

# Regulatory Policies Utilizing Public Demands

Subjects: **Business**

Contributor: HaeOk Choi , KwangHo Lee , Haeok Choi

Finding and utilizing demand-oriented data to meet public demands for creating sustainable and inclusive regulation policies are essential.

regulatory policy

regulatory reform

demand-oriented policy

policymaking process

minority opinion

## 1. Introduction

The definition of “regulation” in any given national and legal context varies depending on a country’s perspective on the scope, the type, and the purpose of the government intervention. Even though regulations are intended to reflect the opinion of the majority of the people and the universal values of society, they may still be viewed as roadblocks. Regulation policies are crucial for a country’s transition into the global digital age because they may influence a country’s global competitiveness. However, while developing a strategy for establishing a demand-oriented policy is important in the creation of sustainable and adaptive regulations, it is still insufficient, according to empirical studies. At the same time, little guidance has been offered in this regard. Therefore, this study attempts to overcome the limitations of existing studies by means of data-based regulation research, involving the collection and analysis of regulatory complaint data, in order to evaluate demand and supply-oriented policies. The current study suggests measures by means of which demand-oriented data may be found, so as to help develop better regulatory policies that are distinguished by strategies tailored to their context, rather than by strategies that mirror the policies of other countries.

Research on demand-oriented policy creation was initiated by efforts to establish policies that included minority opinions in the policy formation process <sup>[1][2][3][4]</sup>. Through the experiences of existing policy failures, we began to devise a way in which even minority opinions might be reflected in policies <sup>[5][6]</sup> that were demand oriented. It has become apparent, however, that regulatory policies are one of the most effective methods of creating new awareness of the need for further regulations in the policymaking process <sup>[7]</sup>. For example, the use of complementary payment systems on the internet, such as accredited authentication, has directly led to the creation of innovative new industries. Indirectly, the issue of supplementation has also increased because of these regulations, and this problem has had to be solved through further regulation.

Research using demand-oriented data has proceeded as follows. The company innovation strategy “VoC” (Voice of the Customer) was used to gather information and opinions on products and product difficulties so as to improve them and establish future development strategies <sup>[7][8][9][10]</sup>. It was considered that government policy should utilize

civil and environmental complaint data to inform decision-making data in future policymaking <sup>[11][12]</sup>. Former studies, however, had not adequately explained smaller intervening factors by demarcating data.

Government regulations are designed to create beneficial economic and social outcomes for individuals and businesses, but the rapid advent of novel technologies and services has rendered existing regulations inadequate and created a pressing need for regulatory challenges. With regard to the temporary regulatory suspension, the question of which regulations to suspend and how to defer them remains. By means of channels such as the “Regulatory Reform Sinmungo” (a bulletin board of civil complaints for regulatory reform) in South Korea, the government has been actively identifying and solving people’s difficulties by listening to their opinions and offering solutions.

## 2. Investigation into Civil Complaints

Until now, policymakers have not focused on the benefits of minority opinions for reasons of regulatory equity and avoidance of responsibility. Policymakers working in public offices respond sensitively to public opinion and thus fail to use this window of opportunity to collect feedback that could benefit consumers. The diverse reasons for this include an incentive structure that does not allow policymakers to focus on minority opinions, as well as insufficient time and resources. As an alternative, this study attempted to analyze existing information on public demands scientifically. It categorized the results of this analysis into a horizontal problem and provided policy implications for the agenda. This study’s insights can be utilized to continuously improve policy efficiency by discovering common issues in public opinions regarding regulation, classifying them, and then trying to systematically improve them.

From the perspective of agent-centered institutionalism, the use of civil petition data, as a product of active agent interaction, provides an important basis for institutional development. For the development of regulatory-related policies in the future, a window for collecting the opinions of actors, based on where the regulation is taking place, should be opened to induce interaction for active system improvement <sup>[13][14][15]</sup>. To effectively bridge the gap between policy demand and supply, it is important to take note of factors such as the location of a grievance. If a certain area has a higher frequency of a particular complaint, detailed information about that issue must be collected so that a resolution can be offered at the earliest possible time. At the government level, it is necessary to collect civil complaint data related to place-based regulations as a window for active interaction. This can help the development of a more sustainable and adaptive regulatory policy, away from the existing historical institutionalism, toward agent-centered institutional design. For the development of sustainable and adaptive regulatory policy, some specific alternatives from the ACI micromechanism are as follows.

