

A Study on the Changes in the Central Government Apparatuses: From the Perspective of Régulation Theory

Tae Soo Ha*

Abstract: This paper analyzes the changes in the central government apparatuses between 1992 and 2002. According to the hollowed out state and small government theses, the overall size of the government should have decreased because the Kim Young Sam and Kim Dae Jung government pushed administrative reforms to reduce the size. However, the result shows that the size of the government did not decrease and the proportion of the government budget in the GDP increased on the contrary. These counter-conventional wisdom phenomena would be explained by Jessop's state theory, which is based upon the régulation theory. Jessop argues that the government is the core regulatory mechanism in capitalist society and that governmental characteristics concomitantly change from the KNWS to SWPR as the capitalism changes from Fordist mode to Post-Fordist mode. From this theoretical perspective, the increase/decrease of the government apparatuses depends on the role that each apparatus play in the capitalist society.

INTRODUCTION

Academics who stress the impact of globalization and localization tend to argue that central government authorities will be delegated to the global, regional, and local apparatuses or NGOs, and that the central state will be hollowed out (Ohmae, 1991; Camilleri & Falk, 1992; Ohmae, 1995; Strange, 1996; Rhodes, 1997). In some fields, this argument is relevant, but in others, realities evolve against it. For instance, even in the European Union where the integration of national states is underway to a considerable degree, the central government apparatuses of member nation states have become stronger concerning functions such as social integration and inclusion (Jessop, 2002: 211).

Meanwhile, in the great assortment of regulation-concerned discourses that have been raised in

Korea, government regulations are categorized into 'economic' and 'social' regulations, and it is argued without significant objections that economic regulations (except the regulations of monopolistic and unfair transactions) should be eased, while social regulations should be toughened (Choi, 1992). However, regulatory reforms that had developed in the Kim Young Sam (1993~1997) and Kim Dae Jung (1998~2002) governments belied the prevailing argument. For example, economic regulations such as financial regulations were strengthened, whereas social regulations were eased as seen in the introduction of a lay-off and flexible work-time system.

In this regard, the arguments of the scholars who focus upon the role of the market seem far from the reality. It seems that this deviation is ascribable to a misunderstanding and underestimation of the changes to the capital accumulation system undergone in this capitalistic society. In this context, this article will empirically analyze the changes in the status of the central government within the national economy and the composition of the functions played by the central government on the basis of

* Full-time lecturer, Department of Public Administration, Kyonggi University. This work was supported by Kyonggi University Research Grant.
E-mail: taesooha@kyonggi.ac.kr

the capitalist state theory by Jessop (2002). Jessop's theory regards the central government (the state in Jessop's terms) as the key *régulation* mechanism for solving the dilemmas and contradictions of a capitalist accumulation system. Since Jessop, who has a Marxist approach, sees and explains globalization and the regulatory role of the government in a different perspective from neo-liberalists, it would be meaningful to apply his theory to the Korean government in order to improve our understanding of it.

The specific object of the analysis is the Korean central government. It would be better to include an analysis of other advanced capitalistic central governments, especially European countries, in order to verify the differences between neo-liberal theory and Jessop's thesis. However, it is unfeasible to do this in a single paper, so this paper tackles only the apparatuses of the central Korean government. When required, discussions on other countries will be borrowed from the results of prior researches.

The time span is between 1992 and 2002. The year 1992 was the last year governed of the military government with the old paradigm, which differs from the new globalization and deregulation paradigm that began during the Kim Young Sam government. In 2002, many regulatory reforms, which were pushed by the two civil governments, ended. In particular, there were many significant reforms during the Kim Dae Jung government under the supervision of the IMF. Thus, the period between 1992 and 2002 is appropriate to the purpose of this article, which tries to empirically analyze whether there was a paradigm shift.

This paper has two aims. One is to explore in a theoretical aspect how the role of the central government fluctuates in accordance to changes in the capital accumulation system. This will be dealt with in sections two and three. Sections four and five will empirically research the changes in the government's role by analyzing the changes of the

central government apparatuses.

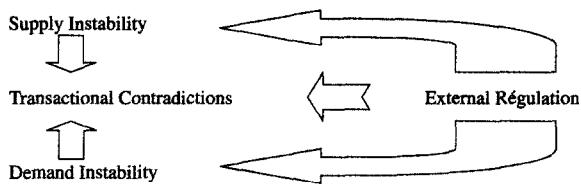
FORDIST ACCUMULATION SYSTEM AND KWNS

Discussion on Key Concepts

Capitalism cannot be maintained and reproduced only by market forces. First, since production requisites, such as labor, money, land and knowledge are fictitious commodities, their prices cannot be automatically set and their reproduction tends to be unsecured in the markets. In addition, because capitalism (especially the demand aspect) is influenced by non-economic and non-market factors such as social relations and pride, it is inherently unstable. Capitalism is also unstable because of transactional contradictions between use- and exchange-value. For these reasons external *régulations*, in particular governmental ones, are necessary to maintain capitalism (Seong, 1994; Jessop, 2002).

Aglietta (1997) defines the 'capital accumulation system' as macroeconomic regularities created by the interaction of market forces with the additionally necessary *régulations* (Jeon, 1993: 131). Capital accumulation systems are variously classified by scholars, but the dichotomy of 'Fordism/Post-Fordism' by Jessop (2002) seems to be most often cited. According to Jessop, the mechanism, which regulates market failures in capitalist societies, is the state and public-private network.¹⁾ Although both play a regulatory role, their relative weight fluctuates according to the surrounding accumulation systems. In the Fordist system the state plays the main regulatory roles, but in the Post-Fordist system the weight of the network

1) In this paper the concept of 'the state' is assumed identical to that of 'the central government'. Hereafter, the state will be used where the author introduces the theories of Jessop and other scholars. However, the central government will be used in other parts.



