

The Democratic Governance of Trust and Developmental Administration*

신뢰의 민주적 거버넌스와 발전행정

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ABSTRACT

발전 과정에서 정부의 역할은 성공적인 경제발전 과정에서 본질적으로 중요하다. 발전의 전략 과정에서 정부의 역할과 시장의 기능 사이에 전통적인 이분법의 분리된 논의가 있었고 정부의 간섭은 시장의 기능과 반대되는 개념으로 인식되어 지고 있다. 하지만 동아시아의 경제발전전략은 전통적인 이분법인 논의에 근거한 것이 아니고 시장의 기능과 정부의 역할은 대립적인 관계가 아니고 보완적인 관계로 이해되는 것이 필요하다. 청렴성에 근거한 효과적인 정책결정과 집행을 추진하는 강한 정부는 신뢰에 근거한 민주적 거버넌스 체제를 추진하고 있다. 발전적 국가에서 발전 행정의 개념과 신뢰의 민주적 거버넌스는 국가 발전 전략의 중요한 개념으로 인식될 수 있다.

Key Words: Key Words: The Role of Government(정부의 역할), The Function of Market(시장의 기능), Trust(신뢰), Developmental Strategy(발전전략), Developmental Administration(발전행정), Integrity(청렴성)

I .Introduction

It may be necessary to ensure that the important factor for a successful economic development of Asian countries is the effective function of government, including integrity, accountability, and anti-corruption. The book of The East Asian Miracle: Economic Growth and Public Policy published by the World Bank explains the extraordinary economic development of East Asian countries. It is mentioned that eight countries and economies in East Asia including Hong Kong, China, Japan, Republic of Korea, Singapore, Taipei, and China had succeeded in attaining rapid per capita income growth; From 1965 to 1990, the per capita income in these countries grew at an average annual rate of 5.5 percent (The World Bank). These

* The paper was supported by Dong-A University fund

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eight economies grew roughly three times as fast as Latin America and 25 times faster than Sub-Saharan Africa by both as the result of sound development management and as the example of good governance (The World Bank). The role of the government in development process is an important matter for successful economic development in the regions which are related to the role of the government as the issue of good governance.

The function of government would essentially be necessary in capitalistic market system. Government plays an important role in market system. The policies of taxes, inflation, and interest rates controlled by government decisions and actions would be a substantial role of government. There are four main theories concerning the role of the government in the economy, including: Laissez-Faire Economics, Keynesian Economics, Supply-Side Economics, and Monetarism" (Cummings, 2001:584).

First, the principle of laissez-faire economics is that the system includes the idea that the government should not regulate the marketplace, workforce, environment, etc. and allow the economy to move and evolve naturally (Cummings, 2001:584).

Second, Keynesian economics is the opposite of laissez-faire economics. Based on the ideas of John Maynard Keynes, the idea stated that if the people didn't consume or invest enough into the marketplace, the government should regulate the economy using fiscal policy; fiscal policy involved either tax cuts or increased spending to combat recession with the increased function of government (Cummings, 2001:585).

Third, supply-side economics is an economic theory designed to combat the effects of inflation. It called for tax and spending cuts, which would in turn give people the incentive to produce and increase the supply of goods available, and the tax reductions would leave more money for the building of new factories and job growth which will ultimately produce benefits to the public (Cummings, 2001:585).

Fourth, monetarism is the idea that the quantity of money in circulation needs is an important factor in how the government can regulate the economy; people who support this theory believe that the government needs to be able to ensure that the money supply grows with the economy at a constant rate, while at the same time controlling interest rates and other factors that would affect the economy (Cummings, 2001:586).

Its different roles in altered contexts have serious implications for the content of public financial management; financial managers are rewarded for their contributions to conformity (classical model), short-term efficiency and economy (NPM model)

and long-term effectiveness and equity (governance model) (Chan and Peking, 2003:117).

<Table 1> Context of public financial management

	Classical model	NPM model	Governance model
Entity	A hierarchical bureaucracy in a government with separate powers and checks and balances	A mission-driven and cost-conscious strategic business unit	An organization interacting with others in a network of public, civic and business institutions
Image of the general manager	A budget-maximizing civil servant obsessed with legal compliance and financial control	A public entrepreneur focusing on customer satisfaction, raising revenues and cutting costs	A savvy executive knitting and maintaining an institutional network to deliver services
Primary role of financial management	Implementing fiscal policies on revenue, expenditure, borrowing and investment	Searching for potential revenues and least-cost method of service delivery	Securing financing in order to keep intact the organizational and network coalitions

Source: Chan and Peking, 2003:117.

