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# The New Administration's Policy Blueprint and Corporate Response Strategies

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# The New Administration's Policy Blueprint and Corporate Response Strategies

On June 16, the Lee Jae-myung administration launched the National Policy Planning Committee to draft its five-year governance agenda. This issue paper analyzes the agenda's formation process and key business implications. Entering office without a Presidential Transition Committee, the Lee administration—under the banner of a “People's Sovereignty Government”—is pursuing rapid legislative and budget action to deliver early results, with priorities centered on livelihood recovery, democratic restoration, and innovation-driven growth.

The administration's “3·3·5 Vision” (top-three global AI power, 3% potential growth, top-five global national power) signals a focus on developing “ABCD industries” (AI, bio, culture, defense), energy transition, spatial innovation, fair economy, labor reform, and a stronger startup ecosystem—with AI as a strategic pillar across government.

For businesses, this evolving agenda will define the policy and investment landscape. Proactive analysis, public-private engagement, and scenario planning will be essential, especially in sectors such as AI, semiconductors, platform governance, and biotech. Strengthening internal policy monitoring and response capacity will be critical to navigating the new administration's dynamic environment.

## 1. The Policy Agenda as a Strategic Anchor for Governance

The policy agenda outlines the administration's core priorities over its five-year term and serves as a strategic anchor for governance. While not legally binding, it guides ministries in shaping action plans, budget proposals, and legislative initiatives—turning the president's campaign vision into practical policy directions.



Traditionally, a new administration's policy agenda is formulated by the Presidential Transition Committee. It is customary for the president's campaign pledges and governing philosophy to be consolidated into a set of 100 key policy tasks, typically announced within two months of inauguration. In the absence of a transition committee, however, the agenda is instead developed by a presidential task force or the National Policy Planning Committee. This can lead to delays in strategy development or weaker coordination among ministries.

In this context, the National Policy Planning Committee effectively serves as a de facto transition body. The legal basis, functions, and composition of the Presidential Transition Committee and the National Policy Planning Committee are summarized below.

<Table 1. Presidential Transition Committee vs. National Policy Planning Committee>

| Category                       | Presidential Transition Committee                                                                                                                                                                                                                                              | National Policy Planning Committee                                                                                                                                                                                                                          |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Legal Basis</b>             | <a href="#"><u>Presidential Transition Act</u></a>                                                                                                                                                                                                                             | <a href="#"><u>National Policy Planning Committee Decree</u></a><br>(Presidential Decree)                                                                                                                                                                   |
| <b>Legal Status</b>            | Statutory body supporting the president-elect                                                                                                                                                                                                                                  | Presidential advisory body established by executive order                                                                                                                                                                                                   |
| <b>Purpose</b>                 | Government transition and policy preparation prior to inauguration                                                                                                                                                                                                             | Design and coordination of national agenda post-inauguration                                                                                                                                                                                                |
| <b>Timing of Establishment</b> | After election, before inauguration (president-elect period)                                                                                                                                                                                                                   | After inauguration (by incumbent president)                                                                                                                                                                                                                 |
| <b>Key Functions</b>           | <ul style="list-style-type: none"> <li>- Assess government structure, functions, and budget</li> <li>- Set overall policy direction</li> <li>- Prepare for inauguration events</li> <li>- Screen cabinet candidates</li> <li>- Other duties required for transition</li> </ul> | <ul style="list-style-type: none"> <li>- Assess government structure, functions, and budget</li> <li>- Set overall policy direction</li> <li>- Develop national policy priorities and mid- to long-term plans</li> <li>- Advise on policy agenda</li> </ul> |
| <b>Appointment</b>             | Appointed by the president-elect                                                                                                                                                                                                                                               | Appointed or commissioned by the president                                                                                                                                                                                                                  |
| <b>Legal Authority</b>         | Legally binding authority                                                                                                                                                                                                                                                      | Advisory, limited legal authority                                                                                                                                                                                                                           |
| <b>Representative Role</b>     | Facilitates transfer of power                                                                                                                                                                                                                                                  | Shapes governance strategy for sitting president                                                                                                                                                                                                            |

The National Policy Planning Committee plays a pivotal role not only in drafting policy proposals but also in shaping the government's fiscal trajectory. Its influence extends directly into budget negotiations between the Ministry of Economy and Finance (MOEF) and individual ministries, particularly during the critical June–July budget review period. The committee's policy guidance often determines funding priorities, which are subsequently embedded in the government's five-year fiscal framework, thereby shaping long-term expenditure planning.