Market Instabilities and Régulation

increases, while the state continues to play its roles. Jessop calls the state that plays regulatory roles in the Fordist system the 'Keynesian Welfare National State' (KWNS hereafter) and the amalgamation of the state and network, which works in the Post-Fordist system, the 'Schumpeterian Workfare Postnational Regime' (SWPR hereafter).

The Fordist Accumulation System (F.A.S.)

The F.A.S. is summarized as mass production and mass consumption.²⁾ First, in the supply aspect, a wage level is decided through collective bargaining between the labor union and the company in which productivity and consumer price changes are taken into account. Representative labor processes are those of the semi-skilled laborers who produce the commodity on an assembly line. Concerning capital, as company ownership and management rights are separated, managers seek to realize the economy of scale and raise market share rather than maximize profits. As the primary capital is national credit money, the influence of foreign capital on national economies is relatively small. The importance of knowledge is also relatively low, because few commodities are mass produced.

On the demand side, laborers and their core family members who live in suburban areas are the main consumers and depend upon wage incomes. Thus, wages are considered as a source of gross domestic demands as well as production costs. As lower wages mean less gross domestic demand, capitalists do not try to cut wages recklessly. In

summary, a macroeconomic balance is realized as follows: mass production raises productivity and wages, and this leads to demand increases and maximal operation of production facilities.

National and international economies are relatively separated. Under the hegemony of the USA, each country decides international finance and trade, investment, energy, and national security policies which support Fordist economic growth. To manage gross domestic demands and implement regulatory policies, an insulated national economy is a prerequisite. Thus, each central government has to solve the problems concerned with population, labor force reproduction, citizenship, immigration and national defense.

KWNS

The mechanism that regulates contradictions and dilemmas in the Fordist Accumulation System is known as KWNS. 'Keynesian' means that the central government maintains gross domestic demand which makes full employment possible. For this purpose, the government supports the labor union movement, collective bargaining, industrial modernization and bilateral or tripartite negotiations. Sometimes, it also floats unprofitable production to achieve full employment. 'Welfare' connotes that the central government secures the requirements for social reproduction. 'National' implies that the nation is the primary unit for welfare-concerned policy-making. 'The state' purports that the state, not the network, is the main mechanism to supplement market failures. In addition to the regulations concerning demand and supply in the markets, the state plays other functions. Typical examples are to ameliorating or solving problems that arise from the relative decline of agriculture, uncompetitive industries and subregions, and from relative losses incurred by laborers who work in industrial sectors without well-organized unions, and from the double burden many women face from being the principal home-

²⁾ The contents on Fordism and KWNS below are the summary of Jessop (2002: 55~94).

maker and having full time employment.

Diversity of KWNS

Each country faces a particular accumulation stage, endowment of resources, and geopolitical and socio-cultural conditions, and has idiosyncratic contradictions and dilemmas, so each has a particular governmental apparatus to tackle them. Therefore KWNS has many variants. For instance, in the US, which is the center of the world capitalism system, the KWNS system is quite different from the Taiwanese or Korean models, which have narrow domestic markets and are under extreme security threats, although both types share the basic characteristics of mass production and mass consumption. For reference, Jung (1993b, 2001) classifies the US state as a central/liberal type and the Korean state as a peripheral/interventionist type.

Crises of Fordism and KWNS

For the Fordist accumulation system to work properly, real wages and productivity should proportionally increase and decrease. However, since the late 1960s, the two indices have gone awry. Per capita production facilities more than anything else were too great and thus marginal productivity gradually decreased. In addition, in the late 1960s, laborers began to protest vehemently against their increased volume of work, deskilling, alienation from work, and raised their real wages by staging unified protests. Furthermore, frequent strikes cause the costs of fixed capital to rise and profitability to fall. Companies tried to tackle this problem by raising the prices of commodities. However, this move caused inflation which led to decreased investment because of higher costs, which in turn led to increased unemployment and an overburdened welfare state (Goo, 2000: 58~61). For the welfare state to maintain the Fordist accumulation system, it needed more tax revenues

than it had previously. However, initially revenues fell in reality because of the economic recession of the 1970s and 1980s. Moving of domestic capital into tax havens after satisfying domestic demands also eroded the KWNS tax bases of the KWNS (Jessop, 2002: 81-86). In this way, as the economic balance between supply and demand was upset and the capacities of KWNS, which had to regulate this problem lowered, the Fordist accumulation system and KWNS were under pressure to change.

POST-FORDIST ACCUMULATION SYSTEM AND SWPR

Post-Fordist Accumulation System³⁾

The Post-Fordist accumulation system, which emerged as a reaction to the Fordist crisis, can be summarized as 'diverse commodities and small production.' On the supply side, flexible production, economy of scope, and network economy, which are all based upon skilled and knowledgeable workers, are distinct. Wages are considered as a production cost rather than a demand and are under pressure to be cut as much as possible. In addition, as capitalists apply the hire/fire approach to labor markets, power shifts from labor unions to the source of investment.

As far as capital is concerned, institutional shareholders-centered financial capitalists override industrial capitalists and take the initiative in reshuffling industries. As institutional shareholders, who have rapidly grown since the mid-1970s, tend to be concerned with short-term interests, company executives also tend to realize short-term profits rather than invest to improve long-term growth capacity and pay out profits as dividends. Institutional shareholders exercise worldwide influences, because their capital does not remain in one place,

3) The contents for the Post-Fordist system depend mainly on Jessop (2002: 96~103).

but moves around the globe in search of profit-realizing opportunities. In particular, institutional shareholders demand numerous regulatory actions to raise economic transparency to secure the safety of their investments.