<Table 2> Context of public financial management

	Classical model	NPM model	Governance model
Goals and performance criteria	Legal and contractual conformity	Efficiency, economy	Effectiveness and equity
Object of management	Organizational units and sub-units	Services, activities	Multilateral institutional relations
Key financial variables and tools	Revenues, expenditures, investments and debts	Full cost recovery, cost savings and incremental revenues	Revenues, expenditures, grants, contracts, loans, loan guarantees, insurance, regulations

Source: Chan and Peking, 2003:117.

The United States is the example of a pluralist democracy based on NPM model; Korea and Taiwan are examples of authoritarian corporatism; Austria and Switzerland illustrate democratic corporatism; and Japan illustrates corporatism combined with arrangement for selecting rulers which are intermediate between democratic system and authoritarian system (Wade, 1990: 27). There have been policies of the different theories regarding the role and function of government in the economy.

II. The Role of Government and Economic Growth

There is traditional dichotomy between the role of government and the function of market. It is said that the intervention of government is opposed to essentially the function of market system. Many liberal scholars argue that governmental measures are discretionary as the opposition of market forces. However, the common goal and interest of the government and the private sector would be "a high growth with low inflation". Welfare for people should be one of their common aims. It would be wrong to assume that the goals of laissez-faire economics and Keynesian economics are different.

It is assumed that policy made by government is opposed to the system of capitalistic market. The discretionary intervention of government in the markets should be declined. However, there is an unfair game in the market. It is necessary to mention that the economic actors in market system are not always rational because of private interests rather than public interests, which may not coincide with the ultimate purpose of the role of government for social and political development.

The process of Asian economic development is not based on the theory of traditional dichotomy. The decision and implementation of policy based on traditional dichotomy would essentially be wrong as the analysis on false assumptions. It is mistaken that the role of government is "a necessary evil" and the relationship between the government and the private sector are enemies. Thus, it would be error that the function of small government is always effective and useful.

It is necessary to consider relative comparative advantage and strategic importance for the development. Even if policy decision is correctly and reasonably chosen, failure to implement policies decided by government cannot generate the ultimate aim of government policy because of factors such as political complications,

the lower level of social trust, social disturbances, and ineffective bureaucrats.

It is argued that a smaller role for the government can be ineffective in the process of important industrial policy. The role of the government can be evaluated whether its function is performed for public interest or not. It is very important to note that development can be achieved by an active role of government, "either as a prime mover or as a mediator", while underdevelopment is, on the whole, the result of the ineffective function of government in the process of economic development. The attainment of economic growth is generated by the active role of government, including fair financial policy, technological policy, and monetary policy for a successful economic development policy. Consequently, the establishment of a successful economic development policy highlights the role of the government of good governance.

The government has a very important role for achieving economic development and growth. In choosing policy aims, the people and the government should have a shared view in terms of policy's decision. As interest groups in the private sector may have different opinions, the government can offer opportunities to provide communication on policy aims through the establishment of a board for consensus which are open to the public.

Public participation is very important for promoting the successful implementation of measures provided by government. In the process of policy decision, a role of government is expected. Even if the government has proposed specific policies for attaining economic growth, the success of policy measures depends on the level of anti-corruption. For the successful implementation of policy, the function of the government would be an essential matter. If the social support regarding the policies proposed by government is very high, a successful result of policy will be assured with the process of timely implementation

The government has important roles to play in the dynamic implemental process of policy. Economic, social, and political stability is required for sustainable economic growth in the process of long-term plans. Thus, in the dynamic economic development process, a more important and positive role of the government would be necessary. It is noteworthy that the performance of effective bureaucratic function, the trust of institution, and the transparency of information as all important ingredients of good governance would be essential in the economic development process.

III. Trust and Economic Growth

Paul Zak and Stephen Knack(2001) have argued that the level of trust in a society has a significant impact on its economic performance with the reduction of economic transaction.

According to the result of research, trust shows variation between countries: only 5% of Peruvians trust each other while 65% of Norwegians are trusting, and 44% and 36% of people are respectively trusting in the UK and the United States. Zak and Knack's research(2001) presents the disparity of trust; trust in a country depends on five primary factors: "per capita income, the distribution of income, government effectiveness, social cohesion, and education". A crucial finding is that "a country's degree of economic fairness" have an essential impact on economic development "by affecting the degree of trust in a society". It is important to mention that the differences of legitimate institution, the level of social trust, and economic fairness between countries have generated differences in economic growth.

