

Foreword and Editorial

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We are very happy to publish this issue of an Asia-pacific Journal of Law, Politics and Administration by Global Vision School Publication.

This issue contains 19 articles. Achieving such a high quality of papers would have been impossible without the huge work that was undertaken by the Editorial Board members and External Reviewers. We take this opportunity to thank them for their great support and cooperation.

The paper entitled “A Study on Rural Village Festival for Vitalization of 6th Industry”, the 6th industrialized rural village festival is led by the residents. It is possible to sell agricultural products and specialty goods directly to consumers through festival and various experience programs of festival can induce consumers' positive attitudes. Rural village festival aim to increase the income of farm households and improve the solidarity and community spirit of local residents. The purpose of this study is to present the evaluation of visitors to the rural village festival by conducting a survey and to propose the vitalization of the 6th industry of agriculture and rural village festival.

The paper entitled “The Effects of Job Characteristics of Social Welfare Service Facility Workers on Their Psychological Well-being”, the purpose of this study is to analyse the effects of job characteristics of social welfare service facility workers on their psychological well-being. The subjects of this study were 180 workers at welfare facilities for the elderly in OO city, Gyeongbuk province, Korea. The power of job characteristics showed a positive (+) effect on psychological well-being, but the compatibility and the autonomy of job characteristics did not affect psychological well-being. This study aims to become foundational data for the improvement of social welfare service facility workers' psychological well-being and intention to continue.

In the research paper “A Study on the Information Security Management Index through Analysis of EU-GDPR(European Union-General Data Protection Regulation)”, the European Commission is committed to ensuring the free movement of personal information between EU Member States and strengthening the protection of the privacy of information by EU Member States through the EU General Regulations 2016/679 (General Data Protection Regulation: 'GDPR'), which entered into force on May 24, 2016, and have taken effect on May 25, 2018, and will have direct application and legal binding power to all EU Member States. Companies that are servicing the EU or preparing for business need to have a good understanding of the GDPR compliance requirements and need to comply with the relevant regulatory requirements. This study compares the legal core requirements between GDPR and domestic law, compares and analyzes the control items of ISMS (Information Security Management System & PIMS: Personal Information Management System) with the requirements of GDPR, and suggests ways to prepare a response system.

In the paper “Separating Investigations from Functions of Prosecutors”, the criminal justice “system” is actually not a “system” in the sense that all parts work together toward a common goal. The police have a goal of providing security, order, and peace to society; prosecutors

have the goal of convicting those that have breached social order. The police must use their discretion daily to keep public order, to make peace among members of society even when that means not pursuing criminal charges. Prosecutors evaluate cases objectively for chargeable offenses and then decide whether to pursue criminal prosecution in the public's best interest. In this context, the paper argues that merging the functions of investigation and prosecution in philosophically incongruent, leaves at least the appearance of bias, and threatens the rule of law.

The paper entitled "Investing in Apartments for an Inflation Hedge: focusing on the United States", the purpose of this study is to analyze using CAPM whether investing in apartments can be a hedge against expected and unexpected inflation. The result of the analysis is as follows. First, for apartments, with the regression coefficient of unexpected inflation of 2.779, greater than 1, and the t-value as high as 2.142, the result indicates investing in apartments can be a perfect hedge at the 1% significance level, but that of expected inflation is not significant. Second, when it comes to hotels and commercial financial mortgages, the regression coefficient value of unexpected inflation is positive (+), but it is statistically insignificant due to the low t-value for expected and unexpected inflation. Third, Dow Jones stocks cannot provide an inflation hedge as their regression coefficient value for expected and unexpected inflation is negative (-) and the t-value is also low.

In the research paper "Data-driven Innovation for Small and Medium-sized Enterprises in the Manufacturing Sector: An Infrastructure Perspective", while the rise of such data-driven innovation might provide new opportunities for large companies, it might also act as a new entry barrier for small and medium-sized enterprises (SMEs). To address these problems, a new change in research policy is required. In this study, we proposed ideal open data infrastructure to support the data-driven innovation of SME manufacturers, and examined a case in which this support was provided by a government-funded institute in South Korea. The surveys showed that among various open R&D capabilities, information support infrastructure had the greatest impact on enhancing the technology commercialization planning capability. Based on the case of the Korean institute's attempt to build and operate this infrastructure, we argue that there needs to be a legally institutionalized policy on data collection and provision.