In connection with knowledge, as diverse commodities are produced in small amounts and their lifecycle is short, the demand for knowledge in the production processes is relatively high. New technologies in both commodities and production processes are important. As the knowledge demand becomes more important, its circulation also draws more attention. In this respect, non-economic institutions such as social and cultural conditions and governmental policies, which affect the production and circulation of knowledge, also begin to attract attention.

With reference to demand, the societalization mode, which can be compared with suburban and mass society of Fordism is not yet developed in Post-Fordism, although the demands of consumers as becoming diverse. In addition, as the core mechanism of economic growth shifts from demand management to supply management, the demand side does not attract as much attention as in the Fordist system. Nonetheless, export markets become more important than before due to the evolution of globalization.

Domestic and international economies become closely integrated. First, in the financial sector, the deregulation of short-term capital movement makes the distinction between domestic and international economies meaningless. As stateless capitalists, who sought a hedge against domestic economic recession, began to grow in the 1970s, national state-centered international financial regimes collapsed. On the commodity marketing side as well, trade barriers that worked under the Fordist system were lifted or weakened with the onset of the WTO. On the other hand, the movement of labor forces still faces serious constraints, such as regulations governing citizenship and immigration.

SWPR

As previously mentioned, the *régulation* mechanism that aims to overcome the contradictions and dilemmas arising in the Post-Fordist accumulation system is known as SWPR. 'Schumpeterian' means that the state plays a significant role in producing and circulating knowledge, which is a fictitious commodity. Compromising the contradictions between 'knowledge as common goods' and 'knowledge as private property' at an appropriate level, it has to provide a hotbed where knowledge can be reproduced. If the character of common goods is overstressed, too little knowledge will be produced because the production costs cannot be retrieved. On the other hand, if the character of private property is too accentuated, knowledge circulation will be constrained, the information gap among people will increase and its production will be constrained in the end. Thus, the state has to harmonize these two contradictory sides of knowledge development (Jessop, 2002: ch.3).

'Workfare' connotes that the state does not provide welfare service to people who do not work and does not intend to work. In the Post-Fordist system, since wages are considered as a production cost rather than a source of gross domestic demands, the provision of welfare to people who do not work is unjustified. Instead, the provision of a welfare service by the state is concentrated on raising employability. In this context, governmental support for retraining and lifelong education is emphasized (Jessop, 2002: ch.4).

'Post-national' purports that the primary scale of economic policies shifts from national states to other scales. National states gradually lose the primacy of scale because structural congruence fades away along with the economy, society and the central government. On the contrary, new scales such as the globe, the region and the subregion become more significant. However, these new scales do not yet have primacy. Theoretically, and considering the European experi-

ences, the central government of a national state wanes in some sectors, but increases in others. That is, the functions that wither are those connected with KWNS policies while the role of national competitiveness is extended (Jessop, 2002: ch.5).

'Regime' implies that the main regulators are extended to include both the state and the network. In the Fordist system the hierarchy of the state supplements market failures, but in the Post-Fordist system, the network is added to the regulating mechanism. The issue of governance, which has recently drawn considerable academic attention in political science and public administration in recent days, well indicates this shift. However, even though regulations through network increase, the state remains an important regulator. The reason is that the state plays a new meta-governance role (i.e. coordinates the division of governance among the market, the network, and the state hierarchy), and is concerned with the final political responsibility for resolving social problems (Jessop, 2002: ch. 6). The changes in the capitalist accumulation system and the attendant changes in the roles of central government are summarized in Table 1.

Diversity of SWPR

As SWPR is a new regulator developed to overcome the limitations of KWNS variants, it is most likely to exist in various forms in different countries. The shift of regulation mechanism does not happen automatically but through power struggles between the established and the emerging power groups. Thus, the past distribution of power resources heavily influences the advent of the new regulation mechanism. In other words, path dependency affects changes in the regulation mechanisms. For this the diversity of KWNS is most likely to be converted to that of SWPR (Rothstein and Steinmo, 2002).

CLASSIFICATION OF THE GOVERNMENT APPARATUSES : From the Perspective of Capitalist State Theory

The central government's role changes are embodied in the distribution of administrative re-

Table 1. The Changes of Central Government Roles

	KWNS in Fordist system	SWPR in Post-Fordist system
Economic policy	<ul style="list-style-type: none"> - Full employment. - Demand management. - Provision of infrastructures necessary to mass production and mass consumption 	<ul style="list-style-type: none"> - Focus on innovation and competitiveness in open economy. - Emphasis on supply side to promote knowledge-based economy.
Social policy	<ul style="list-style-type: none"> - Generalizing mass consumption through collective bargaining and state support. - Extending welfare rights 	<ul style="list-style-type: none"> - Extended economic policy subsumes social policy. - Attack on welfare policy.
Primary scale	<ul style="list-style-type: none"> - Relative primacy of national state in economic and social policy-makings 	<ul style="list-style-type: none"> - Relativization of the scale of national state. - Although there are many trials to establish a new primary scale, the central government continues to take a primary position.
Primary corrector of market failure	<ul style="list-style-type: none"> - The state. - The state and markets shape mixed economy. 	<ul style="list-style-type: none"> - Roles of network increase to supplement market failures. - However, the state plays a greater role in meta-governance.