Trust may be crucial to the success of government; people will be likely to know enough about governmental actions and structures to know whether at least parts of the government and some of its agents are trustworthy (Hardin, 1998:24). Low voter turnouts in many nations including the United States are commonly taken as evidence that government has failed to elicit support, but a plausible conclusion may be that such turnouts are evidence that government has not engendered distrust and opposition (Hardin, 1998:24). In social, economic and political environments of political unstable, social heterogeneous, and economical discriminatory society, the society of low trust may be controlled by the measures of strong judiciaries that have enforced contracts.

Economic growth is not imperilled with relative high trust. On the other hand, weak legal institutions produce low trust which leads to low rates of economic growth. Nobel Laureate Douglass North(1993) shows that different capacity in institutions have explained differences in economic performance. Zak and Knack(2001) show that the political and social institutions affect the level of trust in a society. The research shows that economic growth will be low when the cost of enforcing trust is high. Zak and Knack(2001) conclude that the degree of trust, which is affecting economic performance, has an important impact in terms of economic transactions.

Braithwaite(1998) has explained a distinction between security and harmony values. In security value, at a social level, values such as national economic

development, the rule of law, and national greatness are socially sanctioned goals for ensuring the safety of groups and individuals, on the other hand, at a personal level, security values include social recognition, economic prosperity, authority, and competitiveness (Braithwaite, 1998:49).

In contrast, the harmony value system brings together social and personal values with goals of furthering peaceful coexistence through a social order that shares resources, communications mutual respect, and cooperates to allow individuals to develop their potential to the full (Braithwaite, 1998:49). Harmony values for society include a good life for others, rule by the people, international cooperation, human dignity, and greater economic equality, while harmony values for the individual have included self-insight, inner harmony, the pursuit of knowledge, self-respect, and wisdom (Braithwaite, 1998:49).

The security-oriented (high security, low harmony) support the political right, deregulation, tougher law enforcement which are opposed to political protests, welfare, and high taxes, whereby the harmony-oriented (high harmony, low security) support political activism, high taxes, wealth redistribution (Braithwaite, 1998:50). Trust based on performance has elements in common with both a harmony orientation (responsibility for others) and a security orientation (consistency of performance); Harmony-based trust is by product of shared understandings, goals, and social responsibility, while security-based trust involves liberal principle and doctrine (Braithwaite, 1998:52). The process of economic development requires both harmony-based trust and security-based trust. Democracy may be a prerequisite of an appropriately trusting citizenry and of trust-worthy government (Levi, 1998:96).

IV. Government Size and Economic Growth

It is a fact that a high level of economic development is achieved by encouraging productive economic activity. It is interesting to describe that the rule of law and private property right provided by government had contributed to the economic development. The role of government can be regarded as a necessary condition for economic prosperity.

It is also a fact, however, that where governments have monopolized the allocation of resources and other economic decisions, societies have not been successful in attaining relatively high levels of economic affluence. Economic

progress is limited when government is zero percent of the economy, but also when it is near 100 percent such as the case of the old Soviet Union and North Korea.

state intervention is likely to create allocative inefficiencies, organizational slacks and rent-seeking wastes rather than correct for market failure, and approach of government failure rejects the welfare economics view of the state as a benign and omnipotent social guardian which maximizes social welfare (Chang, 2003:48).

As Arthur Laffer has argued, "output per capita" is not high in a state of anarchy", and "where all input and output decisions are made by government, "output per capita" is low in a state of monopoly. However, when there is a combination of private and government decisions on the allocation of resources, "output per capita" is high. It can be argued that the role of big government is associated with expansions in output. At some point, however, the constant expansion of government, which induces economic stagnation and decline, could not produce the expansion of output.

In a world, without the role and function of government, there is no rule of law and no protection of property rights. The state has the power to legalize the new property rights and the new power relations which provide an institutional reality to the new coordination structure (Chang, 2003:55). The classic method of conflict management in the capitalist economy is accepting the market solution; accepting the market solution is not the most efficient way of managing conflicts (Chang, 2003:55). The state may reduce conflicts by defying the market outcome; the examples will include the imposition of trade restrictions on specific products, the restructuring of the losers through an outright state takeover of technically bankrupt private enterprises, and the political re-negotiation of prices (Chang, 2003:58-59). Consequently, there is a paradox that a free market requires a strong state (Gamble 1987).

