1. Introduction

The concept of decentralization is most frequently described as the changing relationship between the state and society as well as the center and periphery. Therefore, local power after the decentralization process can play significant roles in checks and balances over the exercise of power in national politics. (Diamond and Tsa lik, 1999) The political and administrative decentralization started in the western world since the 1970s, and many developing countries emerging from authoritarian rules have started to carry out an extensive range of decentralization reform in order to transfer their dominant central power to regions. Asian countries are no exceptions to such a world-wide trend. Newly democratized nations, even the communist country China, and some of Islamic countries have introduced certain forms of local democracy. (Treisman, 2007; White and Smoke, 2005)

Prior to the 1990s, the structure of central and local relations in South Korea (hereafter Korea) remained vertical. Therefore, central agencies and ministries were fully able to control and command localities without much consideration of local and civic preferences. During the state-led industrialization period, the dominance of central government was an inevitable factor that created a rapid economic growth from the 1960s to the 1980s. For this reason, the authoritarian regime (1961 – 1987) abolished the executive election at sub-national level guaranteed by the first Constitution (1948) and introduced a command and control system of intergovernmental relations. (Seong, 2000)

Discourses on local autonomy and regional politics in Korea have emerged since the government launched in the local self government system in 1995. Since then, the local has been receiving increasing attention. From the global point of view, a neoliberal system accompanying the restructuring of world capitalism pays more attention on each unit of regional space than an analysis of space at the level of the nation-state. In line with the neoliberal system at a global level, it is inevitable for Korea to restore the local self-government system that is regarded as a progression toward democracy. The concerns about local autonomy mainly focus on the administrative aspects of political processes such as election behavior and distribution of centralized powers. Local politics have appeared as a symbolic slogan for the realization of democracy by political transactions among
institutionalized political groups that are interested in distributing political power. Korea as an industrialized nation far exceeds the central government’s capability to manage due to its social complexity. (Kim, 2003)

Under the two progressive governments from President Kim Dae Jung to President Roh Moo Hyun, more comprehensive plans for decentralization were implemented. For it, Special Law on Decentralization Promotion was enacted in 2004 that could transfer central decision making authority and functions to localities and the abolition of special administrative agencies. As a result, ministerial power could shrink, and some ministries were at risk of reorganization. For the central government, the process of distribution of functions between levels of governments included bargaining over the jurisdictions with local governments that were subservient to the central government in the past.

The consistent and institutionalized support from the people for local democracy has contributed to highlighting relevant policy debates and possible range of changes in the central and local relations. After the local democracy started, top-down decisions for national policies without serious consideration of local and social preferences are not possible because local political leaders such as governors and mayors can criticize publicly central political power on mass media. In addition, civil society has also made an impact on the passage of decentralization by carrying out legislative processes. (Campbell, 2004; Bae and Sellers, 2007)

After 10 years of progressive rule, Korea entered in a new political chapter with the conservative government built by the President Lee, Myoung Bak from 2008 to 2012. During his first three years in office, President Lee faced serious political and economic challenges. Politically he antagonized citizens with unpopular policy proposals such as US beef import negotiation, new regulation on media industry etc. Economically, his government was hit by the global financial crisis in his first year of mandate period. Under such circumstances, the conservative government strongly tended to intervene local affairs. (BTI 2012, 2012)

2. Historical Development of Decentralization Process

Korea has experienced a remarkable development in democracy as a whole and in local democracy in particular since the year 1987. Before the democratization process in 1987, the authoritarian governments had forcefully suspended the practice of local democracy over 30 years from President Park, Chung Hee (1962 - 1979) to President Chun Doo Hwan (1980 – 1987). Even before the 1995 when the local democracy started, political elites endeavored to recognize local governments. However, the practice of local government was a relatively new phenomenon at that time. As a result, local autonomy in Korea was regarded as a delayed decentralization or late adoption of local democracy. (Kim, 2006; Seong, 2000)

