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Analysis of the Digital Transformation of Legal Services and the Role of Policy Brokers in KOREA through the Advocacy Coalition Framework

Abstract

This study examines the intersection of traditional legal services and technological innovation by employing an Advocacy Coalition Framework (ACF). Our primary focus is on the protracted dispute between the Korean Bar Association and the LawTalk legal service platform. Emerging legal service platforms, such as LawTalk, have disrupted conventional legal frameworks, resulting in substantial regulatory and ethical disputes as digital transformation accelerates, as was particularly evident during the COVID-19 pandemic. This research examines the development of this conflict over a nine-year period, utilizing the ACF to analyze the roles and influence of the various advocacy coalitions involved. Our findings underscore the dual challenge of integrating new technologies within the rigid structures of traditional legal systems. The conflict, which is primarily focused on the legality and ethical implications of LawTalk's business model, is indicative of more general tensions between innovation and regulation. The critical role of neutral intermediaries in balancing stakeholder interests and adapting policies to technological advancements is underscored by the resolution process, which is mediated by policy brokers such as the Ministry of Justice. The case of LawTalk not only elucidates the intricacies of policy change in the digital era, but also provides valuable insights into the management of sectoral transformations that adhere to both established regulatory norms and innovation. This study elucidates the necessity of ongoing dialogue and adaptation in policy frameworks to accommodate technological change, thereby contributing to our understanding of policy dynamics in the legal domain.

Keywords:

digital transformation; policy change; policy brokers; technological innovation in law

Introduction

Navigating Between Innovation and Regulation in the Era of Digital Transformation

In this age of digital transformation, it is imperative to find a balance between innovation and regulation. When new technologies enter the market, conflicts with existing industries are inevitable. Markets formed by new industries and those established by traditional sectors serve the same consumer needs but deliver services differently. New industries, typically platform-based, leverage technological advancements to provide consumers with services designed to be the most efficient in terms of time and cost. On the other hand, traditional industries rooted in long-standing practices and structures may struggle to adapt quickly to change and might be less efficient than new technologies.

Conflicts between incumbent businesses and emerging platforms have been observed in South Korea for approximately a decade. A notable example is the mobility conflict between KakaoMobility and the taxi industry. Similarly, the emergence of the legal service platform "LawTalk" caused friction within the legal sector.

This study analyzes the conflict structure between LawTalk and the Korean Bar Association using the Advocacy Coalition Framework (ACF). It seeks to identify the belief systems and strategies of the main conflicting stakeholders, offering a more systematic understanding of the causes and progression of conflict. These findings provide policy implications relevant to similar conflicts that may arise in the platform industry in the future. By exploring effective policy approaches to resolving conflicts between traditional industries and new technologies, this study aims to contribute to maintaining a balance between innovation and regulation and fostering societal advancement.

Literature review

Research utilizing the Advocacy Coalition Framework (ACF) has significantly contributed

to analyzing policy changes across various policy domains. Min Hyung-dong (2021) conducted a study applying the ACF to the case of changes in the autonomous police system, while Park Jeong-won (2021) analyzed policy changes focusing on the enhancement of health insurance coverage using the ACF. These studies explored how conflicts between advocacy groups surrounding policy changes unfold in the long term.

Lim Hyo-jin and Park Hyung jun (2022) emphasized that personal data is a major issue of conflict in the era of the Fourth Industrial Revolution. They analyzed the key causal mechanisms driving the shift in personal data policy from protection to utilization using the ACF. Park (2021) systematically analyzed the change process of the health insurance coverage enhancement policy and the key factors that influenced this process.

In LegalTech research, Lee Byung-jun (2023) examined whether automated legal document drafting services qualify as legal practice or information provision by comparing legislative cases in South Korea and Germany and reviewed legal requirements for stable LegalTech platform operations. Jung Hye-wook (2022) addressed the legality of LegalTech, analyzing its compliance with the Attorney-at-Law Act and regulations on attorney advertising.

Building on these previous studies, this research aims to apply the Advocacy Coalition Framework to more systematically analyze policy changes and legal issues. Additionally, there is no existing research analyzing the conflict between LawTalk (Law&Company) and the Korean Bar Association using the ACF, making this study the first of its kind in this field, highlighting its distinctiveness.

Theoretical Background

Overview of the Advocacy Coalition Framework (ACF)

First proposed by Sabatier in 1986, the Advocacy Coalition Framework (ACF) was

widely used to analyze the factors, processes, and causal mechanisms of policy changes in areas characterized by severe conflicts between two or more advocacy groups with opposing policy ideologies or interests (Kim Soon-yang, 2006; Yoon Kwon-su & Yang Seong-gwan, 2015; Lim Hyo-jin & Park Hyung Jun, 2022). The ACF, introduced by Sabatier and Jenkins-Smith (1988) to overcome the limitations of traditional policy process studies, is built on the assumption that policy actors are influenced by the broader political and social system (Kim Soon-yang, 2010). The ACF explains policy change by grouping various actors within a policy subsystem into advocacy coalitions, and is composed of external variables, advocacy coalitions and belief systems, strategies, policy brokers, decision-making, and policy outputs (Sabatier & Jenkins-Smith, 1993).

