman Rhee period from 1954 with the change in the political coalitions. Before 1954, the level of veto was relatively moderate, without a majority ruling party. After the national election, when the LP gained the dominant position in the National Assembly after 1954, the level of veto was lowered and the de facto dictatorship began. The level of veto in the Chang Myun period rose due to the constant political struggles between different factions, where no one group gained dominance. On the other hand, Park Chung-Hee’s NRSC enjoyed unilateral authority, with no political groups remaining in opposition. The level of veto changed from moderate to low in the Syngman Rhee period, and was lowest in the Park Chung-Hee period. The level of veto was high only in the Chang Myun Cabinet.

Combining the results with the institutional characteristic, the high level of discretion, the possible types of change in accordance with the conceptual framework are either drift or conversion. According to Mahoney and Thelen, mode I of change occurs with the combination of the characteristics of the institution and of the political context. The high level of discretion combined with a weak veto is expected to produce conversion, while the same high level of discretion with a strong veto leads to Drift. Considering the definition of
drift and conversion, the theoretical prediction is only partially right. Drift means the outdating of an institution due to lack of management. The Chang Myun Cabinet, however, introduced limited reformatory change. In fact, the annual average number of revisions made was higher in the Chang Myun Cabinet than in the Syngman Rhee Administration. Conversion means the arbitrary interpretation and enforcement of rules in a positive or negative direction. It seems that from 1955 under the Syngman Rhee Administration, negative conversion occurred, with practitioners selectively enforcing the merit-based institutions. But, for the Park Chung-Hee period and the early Syngman Rhee period, conversion does not seem to be the right type of change. To identify the type of change, this research needs to examine the last component in the conceptual framework, the change agents, since modes II and III of Mahoney and Thelen (2010) are the changes affected by the different attitudes of the change agents.

The third factor is the attitude of the change agents to the institutional change. The change agents in the Syngman Rhee Administration have been identified as opportunists. With little commitment from the top leader, the bureaucrats did not have any incentive to commit themselves to change. The change agents in the Chang Myun Cabinet and in the Park Chung-Hee Junta have been identified as insurrectionaries. As both Chang Myun and Park Chung-Hee placed great importance on reform in the merit-based bureaucracy, the officials also duly followed their leaders, promoting reforms by revising and enacting institutions.

According to the Mahoney and Thelen (2010), two modes of change involve the change agents. Mode II is the institutional change that occurs solely due to the change agents. Mode III involves all three factors. The institutional characteristic and political context define the type of change agents who shape the institutional change. Mode III does not fit the empirical findings. Applying Mahoney and Thelen (2010), a high level of discretion combined with a weak veto produces opportunists while with a high veto, it results in parasitic symbionts. The empirical examination partially concurs with the theory. However, it is difficult to say that the opportunists under Syngman Rhee were produced due to the high level of discretion and weak veto since the opportunistic character only emerged after 1955. Since the empirical examination does not confirm the theory, mode III can be excluded in this research.

The change agents in this research, therefore, might lead institutional change via mode II, independent from the other two components. Applying the empirical results to Mahoney and Thelen (2010), the type of institutional change under Syngman Rhee should be conversion while for Chang Myun and Park Chung-Hee, the type should be displacement. The type of institutional change predicted in the theory only partially confirms the empirical
results. In the early Syngman Rhee period before 1954, gradual improvement was made in the merit-based institutions. Conversion only happened after 1954 with the change in political contexts. Moreover, in the Chang Myun Cabinet, extensive change was not possible with the high level of veto. The change agents showed features of insurrectionaries; however, the strong veto prevented extensive change. Institutional change was made through revision, with new features added onto the existing institutions. The type of change was more like layering than displacement. The insurrectionaries were able to put the reform in place in Park’s Junta when the strong veto was removed with the military coup d’état.

Table 9-1 below summarizes the empirical result of this application of the theory. The empirical test shows that the period from 1948 to 1963 can be divided into four sections, reflecting the changes in the features of the three components. While the other two sections coincide with the administrative periods of Chang Myun and Park Chung-Hee, Syngman Rhee’s ruling period is divided into two periods. The empirical analysis shows the Syngman Rhee Administration experienced change after the 1954 election, with dominance in the National Assembly. The first three rows are the summary of the analyses done in the previous three chapters. Combining those three, the fourth row shows the type of institutional change made as a result. The fifth row represents what should have happened in accordance with the theory via mode I or II. Via mode I, a high level of discretion in intuition combined with weak veto can bring about conversion while with strong veto should result in drift. On the other hand, via mode II, the insurrectionaries can bring about displacement while the opportunists conversion.