Such a delayed local democracy was based on weak local capacity, nationalized political systems or weak democratic culture among the general public. The reason for it is that the ruling authoritarian regimes intentionally avoided empowering localities particularly in the postwar periods. Under the authoritarian rules, the series of decentralization were planned, but uncompleted. In fact, all politics of decentralization were at national level, and the bills for reform were mainly products of package deal among political leaders. Under this
circumstance, voices and preferences from the people at the local levels were easily ignored. Even under the civilian government during the president Roh Tae Woo (1987 – 1993) and the President Kim Young Sam (1993 – 1998), the logic of national politics were deeply rooted in curving the direction of reform bills in a way that the central government maintained a considerable level of leverage over localities and civil society. Overall, the political power of localities remained functionally and financially limited in general. As a result, local politics was very passive until the late 1990s although the local democracy officially started in 1995. (Park, 2006)

In fact, it is quite interesting that Korea as a highly centralized developmental state began local democracy unexpectedly as a consequence of political democratization in 1987. In the process of opening of constitutional possibility of transferring power to the civilian government, the opposition party leader Kim, Dae Jung promised to introduce local democracy. It was unexpected because the issue of local autonomy never gained any important status in the process of democratization in ruling and opposition parties concerned as well as in civil society. In the Korean context, the introduction of local democracy was an appendix to democratization and regarded as politically quite opportunistic. (Kang, 2006)

Although local councilors were elected in 1991, the first local government comprising councilors and mayors was inaugurated in 1995. By doing this, Kim, Young Sam government (1993 – 1998) unveiling decentralization violated the low several times. The first local election in 1995 ended with a political victory of the opposition party, which won particularly in the capital region. Therefore, the local election was regarded as an obstacle for the next presidential election in 1997. Under this circumstance, the ruling party tried to delay the transfer of power and capital from central to local governments. In fact, sharing of political power with opposition party through enhanced decentralization was not easy to accept for the ruling party.

Korea experienced the decentralization process twice in the modern history. The first is the decentralization process in 1987, and the second is de-construction period in 1997. The former under the name of grassroots democracy emphasized political aspects of local democracy, while the latter had the direction of the policy towards more market oriented competitiveness and reforms in local governance. The financial crisis in 1997 impacted on Korean government and society fundamentally due to the precondition of IMF bailout program that resulted in a de-construction of developmental state instead of restructuring the nation. (IMF, 1999)

Under the pressure of the IMF bailout program, the Kim, Dae Jung government carried out the public sector reform. The neo-liberal reform policy of the government mainly focused on affairs at the central level of government. Continuously, the Roh Moo Hyun government (2003 – 2008) set the foundation for decentralization initiatives and put the issue of decentralization as the top policy priority. (Kim & Kim, 2005)

The Roh, Moo Hyun government clearly implemented its intention for swift and comprehensive devolution of central government functions to local government. Parliament passed the Special Law for Decentralization in 2004. On the basis of the law, the Government
Reform and Decentralization Committee (GRDC) was able to reduce central government functions significantly, which were mandated to the local governments under the supervision of central government and tried to make clear the functions between local and central government. (Kang, 2006)

Overall, it may be safe to express that the two progressive governments have contributed to initiating and developing decentralization processes in Korea and they have achieved a substantial progress in local democracy by implementing major laws for sharing political powers from the central government to the local governments. (See table 1)

Table 1: Decentralization Reforms in the two progressive governments.

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<td>Special Law on Decentralization Promotion (20004)</td>
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<td>○ Strengthening the Authority of Local Legislation</td>
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Source: Ministry of Government Administration and Home Affairs, 2003

3. Change of Inter-governmental Relationship

3.1. Vertical relationship between central, regional, and local governments

After the Special Law for Decentralization, the Roh Moo Hyun government launched continuously Five Year Comprehensive Decentralization Plan in 2004. By implementing the law and plan including previous decentralization processes, 2830 functions were transferred from the central government to the local government from 1991 to 2006. As a result, the impact of decentralization in Korea was regarded as big in terms of democratic change, while as small in terms of administrative change. (Yokomichi, 2007)