The ACF model explains policy changes through the interplay of external factors, long-term coalition opportunity structures, short-term constraints, and the resources of subsystem actors, policy subsystems, opposing advocacy

coalitions with distinct policy beliefs, policy brokers, and policy-oriented learning (Sabatier & Jenkins-Smith, 1993).

Theoretical Structure of the ACF

External Factors

Critical factors that either constrain or provide strategic opportunities for the formation and activities of advocacy coalitions originate from external variables in the policy subsystem (Lee and Kim 2021). External variables are categorized into relatively stable external parameters and dynamic external events (Sabatier and Jenkins-Smith, 1999). Stable external parameters refer to factors that change very slowly or remain largely unchanged over time, thereby providing basic resources and constraints to actors within the subsystem. These variables include the fundamental attributes of the issue area, basic distribution of natural resources, sociocultural value structures, and basic legal framework.

However, dynamic external variables change relatively quickly and can have a direct impact

Diagram Overview of the Advocacy Coalition Framework (ACF)

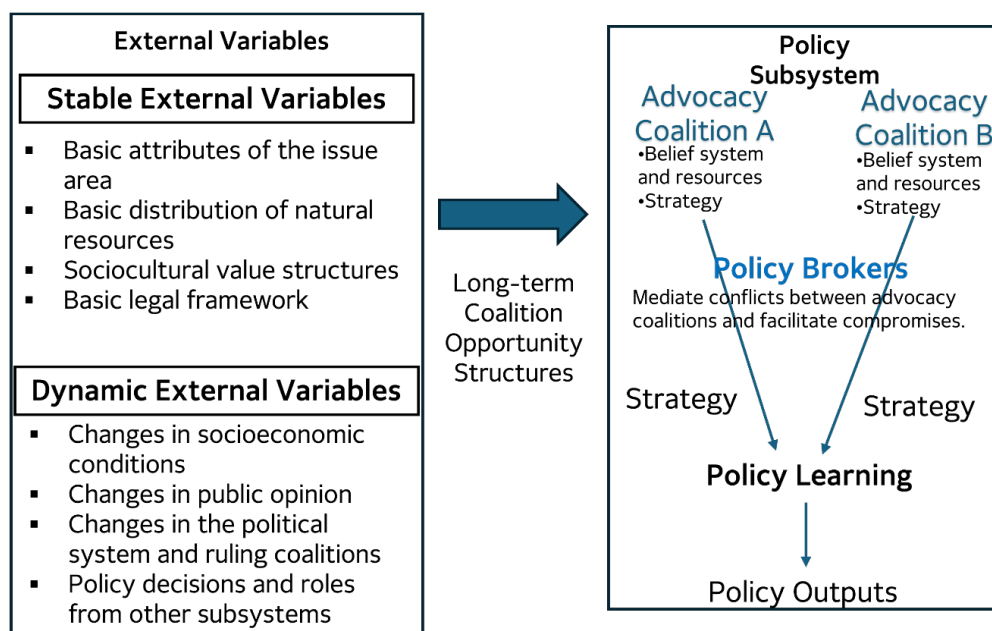


Figure 1. Theoretical Framework of the Advocacy Coalition Framework (ACF)

Source: Reconstructed from Weible, Sabatier, and McQueen (2009); Jeon Jin-seok (2014); Park Jeong-won (2021).

on the policies and actions of stakeholders. Dynamic external variables include changes in socioeconomic conditions, shifts in public opinion, changes in the political system and ruling coalitions, and policy decisions and roles of other subsystems (Sabatier & Jenkins-Smith, 1999). Changes in economic or social circumstances can significantly influence policy directions, and shifts in public opinion can serve as critical variables in advocacy coalitions. Moreover, changes in the government or ruling coalition can be crucial factors in policy decisions, and changes or decisions in other policy areas can impact the relevant subsystem (Sabatier & Weible, 2007).

Belief Systems and Formation of Advocacy Coalitions

In the Advocacy Coalition Framework (ACF), advocacy coalitions form around shared belief systems, structured into three levels: normative core, policy core, and instrumental beliefs (Lim and Park, 2022). The normative core reflects fundamental values, such as liberty and equality, which are broad and less directly tied to policies (Jenkins-Smith et al., 2017). The policy core relates to specific goals and conditions within a subsystem, whereas instrumental beliefs focus on concrete tools and administrative processes, making them the most specific and changeable (Sabatier & Jenkins-Smith, 1999).

Advocacy coalitions, composed of legislators, officials, researchers, and others, influence policy through shared beliefs, strategies, and resources, such as legal authority, public opinion, and financial means (Weible & Sabatier, 2007; Jenkins-Smith et al., 2014). These coalitions engage in conflict and negotiation by using their resources to shape policy output. The ACF explains policy change by analyzing these interactions, offering insights into the complex dynamics of policy environments.

Policy Brokers

In the Advocacy Coalition Framework (ACF), policy-brokers are third parties that

mediate conflicts and disputes between advocacy coalitions. Their main role is to identify points of conflict and seek reasonable compromise. Advocacy coalitions compete to transform their belief systems into public policies by leveraging their resources. During this process, policy brokers such as politicians and bureaucrats act as intermediaries (Sabatier & Jenkins-Smith, 1993).