As the function of government has expanded, the role of market is limited. The efficiency is competition and fair. In the policy of taxes, as low tax rates become higher, new taxes like income taxes, are added to low consumption levies, with the adverse effects on economic development. When government is small, economic activity is expanded. With increasingly large government, the negative effects of governmental spending have increased with an adverse effect on output. The role of government has an essential role to play in a free and open society. As Friedman has argued, an average contribution is positive. the role of government in economic growth is probably between 15 and 50 percent of the national income or output."

V. The Role of the Authoritarian State in Korea

1. The Failure of Liberal Democracy of 1960s, 1970s and early 1980s

The democratic movements had failed to change the attitude of government in the 1960s and 1970s. Public activity in the civil society before June 1987 was not really significant. Although the political and social associations of the classes, regions and occupations had been organised, as time passed by, there appeared fragmentation in ideology, strategy and tactics.

This typifies a ruling technique of "persuasion and suppression" as proposed by Poulantzas. The rule of state is criticised by the view of Poulantzas in that the state is the tools of the governing group combined with the monopolistic capital. The nation becomes an object for revolution in that a governing structure against the rights of citizens including civil, political and social rights have no meaning but the antagonistic substance. In short, the state is to represent the interest of governing group which must be overthrown. In this context, the entire adaptation of the view of Poulantzas in the case of South Korea would not be available. regimes at times use political force to suppress frequently the people and occasionally compromise with the opposition as a form of persuasion. The chief reason for the failure of the democratic movement in South Korea may have been the authoritarian measures used by the government. The dominating philosophy of the governing class was derived from hereditary traditional political culture, a hierarchical authoritarian culture, whereas the traditional social culture, based on the collective and harmonic culture, had led to the economic development. In a word, the traditional hierarchical political culture, which contributed to the process of economic development, had not encouraged the democratic values on the part of the political elite.

The prevalence of authoritarian elitism can in part be explained in terms of Korean political culture. The doctrine of Korean government based on the Confucian political ideology had contributed to form the ruling philosophy of authority. In the Confucian philosophy, the establishment of government, which is a reflection of natural institution in an authoritarian hierarchical relationship, is not viewed as a social contract between state and people. A virtuous Confucian government is based on moral human relations, and a virtuous ruler is assumed to be a man with the moral behaviour to perform public benefit. In this sense, the Confucian state is the

rule of man rather than the rule of law.

It can be argued that the existence of the Confucian state, which formed an authoritarian elitism based on the rule of men rather than of law, had generated the kind of authoritarian government based on developmental administration rather than liberal value and doctrine. Similarly, the contemporary Korean bureaucracy has preserved the cultural legacy of hierarchical dominance rather than the rule of institutionalized political institutions.

The process of democratization was not promoted by the bourgeois, middle or labour classes in the 1970s. The bourgeoisie, created in the course of industrial development, was a very conservative power representing authoritarian political ideology and culture. The Korean bourgeoisie maintained a strong political alliance with the military group and followed the political doctrine of the military regime. This doctrine, which was authoritarian, anti-Communist and conservative, led to a repressive policy towards the democratic movement. Furthermore, the middle classes preferred political and economic stability rather than a radical change in the politics and economy of the 1970s. Although there was wider participation in politics, the middle classes were interested in material benefit and the maintenance of the status-quo. Also, even though the labour movement before 1980 had progressed, there was not a qualitative growth in their ability to promote their rights.

2. The Response of the State in the 1980s

In 1980, democratic norms, values and culture were unacceptable to the military government. During the previous thirty years, the authoritarian dogmatic political culture, the anticommunist ideology, and mass control through the mass-media, had played an important role in controlling the labour classes and impeding the development of a democratic governance.

The democratic movement was propelled by a popular wish for political democracy. The labour and student movement, and the opposition parties, which recruited students, intellectuals, employers and politicians, played decisive roles in the gradual development of political democracy. The authoritarian governing elite had no choice, but to recognize the democratic demands of the people. In June 1987, when the resistance to the authoritarian regime on the national and the regional areas had reached its peak, the government made the historical 6.29 declaration¹⁾,

1) The declaration had eight chief points. These were: (1) a guarantee of the peaceful transfer of power and direct popular election through constitutional revision; (2) a revision

which accepted the opposition demands for democratization.