In the paper "FATCA, FDAP, and ECI Issues of the U.S. CLO Equity Holders", on April 5, 2018, the District Court for the District of Columbia vacated the risk retention rule after the 2 April deadline for the agencies to appeal the decision had passed. As a result, open-market collateral loan obligations (CLOs) are now no longer subject to the risk retention requirement. Although it is possible that the agencies could request a review from the Supreme Court, this seems unlikely. Earlier on February 9, 2018, the U.S. Court of Appeals for the D.C. Circuit held that U.S. managers of CLOs are not required to retain a financial interest in the CLOs under the U.S. risk retention rules.

In the research "Local Community Support and the Engine of New Market Dynamics for Startups", this paper explores effects of the local community support for starting new businesses, the factor of external resources, and the innovation system in the firms on the business performance of startup companies. First, the findings show that both the local community support and external resources have significant impacts on the social norms and performance-based culture in the community. Second, the test results also indicate that in the innovation system of startups, discovery and exploitation are highly associated with their

dynamic capabilities. Third, with regard to the total effect on the business performance of startups, discovery through the dynamic capabilities has the highest impact on the business performance of startups among independent variables in the research model. Similarly, the local community support through the social norms and performance-based culture has the second highest impact on the business performance of startups.

The paper entitled “Consulting and Business Performance via Innovative Behavior: Effects of Exploration and Exploitation”, this paper analyses the performance of firms' business consulting. The findings show that effects of exploration and exploitation exhibit different impacts on each input latent variable. First, while the institutional conditions have significant relationships with both exploration and exploitation, the support of CEOs and the task competency of consultants have a statistically meaningful relationship with only exploitation. Second, the institutional conditions in client firms via an exploration path has the highest impact on the business performance. Third, the total effects of exploitation and exploration exhibit the first and second highest impact on the contribution to business performance, respectively.

In the paper “The Effects of the Compassionate Rationalism Leadership of CEO on Management Performance in Small and Medium-sized Enterprises”, small and Medium-sized Enterprises (SMEs) that are in difficult situations need a CEO leadership that allows employees to stay in the organization and engage in organizational performance creation. Until now, transformative leadership, servant leadership, and authentic leadership have been studied as CEO leadership. However, in the SMEs that do not have a complete system, the proponents of this study thought that the CEO's rationalistic leadership is more appropriate than other leadership. Compassionate rationalism leadership is based on rationalism, but it composes eight factors as a leadership applying compassion according to the situation. The purpose of this study is to empirically investigate the effects of SMEs CEO's compassionate rationalism leadership on of organization innovation activity and management performance through of member positive psychological capital and time structuring. The results of this study show that the compassionate rationalism leadership of SMEs plays a very important role in member's positive psychological capital, time structuring, organizational innovation activity and business performance. In particular, a CEO's compassionate rationalism leadership has a direct positive effect on the positive psychological capital of the members. And the positive psychological capital indirectly effects the negative (-) effect on negative time structuring, but positive effect (+) on the positive time structuring. Therefore, CEOs of SMEs should implement compassionate rationalism leadership and activate the positive time structuring of their members in order to make them the healthy organizations that can achieve excellent management performance.

In the research paper “Analysis of the Effect of R&D Planning Support for SMEs Using Latent Growth Modeling”, the government has promoted the technological innovation of small and medium enterprises (SMEs) by implementing various R&D funding programs. This study analyzes the effects of R&D planning support on the change of corporate financial data by using latent growth modeling. The analysis results show that the recipient SMEs from the R&D planning program demonstrated an increase in sales revenue. Also, SMEs that received additional follow-up support after “R&D planning program” increased their sales revenues compared to non-beneficiaries. In summary, the "R&D Planning Program" strengthened SMEs' technological innovation in early stage, and increased their sales over three years. This study improved two points of questionnaire-based methodologies that may involve subjective

opinion, by applying evidence/data based approaches. First, this approach established an objective/qualitative evaluation methodology, and secondly improved the limitation of cross-sectional analysis by adopting time series analysis when evaluating the effect of the policy on a beneficiary company over 3 years.

In the paper “A Study on Product Liability and Punitive Damage in South Korea”, punitive damages are to compensate for damages in excess of the actual damages suffered by the victim in cases that the acts of the perpetrator are accompanied by a violation, intimidation, malice, and deceit, etc. Punitive damages are generally understood to have not only the compensation of damages but also punitive and restraining properties of damages. Thus, punitive damages are judged to be a mixture of each function in private law and public law. In my opinion, the introduction of the punitive damages system under the Civil Law and other special laws is not thought to be positive. Namely, achieving the general preventive effect of punitive damages and punishing as the ultimate objective of punitive damages is possible sufficiently through the regulation of the area of public law

Although some of the laws including the Civil Law have some claims for the introduction of the punitive damages system, it is more necessary to leave the punitive function in public law and to make a method to compensate for the victim's actual damages in private law.