As the institutional anchor of the administration's policy vision, the committee's composition, operations, and policy output hold significant sway over both the direction of governance and the architecture of the national budget. Accordingly, it serves as a crucial barometer for anticipating government priorities and resource allocation.

The current administration, backed by the Democratic Party's supermajority in the National Assembly, is uniquely positioned to act decisively on its legislative agenda. This alignment suggests that the policy agenda may exert a more immediate and tangible influence on various industries compared to previous administrations. However, external challenges—including global economic volatility, U.S. trade friction, and intensifying competition in the technology sector—could complicate the agenda's rollout.

These dynamics underscore the importance of closely monitoring the evolution of the policy agenda and assessing its implications for both public policy outcomes and private sector strategy.

<Table 2. Evolution of Policy Agenda Formulation Timelines: 18th to 21st Administrations>

| Administration          | Inauguration | Transition Committee | Policy Agenda Announcement | Characteristics                                           |
|-------------------------|--------------|----------------------|----------------------------|-----------------------------------------------------------|
| 18th<br>(Park Geun-hye) | Feb 2013     | O                    | Mar 2013                   | Led by the Transition Committee, 140 tasks                |
| 19th<br>(Moon Jae-in)   | May 2017     | X                    | Jul 2017                   | Policy Planning Advisory Committee established, 100 tasks |
| 20th<br>(Yoon Suk-yeol) | May 2022     | O                    | May 2022                   | Led by the Transition Committee, 110 tasks                |
| 21st<br>(Lee Jae-myung) | Jun 2025     | X                    | Aug 2025                   | Supermajority, Strong Policy Drive                        |

2. The Structure Behind Korea's Policy Agenda: Vision to Execution

(1) Basic Structure: Four Levels of the Policy Agenda

Korea's policy agenda follows a clear hierarchical format that links the president's political vision to day-to-day governance. At the top sits the national vision—a broad, guiding statement reflecting the administration's governing philosophy. This vision is operationalized through national goals, which are then broken down into strategic objectives, and finally into specific policy tasks. This four-tiered structure(Vision → Goals → Strategies → Tasks) helps ministries align their activities with national direction and ensures consistency in budget and legislative planning.

Though the wording may vary across administrations, this framework has been a structural constant. It enables governments to translate abstract ideals into measurable, implementable items. For example, while one administration might emphasize innovation or inclusivity, the agenda format ensures such goals become concrete tasks tied to specific ministries and timelines.

<Table 3. Comparison of Key Policy Agenda Structures Across the 18th–20th Administrations>

| Category               | 18th(Park Geun-hye)                      | 19th(Moon Jae-in)                       | 20th(Yoon Suk-yeol)                                              |
|------------------------|------------------------------------------|-----------------------------------------|------------------------------------------------------------------|
| National Vision        | Toward a Hopeful Era, for a Happy Nation | A Nation of the People, a Just Republic | Korea Leaping Forward, a Nation Where Everyone Prospers Together |
| National Goals         | 5 Goals                                  | 5 Goals                                 | 6 Goals                                                          |
| Strategic Objectives   | 21                                       | 20                                      | 20                                                               |
| Number of Policy Tasks | 140                                      | 100                                     | 110                                                              |

(2) Comparative Overview: Shifting Priorities Across Administrations

From the 18th (Park) to the 20th (Yoon) administrations, Korea's policy agenda evolved in response to changing ideologies and national challenges. In the economic domain, the 18th administration introduced the "Creative Economy," a government-led innovation strategy

supporting startups and SMEs. The 19th (Moon) administration emphasized income-led growth and redistribution through a fair economy. The 20th (Yoon) administration adopted a market-driven approach centered on private investment in AI, semiconductors, and digital transformation.