It can be argued that the primary reasons why the government made the declaration may be explained as follows: Firstly, although repression could have temporarily insured political stability, the opposition forces and groups would eventually achieve democratization. Also, the liberals pointed out that continuing repression would bring about, in the long run, radicalization towards more leftist ideologies. Secondly, as a significant factor, the military government did not have internal support of the Army for repressive measures. The military officers were sceptical about the participation and interference of the military in politics. Thirdly, American administration was against the Korean government using military force to suppress the democratic movements. Consequently, the military regime decided to accept the demands for democracy. The procedures for the transition to democracy were embodied in the 6.29 declaration.

Consequently, the successful transition to democracy in the 1980s was based on order and stability rather than conflict and struggle. It is clear that the Korean approach, based on a formal constitutional coalition, involved flexibility in accommodating divergent political, economic and social demands. A negotiated agreement between the democratic groups and the military forces played a key role in the transition to democracy. As Di Palma (1990) pointed out, there had been previously pacts between business, state, labour, the economic bourgeoisie and military groups in the process of democratisation, as is seen in the case of South Korea. In other words, there were social pacts to solve the economic crisis, regional pacts to eliminate a regional antagonism, and constitutional pacts to maintain continuous political power. Therefore, in South Korea, transition towards democracy led to political agreement between the extremely weakened government and a very strong opposition forces.

3. The Transformation of the Role of State

The state had been highly pro-active in South Korea under Park Chung-hee,

of the presidential election laws and a guarantee of fair elections; (3) the release and pardon of political prisoners and the restoration of their civil rights; (4) respect for human dignity and a guarantee of basic civil rights; (5) a guarantee of the freedom of the press; (6) a guarantee of self-government and autonomy in all aspects of social life; (7) freedom to practice political activities on the part of political parties; (8) the prosecution of criminals who threaten the safety and security of citizens and the elimination of chronic social corruption (James Cotton, 1995:8).

Chun Du-whan, Roh Tae-woo and Kim Young-sam. According to the *Autonomy of the Democratic State* by Eric A. Nordlinger (1981), a liberal democratic theory shows a society-centred notion, based on the concurrence of the interest of state and society in public policies. There is a political situation of "a divergence or non-divergence of the preferences" of the state and social forces. The advanced countries, which is based on a society of trust, have promoted political compromise and consensus between state and civil society in which the society represents the demands of civil society, and the state accommodates those demands by implanting national policy.

Three types of relations between state and society for explaining the state-centered model are described by Nordlinger (1981). The state autonomously pursues its own preferences and interests in the following ways. In type I autonomy, the state opposes the preferences of society; state officials do what they want. Consequently, the purpose of state may frequently be attained in spite of societal opposition. In type II autonomy, the preferences and interests of the state and the society frequently diverge and the state tries to transform the preferences and interests of society into the purpose and intention of the state. Accordingly, if the preferences of the state and the society differ, the state overlooks the interests of society and carries out its own policies after making a skilful manipulation; but type II state autonomy does not imply an authoritarian repression of societal preference. Instead, the state actively attempts to make societal preferences coincided with its own preferences. In type III autonomy, the preferences of the state coincide with the interests of society, and the state and societal preferences are non-divergent in major policies and platforms. In a word, the state performs its own intention and purpose. The typical model of advanced industrial democracies involves state-society convergence resulting in economic growth, a full employment economy, substantial corporate profits and a mixed welfare state.

The case of Korea has been a transition from type I to a combination of type II and type III. In all types of state autonomy, the state can and does act for its own purpose. As a type I state, in the past, Korean public officials had oppressed the interests of society by taking formal authoritative actions. As a combination of type II and type III in the present period, Korean public officials sometimes persuade the opposite demands of societal actors and manipulate public opinion in order to execute the preferences of the state. The manipulation and persuasion are often achieved by restricting the dissemination of information, advertising the success of government programs, and discouraging divergent preferences. Accordingly, through

persuasion, the preferences of the state and society converge with the share of interests between state and society. The Korean state has autonomously acted on the agreement or contradiction of civil society. The government in South Korea, consequently, is based on state-centered ideas. State concepts, rather than social-centered views, account for the state's actions.

