

Government Regulation and Nonprofit Self-Regulation in South Korea: An Empirical Analysis of Perceptions and Practices

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What type of abstract are you submitting?

Individual paper

Conference theme

6. Regulation and change

Abstract

The operation of nonprofit organizations is fundamentally based on voluntarism and accountability (Ebrahim, 2003). However, as government support for nonprofit organizations has increased, there has been a parallel increase in regulatory oversight (Sidel, 2010; AbouAssi & Bies, 2018). This trend often leads nonprofits to focus solely on complying with government regulations, reducing their perceived need for self-regulation or independent accountability measures (Gugerty, 2009). The relationship between government regulation and nonprofit self-regulation has been explored through theories such as substitution, complementary, and crowding-out theories (Breen, Dunn, & Sidel, 2016).

The regulatory landscape for nonprofit organizations in South Korea is particularly complex, governed by multiple legal frameworks and involving oversight from various government agencies (Kim & Jung, 2020). While there is existing research on the rationalization and reform of government regulation in Korea (Lee, 2020; Jun, 2023), studies that specifically address these issues from the perspective of nonprofit self-regulation remain scarce. Against this background, this study aims to examine the relationship between self-regulation and government regulation among NPOs in Korea.

There are two main parts to the study. First, it provides a comprehensive map of the current regulatory framework for non-profit organisations in South Korea. Second, it empirically analyses how NPOs' perceptions of the importance and intensity of government regulation relate to their perceptions of the need for self-regulation and the extent to which they practice self-regulation. Here, the practice of self-regulation assesses the extent to which NPOs engage in self-regulation in terms of charters and guidelines, transparency measures such as disclosure, and stakeholder engagement.

The analysis is based on survey data collected from 141 public interest foundations that were required to disclose information to the National Tax Service for the fiscal year 2022. These organizations were assessed based on their self-regulatory practices in three dimensions: the establishment of internal charters and guidelines, transparency in information disclosure, and communication with stakeholders (Ebrahim, 2003; CIVICUS., 2014).

The findings of this study are expected to contribute to both theoretical and practical discussions in the field. At the theoretical level, the study provides empirical evidence on the interplay between government regulation and self-regulation and tests existing theories in the Korean context. On a practical level, the study provides policy recommendations for

rationalizing government regulations and highlights the critical role of self-regulation as a complementary mechanism to formal oversight. By emphasizing the importance of nonprofit organizations' proactive engagement in self-regulation, the study aims to support the development of a more balanced and effective regulatory ecosystem for the nonprofit sector in Korea.

Are there implications for this research that you would like to share?

The study is particularly significant in its potential to inform both policymakers and nonprofit practitioners by encouraging a regulatory model that supports the autonomy and accountability of nonprofit organizations, while ensuring that government oversight does not stifle their capacity for self-governance.

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