Source: Jessop, 2002: 59p

sources such as the number of apparatuses and civil servants and the size of fiscal expenditures.⁴⁾ However, Jessop (2002) does not present a concrete framework for analyzing governmental apparatuses. Thus it is necessary to introduce an additional concrete model. Empirical analyses of governmental apparatuses are approachable from four perspectives: Pluralism, Individualism, Elitism and Capitalist State Theory (Jung, 2001: Part 4). Of these four, this study depends upon the Capitalist State Theory because both Aglietta and Jessop writes from a Marxist tradition. Specifically, the Clark-Dear Model will be used.

The Clark-Dear Model

According to Clark and Dear, the state is a stratum that reflects all the contradictions of other strata in capitalist society and acts as a cohesive factor. Although specific composition shows national differences, the state plays four functions and has the necessary apparatuses (Clark and Dear, 1984: 50p, Table 3.1).

i) Consensus

This function, which comes before all else in state management, is to make all constituents and groups accept social contracts and secure social consensus. For all societies the most basic requirement for stability is dependence upon what the state is definition of property rights, class relations and legality of activities. Through consensus on these matters, stability and security can be also maintained. After these relationships are established, continuous production and exchange takes place. Under this function, there are 'politics' and 'repression' sub-functions. The former secures legitimacy of the state through parliamentary democracy

and diplomacy. The latter includes the courts, the police, military regime and prisons, all of which secure order and system maintenance by coercive measures.

ii) Production

This is the second function that secures the conditions for production by regulating investments. The state can guarantee its own continuity as well as the material survival of all the classes by securing production conditions. The state provides capital with infrastructures for economic growth and transactions in markets, and with conditions for profit-making. Based on this, it secures the loyalty of capitalist elites and at the same time strengthens its own authority and legitimacy. In addition the creation of a social welfare service is possible only by securing production conditions. This function includes 'public production' (direct production of public goods), 'public provision' (indirect production of public goods) and 'the treasure' (fiscal and financial policies) sub-functions.

iii) Integration

The third function is to secure social integration by guaranteeing the welfare of all groups, especially the lower classes. Social integration can be achieved through taxation, redistribution, welfare works and other policy methods. However, these works are unfeasible if the functions of social consensus and production guarantee are not ensured. Under the social integration function are the 'welfare' and 'ideology-making' sub-functions. The former includes health, education and social welfare, and the latter comprises the management of information and communication media.

iv) Executive

This function coordinates and implements policies to enact the above three functions. The capitalist class is not politically identical but is mutually

4) Of course, regulation-concerned laws and policies would embody the change too. However, this article is restricted to administrative resources. These other aspects should be analyzed in separate papers.

competitive and grows unevenly. Each capitalist acts within a faction. In addition, as capital movement is fulfilled through competition among individual capitalists, the concrete and common interests of the class are least likely to be expressed by its own members. Thus, the state apparatus, which is officially separated from the capitalist class, must align political activities to retain the unity of the power bloc among their factions. The executive apparatuses are appropriate for this role. As other state apparatuses play roles that reflect the requirements of each faction, the executive apparatuses should coordinate state functions in a neutral stance. Under the executive functions are 'administration' and 'regulatory' sub-functions.

Revision of the Clark-Dear Model

The Clark-Dear model goes one step further than the other abstract theories in that it provides a concrete framework necessary to analyze state apparatuses. Nonetheless, it is still too abstract to empirically analyze Jessop's theses. Although it is possible that the Clark-Dear model is useful to analyze changes in the state's influence on a national economy, it is still irrelevant in analyzing specific functions in the industrial, financial, and labor regulations fields. Thus, the model needs to be revised.

First of all, if the Production function is regarded as maintaining and increasing the capitalist mode of production by balancing supply and demand in an open economy, it will be subdivided into four sub-functions: the production of public goods, supply regulation, demand regulation, and domestic-international economy interface. This revises the sub-functions of public provision and treasury of the Clark-Dear model to reflect the recent economic evolution. In addition, the supply regulation function needs to be fractionalized into three sub-sub-functions: capital supply, knowledge supply and supervision (or promotion) of suppliers.⁵⁾ Capital supply must be sub-sub-divided to analyze

functions which guarantee the primacy of financial capital over industrial capital, knowledge supply functions to analyze the importance of innovation, and supplier supervision (or promotion) to analyze the check against tyranny by monopolistic and duopolistic industrial capital sources.

For the Integration function, it is necessary to analyze the influence of workfare in the gross welfare-concerned personnel and fiscal expenditures in order to test the shift from welfare of the KWNS to workfare of the SWPR.

Finally, the Regulation sub-function of the Clark-Dear model needs to be further subdivided according to individual characters and be relocated into the Production and Integration functions. As the sub-functions of the Production were revised into supply and demand sides, the sub-function of Regulation should be relocated. On the other hand, the meta-governance function that Jessop espouses needs to be added to the Administration function. Thus the revised Clark-Dear model is summarized in Table 2.

Hypotheses

The following hypotheses can be drawn from the theses that Jessop espoused and that Clark and Dear model presented.⁶⁾

Hypothesis 1: Administrative resources of the apparatuses that regulate the capital supply will increase. As the priority of financial capital over industrial interests is secured, governmental apparatuses that supervise financial sectors such as improving transparency of companies are likely to increase.

Hypothesis 2: Administrative resources of the apparatuses that supervise or promote suppliers

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- 5) As the supply of the labor forces is the other side of people, it will be dealt with in the discussion of welfare function.
 - 6) As this study tries to empirically test abstract theory, the hypotheses cannot present the precise figures for increases and decreases as in a typical statistical study.