The sixth row shows the comparison between the empirical results and the theoretical prediction. In the second Syngman Rhee period, the theoretical prediction matched the empirical results. The opportunistic change agents took advantage of ambiguous rules and weak opposition, and selectively enforced the institutions. In the first Syngman Rhee period, conversion happened, as the theory expected, but there was also positive piecemeal change in the institutions through a layering process. In the Park Chung-Hee period, though the institutional as well as contextual conditions were the same as that of the first Syngman Rhee period, conversion did not occur. Instead, positive change, first in the form of layering and later of displacement occurred, mainly due to the insurrectionary change agents. The Chang Myun period shows deviation from the theory. While the theoretical prediction was either drift or displacement, the empirical results show layering due to the strong veto and insurrectionary change agents.
In sum, the empirical tests show that the three factors did affect the type and direction of change; but the relatively different importance of the three variables seems to have resulted in different outcomes. The next section further examines the role of each factor in their relative influence on institutional change.

Table 9-1: The Summary of the Empirical Analysis Results

| Source: Author. |
|-----------------|-----------------|-----------------|-----------------|
| Syngman Rhee 1948-1954 | High Level of Discretion | High Level of Discretion | High Level of Discretion | High Level of Discretion |
| Syngman Rhee 1955-1960 | Weak Veto | Weak Veto | Strong Veto | Weak Veto |
| Chang Myun 1960-1961 | Opportunists | Opportunists | Insurrectionaries | Insurrectionaries |
| Park Chung-Hee 1961-1963 | Layering/Conversion | Conversion | Layering | Layering/Displacement |
| Prediction of Theory | Conversion | Conversion | Drift (Mode I)/ Displacement (Mode II) | Conversion (Mode I)/ Displacement (Mode II) |
| Findings vs. Theory | Similar | Match | Different | Similar |

9.2.2. Roles of Each Factor and Type of Institutional Change

The comparison between the empirical results and the theory shows that the factors do affect the type of institutional change. The differences between them, however, need to be further examined. Table 9-1 shows that the findings are mostly affected by the type of change agent. Except in the Chang Myun period, the empirical results match the expectations of theory. It seems that mode II of Mahoney and Thelen (2010), the change agents solely affecting the institutional change, is the closest to the empirical results between the three modes of change. In particular, the role of the leadership seems to have been important in affecting other change agents' behaviour as well as the level of opposition (see Chapter 7, 8). The attitude of the bureaucrats changed in accordance with the priority of the top leadership. As the top leadership changed from opportunists to reformative insurrectionaries, the bureaucrats' attitudes were also transformed accordingly. The change in leadership seems to have been the critical factor in institutional change since it brought about an attitudinal change in the practitioners as well as affecting the other two factors of change (see Chapter 6 and 7).
sense, for any kind of institutional reforms to be successful, it will be important to have a reformative leadership at the top.

The Political context also seems to have played an important role. Both Chang Myun and Park Chung-Hee had the same institutional characteristics and change agents. However, it seems that the high level of veto caused by strong opposition limited the work of change agents in the Chang Myun period. The insurrectionaries were limited to the layering type of change due to the strong veto failing to produce the full-blown change that the theory predicted (see Chapter 8). It was Park Jung-Hee’s Junta who took advantage of the reformative institutions made under Chang Myun. Park and the junta, also with a great interest in reform, actually implemented the institutions planned under Chang Myun, taking advantage of the weak veto created by the military coup d’état. For sustainable reform, the political stability created by a low veto should be supported and utilized by reformative leadership as well as competent practitioners. Political stability is like a double-edged sword, either promoting or hindering reformative efforts.

The modes of change, in line with this, bring many questions. The empirical results show that all three modes only provide limited accounts in explaining the change. The result of the second Syngman Rhee period matched mode I type change; however, the change was produced by the combination of all three factors, not merely two factors. The pivotal difference was the reduction in opposition veto power and increase in opportunistic behaviour, but in the theory there was no mode to explain the change in the political context and change agents. The research shows mode III did not happen since change agents are not produced due to the institutional characteristics and the political context. Mode II also does not fully match the empirical results. Although the results show most similarity with mode II, the change is made not solely by the change agents but by the interaction of the three factors. The empirical results show that the three factors moved independently. There was interaction among the three factors, but no causal relationship. The empirical results identify the need to modify the three modes in Mahoney and Thelen (2010).

9.2.3. **Empirical Analysis of the Korean Case**

The empirical examination of the Korean case shows the gradual institutional change in the merit-based bureaucratic system. During the Syngman Rhee period, the institutions were not sufficiently detailed or complex, giving the bureaucrats room to take advantage of the vagueness. The political veto was not strong, since most of the institutions of the merit-based system could be managed without prior approval, due to the features of the presidential system. Especially after 1955, the veto became weakened further, as the ruling party won the
national election and gained a majority in the National Assembly. The bureaucrats of the Syngman Rhee Administration were indifferent to preserving or obeying the rules. Until 1954, they sometimes changed the rules, showing the public a gesture of reform, while taking advantage of the lax rules. In other words, layering and conversion happened at the same time. After 1955, with the decrease in interference from the opposition parties, the predation dominated and conversion happened.