The most important task of policymakers is to effectively mediate conflicts that arise between different advocacy coalitions. They act as mediators when disputes between coalitions intensify, balancing diverse interests and finding solutions. Policy brokers play a crucial role in minimizing conflicts and helping coalitions reach agreements.

Advocacy coalitions fiercely compete by mobilizing resources to reflect their belief systems in public policy. Policy brokers such as politicians and bureaucrats maintain a neutral stance to mediate conflicts and facilitate compromises. They gather various opinions, coordinate the demands of each coalition, and derive reasonable compromise points during the policymaking process (Sabatier & Jenkins-Smith, 1993).

Policy Learning and Policy Outputs

Ultimately, new policies are produced through policy learning among advocacy coalitions, and if this process yields outcomes that are different from previous ones, it is considered a policy change. Changes in the policy-formation process directly lead to changes in policy implementation. Policy learning refers to the process of modifying belief systems in advocacy coalitions. This modification primarily focuses on the instrumental aspects of belief systems, whereas changes in the policy core are less frequent. To alter the key elements of the policy core, it is necessary to accumulate information over a long period through the guiding function of policy research (Lee & Kim, 2015).

The theoretical perspective of the ACF on policy change emphasizes the direction of

policy evolution, distinguishing between minor and significant changes. The level of change in government programmes is defined as the extent to which they deviate from existing policies. The ACF assumes that government programs can be conceptualized as transformations of policy-oriented beliefs that can be measured hierarchically (Weible et al., 2011).

Methods

This study applies the Advocacy Coalition Framework (ACF) to analyze the conflict between LawTalk (a legal service platform) and the Korean Bar Association. The ACF is a useful framework for examining how advocacy groups with conflicting policy ideologies and interests interact during the policy change process.

The research method is as follows. *First*, a case analysis was conducted to examine the conflict between LawTalk and the Korean Bar Association. This analysis aimed to identify the causes and progression of the conflict and investigate the roles of the key stakeholders involved. *Second*, the external variables and factors influencing policy changes were analyzed. This study examined the external factors that affect conflict and the elements that facilitate policy changes to understand how the external

environment influences conflict. *Third*, the belief systems and strategies of each advocacy coalition were analyzed. This helps us to understand how conflicts were formed and developed over time. *Fourth*, the role of policy brokers is analyzed with a focus on how their involvement contributes to resolving the conflict and the challenges and opportunities that emerged during this process.

Research Model

The research model is illustrated in Figure 2.

Results

Overall Conflict Development Process

The LawTalk case represents a prominent example of conflict between legal services and technology platforms, clearly illustrating disputes between the legal profession and LegalTech platforms. The final resolution of this conflict came after nine years of dispute between the two parties, culminating in a decisive ruling by the Ministry of Justice on September 26, 2023. The Ministry's Lawyer Disciplinary Committee reviewed appeals filed by 123 lawyers who had been disciplined by the KBA to participate in LawTalk and ultimately decided to cancel the KBA's disciplinary decisions.

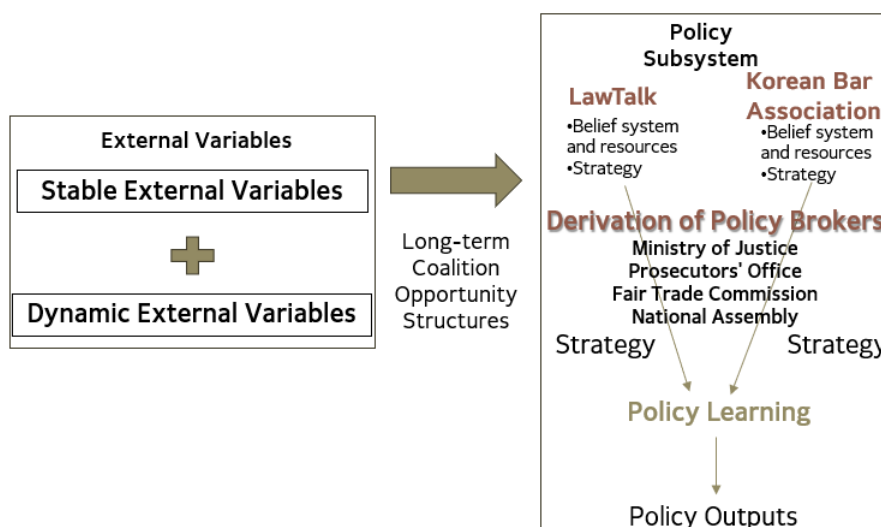


Figure 2. Research Model

Source: Processed by author

This study chronologically outlines the key events of the LawTalk case and conducts an in-depth analysis of the conflict between the legal service platform and the traditional bar association.

Stage 1: Initial Conflict (2014 – 2017)

The initial phase of the conflict began shortly after LawTalk launched. In March 2015, the Seoul Bar Association filed a complaint against Law and Company, the operator of LawTalk, alleging violations of the Attorney-At-Law Act. This was the first instance of a new technology platform challenging the traditional structure of legal services, prompting significant backlash within the legal community. However, in April 2015, the Seoul Central District Prosecutors' Office dismissed a case against LawTalk, ruling that there was no legal violation. Although this decision confirmed the legality of LawTalk's services, the resistance from the bar association persisted. In September 2016, the Korean Bar Association once again filed a complaint against LawTalk for alleged violations of the Attorney-at-Law Act; however, in January 2017, the prosecutors issued another dismissal.