Table 2. The functions of the Central Government in Capitalist Mode of Production

Function (F)	Sub-function (SF)	Sub-sub-function (SSF)
Consensus (C)	Politics (P)	
	Repression (R)	
Production (P)	Production of Public Goods (PPG)	
	Supply Regulation (SR)	Capital Supply (CS)
		Knowledge Supply (KS)
		Supplier Supervision (or Promotion) (SSP)
	Demand Regulation (DR)	
Domestic-International Economy Interface (DIEI)		
Integration (I)	Ideology-Making (IM)	
	Welfare / Workfare (WW)	
Executive (E)	Administration and Meta-governance (AM)	

Source: Revised from Clark and Dear, 1984: 50p

will decrease. As economic policies are enforced in a post-national open economy in the Post-Fordist system, policies that favor domestic producers or suppliers are likely to decrease.

Hypothesis 3: Administrative resources of the apparatuses that regulate the knowledge supply will increase. Since innovation is essential for capital accumulation in the SWPR, the governmental role in regulating the knowledge supply will escalate.

Hypothesis 4: The main character of welfare service will shift from welfare to workfare. Governmental apparatuses and their administrative resources will change to reflect the shift as the KWNS turns into the SWPR.

Hypothesis 5: Administrative resources of the executive apparatuses will decrease within narrow limits. The Network erodes the régulation role of the central government. However, the central government bears the additional burden of meta-governance. Thus, the total decrease of the central government will be small.

Hypothesis 6: The influence of the central government on the national economy will augment within narrow limits. The weight of the central government will increase or decrease by sector, but it will augment in overall terms. The reason is that the influence increases according to hypotheses one and three and decreases a small amount according

to hypotheses two and five.

Matters on Empirical Measurement

The influence of the central government in the national economy can be measured by the ratio of 'the number of civil servants/population involved in economic activities' and 'fiscal expenditures/GDP'. In connection with measuring the proportion sector by sector, the number of apparatuses will be counted by the existence of independent office regulation. Apparatuses that have multiple functions will be subdivided into bureaus, and each bureau will be relocated according to its function. The size of the civil service will also include people who work at headquarters and branches. Fiscal expenditures will include the general and special accounts and public funds.

EMPIRICAL FINDINGS AND ANALYSIS

The Case of 1992

According to the revised Clark-Dear model, the Korean central government apparatuses will be classified as in Table 3. Fifteen apparatuses are in charge of consensus functions, there are eighteen production functions, 8 integration functions and thirteen executive functions (See Table 4). The distri-

Table 3. Functional Classification of the Central Government Apparatuses*

F	SF	SSF	Bo / M / O / Ad / Ag / Cs / Ct	Others
C	P		BooU, MoFA, FMo PA, CtoNS, Cto PU, CsoCEM	The Legislature, CC, NSS
	R		MoD, MoJ, OoP, AgoP, AdoMM	The Courts
P	PPG		MoCs, MoT, MHA(CDH), MoCm, MoEv, AdoM, AdoFo, AdoR, AdoMP	
	SR	CS	MoF(BoF A, BoS, BoI, BoIF)	
		KS	MoST, AdoIP(BoT A), AdoAP, AdoP	
		SSP	BooEP(FTC), MoAFF, MoCI, MoPNR, AdoAP(BoG), AdoFi, AdoIP	
	DR		BooEP(BoPP), MoF(BoC, OoT), AdoT, AdoC	
DIEI		BooEP(OoEEC), MoCI(BoT, BoTP, BoTC), MoFA(BoIC, BoT), MoF(BoEC)		
I	IM		BooEP(BoEEP), MoEd, MoCu, MoPR	
	WW		MoEd(BoSIE), MoLa, MoHS, SMO P, MoSY, AoPVA	
E	AM		BooAI, BooEP, MoHA, MoF, MoG A, MoLe, AdoS, OoS, CsoEP	OoPS, OoPG, OoPMS, OoAC

* Acronym is at the end of the article.

Table 4. The Number of Government Apparatuses by Function*

Function	Sub-function	Sub-sub-function	Number
Consensus (15)	Politics		9
	Repression		6
Production (18)	Production of Public Goods		8
	Supply Regulation	Capital Supply	0
		Knowledge Supply	3
		Supplier Supervision	5
	Demand Regulation		2
Domestic-international Interface		0	
Integration (8)	Ideology-making		3
	Welfare/Workfare		5
Executive (13)	Administration and Meta-governance		13

* Bureau and Sub-Office unit are not counted.

Table 5. The Distribution of Civil Servants by Function*

Function	Sub-function	Sub-sub-function	Number	Weight (%)
Consensus	Politics**		8,468	1.46
	Repression		130,826	22.53
Production	Production of Public Goods		94,597	16.30
	Supply Regulation	Capital Supply	325	0.06
		Knowledge Supply	2,988	0.52
		Supplier Supervision	10,848	1.87
	Demand Regulation		21,777	3.75
Domestic-international Interface		492	0.08	
Integration	Ideology-making		293,946	50.64
	Welfare/Workfare		8,661	1.49
Executive	Administration and Meta-governance		7,555	1.30
Total			580,483	100.00

* The number of civil servants of bureaus of the BooEP, AdoIP, MoEd, MoHA, AdoAP, MoCI, MoFA, MoF is estimated.

** The number of civil servants of the NSS is not counted.

Source: www.kipa.re.kr/kipasvc/to0400001d.asp/ Current Status of number limits by apparatus (in Korean).

MoGA, 1988, *History of Changes of Governmental Organizations* (in Korean).