VI. Democratic Governance

Under the influence of liberalism, conventional Confucian culture, which had contributed to the process of economic development based on the strategy of developmental administration, is changing. Current Korean political culture may be regarded as a type of participant political culture with increasing democratic values. In a word, Korean political culture today is no longer militaristic, whereas the previous political culture in South Korea was based on nationalism and militarism. The ideology of a democratic culture in South Korea was accepted by the universities, supported by the Korean people, and prevailed in Korea's society. Current Korean political culture no longer includes strict hierarchy, the rule of man over the rule of law, or the absence of institutional procedures. A conspicuously bureaucratic authoritarian tendency is not found in the government or business organizations, and the political system is adapting democratic liberalism and promoting the formal separation of institutional power.

In the industrial policy states, the states have been dominated by right-wing coalitions which are described as authoritarian such as the case of Korea and Taiwan, the bureaucracy had dominated the policy-making process, and heavy-handed and precisely targeted industrial policies were used as the major tools to engineer structural change (Chang, 2003:64). On the other hand, in the social corporatist countries, the state apparatus has been mainly occupied by social democratic coalitions, and employers' associations have played central roles in policy formulation, and macroeconomic policies combined with active interventions in the labour market (Chang, 2003:64). However, the different types of capitalism have played the crucial roles of entrepreneur and conflict manager equally (Chang, 2003:64). Consequently, the autonomy of state for achieving economic development in both authoritarian government and social corporatist countries would essentially be crucial.

The corporatist and authoritarian political arrangement of East Asia have

provided the basis for market guidance; the governments guided the market by: (1) redistributing agricultural land in the early postwar period; (2) controlling the financial system and making private financial capital subordinate to industrial capital; (3) maintaining stability in some of the main economic parameters that affect the viability of long-term investment, especially the exchange rate, the interest rate, and the general price level; (4) modulating the impact of foreign competition in the domestic economy and prioritizing the use of scarce foreign exchange; (5) promoting exports; (6) promoting technology acquisition from multinational companies and building a national technology system; and (7) assisting particular industries (Wade, 1990:27-28)

The effects of the role of government on productivity can be analyzed. In the perspective of growth theory, the models of growth theory in Asia can be explained by the autonomic theory of state. One theoretical approach is to analyse the policies of public interest performed by state. Economists can argue how the policies of government are determined and implemented for achieving long-run growth rates in the process of the implications for economic policy. Theoretical models assume that economic development for long-run growth depends on the availability of the effective role of government, including accountability, efficiency, integrity, and anti-corruption. The models show that reasonable bureaucrats will conduct the effective implementation of policies. The usual conclusion is that, when a relatively large number of effective bureaucrats are available, policies for economic growth are generated or implemented. In the framework of economic growth theory, the function of government is significant because rational bureaucrats will create effective policies in the public sector. The role of government for growth has greater generality.

VII. Conclusion

It may be remarked that the conception of government failure is opposed to the doctrine of market failure. The intervention of government in the markets has been rejected by the policy of liberalism in the economic policy. It may be maintained that there has been traditional dichotomy between the role of government and the function of market. It is argued that the intervention's role of government is opposed to basically the function of market system. The role of government and market may coincide with the strategy for economic development.

The process of Asian economic development based on the strategy of

developmental administration is not based on the theory of traditional dichotomy. The decision and implementation of economic policy based on traditional dichotomy would be the analysis of inaccurate assumptions. It is error that the role of government and the function of market is opposite, and the relationship between the government and the private sector are contrary. It is not necessary to make the difference between large government and small government. An important matter is the capacity of government.

The major sources of distrust in government are promise breaking, incompetence, and the antagonism of government actors, while a trustworthy government is one that has procedures for making and implementing policy that meet prevailing standards of fairness (Levi, 1998:88). A trustworthy government is a necessary but insufficient condition for large-scale contingent consent (Levi, 1998:88). The process of developmental administration may be regarded as centralism in the role of government which should be based on trust, transparency, anti-corruption, accountability, and effectiveness. The bureaucrats including the group of executive had maintained political and economic powers, which were high governmental officials who controlled the process of policy decision and implementation as a high degree of centralism. The low level of trust between government and people tended to hinder the institutional, social, and economic development in pluralistic democracy, authoritarian corporatism, and democratic corporatism. A worth notion is that the role of government based on a good governance to intervene productively and effectively in the market is required during the process of economic development. It is clear from earlier discussions that the balance between the function of government and the system of market, which is opposed to traditional dichotomy between the function of government and market, can induce the process of economic growth.

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투고일자 : 2011.08.15

게재일자 : 2011.09.22