In the Chang Myun period, from 1960 to 1961, important changes were made in the political context. The political system as well as the political coalition changed, resulting in a strong veto. The parliamentary system allowed the political parties more involvement in managing the bureaucratic system. Moreover, the severe political struggle between the Old and New Factions in the DP made it even more difficult for Chang Myun, from the New Faction, to implement any kind of policies. Despite these difficulties, with their high commitment to reform, the bureaucrats in the SSC managed to introduce some positive changes, revising rules and regulations to lay a basis for the merit-based bureaucratic system. Therefore piecemeal change was made in the institutions, which can be categorized as layering. This is a deviation that is not predicted in the theory. The theory predicts that either drift happens due to the high veto and high discretion, or displacement is made by the rebellious change agents.

Park Chung Hee’s Junta again lowered the level of veto, even paralyzing the constitution. With the administrative, legislative, and judiciary branches all under its control, the junta revised and modified the regulations as they wished. Some rules were totally removed, but others were still maintained and used. A more substantial level of change was made later, after the new actors had become accustomed to governmental administration and the competent change agents appeared.

This research has filled the analytical gap on the emergence of the merit-based bureaucracy in Korea. The rules and regulations for the merit-based institutions gradually changed from Syngman Rhee to Park Chung-Hee, mostly by layering. This was not always a positive improvement achieved through path dependency. Sometimes the change resulted in deterioration in the system. Moreover, contrary to the assertions of current scholarship, many of the changes made under Park did not mean total abandonment of the old institutions. Park introduced new rules, but also made changes by streamlining and specifying more detail in the existing institutions. In the case of Korea, the change agents seemed to affect the direction of the change the most. The change in leadership affected the attitude of the bureaucrats, and the combination of competent bureaucrats and top leadership brought about the reform. The case also shows the importance of a low level of veto for the
implementation of reform. The level of discretion was continuously high, as a result of the reform; however, the level of discretion became lower after 1963.

9.3. Theoretical Feedback

This research started with six research questions. The first question was how the change was made, while the other three questions asked about the influence of the three factors in the conceptual framework. With the four questions answered, this section and the next section address two remaining questions—how the empirical case relates to the gradual institutional change theory and what the implications are for the developing countries today. The gradual change theory of Mahoney and Thelen provides various advantages in examining and assessing institutional change as shown in this research. It overcomes the oversimplified explanation of the abrupt change theory, as well as broadening our understanding of the endogenous dynamics for change. With some shortcomings, as Cini (2013) says, Mahoney and Thelen’s theory is the most developed theory to date on gradual institutional change. Accommodating institutional complexity and compliance, the theory is especially useful in examining the institutional reforms conducted in developing countries today, with a framework to examine the discrepancy between designers and implementers and changes in contexts and importation of institutions. Based on the empirical findings, this research attempts to add value to the current scholarship on institutional change and bureaucratic capacity.

9.3.1. Feedback on Gradual Institutional Change Theory

Especially these days, aware of the importance of politics, many donors conduct a political economy analysis (PEA) to better understand the context and ultimately to better implement their development programmes. Various frameworks for analysis, such as the Drivers of Change of the DFID, the Power Analysis of the SIDA, and the Governance Analysis of the EC, however, focus on politics while missing the fact that the institution itself can also be an independent variable affecting the development outcomes. Different characteristics of the institutions, however, can affect the results either directly, or by interacting with other factors. The concept of discretion in institutions is also important to better analyze institutional reforms since as shown in this the mere existence of an institution does not necessarily imply its enforcement and implementation. Considering that many of the reform measures implemented by the donor agencies are not actually used, analysis of the level of discretion becomes much more important.
The empirical tests of this research show some strong points of Mahoney and Thelen (2010). First, the empirical results confirm the basic assumptions of the gradual institutional change theory. The institutional change has more to do with a piecemeal internal process than to do with any external shock or event. The Korean War, for example, did not bring about total or sudden change in the Korean Government. The 19 April Revolution or the 16 May military coup d’état each provided a new opportunity, but still the new administrations only slowly introduced new reformative institutions.

Secondly, the gap between the existence and the enforcement of an institution has also been proved valid. Not all institutions are implemented or enforced. The empirical examination has found that the institutional setting for a merit-based bureaucratic system already existed even in the early period of the Syngman Rhee Administration. Moreover, most of the changes made in the Park Chung-Hee Junta were based on the institutions of the previous administrations. The pivotal difference was in practice. The selective enforcement shows that the codified institutions for the merit-based system cannot be enough for improving bureaucratic capacity. The bureaucrats did not abide by the rules and regulations, or manipulated them for their own good. The pressure from the top leadership and the attitudes of the practitioners, who were influenced by the priorities of the leadership, played an important role in implementation and enforcement. This is especially important to the donors who introduce various institutional reforms in developing countries. The institutions that they export cannot be guaranteed to be used. In particular, in the developing countries where the official institutions at the top are not used, and the actual management is carried out by informal customs and routines, it will be much more difficult to actually introduce and implement institutional change.