Table 6. The Distribution of Fiscal Expenditures by Functions

Function	Sub-function	Sub-sub-function	Amount (thousand Won)	Weight (%)
Consensus	Politics		790,632,932	1.00
	Repression		12,575,876,033	15.86
Production	Production of Public Goods		17,253,070,047	21.75
	Supply Regulation	Capital Supply	7,204,677,154	9.09
		Knowledge Supply	733,851,469	0.93
		Supplier Supervision	13,443,437,079	16.94
	Demand Regulation		424,802,251	0.54
	Domestic-international Interface		429,291,585	0.54
Integration	Ideology-making		8,561,403,296	10.80
	Welfare/Workfare		6,414,659,392	8.09
Executive	Administration and Meta-governance		11,469,972,274	14.46
Total			79,301,673,512	100.00

Source: ROK Government, 1992 Budget; Reference Book of 1992 Budget Synopsis.

bution of civil servants by function is shown in Table 5 and by fiscal expenditures is shown in Table 6.

The Case of 2002

According to the revised Clark-Dear model, the Korean central government apparatuses will be classified as in Table 7. There are fifteen apparatuses in charge of consensus functions, eighteen in production functions, 8 in integration functions and thirteen in executive functions (Table 8). The distribution of civil servants by function is as in Table 9, and that of fiscal expenditures by function is as in Table 10.

Hypotheses Testing

Test of Hypothesis 1

The proportion of the apparatuses regulating capital supply increases by one in apparatus number, decreases 0.01% in the size of the civil service, and increases 10.67% in the size of fiscal expenditures. It does not seem significant that the number of apparatuses had increased for ten years and that the proportion of civil servants had decreased by a very small margin. However, it seems very significant that fiscal expenditures by capital supply-related apparatuses had increased by

such a large amount, although the input of public money into restructuring of the private sector after the foreign exchange crisis is taken into account. Their fiscal expenditures showed 8.6-fold rise, while the total fiscal expenditures of the central government expanded only 3.9 fold. As mentioned in the Introduction, it seems that the financial market opening, which began with the Kim Young Sam government and the introduction of its attendant regulations are reflected in the fiscal expenditures. This seems to corroborate Jessop's financial capital-related argument.

Test of Hypothesis 2

The number of apparatuses connected with the supervision or promotion of suppliers increased by one, the proportion of civil servants decreased 0.27%, the proportion of fiscal expenditures dropped 6.07%. As the both proportions fell, Hypothesis 3 is verified. The falling rate of fiscal expenditures is particularly notable. This evolution implies that the central government had contracted policies that favor domestic companies under the Post-Fordist accumulation system.

Test of Hypothesis 3

The number of apparatuses did not show any

Table 7. Functional Classification of the Central Government Apparatuses

F	SF	SSF	Bo / M / O / Ad / Ag / Cs / Ct	Others
C	P		MoFAT, MoU, MoPR, CtoNS, Cso HR, CtoPU, CsoCP, CsoDDI, CsoCEM	The Legislature, CC, NSS
	R		MoD, MoJ, OoP, AgoP, AdoMM, AgoMP	The Courts
P	PPG		MoCT, MoIC, MoMF(BoML, BoP), AdoR, MoGAHA(CDH), MoEv, AdoM, AdoF,	
	SR	CS	MoF(BoFPolicy, BoIF, OoFIA, OoPMM), BooFS	
		KS	OoPM (GRI), MoST, AdoP, AdoAP, MoIC(BoICP)	
		SSP	MoAF, MoINR, MoSMC, MoMF, FTC, CtoSMC	
	DR		MoF(BooTJ, OoT, BoPL), AdoT, AdoC	
DIEI		MoAF(BoIA), MoF(BoEC), MoINR(OoTI, OoFTDM, BooT), MoFA(HT)		
I	IM		MoEHR, MoCT, AdoCA, MoF (BEPR)	
	WW		MoEHR(BoHR, BoLVE), MoGE, MoLa, MoHW, AgoPVA, AdoFMS	
E	AM		BooAI, MoEHR(BoEAS), MoF, MoGAHA, MoPB, MoLe, AdoS, OoS, CsoEP	OoPS, OoPG, OoPMS, OoAC

Table 8. The Number of Government Apparatuses by Function*

Function	Sub-function	Sub-sub-function	Number	Comparison with 1992	
Consensus (15)	Politics		12	+3	+4
	Repression		7	+1	
Production (18)	Production of Public Goods		6	-2	0
	Supply Regulation	Capital Supply	1	+1	
		Knowledge Supply	3	0	
		Supplier Supervision	6	+1	
	Demand Regulation		2	0	
Domestic-international Interface		0	0		
Integration (8)	Ideology-making		4	+1	+2
	Welfare/Workfare		6	+1	
Executive (13)	Administration and Meta-governance		15	+2	+2

* Bureau and Sub-Office unit are not counted.

change in connection with knowledge supply, the proportion of civil servants expanded 0.10% and the proportion of fiscal expenditures increased 0.07%. Although the expanding rate is small, this verifies Hypothesis 3. That is, in the Post-Fordist system, the influence of innovation and new knowledge supply on capital accumulation is considerable and the role of the central government is most likely to expand.