Stage 2: Regulation and Opposition (2020 – 2021)

In November 2020, a group of lawyers called "Defense Lawyers for Professional Jurisdictions" filed a police complaint against LawTalk for alleged violations of the Attorney-at-Law Act. In May 2021, the Korean Bar Association formalized its conflict with LawTalk by processing amendments to the "Regulations on Legal Advertisement." In response, LawTalk argued that this was "a serious violation of the public's right to know, going against the times," while the KBA contended that advertisements on YouTube and Naver were freely allowed. The Korea Startup Forum criticized the KBA, stating that the KBA's actions "infringe on the rights of citizens to receive

reasonable legal services." In June 2021, LawTalk filed a constitutional complaint against the KBA and reported its association with the Fair Trade Commission (FTC). Then-Minister of Justice Park Beom-kye stated that "LawTalk is a legal service," and the Ministry of Justice reviewed the legality of the KBA's decisions. The KBA and 14 local bar associations criticized legal platforms as being "subordinated to capital, compromising judicial justice." In July, the Ministry of SMEs and Startups selected LawTalk as a "pre-unicorn" company, but LawTalk was unable to participate in a startup meeting attended by the presidential candidate Yoon Suk-yeol due to protests by the KBA. The president of the Seoul Bar Association called for the disciplinary action of lawyers who joined legal platforms, while Minister Park reiterated that "LawTalk does not violate the Attorney-at-Law Act and is the official stance of the Ministry of Justice based on legal judgment." In August, Minister Park attempted to mediate this standoff by acknowledging some of the KBA's concerns and suggesting improvements to LawTalk's operations. Later that month, the KBA reported Law & Company to the FTC for violations of the Electronic Commerce Act and Advertising Act, and enforced regulations disciplining lawyers who joined legal platforms.

Stage 3: Escalation and Legal Resolution of the Conflict (2022 – 2023)

In February 2022, defense lawyers for Professional Jurisdictions filed an appeal against the Seoul Metropolitan Police Agency's non-indictment decision, but in May, they received another dismissal. In October 2022, the KBA decided to discipline nine lawyers from the first group of LawTalk users, and in November, conducted disciplinary reviews for a second group of lawyers. In December, the nine lawyers from the first group, who were disciplined, appealed to the Ministry of Justice's Disciplinary Committee. In February 2023, the FTC imposed corrective orders

and fines totaling 2 billion KRW (1 billion KRW each) on the KBA and Seoul Bar Association. Law & Company, the operator of LawTalk, downsized by half through the voluntary retirement of 100 employees. In May, the court accepted the KBA and the Seoul Bar Association's application to suspend the execution of the FTC's orders. Finally, in September 2023, the Ministry of Justice ruled that the disciplinary action taken by the KBA against lawyers who joined LawTalk was unjust, and ordered the cancellation of those decisions. After reviewing the appeals of 123 lawyers disciplined by the KBA for their involvement in LawTalk, the Ministry of Justice's Disciplinary Committee ultimately canceled the KBA's disciplinary decisions, marking the end of the eight-year dispute between LawTalk and the KBA.

Application of Sabatier's Advocacy Coalition Framework (ACF)

Stable External Parameters

The fundamental nature of conflict in the LawTalk case is that it is not a simple dispute between advocacy coalitions; rather, it encompasses multidimensional and complex issues. Korea's current laws, particularly the Attorney-at-Law Act and the Fair Trade Act, emphasize the public nature of legal services. Article 1 of the Attorney-at-Law Act specifies the mission of lawyers, who are tasked with defending fundamental human rights and realizing social justice. Lawyers are required to perform their duties faithfully according to this mission and work towards maintaining social order and improving legal systems. This underscores that the role of lawyers extends beyond mere private services, emphasizing public responsibility in protecting social justice and human rights. Meanwhile, Article 2 of the Fair Trade Act broadly defines "business operators," implying that legal service providers can also fall under this category. According to this provision, a business operator includes natural persons, corporations,

and unincorporated associations, indicating that legal service providers may be considered as business operators. Article 23 of the Fair Trade Act regulates unfair trade practices, requiring compliance from providers of specialized services, such as legal services, to promote fair competition and guarantee public access to services. However, the current reality is that the supply and delivery of legal services relies heavily on the private sector. Most legal services are provided by private lawyers and law firms, implying that accessibility and quality are significantly influenced by the private market. This dependence on the private sector introduces limitations to maintaining the public nature of legal services. The gap between ideal standards and realities codified in law is a major cause of conflict, as in the LawTalk case.