Thirdly, as shown in the previous section, the empirical tests confirm the influence of three change factors and different types of change in the theory. The three factors affect the type and direction of institutional change but in different magnitudes. In the Korean case, among the three factors, the change agents exert the most influence in institutional change. In particular, the role of the leadership seems to be important in affecting other change agents’ behaviour, as well as the level of opposition.

The empirical test, however, also shows some discrepancies between the theory and the case and this research proposes three modifications to consider for the gradual institutional change theory. The first is the validity of the three modes of change in Mahoney and Thelen (2010). The theory provides three different modes of change; however, the empirical analysis showed that although the three factors did interact with each other, the type of causal
relationship predicted in the three modes did not happen. The test also shows that the three factors affect the change in different magnitudes.

In the case of Korea, the change agents were most influential, and the interaction between political context and change agents mainly determined the direction of change. The theory, therefore, may need to discuss the different levels of importance of the three components in change. In fact, the mode of change may limit the applicability of the theory by constricting the possible relationships in only three ways. As shown in empirical cases, only two out of the three components, i.e., institutional characteristics and change agents, can affect the change. The possible combinations that can be made out of three components are more than seven. On the other hand, the mode does not consider the different degree of influence that the three components can exert on change. As the Korean case shows, not all the three components affect the change in the same way. Therefore, rather than constricting the combinations into just three modes, focusing on the different gravity of and interaction among the components in different contexts would strengthen the applicability of the theory.

The second is the definition of change. One of the advantages of the gradual change theory is that it provides a logical explanation for piecemeal change that has happened slowly. However, this again brings up the old issue of the definition of change, related to the vagueness of the notion of incremental change. While the punctuated equilibrium model is unclear about when change is considered major, the gradual change theory is also vague about when one should consider a change as an incremental but not major change, resulting from the adding up of minor changes (Van der Heijden, 2011).

On the other hand, gradual institutional change theory categorizes layering or drift as a kind of change. In this way, almost all changes, or also lack of change, can be defined as types of gradual change. If this is so, one can face a problem of selection. If some legal regulations are updated as a follow up on the change in, for example, a coding system, can this be regarded as meaningful institutional change? If all procedural updates are regarded as gradual changes, there is no institution that does not change. The definition problem becomes more complicated with the concept of drift. By definition, Drift occurs when rules remain formally the same but their impact changes as a result of shifts in external conditions (Hacker, 2005). So basically, this argues that those institutions which do not change are considered as another type of change. If this is the case, there is no persistence of institutions, which ironically is the main assumption of the historical institutional analysis. The theory needs a more restricted definition of change.
The last point to consider is the conceptualization of change agents. The theory introduces the concept of change agents and their attitudes as one of the factors affecting institutional change. The concept enriches our understanding of actors and institutions. The change agents are the actors or the coalitions that drive institutional change. In accordance with their positions and strategies, they may actively pursue change, or be passive, or may even choose not to do anything (Clemens and Cook, 1999). The strategies and positions of change agents, therefore, may be different in relation to the positions of the different actors affecting change and the institutional characteristics. Hall (2010) notes that the relative power of various actors is important in affecting their ability to assemble the coalitions they need to change or to defend existing arrangements. Though the theory states the importance of the strategies and positions of change agents, in its analysis of change agents, it only examines their attitude toward observation or preservation of the rules.

Moreover, some discrepancies appeared in the empirical tests. In contrast to the theory, the opportunists and insurrectionaries were also involved in layering. This seems to have been related to the heterogeneity of the change agents. As the theory said, change agents are the groups of actors that are supposed to lead the change but strategically choose their positions. Inevitably, within the group, some actors have different strategies and motives from others. Change agents can have differences between themselves. Therefore, the theory may need to acknowledge the complexity among the change agents.

Gradually researchers have conducted empirical case studies adopting this theory (e.g. Van der Heijden, 2011; Considine, 2012) or have presented diversified explanations of gradual change based on this theory (e.g. Lewis and Steinmo, 2010; Todd, 2011). For the refinement of the theory and of our understanding on institutional change further research is needed.