Test of Hypothesis 4

If we count by the rate of workfare expenditures as part of the whole of welfare expenditures, the character of welfare does not seem to change to workfare. The rate was 30.54% in 1992 and fell to 21.11% in 2002. However, considering that the total fiscal expenditures of 2002 were 3.9-fold of that of 1992, the character of workfare should not be interpreted as weakened. This is because the workfare expenditures escalated 5.8 fold between

Table 9. The Distribution of Civil Servants by Function*

Function	Sub-function	Sub-sub-function	Number	Proportion (%)	Comparison with 1992	
Consensus	Politics**		2,227	1.46	-1.07	+1.06
	Repression		141,865	22.53	+2.13	
Production	Production of Public Goods		67,614	16.30	-4.55	-4.62
	Supply Regulation	Capital Supply	232	0.06	-0.01	
		Knowledge Supply	3,575	0.52	+0.10	
		Supplier Supervision	9,307	1.87	-0.25	
	Demand Regulation		22,173	3.75	+0.10	
	DIEI		389	0.08	-0.01	
Integration	Ideology-making		312,831	50.64	+3.74	+3.64
	Welfare/Workfare		7,996	1.49	-0.10	
Executive	AM		7,028	1.30	-0.08	-0.08
Total			575,237	100.00		

* The number of civil servants of the NSS is not counted.

Source: org.mohaha.go.kr:7003/jojik/ Current Status of Number Limit by Apparatus (in Korean).

MoGAHA, 2003, Internal Material (in Korean).

Table 10. The Distribution of Fiscal Expenditures by Functions

Function	Sub-function	Sub-sub-function	Amount (thousand Won)	Proportion (%)	Comparison with 1992	
Consensus	Politics		1,480,616,038	0.47	-0.53	-7.99
	Repression		26,448,855,628	8.40	-7.46	+2.14
Production	PPG		61,989,411,695	19.68	-2.07	
	SR	Capital Supply	62,265,591,681	19.76	+10.67	
		Knowledge Supply	3,137,707,152	1.00	+0.07	
		Supplier Supervision	34,266,686,126	10.87	-6.07	
	DR		1,095,008,213	0.35	-0.19	
	DIEI		841,418,706	0.27	-0.27	
Integration	Ideology-making		25,114,086,828	7.97	-2.83	+6.23
	WW		54,022,387,930	17.15	+9.06	
Executive	AM		44,360,157,708	14.08	-0.38	-0.38
Total			315,031,927,705	100.00		

Source: ROK Government, 1992 Budget; 2003 Plan for Using Public Funds.

1992 and 2002. This expansion rate is much larger than that of the total fiscal expenditures. Thus, the rate of workfare expenditure as part of the whole of welfare expenditures was lowered because the non-workfare-related expenditures rose by too large an amount. The entire welfare/workfare-concerned expenditures amplified 8.4-fold.

These numerical values imply that welfare-concerned expenditures had expanded by a much larger amount than in other functions and thus the

increase in workfare-concerned expenditures paled by comparison. However, as the workfare-concerned expenditures expanded 5.8 fold, it is difficult to say that the proportion of workfare weakened. This result shows that Hypothesis 4 is partially valid.

Test of Hypothesis 5

The number of apparatuses in reference to the executive functions was reduced by two. The

number of Ministries and Agencies fell but the number of Commissions and Committees increased. The proportion of civil servants decreased 0.08% and fiscal expenditures fell by 0.38%. The reduction of the proportion of civil servants and fiscal expenditures within narrow limits verifies Hypothesis 5. These changes mean that the influence of the central government in state management was eroded by the emergence of a network, but it recovered by the introduction of a new meta-governance function.

Test of Hypothesis 6

The proportion of civil servants of the government in comparison with total population of economic activities fell from 3.13% in 1992 to 2.56% in 1992.⁷⁾ On the other hand, the proportion of fiscal expenditures in GDP expanded from 32.28% in 1992 to 52.82% in 2002.⁸⁾ It would be correct interpret that for ten years the proportion of the civil service involved in the national economy had expanded because the relative proportion of civil servants decreased by a small amount while fiscal expenditures increased by a much larger proportion. However, considering the abnormal amount of public money increased into the private sector after the foreign exchange crisis, not all the increase of fiscal expenditures should be regarded as a pure increase of central governmental involvement in the national economy. Therefore, considering the overall circumstances, the most appropriate interpretation is that the influence of the central government in the national economy increased within narrow limits. This interpretation is identical to Hypothesis 6.

7) http://kosis.nso.go.kr/cgi-bin/sws_999cgi. The population involved in economic activities was 18,540,000 in 1992 and 22,441,000 in 2002.

8) http://kosis.nso.go.kr/cgi-bin/sws_999cgi. The GDP was 245,699,600,000,000 Won in 1992 and 596,381,100,000,000 Won in 2002. Both numerical values reflect current rate.

CONCLUSIONS

This article analyzed the changes in the state apparatuses between 1992 and 2002 from the perspective of regulation theory. The results have the following implications. First, the governmental functions concerned with capital supply greatly expanded. This result seems to have happened because of a series of policies undertaken to secure the priority of financial capital over industrial interests. Second, the policies through which domestic companies are most likely to receive special favors from the government contracted. This phenomenon seems to have happened because the central government cannot do special favors for domestic companies at the expense of foreign firms in the open economy of the Post-Fordist system. Based upon these two results, the arguments that governmental intervention into the market will be (or should be) reduced, regardless of specific functions, prove to be unrealistic. Third, knowledge supply-concerned governmental functions increased. This change seems to have happened because knowledge and innovation became more important in the Post-Fordist system. However, the increase was small, so more increases are expected in the near future. Fourth, the fiscal expenditures of welfare functions sharply increased, so the workfare function did not rise to the forefront, as Jessop's argument proposes. However, considering that the total fiscal expenditures increased only 3.9-fold while workfare-concerned expenditures expanded by 5.8-fold, we cannot say that the workfare function contracted. Fifth, the central government's executive functions contracted with the emergence of the network, but this was supplemented by the new meta-governance function. Thus, in sum, governmental influence fell only within narrow limits. Sixth, in spite of globalization and localization, the influence of the central government on the domestic economy did not decrease. On the contrary, it increased. This

belies the academic arguments on the hollowed out state thesis.

