

# REGULATORY RATIONALIZATION for Livelihood, Safety, Fairness, and Mutual Growth



Soh-yeon Won  
Director of Regulatory Policy Research,  
Korea Institute of Public Administration



A defining feature of this administration's national agenda regarding regulatory rationalization is its separate emphasis on "regulatory rationalization for livelihood, safety, fairness, and mutual growth," distinct from rationalization aimed at economic and industrial revitalization. The most common misconception about the term "regulatory innovation" or "regulatory reform" is the belief that it is only achieved by abolishing or relaxing regulations. While the goal of regulatory innovation is to reduce unreasonable burdens, it is not solely accomplished through the abolition or relaxation of regulations. Nevertheless, the perception that 'regulatory innovation = abolishing or relaxing regulations' has spread over a long period. This administration is using the term 'regulatory rationalization' to restore the original meaning of 'regulatory innovation'. Furthermore, by including regulatory rationalization for people's livelihoods, safety, fairness, and mutual growth in the national agenda, it is clarifying the goals and direction of regulatory rationalization more explicitly.



## Goals and Content of Regulatory Rationalization for Livelihood, Safety, Fairness, and Mutual Growth

It cannot be denied that the primary goal of regulatory rationalization has traditionally been to revitalize the economy and industry. This stems from the need to identify and improve unreasonable regulations hindering economic vitality, crucial for strengthening Korea's competitiveness amid intensifying global competition. However, this administration is demonstrating its commitment to emphasizing the diverse values of regulatory rationalization through its national agenda. Specifically, it plans to pursue mature, user-centered regulatory reform that balances the protection of life and safety with fairness and mutual growth. This will be achieved through regulatory rationalization focused on people's livelihoods, safety, fairness, and mutual growth, thereby resolving regulatory difficulties faced by vulnerable groups. Key measures to achieve these regulatory rationalization goals include: improving regulations for small business owners and the self-employed; addressing unreasonable

regulations affecting socially vulnerable groups; prioritizing the resolution of on-site regulatory difficulties in three major service industries (content, tourism, and healthcare); and promoting user-centered regulatory improvements through expanded field visits and communication.

 The goal of regulatory rationalization is the harmony of growth and safety

Regulatory rationalization for people's livelihoods, safety, fairness, and mutual growth signifies the harmony of two goals: 'economic revitalization' and 'public safety'. It creates jobs by eliminating unreasonable regulations that hinder business activities and by promoting innovation. Simultaneously, it introduces new regulations to protect citizens from unacceptable risks or hazards.

Are regulations introduced to protect citizens from danger unrelated to industrial development or economic revitalization? Not at all. Consider regulations established to ensure the safety of children's toys, such as prohibiting the inclusion of harmful substances. These regulations are not designed solely for child safety without any consideration for corporate development. While the primary goal of setting safety standards for children's toys is the safety of children playing with them, compliance with these safe standards allows more parents to purchase toys with confidence. This ultimately contributes to the revitalization of the toy industry.

To achieve this, toy safety standards must be balanced with levels that allow toy companies to operate sustainably. If overly idealistic safety standards are applied, making production costs prohibitive, toy prices could rise to levels unaffordable for the general public. Alternatively, the lack of economic viability could lead to the disappearance of companies willing to manufacture toys altogether. Thus, safety and industrial development are not mutually exclusive goals but rather complementary objectives.



Accordingly, the OECD also emphasizes balancing safety and growth through its 'OECD Guiding Principles for Regulatory Quality and Performance'. However, in reality, efforts to 'rationalize' life and safety regulations are often misunderstood as devaluing the importance of protecting life and safety. This misunderstanding leads to the conclusion that while 'rationalization' is possible for regulations in areas not directly related to public life and safety, regulations directly impacting public life and safety should not be subject to 'rationalization'. This stems from the perception that regulations must be 'strengthened' to protect public life and safety. Such common misunderstandings also make it difficult to eliminate unreasonable regulations.

Regulatory rationalization for life and safety and regulatory rationalization for economic revitalization ultimately occur within the same strategy and framework. This is because, in reality, regulations encompass both aspects. Autonomous vehicles and robots are prime examples of tools for economic revitalization, yet they can simultaneously have a direct impact on public life and safety. So, to ensure public safety, should regulations be strengthened to restrict the use of autonomous robots and vehicles solely to areas unrelated to life and safety? Or should regulations be abolished or relaxed to stimulate the autonomous vehicle and robot industry? The direction of regulatory rationalization is not about blindly strengthening regulations or abolishing/relaxing them, but about finding the optimal solution that can enhance the convenience of our lives using autonomous driving technology while simultaneously minimizing risks to life and safety.



### Future Tasks for Regulatory Rationalization for Livelihood, Safety, Fairness, and Mutual Growth

Regulatory rationalization involves identifying the optimal means among various methods to achieve regulatory objectives. It calls for scientifically and objectively examining whether the most effective approach to protect small business owners and the self-employed is to regulate large corporations and block market entry to prevent further competitors, or whether prohibiting activities that contain even the slightest risk factor is the appropriate method to safeguard public life and safety.

The government's role is not to select winners and losers in market competition, but to establish standards enabling fair market competition. Only by removing unreasonable entry barriers can innovative businesses enter the market, thereby enabling fair competition. From this perspective, 'regulatory rationalization' should apply regardless of whether the purpose is economic revitalization or protecting life and safety. This is because how regulations for protecting life and safety are structured can either achieve that goal or, conversely, fail to protect life and safety despite stringent regulations. Imposing regulations does not always guarantee the protection of life and safety.

It is not uncommon to find regulations where, despite strengthening rules under the goal of protecting life and safety, the outcomes in this regard remain inadequate. Conversely, uniform and consistent regulatory tightening often only exacerbates difficulties in business operations. Within the framework of regulatory rationalization, consideration of 'how' to regulate is just as important as deciding 'what' to regulate. The protection of citizens' lives and safety, and the improvement of unreasonable regulations targeting small business owners, the self-employed, and the socially vulnerable, as proposed in the regulatory rationalization for people's livelihoods, safety, fairness, and mutual growth, represent the targets of regulatory rationalization emphasized by this administration.

However, the government must still find solutions regarding the specific methods through which regulatory improvements to protect citizens' lives and safety, and to alleviate the hardships and protect small business owners, the self-employed, and the socially vulnerable, should be implemented. The dictionary definition of rationality means a state where a thought or claim possesses valid grounds or reasons. It is not merely an expression of emotion or the presentation of an opinion, but rather a claim or judgment accompanied by evidence that can be objectified. Interpreting 'regulatory rationalization' based on this dictionary meaning of 'rationality' implies that decisions regarding regulatory improvements must be made based on objective and scientific grounds.

For the outcomes of regulatory rationalization aimed at livelihood, safety, fairness, and mutual growth to yield tangible results felt by businesses and citizens, it is crucial to establish a process for reviewing

diverse alternatives capable of achieving the relevant objectives—whether regulations for life and safety protection or for economic revitalization—and selecting the optimal alternative based on scientific and objective evidence. **F**

Soh-yeon Won Senior Research Fellow Soh-yeon Won holds a Ph.D. in Public Administration from the University of Speyer in Germany. Her primary research areas are regulatory innovation, governance, and social welfare policy. Representative studies include Regulatory Innovation Measures for a Sustainable Digital Platform Market Focusing on Self-Regulation (2023) and Improvement Measures for Regulatory Agency Governance (2022). ✉ sywon@kipa.re.kr