9.3.2. Feedback on the Discussion of Developmental States and State Capacity

The legal rules and regulations of the merit-based bureaucratic system are drawn from Evan’s theory on Weberian Bureaucratic Capacity. The key institutional characteristics of the ‘Weberian’ bureaucracy include meritocratic recruitment through competitive examinations, civil service procedures for hiring and firing rather than political appointments and dismissals, and filling higher levels of the hierarchy through internal promotion (Evans and Rauch, 2000). With the role of the state gaining renewed attention after the global financial crisis in 2008, various reforms are being made to strengthen bureaucratic state capacity by introducing Weberian bureaucratic institutions. This research examines how the bureaucratic institutions developed from the beginning, and therefore shares some key lessons in this area.
Firstly, this research shows the limitations in merit-based institutions, especially in the early stage. For example, open and competitive examination, a key condition of the merit-based bureaucratic system, may not be enough in a hierarchical bureaucracy. It is important to have a competitive recruitment and promotion system; however, the empirical analysis shows a very important loophole in this argument (see Chapter 6). In the early days, the meritocratic recruitment system seemed to play little role. The government was a hierarchical organization, while the meritocratic recruitment was only used for hiring entry level officers. Though officers with a high level of capacity were hired they did not have the authority to override the decisions or orders made above. If the policy directions made by the political leaders and elites were appropriate, the junior officers successfully implemented the order, producing favourable results. If not, they still followed the order, producing unfavourable results. Therefore, at least in the beginning, having capable high level elite officials seems to be much more important than putting in place meritocratic institutions, since good institutions can be misused or abused. The changes made under Chang Myun and Park Chung-Hee did not occur simply because they drastically increased the proportion of the staff hired via examination. The ministers and senior level officials who were sensitive to the political commitment of the leadership changed the attitude of the staff.

Moreover, to utilize the limited resources, competent staffs were strategically allocated to the key ministries such as Ministry of Reconstruction, even when rampant corruption and clientalism prevailed under Syngman Rhee. Therefore, although the institutional setting for the merit-based system is important, it is not sufficient for building state capacity. Moreover, quantitative assessment on the average performance of the merit-based system of a government may lead to a false conclusion. Though meritocratic institution building is important, it can also be manipulated in accordance with the changes in power and interests of the actors.

The second point is on cohesive and internal promotion. The discourse on Weberian bureaucracy also argues that internal promotion should be a principle to fill the high level positions, to increase the cohesiveness among the staff and raise esprit de corps. However, internal promotion can end up strengthening incompetence in bureaucracy. Table 9-2 below shows the increase in the proportion of the career bureaucrats. This could be interpreted as the professionalization of the bureaucracy with increased autonomy. The fact, however, is quite the opposite. The increase in career bureaucrats was not because of the attempt to establish an independent professional bureaucracy but to increase the influence of the LP over the bureaucracy. Elite bureaucrats became parliamentary members with the
endorsement of the LP, while the LP gradually increased the number of bureaucrats. Therefore, the proportion of the people with a bureaucratic career increased both in the LP and in the government. This revolving exchange of people between the LP and the government resulted in the capture of government policies by the politicians (Lee, 1968).

Table 9-2: Change in Ministers Professional Background in the Syngman Rhee Administration

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bureaucrats</td>
<td>23</td>
<td>44</td>
<td>58</td>
<td>35</td>
</tr>
<tr>
<td>Non-Bureaucrats</td>
<td>69</td>
<td>46</td>
<td>25</td>
<td>55</td>
</tr>
<tr>
<td>Military</td>
<td>8</td>
<td>10</td>
<td>17</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Author. Modified from Lee, 1968: 146.

As of January 1960, a survey of the high level bureaucrats shows that the recruitment of the high level officials was usually done via promotion. 78.9 per cent of the Second Class official posts and 80.1 per cent of the Third Class official posts were filled via promotion (Park, 1961). Though the Syngman Rhee Administration showed an increase of coherence by internal promotion within the bureaucracy, this did not result in increased capacity or autonomy. On the contrary, the autonomy in fact decreased with the close ties between the LP and the bureaucrats (Lee, 1968). The internal promotion, unfortunately, resulted in the reinforcement of the incompetence rather than promoting the esprit de corps of the bureaucrats.

9.4. Policy Implications

The empirical examination also can provide some policy implications to the institutional reform programmes in developing countries. The institutional reform programmes of major donors do not have a high rate of success (Andrews, 2013). Many reforms are introduced but fail to be implemented afterwards. This research has shown how gradual reforms are made in the merit-based bureaucratic institutions to create a relatively successful system. In this section, this research presents four key policy implications, based on the empirical examination of the Korean case.
The first implication is the importance of the enforcement of rules. This research shows how the existence of an institution is different from the implementation of that institution. As the case of the USAMGIK and the Syngman Rhee period shows, the introduction of reform is not sufficient, since rules can be selectively implemented or enforced. In other words, introducing reform does not necessarily mean that the new rules will actually be implemented and enforced. Basic rules for the merit-based bureaucratic system existed in the Syngman Rhee Administration, but the officials selectively applied the rules for their own good. In other words, making sure the staffs who manage the institutions clearly understand and implement the institutions is the key for success. Unfortunately, the situation is becoming more complex and difficult, since nowadays different donors come and go with different programmes of institutional reform. Development programmes come with budgets. For the developing countries, the more budgets increase, the better they will be. The officials in the governments of developing countries do not have any motivation to stick to a reform solution suggested by a donor, when another donor comes with a different programme (Andrews, 2013). Donors should develop ways to guarantee the implementation by understanding the motivation and strategies of the change agents.

In line with the first point, for the institutional reform to be fully implemented, the creation of a ‘vertical chain for reform’ is necessary. The empirical analysis shows that in Korea the combination of a favourable political context and the necessary change agents produced reformative measures that were implemented. In fact, institutional persistence in the developing countries may not be as strong as in the developed countries, due to their relatively short history as states (North, 1995). Therefore, the importance of two other components seems to be higher in developing countries than in the advanced countries.