This paper argues that the central government should be perceived and approached as a core regulation mechanism in capitalist societies. If we take this position, the roles that the central government plays in any country and within world capitalism system will be adequately identified and policy prescriptions on specific functions will be more relevant.

The last point is connected with the possibility of national differences in SWPR. The results here show only the changes from the peripheral and interventionist KWNS to the particular SWPR in Korea. The appearance of changes in other countries will probably differ from Korea. Nonetheless, the direction of tendential changes must be from KWNS to SWPR.

ACRONYM

Ad: Administration // Ag: Agency // Bo: Board // Cs: Commission // Ct: Committee // M: Ministry // O: Office
AgoPVA: Agency of Patriots and Veterans' Affairs
BooAI: Board of Audit and Inspection
BooEP: Board of Economic Planning // FTC: Fair Trade Commission // BoPP: Bureau of Price Policy // BoEEP: Bureau of Economic Education Planning // AdoS: Administration of Statistics // OoS: Office of Supply // MoF: Ministry of Finance // BoFA: Bureau of Financial Affairs // BoS: Bureau of Securities // BoI: Bureau of Insurance // BoIF: Bureau of International Finance // BoC: Bureau of Customs // OoT: Oo Tax // AdoT: Administration of Tax // AdoC: Administration of Customs // BoEC: Bureau of Economic Cooperation // OoEEC: Office of External Economy Coordination // BoFP: Bureau of Fi-

nancial Policy // OoFIA: Office of Financial Information Analysis // OoPMM: Office of Public Money Management // BooFS: Board of Financial Supervision // BooTJ: Board of Tax Judgment // BoPL: Bureau of People's Life // BoEPR: Bureau of Economic Public Relations // MoPB: Ministry of Planning and Budget

BooU: Board of Unification // MoU: Ministry of Unification // CtoPU: Committee of Peaceful Unification

CC: Constitutional Court

CsoCEM: Commission of Central Election Management // CsoEP: Commission of Emergency Planning // CtoNS: Committee of National Security // CsoHR: Commission of Human Rights // CsoCP: Commission of Corruption Prevention // CsoDDI: Commission of Doubtful Death Investigation // CsoCEM: Commission of Central Election Management

FMoPA: First Ministry of Political Affairs // SMoPA: Second Ministry of Political Affairs

MoAFF: Ministry of Agriculture, Forestry, and Fisheries // MoAF: Ministry of Agriculture and Forestry // AdoFo: Administration of Forestry // AdoFi: Administration of Fisheries // AdoAP: Administration of Agriculture Promotion // BoG: Bureau of Guidance // BoIA: Bureau of International Agriculture

MoCI: Ministry of Commerce and Industry // MoPNR: Ministry of Power and National Resources // MoINR: Ministry of Industry and Natural Resources // MoSMC: Ministry of Small- and Medium-sized Companies // AdoIP: Administration of Industry Promotion // BoT: Bureau of Trade // BoTP: Bureau of Trade Promotion // BoTC: Bureau of

- Trade Cooperation // AdoIP: Administration of Industry Promotion // BoTA: Bureau of Technology Assistance // BoICP: Bureau of Information and Communication Policy // CtoSMC: Committee of Small- and Medium-sized Companies // OoTI: Office of Trade and Investments, OoFTDM: Office of Free Trade District Management // BooT: Board of Trade
- MoCm: Ministry of Communication // MoIC: Ministry of Information and Communication
- MoCs: Ministry of Construction // MoT: Ministry of Transportation // MoCT: Ministry of Construction and Transportation // AdoMP: Administration of Maritime and Port // AdoR: Administration of Railway
- MoCT: Ministry of Culture and Tourism // MoCu: Ministry of Culture // AdoCA: Administration of Cultural Assets
- MoD: Ministry of Defense // AdoMM: Administration of Military Manpower
- MoEd: Ministry of Education // MoEHR: Ministry of Education and Human Resources // BoSIE: Bureau of Social and International Education // MSY: Ministry of Sports and Youth // BoHR: Bureau of Human Resources, BoLVE: Bureau of Lifelong Vocational Education // BoEAS: Bureau of Educational Autonomy Support
- MoEv: Ministry of Environment
- MoFA: Ministry of Foreign Affairs // MoFAT: Ministry of Foreign Affairs and Trade // BoIC: Bureau of International Cooperation // BoT: Bureau of Trade // HT: Headquarters of Trade
- MoGE: Ministry of Gender Equality
- MoHA: Ministry of Home Affairs // CDH: Civil Defense Headquarters // MoGAHA: Ministry of Government Administration and Home Affairs // AgoP: Agency of Police // MoGA: Ministry of Government Administration
- MoHS: Ministry of Health and Society // MoHW: Ministry of Health and Welfare // AdoFMS: Administration of Food and Medicine Safety
- MoJ: Ministry of Justice // OoP: Office of Prosecutors
- MoLa: Ministry of Labor
- MoLe: Ministry of Legislation
- MoMF: Ministry of Maritime and Fisheries // BoML: Bureau of Maritime Logistics // BoP: Bureau of Port
- MoPR: Ministry of Public Relations
- MoST: Ministry of Science and Technology // AdoP: Administration of Patent // AdoM: Administration of Meteorology
- NSS: National Secret Service
- OoPM: Office of Prime Minister // OoPMS: Office of Prime Ministerial Secretaries // OoAC: Office of Administrative Coordination
- OoPS: Office of Presidential Secretaries // OoPG: Office of Presidential Guard // GRI: Government-organized Research Institute

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