



KRIHS Policy Brief

KRIHS ISSUE PAPER

Publisher : KRIHS
www.krihs.re.kr

Strategies to implement smart regulations for the development of regional industries in the era of the fourth industrial revolution

Jung U-seong, Associate Research Fellow, et al.

Summary

1> There is a growing need to overcome the rigidity of superficial listing of regulatory system and complex regulation and switch them into prompt and flexible ones in order to respond to hyper converged, hyper connected, and hyper intelligent society in the era of the fourth industrial revolution

2> Although the government made effort to improve the system and institutions actively by adopting flexible legislation process and regulatory sandbox, demands for regulatory improvement are still high

- According to a corporate survey on the government regulations, the result found that companies considered that regulatory barriers in Korea were high in general (41.9%) and they said that regulatory reform was necessary (77.8%).

- Considering a high-level of recognition on problems of implementation and procedure of existing regulations, there is a need to adopt new approaches for regulatory reform while solving problems of existing regulations in parallel

3> As for foreign countries, both the central and local governments are actively improving their regulations and provide support required to improve their regulations in order to adopt new regulatory procedures and methodologies favorable to business related to the fourth industrial revolution

4> Recommend to adopt negative regulatory system (prior approval, post regulation) and implement prompt, integrated, and location-based regulations as solutions for smart regulatory reform

KRIHS Policy Brief

KRIHS ISSUE PAPER

Publisher : KRIHS
www.krihs.re.kr

Policy implications

- ① (Establish a constant monitoring system to regulate new industries) Establish a constant regulatory improvement system through systematic monitoring on regulations on a regular basis in order to respond to the development of new industries in regions
- ② (Strengthening the evaluation of regulations based on performance) Strengthen regulatory elements centering on performance evaluation such as outcome or goals of the development of regional industries and improve performance evaluation basis for regulatory reform concerning new industries of regions so that they can recognize changes
- ③ (Apply differentiated regulations according to the characteristics of each region) Differentiate the application and intensity of regulation by region based on the spatial hierarchy such as large cities, small and mid-sized cities, rural, mountainous, and fishery villages, and regional characteristics
- ④ (Strengthen the effectiveness of Korean regulatory sandbox) Strengthen the flexibility and promptness of regulations through regulatory sandbox such as prompt confirmation, temporal approval, etc. and spread the success cases of new industries in regions through regulation-free zones
- ⑤ (Establish cooperative regulatory governance) Decentralize regulatory authorities to establish a cooperative regulatory system between the central and local governments in which local governments examine, analyze, and determine the need for regulatory reform by themselves