As the Korean case shows, even formal legislative institutions frequently change in accordance with or reflecting the priorities of the leadership. The high level of commitment to reform was actualized with competent ministers leading the change agents. In the case of Korea, Chun Kyu-Hong of the MoGA, Chung Woon-Hun of the SSC, and Lee Suk-Je of the SC and MoGA, led the development of the Merit-Based Bureaucratic System. Since they were appointed by the top leadership, it was in their interests to follow up the priorities of the leaders. For the staff in the ministries, the logic was the same. Bureaucracy is a hierarchical organization where lower level officials need to follow the senior level officials. It is in the interests of the staff to follow up the minister’s priorities (Laffin, 1997). In conclusion, this research presents the ‘vertical chain for reform’ as a prerequisite for successful institutional change. For successful reform, there should be a vertical linkage between the top leadership
and the ministers. The institutional reform has more chance to succeed when the top leadership has a strong commitment to reform and the competent ministers support the agenda. This research proposes the synchronization of reformative leadership and competent practitioners for successful institutional reform.

The third point is the importance of the context. In a political context with a low level of veto against and a high commitment to reform, the possibility of success increases, as with the case of Korea. Therefore, the recent focus on political economy analysis of various donors is welcomed. However, analysis of the political context is a necessary but not a sufficient condition for successful reform. Chapter 5 has shown how the foreign donor unfamiliar with the local culture, language, and contexts fails to bring in positive change, even with a weak veto. Though it happened some sixty-five years ago, the case of the USAMGIK bears a striking resemblance to the donors in the post-conflict developing countries of today. The donors with different agendas that are not shared with or not even beneficial for local people may not only experience failed reform programmes in the short-term but may also leave a more significant negative legacy in the long-term. In line with that, donors may need to pay more attention to identifying and building a ‘Vertical Chain of Reform’ in developing countries.

The fourth point is the relationship between dictatorship and developmental states. The experience of East Asian developmental states can sometimes be used to justify dictatorship, or attacked for praising dictatorship. This research shows that linking dictatorial rule to reformative development is a dangerous generalization. As shown in the empirical chapters, two autocrats, Syngman Rhee and Park Chung-Hee, produced different policy outcomes. As Evans (1995) argues, one was predatory while the other was developmental. A low level of veto combined with strong leadership is a double-edged sword that can be used in different ways. Only when the reformative priority of the leadership coincides with competent practitioners to carry out the change, as Peiffer (2012) puts it, a ‘Reform Coalition’ appears, successful sustainable reform will have more chance to be actualized.

9.5. Areas of Further Research

This research has conducted empirical research on the Korean case. Though a single case study enables detailed and profound analysis, it can also have limitations in scaling up. Further comparative research of the Korean case with other countries may be a good exercise. This research has also identified some of the limitations of the gradual institutional
change theory. Further tests of the theory will be needed to enhance our understanding on the concept of change. This research, for example, argues for the importance of the political context and change agents as key factors of institutional change. Therefore, conducting in-depth research on the effects of the motivations and interests of the different actors is an important area of research, which is not within the scope of this research. New scholarship on behavioural economics can be applied to complement this research.

9.6. Recapitulation

Though copious research has been produced on Korean economic development, little analysis has been made on the emergence of the developmental Korean state. This research aimed to fill in the analytical gap by examining how effective bureaucratic institutions became established in the developmental Korean state by applying the gradual institutional change theory of Mahoney and Thelen (2010). This research has found that the merit-based bureaucratic institutions of the Korean Government positively changed in a piecemeal approach from 1948 to 1963, though this was once disturbed from 1955 to 1959. Contrary to the existing literature, this research also has found that the institutional setting for the merit-based bureaucracy was set from the very beginning of the Syngman Rhee Administration. The selective implementation and enforcement of the rules in the Syngman Rhee period hindered the Weberian bureaucracy.

For the three research questions on the factors of change, this research has shown how the three factors of change affected the merit-based bureaucratic institutions with different characteristics. This research has shown that for the positive change to happen, the role of the change agents is critical especially the synchronization of reformative leadership and capable practitioners. The low level of opposition is also beneficial, which can be used in negative change. In the case of Korea, the initially ambiguous institutions with considerable scope for the actors to manipulate or misuse rules became detailed as a result of the change. Based on the empirical findings, this research has answered the fifth research question and identified important implications for the institutional change theory with three key areas for improvement. This research has shown the weakness in the modes of change and has provided a way to modify the theory by removing the modes and allowing various interactions among the three factors. This research has also identified the need to clarify the concept of gradualness and of the change agents to solidify the theory. This research has also
enriched the discussion on the developmental state and state capacity by identifying the limitations of the merit-based institution in different contexts.