In welfare and labor, the 18th prioritized life-cycle welfare and self-reliance. The 19th expanded universal coverage and strengthened the state's role in welfare delivery. The 20th shifted to selective welfare and labor flexibility, focusing on sustainability and efficiency. Science and industrial policy progressed from the ICT-based creative economy (18th), to the 19th's leadership in the Fourth Industrial Revolution, to the 20th's emphasis on deep tech, digital finance, and strategic industries.

Regional development strategies moved from national integration and recovery (18th), to decentralization and local autonomy (19th), to local-led growth with expanded regional authority under the 20th administration. Diplomatic and security strategies also evolved. The 18th focused on traditional security. The 19th pivoted to peace diplomacy and inter-Korean engagement. The 20th emphasized Korea's global role, liberal democratic values, and strategic alignment in security.

<Table 4. Evolution of Strategic Priorities in Policy Agendas: 18th–20th Administrations>

| Policy Area                                  | 18th(Park,<br>2013–2017)                         | 19th(Moon,<br>2017–2022)                              | 20th(Yoon,<br>2022–2025)                                       | Summary of Trends                                                                    |
|----------------------------------------------|--------------------------------------------------|-------------------------------------------------------|----------------------------------------------------------------|--------------------------------------------------------------------------------------|
| <b>Economic Growth</b>                       | Creative Economy, Growth Drivers, SME Promotion  | Income-led Growth, Fair Economy, Innovative Growth    | Private-led Growth, Strategic Industries, Digital Economy      | Govt-led innovation<br>→ Redistribution & fairness<br>→ Private-sector-driven growth |
| <b>Employment Policy</b>                     | Youth Startups, Venture Promotion                | Decent Work, Labor Rights                             | Labor Flexibility, Private Sector Job Creation                 | Job creation<br>→ Labor rights<br>→ Flexibility & efficiency                         |
| <b>Welfare &amp; Social Safety Net</b>       | Life-cycle-based Welfare, Self-reliance Support  | Inclusive Welfare, State Responsibility for Childcare | Targeted Welfare, Safety and Healthcare Focus                  | Lifecycle-based<br>→ Universal welfare<br>→ Selective, efficient approach            |
| <b>Education &amp; Talent Development</b>    | Fostering Creative Talent, Encouraging Dreams    | Public Education Access, Cultural Advancement         | Future Talent Development, Youth Support                       | Creative learning<br>→ Public Equity<br>→ Future-oriented education                  |
| <b>Science &amp; Technology Innovation</b>   | Creative Economy Ecosystem, ICT Utilization      | Fourth Industrial Revolution Leadership               | AI, Semiconductors, Digital Finance, Innovation Infrastructure | ICT-led innovation<br>→ Industrial transition<br>→ Strategic digital industries      |
| <b>Regional Balanced Development</b>         | National Integration, Rural Revitalization       | Local Autonomy, Balanced Growth                       | Local-led Growth, Regional Investment                          | National cohesion<br>→ Decentralization<br>→ Region-led development                  |
| <b>Unification, Diplomacy &amp; Security</b> | Strengthening National Security, Peace Framework | Inter-Korean Engagement, Responsible Defense          | Global Pivotal State, Defense of Liberal Democracy             | Security-centered<br>→ Peace diplomacy<br>→ Global democratic alignment              |



### (3) Legislative Initiatives Aligned with National Goals

Each administration pursued core legislative initiatives to support the realization of its national goals. The Park Geun-hye administration, under the national goal of “Customized Employment and Welfare,” enacted the [Basic Pension Act](#) in 2014. This law introduced a basic pension for individuals aged 65 and older as part of a life-cycle-based welfare system, aimed at stabilizing the livelihoods of the elderly and closing gaps in the welfare safety net.

The Moon Jae-in administration, emphasizing the national goal of “A Government of the People,” enacted the [Act on the Establishment and Operation of the Corruption Investigation Office for High-ranking Officials](#). This law institutionalized a new investigative body for senior officials, representing a key step in reforming power institutions and ensuring transparent governance.

The Yoon Suk-yeol administration set forth a central governance principle of “A Dynamic Economy Led by the Private Sector and Supported by the Government” and promoted amendments to the [Act on Restriction on Special Cases Concerning Taxation](#). These amendments significantly increased tax credits for facility investments in national strategic technologies, such as semiconductors, and introduced temporary investment tax credits for emerging and fundamental technologies. This legislative initiative was instrumental in driving large-scale private investment incentives, symbolizing the Yoon administration's industrial and economic policy direction.