The conflict between LawTalk and the Bar Association stems from differing interpretations of existing legal frameworks. The Bar Association developed its belief system based on the established legal structure outlined in the Attorney-at-Law Act, and as a legal body, it considers it appropriate to argue from clearly defined laws. Key legal provisions at the center of this conflict¹ the Attorney-at-Law Act, the Regulations on Attorney Advertising, and the Attorney Code of Ethics. However, LawTalk operates in a 'grey area'—it does not explicitly violate existing legal provisions or regulatory policies due to the novel nature of its business model, but it also cannot be definitively classified as fully legal. As a new business model, LawTalk created legal scenarios that did not exist previously. LawTalk argues that it does not directly

¹ Attorney-at-Law Act, Article 34, Article 23, Regulations on Attorney Advertising, Article 5(2), Attorney Code of Ethics, Article 31(4) (newly established), Monopoly Regulation and Fair Trade Act, Article 26, Regulations on Attorney Advertising, Article 5(2), Attorney Code of Ethics, Article 31(4) (newly established), Act on Fair Labeling and Advertising, Article 6, Act on Fair Labeling and Advertising, Article 6, Attorney-at-Law Act, Article 23, Regulations on Attorney Advertising, Article 5(2), and prepared with reference to the KISDI Perspectives Report by the Korea Information Society Development Institute (2021.12.31).

violate the Attorney-at-Law Act, and claims to enhance accessibility to legal services through new technology and services.

Dynamic External Variables

One of the dynamic external factors influencing conflict is the change in socioeconomic conditions, particularly the emergence of Generative AI, which has significantly transformed the industrial structure. The introduction of ChatGPT in early 2023 sparked an AI automation revolution, which is expected to have a considerable impact on the legal field, as many jobs are anticipated to be affected by AI technology. According to the U.S. The Bureau of Labor Statistics (OEWS) reports that approximately 25% of current jobs have the potential to be automated by AI, with administrative support (46%) and legal occupations (44%) being particularly exposed to AI technology. Goldman Sachs Global Investment Research predicted that, while AI could significantly impact the labor market, most jobs and industries are more likely to be complemented rather than completely replaced by AI (Monthly Joongang, 2023).

These technological changes have brought about substantial shifts in the legal industry. The integration of IT into the legal industry has had a profound ripple effect on the legal market. LegalTech services, which combine legal services with technology, are rapidly growing worldwide and closely tied to advancements in AI. According to the market research firm Tracxn, as of December 2023, there are approximately 7,900 LegalTech companies globally with a total investment of 19 trillion KRW. Approximately 23% of these investments have occurred in the past two years, reflecting rapid growth (Paxnet, 2024). This growth indicates that LegalTech is becoming the new standard for legal services.

Additionally, Statista, a global market research firm based in Germany, projects that the global LegalTech market will grow from \$27.6 billion (about 36 trillion KRW) in 2021 to \$35.6 billion (about 47 trillion KRW) by 2027. As of September 2023, seven LegalTech companies worldwide valued over 1 trillion KRW, highlighting that LegalTech has evolved beyond mere technological innovation to become a core player in the legal services market (Kookmin Ilbo, 2023).

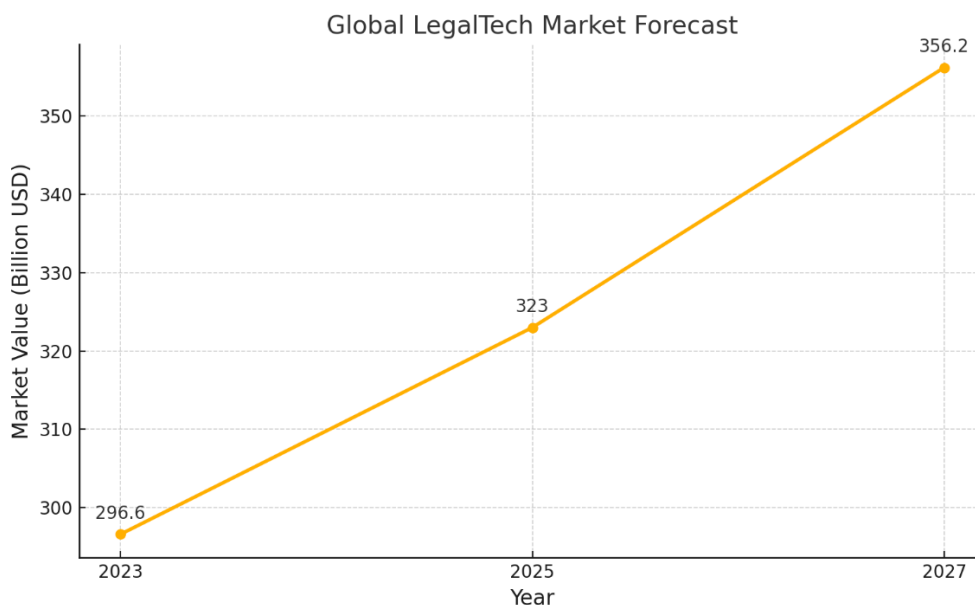


Figure 3. Global LegalTech Market Forecast

Source: Reconstructed from Statista and Korea Economic Daily (2024.05.19).

Therefore, as dynamic external factors, the convergence of legal services and AI technology, rapid growth of the LegalTech market, and global competition have intensified these conflicts. These factors act as external variables in the ACF and are critical for determining the future direction of the LegalTech industry in South Korea.