In the research paper “Basic Study on Term of Warranty Liability for Roofing and Waterproofing Work Defect in Apartment Building”, in the Republic of Korea (ROK), many disputes caused by the differences between many viewpoints about defects to apartment buildings are becoming a social issue. This is called a ‘Defect Dispute’. Since any clear standards or bases of judgment have not prepared yet in the current laws and systems, such disputes are severely increased. Especially, even though the warranty liability system is one of few standards specified in the current laws of ROK, it is in the situation that its original functions are not performed well. In this study, as a basic study on the warranty liability system, the trend of defects generated onto the roofing and waterproofing works was analyzed. As the results from the analysis, it was found that defects to the roofing and waterproofing works of apartment buildings occur mainly during the 1st year after the completion and there is few after the 5th year as the number of defects are being reduced after the 1st year.

The paper entitled “The Effect of Brand Story Advertisement Type on Corporate Image Formation and Loyalty”, in today's crowded advertising market, driven by intense competition and media diversity, attracting consumer attention and attention is paramount. Since attention is a prerequisite for information processing, if the consumer does not pay attention to the advertisement, then the advertisement attitude, the brand attitude, and the purchase of the advertisement product as the attitude change process cannot be expected(Hovland et al, 1953). In this study, brand story advertisement type was used as a variable, and its types include history, story - maker, and brand contents. We analyzed the effects of brand story advertising through cognitive, emotional empathy, corporate behavior, social behavior, corporate image as corporate contribution, and attitude and behavioral consumer loyalty.

In the paper “New Technology Convergence of Cooperation Viewpoint Using Patents”, this study aims to analyze the New Technologies convergence between technologies in respect of collaboration within and between organizations. Using the data on applied and granted patents by Korean applicants in the U.S., this study conducted quantitative analysis to gain the following results. First, the degree of convergence in between New Technologies are

continuously increasing. Secondly, BT is where the collaboration within and between organizations is the most active among New Technologies.

In the research “India’s Textile and Apparel Sector in the Global Value Chain”, in light of the importance of textile and apparel sector in India’s economy, we analyze the competitiveness of India’s textile and apparel sector in the Global Value Chain. Under the economic globalization, Global Value Chain system has emerged even in the textile and apparel sector. Global companies now can source textile and apparels at any amount from any countries, in the phase out of MFA system. In this sense, India’s competitiveness of textile and apparels in the global market is examined on the basis of the global purchaser’s buying standards, such as firm and country specific, by comparing India with its competitors in the GVC system, Bangladesh, Vietnam and Indonesia.

The paper entitled “Financing Constraints in India’s MSMEs”, for the Indian economic development, MSMEs are important because of their contribution to employment and economic growth. Access to finance is crucial for the development of MSMEs because it is a source of investment. Over 90% of Indian MSMEs is unregistered and around 99% of unregistered MSMEs are micro sized firms. It has been argued that financing constraints are one of the most difficulties facing by Indian MSMEs. Risk averseness of banks and information opaqueness of MSMEs discourage in financing by MSMEs in India.

In the paper “Moderating Effect of Cost Leadership and Differentiation Strategy on Relationship between Service Workforce Management and Corporate Performance”, the first goal of this research is to verify the hypothesis that service workforce management practice has positive effect on corporate performance of Chinese companies. The second one is to verify further hypotheses that cost leadership strategy and differentiation strategy have positive moderating effect on the relationship between service workforce management and corporate performance respectively. To achieve those goals, we conducted surveys and empirical researches using validity check, reliability analysis, regression model and moderate regression model. As the results of those researches, we found that service workforce management practice affects corporate performance positively in Chinese sample companies. As the further research results, cost leadership strategy has positive moderating effect on relationship between service workforce management and corporate performance, while diversification strategy does not. From these research results we could obtain a managerial implication that implementing service workforce management practices and cost leadership strategy at the same time gives Chinese companies more improvement in corporate performance due to synergistic effect.

In the paper “New Media Channel and Purchase Decision for Small Enterprise Products”, to examine the influential factors to purchase decision for small enterprise products, this study conducted regression analysis by setting independent variables such as 'SNS product information reliability', 'sharing SNS product information', 'purchasing innovative product', 'signifying on comparative exploration and rational decision making', 'signifying on shopping trend and style' and dependent variable which is 'purchase decision for small enterprise product'. As the result, consumer's higher reliability of SNS product information, and the more they share SNS product information, the more they purchase small enterprise products, and the more they purchased innovative product, the more they purchased small enterprise products. It indicated the importance of small enterprise product experience using new media including online, mobile and consumer participation oriented marketing communication.

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