Civil complaints related to regulations can be used as reference material for government policies <sup>[16][17][18]</sup>. For instance, they can be used as basic plans for the adjustment of policies related to emerging products such as kickboards and drones. As is evident from the aforementioned analysis, regulatory policies should be developed considering the concept of area (e.g., the regulatory sandbox that exempts the enforcement of regulations for a certain period in a given area <sup>[19]</sup>), a concept that has hitherto not received sufficient attention in policy formulation.

As confirmed by the results, it is necessary to consider the significance of area. This suggests that a land management system for regulatory policy is needed to allow for the autonomous formulation of regulatory policies through the small-scale management of land. It is worth considering an area-based participation system of “participatory policymaking in regulation,” an application of the concept of “participatory policymaking” in which regulatory policies are formulated with the participation of citizens [20][21]. This calls for a software-based, rather than hardware-based, management of regulatory policies. To realize this, the creation of policies through people’s participation should be strongly considered. It is essential to actively listen to the inconveniences and difficulties caused by recently emerging means of transportation. It is crucial to actively study the regulatory details concerning new industries and services that are difficult to regulate through existing systems. Instead of investing too much in research and development to prepare for an unpredictable future, the government needs to execute policies by addressing actual inconveniences, which will lead to their efficient and effective resolution. Therefore, the dark data can be used for regulation-related policies to overcome the limitations of existing research and establish differentiated strategies through demand-oriented policies.

A multidimensional analysis of data on civil complaints is still required. Using big data analysis, we must collect a variety of policy ideas, upon which a transparent, evidence-based management system for policy decision-making can be based [22]. Previous policies, formulated by a handful of administrators, did not reflect the concerns and requirements of consumers, for whom the policies were first formulated. Therefore, it is necessary to close the gap between policy supply and demand by actively using data from civil complaints.

### 3. Conclusions

First, while regulation-related civil complaints mostly request improvements in systems, it was verified that the solution lies in the improvement of the standards of existing systems. From the perspective of policy demanders, it was confirmed that the need for authentication systems was required in establishing the standards of regulatory policy. In particular, it was confirmed that there was a high demand for regulation policy in the fields of chemicals, loans and payments, and farmland.

From the standpoint of alternatives, it is possible to reasonably assume the probable public response to a new industry, which is important for identifying new policy demands. From the perspective of the policy alternative, it is suggested that the policy in terms of the management of regulatory policy should be implemented first. This implies that it can be developed through the revision of laws and regulations. For instance, the content of vehicle standards is closely related to area management. However, the use of new means of transportation is not being permitted in terms of existing regulations. This indicates that it is necessary, not only to set standards for new means of transportation, but also to support these means through the management of physical areas such as buildings, residential areas, and parking spaces, rather than to focus on the functions of such facilities.

According to the semantic network analysis by groups [23][24][25], there was a strong relationship between construction laws and facility management in the policy demand data. It was observed that construction laws and regulations greatly influenced the management of a facility. In order to improve management, it is, therefore, first

necessary to examine construction-related laws or regulations. According to an analysis by group, while standards and rights were the main factors implicated with regard to policy demand, it was observed that the need for management was the principal factor with regard to policy supply. There were many problems related to standards and rights in civil complaints concerning regulatory policy, and to address them, solutions need to be found in terms of the government's governance system.

The policy formation process can be improved by exposing the public's misconceptions, as well as utilizing data to understand policy demands and find relevant solutions. This study has emphasized the role of the government in providing policies based on the perspective of policy providers, but policies should also reflect the opinions of policy consumers, even those whose opinions are not especially common [\[26\]](#)[\[27\]](#).