Belief Systems and Formation of Advocacy Coalitions

In the "LawTalk case," key legal and value-based issues can be categorized into two main points. The two legal issues are: first, whether LawTalk functions as an "advertising" platform or an "intermediary" platform, and second, whether the KBA's amendments to its internal regulations that restrict advertising methods for lawyers and disciplinary actions constitute prohibited conduct by a business association under Article 26(1) of the Fair Trade Act (Lee Si-jik, 2021). The two value-based issues discussed were legal service accessibility and the ethics and professionalism of lawyers. This section examines the opposing belief systems, resources, and strategies held by LawTalk and the KBA, based on these issues.

The first legal issue concerns whether the fees paid by lawyers to be featured in LawTalk for a certain period should be classified as "advertising fees" or "intermediary fees" paid based on referrals or successful case acquisition (Lee Si-jik, 2021). LawTalk argues that it merely provides a space where consumers and lawyers can connect without intervening in legal work or payment, and therefore does not violate the Attorney-at-Law Act (Segye Ilbo, 2021). LawTalk believes that it offers market opportunities, especially for lawyers struggling to attract clients. LawTalk operates as an advertising platform, charging lawyers a type of "monthly advertising fee" without taking intermediary fees, asserting that its system is legally compliant. LawTalk's core belief is that lowering barriers to legal services and enhancing consumer accessibility and choice

are essential, while it views the KBA's opposition as an attempt to maintain information asymmetry in the legal market. LawTalk's key beliefs include enhancing accessibility to legal services and the importance of technological innovation with an instrumental belief in the significance of operating a legal advertising platform.

Conversely, the KBA's core belief is that "lawyers, who must uphold public service, should not be subjugated to platforms and capital" (Tradlinx, 2023). The KBA argues that, despite Article 34 of the Attorney-at-Law Act, new forms of illegal or semi-legal advertising activities that are difficult to regulate under existing laws have increased, leading to a distorted market dominated by unregulated law firms that operate through the Internet by introducing, promoting, or soliciting lawyers (Korean Bar Association, 2021). The key provision cited by the KBA in its belief system is Article 34 of the Attorney-at-Law Act. Thus, the KBA's core beliefs focus on "maintaining public service" and "adhering to existing legal standards," with a secondary belief in the importance of "preventing legal brokers" as a means to achieve these goals.

The second legal issue concerns whether the KBA's actions, including amending the "Regulations on Legal Advertising" and the "Lawyer's Code of Ethics" to restrict lawyer advertising methods and impose disciplinary measures, violate Article 26 of the Monopoly Regulation and Fair Trade Act (Lee, 2021). The parties involved asserted opposing positions based on their divergent belief systems regarding this issue. LawTalk argues that the KBA's actions violate Article 26(1)(1) of the Fair Trade Act, which states, "A business association shall not engage in acts that unfairly restrict competition," and Article 26(1)(3), which states, "A business association shall not unfairly restrict the business activities or operations of its constituent members (lawyers)" (Legal Times News, 2021). This argument stems from LawTalk's core belief system that restricts lawyers from using LawTalk,

constituting an unfair restriction of competition. LawTalk seeks to increase accessibility to legal services and drive innovation in the legal market through a new business model that aims to improve transparency and efficiency in legal services within the existing legal framework.

Conversely, the KBA argues that as an organization entrusted by the Ministry of Justice to regulate lawyer advertising and impose disciplinary actions, it does not fully possess the characteristics of a typical business association. Moreover, even if recognized as a business association, the Fair Trade Act does not apply to “legitimate actions conducted by a business association under another law or mandated by that law,” as specified in Article 58 (KBA Press Release, 2021). This stance is rooted in the KBA’s belief system, which holds that regulatory and disciplinary powers over lawyer advertising are necessary to maintain lawyers’ dignity and professionalism. The KBA emphasizes that its self-regulation is justified and mandated by law, arguing that legitimate actions under other legal statutes are exempt from the provisions of the Fair Trade Act. Therefore, the KBA’s core beliefs can be summarized as “professionalism and self-regulation” and “legal legitimacy.”

Next, regarding the value of “expanding access to legal services,” the two advocacy groups hold opposing belief systems. LawTalk believes that LegalTech platforms help the general public access legal services more easily, facilitating connections with lawyers, and reducing the time and costs associated with legal consultations. LawTalk argued that this plays a crucial role in promoting the democratization of legal services and equal access. According to the Korea Development Institute (KDI), in its report “Economic Value Estimation of Lawyer Search and Consultation Platforms,” the introduction of a lawyer search and consultation platform is expected to increase the size of the legal services market by a minimum of 18.4% (based on a

consultation fee of 10,000 KRW) to a maximum of 68.3% (based on a consultation fee of 50,000 KRW), depending on consultation cost levels. The report highlighted that, without such platforms, many consumers would forgo searching for legal services (Park et al., 2023).