Finally, this research has answered the last research question on policy implication by drawing out four key lessons for developing countries and for the donors: the importance of the enforcement of rules; the synchronized reform coalition between committed leadership and competent practitioners; the importance of understanding local contexts; and the relationship between dictatorship and development. By analyzing the emergence of the bureaucratic institutions, this research has not only broadened our understanding of development and state capacity but also presented a practical policy solution to overcome the persistent state of incapacity in the developing countries today.
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# Appendix 1

## Chronological Table of History of Korea from 1945 to 1963

<table>
<thead>
<tr>
<th>Period</th>
<th>Date</th>
<th>Historic Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>15/08/1945</td>
<td>Korea regained independence with the end of World War II</td>
</tr>
<tr>
<td></td>
<td>08/09/1945</td>
<td>US Army Arrived in Incheon</td>
</tr>
<tr>
<td>USAMGIK</td>
<td>10/09/1945</td>
<td>USAMGIK was established</td>
</tr>
<tr>
<td></td>
<td>10/05/1948</td>
<td>The first national election was held in South Korea to form a National Assembly</td>
</tr>
<tr>
<td></td>
<td>17/08/1948</td>
<td>The first Constitution was proclaimed</td>
</tr>
<tr>
<td></td>
<td>20/07/1948</td>
<td>Syngman Rhee was elected as the first president of South Korea in the National Assembly</td>
</tr>
<tr>
<td>The First Republic</td>
<td>15/08/1948</td>
<td>The Republic of Korea was officially established</td>
</tr>
<tr>
<td></td>
<td>30/05/1950</td>
<td>The second national election was held</td>
</tr>
<tr>
<td></td>
<td>25/06/1950</td>
<td>The Korean War broke out</td>
</tr>
<tr>
<td></td>
<td>07/07/1952</td>
<td>The first revision was the constitution was passed in the National Assembly</td>
</tr>
<tr>
<td></td>
<td>05/08/1952</td>
<td>The direct presidential election was held to elect Syngman Rhee as the second president</td>
</tr>
<tr>
<td></td>
<td>27/07/1953</td>
<td>The end of the Korean War with the signing of armistice agreement</td>
</tr>
<tr>
<td></td>
<td>20/05/1954</td>
<td>The third national election with 2/3 of the seats went to the ruling Liberal Party</td>
</tr>
<tr>
<td></td>
<td>19/11/1954</td>
<td>The second revision of the constitution was passed in the National Assembly</td>
</tr>
<tr>
<td></td>
<td>15/05/1956</td>
<td>The presidential election was held to elect Syngman Rhee as the third president</td>
</tr>
<tr>
<td></td>
<td>02/05/1958</td>
<td>The fourth national election was held</td>
</tr>
<tr>
<td></td>
<td>15/03/1960</td>
<td>The presidential election was held to elect Syngman Rhee as the fourth president</td>
</tr>
<tr>
<td></td>
<td>19/04/1960</td>
<td>The April 19 Student Revolution broke out</td>
</tr>
<tr>
<td></td>
<td>27/04/1960</td>
<td>The third revision of the constitution introducing parliamentary system</td>
</tr>
<tr>
<td></td>
<td>29/07/1960</td>
<td>The fifth national election was held with Democratic Party becoming the ruling party</td>
</tr>
<tr>
<td>The Second Republic</td>
<td>12/08/1960</td>
<td>The indirect presidential election was held in the National assembly voting Yoon Bo-Sun as the fourth president</td>
</tr>
<tr>
<td></td>
<td>12/08/1960</td>
<td>Chang Myun was appointed as the Prime Minister</td>
</tr>
<tr>
<td>Military Ruling</td>
<td>16/05/1961</td>
<td>The military coup d'état broke out</td>
</tr>
<tr>
<td></td>
<td>06/06/1961</td>
<td>The emergency law for national reconstruction was announced debilitating the Constitution</td>
</tr>
<tr>
<td></td>
<td>03/07/1961</td>
<td>Park Chung-Hee became the Chairman of the National Reconstruction Supreme Committee</td>
</tr>
<tr>
<td></td>
<td>26/12/1962</td>
<td>The fifth revision of constitution re-introduction the presidential system</td>
</tr>
<tr>
<td></td>
<td>15/10/1963</td>
<td>The presidential election was held to elect Park Chung-Hee as the Fifth president</td>
</tr>
<tr>
<td></td>
<td>26/11/1963</td>
<td>The sixth national election was held</td>
</tr>
<tr>
<td>The Third Republic</td>
<td>18/12/1963</td>
<td>The third republic was launched ending the military ruling</td>
</tr>
</tbody>
</table>
Appendix 2

The list of the rules and regulations on merit-based bureaucratic system from 1948 to 1963