## 3. What to Expect from the Lee Administration

Launched under the banner of a “People's Sovereignty Government,” the Lee Jae-myung administration faces urgent priorities: livelihood recovery, democratic restoration, social integration, and realignment of foreign and trade policy. Having begun its term without a Presidential Transition Committee, the administration must develop and implement its policy agenda concurrently—raising early-stage challenges in coordination and consistency. In this context, the upcoming revision of the Government Organization Act and the appointment of the prime minister and cabinet will serve as critical indicators of the administration's policy orientation and governing style.



On June 16, the National Policy Planning Committee was launched, presenting the administration's “3·3·5 Vision”: advancing Korea to a top-three global AI power, achieving 3% potential growth, and elevating national power into the global top five. The new government aims to promote “ABCD industries”—AI, bio, culture, and defense—as next-generation growth engines, alongside structural reforms in energy transition and traditional manufacturing to ensure sustainable and tangible growth. Rather than short-term stimulus in sectors such as real estate, the administration emphasizes science- and technology-based innovation and ecosystem development.

Building on campaign pledges, the Lee administration is expected to prioritize inclusive economic recovery centered on youth and livelihoods, labor market reform, stronger corporate governance

and fair economy principles, and industrial transition led by AI and semiconductors. In parallel, fostering startups and venture businesses as core drivers of national growth will likely remain a key focus. Notably, the appointment of Ha Jung-woo, former head of Naver Cloud's AI Center, as Chief of Future AI Strategy in the Presidential Office signals an intent to position AI as a cross-cutting pillar of Korea's digital policy—not merely a single sector—integrating AI strategy across ministries.



In particular, Startups and venture firms are positioned as core engines of national growth. Policy commitments include a KRW 40 trillion venture investment market, expanded government-backed funds, permission for retirement pension investments in startups, tax benefits for AI-based youth entrepreneurs, and regional startup development. These initiatives are expected to be reflected in early legislative and budgetary efforts.

On foreign policy and security, the administration aims to reopen inter-Korean communication to mitigate “Korea risk” and to enhance economic security diplomacy via a central control tower. Cooperation with the United States in strategic sectors such as defense, shipbuilding, AI, and semiconductors will likely be a parallel focus. These early policy directions may lay the groundwork for visible achievements, but success will hinge on administrative stability and legislative support.

The key anticipated trends in the Lee Jae-myung administration's policy agenda are summarized below:

<Table 5. Anticipated Policy Trends Under the Lee Jae-myung Administration>

| Sector                             | Expected Policy Trends                                                                                                                             |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Growth Drivers</b>              | Focused development of ABCD industries; energy transition; land and spatial innovation; building an innovation ecosystem in science and technology |
| <b>AI &amp; Digital</b>            | Position Korea among top 3 global AI powers; mobilize KRW 100T in private investment; concentrated support for infrastructure and talent           |
| <b>Fair Economy</b>                | Tighten control on major shareholders; Improve corporate governance; introduce Korean-style Discovery system                                       |
| <b>Labor &amp; Welfare</b>         | Expand protections for platform workers; consider extending retirement age and introducing a 4.5-day workweek; enhance labor rights                |
| <b>Youth &amp; Finance</b>         | Launch Youth Future Savings Program; ease student loan conditions; expand tax incentives for youth-led startups                                    |
| <b>Venture &amp; Startups</b>      | Develop KRW 40T venture investment market; allow pension fund investments in startups; foster balanced regional startup ecosystems                 |
| <b>Foreign Affairs &amp; Trade</b> | Establish economic security control tower; restore inter-Korean communication channels; strengthen supply chain diplomacy                          |

## 4. Business Implications and Response Strategies

The Lee Jae-myung administration's policy agenda is expected to shape government strategy over the next five years while directly impacting corporate activities.

With no transition committee, policymaking and implementation will likely unfold simultaneously, accelerating decisions and legislative efforts. Businesses should respond with flexible strategies based on close monitoring of policy developments.