On the other hand, the KBA expressed concern that such platforms could lower the ethical standards of lawyers. This concern is closely linked to Article 109 of the Attorney-at-Law Act (Legal Byung-kyu, 2018; Legal Times, 2020). Article 109 prohibits lawyers from advertising or soliciting clients in any form related to their duties, aiming to prevent lawyers from providing legal services for commercial gain and maintaining the public and ethical standards of the profession. The KBA argues that platforms such as LawTalk may encourage lawyers to engage in commercial advertising or marketing activities to attract more clients, potentially prioritizing commercial motives over client relationships. The association expressed concerns that referrals through platforms might become commercialized, potentially leading to a decline in the quality of legal services. A representative from the KBA stated, “Although LawTalk presents itself as ‘LegalTech,’ it is, in reality, a platform that introduces an intermediary system to earn advertising fees,” adding that “the KBA’s public legal platform, ‘My Lawyer,’ can improve public access to justice while preventing the legal field from being dominated by capital” (Donga Ilbo, 2023). The KBA maintains that such changes can undermine the fundamental public nature and trustworthiness of the legal profession.

From the above discussion, we can identify LawTalk’s normative belief system. First, the belief in “equality of access to legal services” is fundamental. The second core belief is “social responsibility.” Next, LawTalk’s core policy beliefs are as follows. First, “expansion of the legal services market.” The second is “increasing consumer utility.” Furthermore, LawTalk’s secondary

instrumental beliefs include as follows. first, “standardization of platform information.” Second, “enhancing accessibility through technology.” Finally, the belief in “reducing search costs” is identified.

On the other hand, the normative belief systems of the KBA can be summarized as follows. First, the belief in “maintaining the public nature and ethics of lawyers.” The second core belief is “maintaining the quality of legal services.” The KBA’s core policy beliefs are as follows. first, “regulation of legal advertising and client solicitation.” The second core belief is “opposition to platform commercialization.” Finally, the KBA’s secondary instrumental beliefs include as follows. first, “consumer protection and service quality management.” Second, “legal regulation of platforms.” Third, “operation of public legal platforms as an alternative.” The KBA argues for the need to operate public legal platforms such as “My Lawyer” to enhance public access to justice while preventing the legal field from being dominated by capital. This approach aims to maintain the public nature of the legal services.

Policy Brokers

During the conflict, key policy brokers, such as the Ministry of Justice, prosecutors, and the Fair Trade Commission (FTC), each attempted to resolve the LawTalk dispute (IT Chosun, 2023). Throughout the nine-year conflict, investigative agencies cleared the Law and Company of all charges in six separate investigations (Kookmin Ilbo, 2023). LawTalk faced multiple lawsuits and complaints from lawyer organizations, including the Korean Bar Association (KBA), but was acquitted in every case without exception (Tradlinx, 2023).

The Ministry of Justice acted as a mediator by canceling disciplinary action against lawyers and facilitating dialogue between the KBA and LawTalk. In August 2021, the Ministry publicly stated that LawTalk did not violate the

Attorney-At-Law Act (Kyunghyang Shinmun, 2022). The Ministry decided to cancel the KBA’s disciplinary actions against lawyers who advertised LawTalk. The Ministry’s Lawyer Disciplinary Committee reviewed the cases of 123 lawyers who were disciplined for using LawTalk’s “sentence prediction service,” ultimately issuing mild warnings to three lawyers and acquitting the other 120. The committee canceled disciplinary actions, considering factors such as the lawyers’ lack of awareness of regulatory violations or their brief use of the platform (Kyunghyang Shinmun, 2023). This decision affirmed that the legal services provided by LawTalk did not violate Article 109 of the Attorney-At-Law Act. Thus, the legal judgment confirmed that LawTalk’s operations did not breach the Act’s prohibitions on advertising and client solicitation (Kookmin Ilbo 2023). The KBA had no grounds to challenge this decision, leading many to view the outcome as a victory for LawTalk after nine years of conflict (Economic Review 2023). This was a significant turning point in resolving the dispute between the KBA and LawTalk.

The prosecutors concluded that LawTalk did not violate the Attorney-at-Law Act and found no evidence that LawTalk acted as a broker by receiving fees from clients or referring to specific lawyers. They determined that all registered lawyers on LawTalk could be freely searched regardless of advertising fees and that consultation fees paid by users went directly to the respective lawyers. The prosecutors also found no violation in LawTalk’s “AI sentence prediction service,” as it was provided for free (Kyunghyang Shinmun, 2022). Under the Attorney-at-Law Act, the crime of “non-lawyers handling legal affairs” requires receiving or promising to receive money, favors, or benefits. The advertising phrases on LawTalk, such as “Get your case diagnosed by a lawyer in 15 minutes” and “When you need a lawyer, use LawTalk,” were not deemed misleading enough for the public to believe that LawTalk directly

handled legal affairs (Kyunghyang Shinmun, 2022). The Defense Lawyers for Professional Jurisdictions alleged that LawTalk violated the Personal Information Protection Act by collecting case data that included personal information, but prosecutors concluded otherwise, finding that LawTalk had obtained data through the court's official judgment browsing service without any suspicious access. When Defense Lawyers for Professional Jurisdictions filed complaints in November 2020, prosecutors and police repeatedly found no grounds for charges, dismissing the case multiple times, including after an appeal in February (Kyunghyang Shinmun, 2022).