<table>
<thead>
<tr>
<th>Date</th>
<th>Type</th>
<th>No.</th>
<th>Title</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>04/11/1948</td>
<td>Executive Order</td>
<td>14</td>
<td>Code on the Organization of Ministry of General Affairs</td>
<td>Enactment</td>
</tr>
<tr>
<td>04/11/1948</td>
<td>Executive Order</td>
<td>28</td>
<td>Code on the Organization of Examination Committee</td>
<td>Enactment</td>
</tr>
<tr>
<td>17/11/1948</td>
<td>Executive Order</td>
<td>30</td>
<td>Ordinance on Human Resource Management</td>
<td>Enactment</td>
</tr>
<tr>
<td>29/03/1949</td>
<td>Executive Order</td>
<td>72</td>
<td>Ordinance on Human Resource Management</td>
<td>Partial Revision</td>
</tr>
<tr>
<td>01/05/1949</td>
<td>Executive Order</td>
<td>133</td>
<td>Temporary Ordinance on Civil Servant Remuneration</td>
<td>Enactment</td>
</tr>
<tr>
<td>01/05/1949</td>
<td>Executive Order</td>
<td>185</td>
<td>Temporary Ordinance on Civil Servant Remuneration</td>
<td>Partial Revision</td>
</tr>
<tr>
<td>05/05/1949</td>
<td>Executive Order</td>
<td>85</td>
<td>Ordinance on Human Resource Management</td>
<td>Partial Revision</td>
</tr>
<tr>
<td>06/05/1949</td>
<td>Executive Order</td>
<td>95</td>
<td>Code on the Organization of Ministry of General Affairs</td>
<td>Partial Revision</td>
</tr>
<tr>
<td>04/06/1949</td>
<td>Executive Order</td>
<td>123</td>
<td>Code on the Organization of Examination Committee</td>
<td>Sequential Revision</td>
</tr>
<tr>
<td>01/07/1949</td>
<td>Executive Order</td>
<td>141</td>
<td>Temporary Ordinance on Civil Servant Selection</td>
<td>Enactment</td>
</tr>
<tr>
<td>12/08/1949</td>
<td>Act</td>
<td>44</td>
<td>Law on National Civil Servants</td>
<td>Enactment</td>
</tr>
<tr>
<td>23/08/1949</td>
<td>Executive Order</td>
<td>174</td>
<td>Ordinance on Higher Civil Service Examination</td>
<td>Enactment</td>
</tr>
<tr>
<td>23/08/1949</td>
<td>Executive Order</td>
<td>175</td>
<td>Ordinance on General Civil Service Examination</td>
<td>Enactment</td>
</tr>
<tr>
<td>22/09/1949</td>
<td>Ministerial Order</td>
<td>1</td>
<td>Enforcement Rule on Higher Civil Service Examination</td>
<td>Enactment</td>
</tr>
<tr>
<td>22/09/1949</td>
<td>Ministerial Order</td>
<td>2</td>
<td>Enforcement Rule on General Civil Service Examination</td>
<td>Enactment</td>
</tr>
<tr>
<td>01/10/1949</td>
<td>Executive Order</td>
<td>214</td>
<td>Ordinance on Civil Servant Remuneration</td>
<td>Enactment</td>
</tr>
<tr>
<td>01/10/1949</td>
<td>Executive Order</td>
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<td>Temporary Ordinance on Civil Servant Remuneration</td>
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To the People of Korea:

As Commander-in-Chief, United States Army Forces, Pacific, I do hereby proclaim as follows:

By the terms of the Instrument of Surrender, signed by command and in behalf of the Emperor of Japan and the Japanese Government and by command and in behalf of the Japanese Imperial General Headquarters, the victorious military forces of my command will today occupy the territory of Korea south of 38 degrees north latitude. Having in mind the long enslavement of the people of Korea and the determination that in due course Korea shall become free and independent, the Korean people are assured that the purpose of the occupation is to enforce the Instrument of Surrender and to protect them in their personal and religious rights. In giving effect to these purposes, your active aid and compliance are required.

By virtue of the authority vested in me as Commander-in-Chief, United States Army Forces, Pacific, I hereby establish military control over Korea south of 38 degrees north latitude and the inhabitants thereof, and announce the following conditions of the occupation:

Article I All powers of Government over the territory of Korea south of 38 degrees north latitude and the people thereof will be for the present exercised under my authority.

Article II Until further orders, all governmental, public and honorary functionaries and employees, as well as officials and employees, paid or voluntary, of all public utilities and services, including public welfare and public health, and all other persons engaged in essential services, shall continue to perform their usual functions and duties, and shall preserve and safeguard all records and property.

Article III All persons will obey promptly all my orders and orders issued under my authority. Acts of resistance to the occupying forces or any acts which may disturb public peace and safety will be punished severely.

Article IV Your property rights will be respected. You will pursue your normal occupations, except as I shall otherwise order.

Article V For all purposes during the military control, English will be the official language. In event of any ambiguity or diversity of interpretation or definition between any English and Korean or Japanese text, the English text shall prevail.

Article VI Further proclamations, ordinances, regulations, notices, directives and enactments will be issued by me or under my authority, and will specify what is required of you.

Given under my hand at Yokohama

This seventh day of September 1945