The key implications for businesses are as follows :

- **Basis for Policy Direction and Execution**

The policy agenda will guide ministerial action plans and legislative schedules, directly shaping regulations, tax incentives, and licensing processes that impact corporate operations.

- **Expansion of Public-Private Collaboration Opportunities**

Government initiatives in R&D, infrastructure, and ESG are expected to create new opportunities for private-sector collaboration. Companies should prepare targeted strategies to engage with these programs.

- **Need for Proactive Strategy Formulation**

Prior to the official announcement of the policy agenda, businesses should analyze sector-specific opportunities and risks based on campaign pledges and policy platforms, and establish communication channels with relevant ministries and committees.

Following the policy announcement, companies should actively engage in public-private consultative bodies, formulate legislative response strategies, and align with key policy themes such as AI, semiconductors, digital healthcare, climate industries, and platform fairness. The administration's focus on supporting tech-based startups and ventures makes it essential for these actors to proactively advocate for policy inclusion on issues like the sunset clause on stock option tax benefits, venture tax incentives, and data infrastructure expansion. With the government prioritizing digital industry growth and private-sector-led innovation, early engagement with policymakers will be critical to shaping reform agendas and securing policy alignment.



<Table 6. Industry-Specific Implications of the Policy Agenda>

| Industry      | Potential Implications                                                                    |
|---------------|-------------------------------------------------------------------------------------------|
| Digital/ICT   | Expand AI investment, support data infrastructure, intensify talent competition           |
| Manufacturing | Strengthen supply chain diplomacy (semiconductors, shipbuilding, defense), expand exports |
| Finance       | Tighten corporate governance regulations under fair economy agenda                        |



|                                   |                                                                                         |
|-----------------------------------|-----------------------------------------------------------------------------------------|
| <b>Platforms</b>                  | Increase labor costs due to stronger gig worker protections                             |
| <b>Biohealth</b>                  | Accelerate AI-driven healthcare and data-based medical services                         |
| <b>Labor-Intensive Industries</b> | Higher labor costs (labor rights, wage reform), prepare for 4.5-day workweek transition |
| <b>Venture/Startups</b>           | Expand venture funding, enable pension investment, provide AI startup tax incentives    |

## 5. Conclusion and Recommendations

The policy agenda functions as a strategic blueprint, translating the new administration's governing philosophy into concrete plans. It sets the foundation for ministerial budgets and legislative action, shaping policy direction for the next five years. For businesses and stakeholders, understanding this agenda and crafting tailored response strategies will be essential to navigating the evolving policy landscape.

Given the volatility typical of early-stage administrations, proactive preparation is crucial. Before the official announcement, it is important to anticipate general policy directions and collect relevant information in advance. After the announcement, businesses must analyze the legislative and fiscal implications and translate these into concrete strategies and actions.

Nonetheless, several implementation risks may arise during this process:

- **Policy Uncertainty:** Shifts in policy direction; potential rollback of key initiatives
- **External Variables:** Global downturns, U.S.-China tech rivalry, or geopolitical tensions
- **Budget Constraints:** Policy reprioritization due to fiscal sustainability concerns
- **Social Conflict:** Labor, industrial, or social tensions from aggressive implementation

Accordingly, businesses and stakeholders must prepare scenario-based response strategies and strengthen their agility in navigating policy changes. In particular, it is essential to establish robust risk management systems to address potential regulatory tightening or reduced government support, and to build internal processes that enable swift adaptation.

Based on this, the following strategic actions are recommended:

- **Establish a Dedicated Policy Monitoring Team**  
Monitor policy developments before and after the agenda's release; track ministerial action plans and legislative initiatives.
- **Initiate Early Engagement with Policymakers**  
Participate in public-private consultative bodies to influence policymaking from the early stages.
- **Strategically Align with National Policy Priorities**  
Realign strategies and investment priorities to reflect national policy directions; startups and venture firms should actively submit proposals and form alliances to ensure their agendas are reflected.

- **Develop Policy Risk Response Scenarios**

Build flexible internal systems to respond to sudden regulatory changes, budget adjustments, or shifts in policy direction.

Ultimately, systematic analysis of the policy agenda and prompt strategic responses will be key success factors for businesses and organizations in managing policy risks and capturing new opportunities.

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