The FTC sanctioned the KBA's forced withdrawal from LawTalk and advertising restrictions, thus legally supporting LawTalk's operations. The FTC determined that the KBA's actions violated the Fair Trade Act and imposed sanctions, which marked a crucial turning point in the dispute. The FTC's decision affirmed the legality of LawTalk's operations and invalidated the KBA's sanctions. In 2021, the FTC ruled that the KBA's disciplinary actions against lawyers registered in LawTalk violated the Fair Trade Act (Kookmin Ilbo, 2023). Additionally, in 2023, the FTC stated that the KBA and Seoul Bar Association's demands for lawyers to stop using and withdraw from LawTalk, thereby restricting advertising, breached Article 51(1)(3) of the Monopoly Regulation and Fair Trade Act, which prohibits restricting the business activities of constituent members (Law Times, 2023). The FTC concluded that restricting member lawyers' advertising activities excessively limited the business operations of platform providers, thereby restricting fair and free competition (Tradlinx, 2023). However, the FTC did not impose fines for violations of Article 6(1) of the Act on Fair Labeling and Advertising, considering principles such as proportionality (Law Times, 2023). Overall, the FTC played a crucial role as a

policy broker by promoting market competition, ensuring fair transactions between lawyers and consumers, regulating actions that hindered the use of lawyer platforms, and protecting fair competition in the legal services market.

Conclusion

The conflict between LawTalk and the Korean Bar Association (KBA) provides important insights into the digital transformation of legal services and the role of policy brokers. The main conclusions drawn from this study are as follows:

First, the LawTalk case clearly illustrates the complex issues and resolution processes that can arise when new technologies collide with the existing industry structures. LawTalk is an innovative platform that aims to improve access to legal services and offer better services to consumers; however, it faces legal and ethical disputes with traditional legal service providers. Although the KBA argued that LawTalk's services violated the Attorney-at-Law Act, the Ministry of Justice ruled that LawTalk's operations were legally sound. This case highlights how conflicts between new technologies and established legal frameworks can be unfolded and resolved.

Second, the role of policy-brokers is crucial for resolving such conflicts. Policy brokers such as the Ministry of Justice play a key role in mediating conflicts from a neutral stance and seeking reasonable compromises to address issues arising from the introduction of new technologies. In the LawTalk case, the Ministry of Justice acted as a mediator by canceling the KBA's disciplinary actions and recognizing the legality of LawTalk, reaffirming the need for neutral and impartial intermediaries in the policy process.

Third, the resolution process reflects the complexity of the policy change. The Advocacy Coalition Framework (ACF) emphasizes that external shocks, internal variables, policy-oriented learning, and negotiations between opposing coalitions can trigger policy change.

The LawTalk case is a good example of how these factors interact to resolve conflict. External shocks included technological advancements and changing social demands, while internal variables included regulatory actions by the KBA and ongoing service improvements by LawTalk. These factors were combined to resolve conflicts.

Fourth, the conflict between LawTalk and KBA offers policy implications related to the introduction of new technologies. When new technologies challenge existing industries, continuous efforts are required to strike a balance between innovation and regulation. This suggests the need to support the introduction of new technologies to improve access to legal services and provide better services to consumers while also maintaining existing legal frameworks and ethical standards.

Fifth, as demonstrated by the LawTalk case, the prolonged uncertainty of a decade-long dispute can stifle the momentum of start-up platforms. If new platform businesses are repeatedly blocked from market entry by entrenched interests that dominate existing markets, entrepreneurs may abandon launching innovative companies in South Korea. While the unchecked expansion and monopolistic practices of platform businesses should be regulated, excessive regulation and interference by established interests can stifle innovation, making it difficult for any industry to expect growth. Consumers may continue to face inconvenience in using services with high information asymmetry or may end up paying higher costs to use foreign services. For instance, over 20 unicorn companies have emerged in the LegalTech field abroad. Even if the conflict between LawTalk and the KBA is resolved, domestic LegalTech market risks are monopolized by foreign companies if the current situation persists. Should this happen, no stakeholder—be it expert groups, platforms, or the government—can evade responsibility for the outcome?

Conflicts, such as those between LawTalk and Tada, should not be repeated. Such conflicts incur significant social costs. Although LawTalk's legality was established after nine years of debate, the process incurred substantial national loss. Many innovative companies are driven by the existing laws and regulations. Conflicts arising from the introduction of new technologies must be resolved by using a forward-looking approach. We hope that the LawTalk case will be the last of its kind, and that conflicts between traditional businesses and new platforms will be resolved through cooperation and mutual benefit. Governments should actively reform regulations and laws to support healthy innovation.

In conclusion, the LawTalk case is an important example demonstrating various issues and solutions associated with the digital transformation of legal services. It serves as a valuable reference material for policymakers in similar future situations, guiding the pursuit of better legal services and the adoption of innovative technologies. This case contributes to the understanding of the social changes that can arise from the introduction of innovative technologies and provides policy approaches to more effectively manage conflicts stemming from such changes. Therefore, governments and businesses must collaborate to minimize conflicts arising from new technology adoption and foster an environment that promotes innovation. This process is essential for sustainable economic growth, and plays a critical role in reducing social costs and building a sustainable society that embraces innovation.

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