## References

1. Bleda, M.; Valente, M. Graded eco-labels: A demand-oriented approach to reduce pollution. *Technol. Forecast. Soc. Chang.* 2009, 76, 512–524.
2. Edquist, C. *Innovation-Related Public Procurement as a Demand-Oriented Innovation Policy Instrument*; Lund University, CIRCLE-Center for Innovation, Research and Competences in the Learning Economy: Lund, Sweden, 2015.
3. Edler, J.; Boon, W.P. “The next generation of innovation policy: Directionality and the role of demand-oriented instruments”—Introduction to the special section. *Sci. Public Policy* 2018, 45, 433–434.
4. Schwedes, O.; Hoor, M. Integrated transport planning: From supply-to demand-oriented planning. Considering the benefits. *Sustainability* 2019, 11, 5900.
5. De Mesquita, B.B.; Morrow, J.D.; Siverson, R.; Smith, A. Policy failure and political survival: The contribution of political institutions. *J. Confl. Resolut.* 1999, 43, 147–161.
6. McConnell, A. Policy success, policy failure and grey areas in-between. *J. Public Policy* 2010, 30, 345–362.
7. Edler, J. *Demand Oriented Innovation Policy; The Co-Evolution of Innovation Policy–Innovation Policy Dynamics, Systems and Governance*: Cheltenham, UK, 2010; pp. 1–32.
8. Zaltman, G.; Coulter, R.H. Seeing the voice of the customer: Metaphor-based advertising research. *J. Advert. Res.* 1995, 35, 35–51.
9. Aguwa, C.C.; Monplaisir, L.; Turgut, Ö. Voice of the customer: Customer satisfaction ratio based analysis. *Expert Syst. Appl.* 2012, 39, 10112–10119.
10. Jaworski, B.; Kohli, A.K. Co-creating the voice of the customer. In *The Service-Dominant Logic of Marketing*; Routledge: London, UK, 2014; pp. 127–135.

11. Choi, H. Geospatial data approach for demand-oriented policies of land administration. *Land* 2020, 9, 31.
12. Lee, J.; Choi, H. An analysis of public complaints to evaluate ecosystem services. *Land* 2020, 9, 62.
13. Mintrom, M. Strategic actors, institutions, and interpretations of the policy process. *J. Public Adm. Res. Theory* 1998, 8, 445–448.
14. Ginosar, A. Public-interest institutionalism: A positive perspective on regulation. *Adm. Soc.* 2014, 46, 301–317.
15. Little, D. Actor-centered sociology and the New Pragmatism. In *Rethinking the Individualism-Holism Debate*; Springer: Cham, Switzerland, 2014; pp. 55–75.
16. Scharpf, F. *Games Real Actors Play: Actor-Centered Institutionalism in Policy Research*; Westview Press: Boulder, CO, USA, 1997.
17. Meier, K.J. *Regulation: Politics, Bureaucracy and Economics*; St. Martin's Press: New York, NY, USA, 1985.
18. Min, K.; Jun, B.; Lee, J.; Kim, H.; Furuya, K. Analysis of environmental issues with an application of civil complaints: The case of Shiheung City, Republic of Korea. *Int. J. Environ. Res. Public Health* 2019, 16, 1018.
19. Financial Conduct Authority. *Regulatory Sandbox*. 2015. Available online: <https://www.fca.org.uk/publication/research/regulatory-sandbox.pdf> (accessed on 1 October 2016).
20. Higuchi, S.; Goto, H.; Sekiguchi, N. Establishing Community Enterprise in Kinosaki. In *Communities Constructing*; 2005; pp. 117–120. Available online: <http://faculty.washington.edu/jhou/rim/2004/papers/HiguchiGotoandSekiguchi.pdf> (accessed on 26 September 2020).
21. Kida, D.D. *Local Political Participation in Japan: A Case Study of Oita*; Routledge: London, UK, 2018.
22. Ferro, E.; Loukis, E.N.; Charalabidis, Y.; Osella, M. Policy making 2.0: From theory to practice. *Gov. Inf. Q.* 2013, 30, 359–368.
23. Doerfel, M.L. What constitutes semantic network analysis? A comparison of research and methodologies. *Connections* 1998, 21, 16–26.
24. Doerfel, M.L.; Barnett, G.A. A semantic network analysis of the International Communication Association. *Hum. Commun. Res.* 1999, 25, 589–603.

25. Schultz, F.; Kleinnijenhuis, J.; Oegema, D.; Utz, S.; Van Atteveldt, W. Strategic framing in the BP crisis: A semantic network analysis of associative frames. *Public Relat. Rev.* 2012, 38, 97–107.
26. Cheng, W.; Appolloni, A.; D'Amato, A.; Zhu, Q. Green Public Procurement, Missing Concepts and Future Trends—A Critical Review. *J. Clean. Prod.* 2018, 176, 770–784.
27. Appolloni, A.; D'Amato, A.; Cheng, W. Is Public Procurement Going Green? Experiences and Open Issues. In *The Applied Law and Economics of Public Procurement*; Piga, G., Treumer, S., Eds.; Routledge: London, UK, 2012; ISBN 978-0-415-62216-5.

---

Retrieved from <https://encyclopedia.pub/entry/history/show/7213>