As such despite impressive transfer of functions in number, more important planning functions are still severely curtailed by the central government. In fact, the central government practiced land use power particularly in capital regions in order to develop real estate by using regional planning power that was based on Green Belt policy and other intensive regulations regarding land use power. It shows the limits and possibilities of devolutions of central government functions. Moreover despite the endeavor to clarify the line the line between central and local affairs, unclear areas still exist to high extent, where the central power reigns under the name of customary practice. Furthermore, national and
public interests are always mentioned whenever the division of labor between central and local governments does not function in favor of central government intention. The central government is able to implement its power because it has material and institutional levers. In practice, the former is carried out by incentives, while the latter is implemented by the local referendum. Regarding the newly amended referendum law, the central government has the authority to ask for referendum to local governments. By doing this, overriding the institutional autonomy conferred on local governments. (Kang, 2006)

In terms of the budget in central and local governments, the vertical structure still exists although the decentralization process has been carried out over two decades. Comparing the weight of a local spending to a central spending, the share of local spending compared to the central one has declined from 55.5 percent in 1991 to 50.5 percent in 2003. It means that both central and local spending increased as percent of GNP in total, but the rate of increase in the central spending is slightly high. As a result, the fiscal size of local governments has increased continuously during the same period. However, the local fiscal structure has not been changed. It means that the central government still dominates in many ways. In fact, the degree of fiscal autonomy in local governments decreased from 64.8 percent in 1991 to 56.2 percent in 2005. (Ministry of Government Administration and Home Affairs, 2005)

After the introduction of decentralization, all local governments strongly focused on economic mobilization and innovative reform. The region for it is that delegation of power and responsibilities from the central government has substantially increased that enforces local governments to adopt more aggressive local economic development strategy. It means that local governments become autonomy to survive through harsh competition because the protection from the central government has decreased. In fact, economic mobilization by local governments has become the most important consequences of global economic restructuring since the mid of the 1980s which is called as a globalization process. As a result, entrepreneurial local government has become a slogan of many local authorities under the leadership of mayors and governors particularly since the Asian financial crisis.

Although the central government has intended to create a minimum equity among local governments reasonably, subsidies from the central government in the form of revenue sharing at a fixed rate have resulted in less competitive mode for local governments. Therefore, the protection and intervention of central government have become disincentive for many local governments on the one hand, and the economic mobilization strategy has made vulnerable for poor local governments particularly in the country side on the other hand. Additionally, there are other disincentives to adopt local economic mobilization. The financial market is strongly regulated by the central government so that local governments have to get permission from the Ministry of Government Administration and Home Affairs. Such a trend seems to be a lack of local power from the perspective of western democracy. Compared to the Korean situation, the western democracy has the local autonomy, where permission of financial loan from local people dominates over control from the central government.

The control of central government in regional planning regarding land use policy is another disincentive, which is more important than economic mobilization in local governments. Two ministries such as the Ministry of Construction and Transportation, and the Ministry of Government Administration and Home Affairs are keen to delimit the
boundaries, which are allowed by the local governments. The reason for it is that the central government concerns disputes in capital regions around Seoul Metropolitan area. (Kang, 2006)

3.2. Horizontal relationship between regional governments, between regional and local governments or between regional and local governments and private sector

Before the 1990s, local governments mainly contributed to national politics by doing minimal work on local agenda. Even local residents had to devote all of their attention to issues of national interests instead of their own local community issues. However, political actors of localities started to play important roles in order to build competitive local communities by promoting decentralization since the localities rapidly urbanized and local democracy gradually consolidated after the 1990s.

Additionally, the growth of local governments and local political actors has become more important than before and started to play in national politics. At the same time, a criticism on the central government excessive control over local governments arose. Local governments’ demand for decentralization was mainly carried out by four local government associations which were established in the late 1990s and early 2000. Until local governments materialized laws for decentralization, they were cooperative and had common goals. Furthermore, collaboration of local governments with civic organizations was the key factor to press the central government moving forward to the decentralization.

After various lobbying activities, local government association approached a holistic way to the division of power within the nation by refusing the central government’s incremental strategy. In order to meet the goal of decentralization, the four local government associations organized an executive committee for negotiation with the central government. At the same time they prepared their own bill for the promotion of decentralization by cooperating with civic activist groups. In return, civic activist groups also organized their mobility and required collaborative action with local governments and local government associations whenever urgent issues on decentralization took place. By doing so, civic activist groups and local government associations were able to make alternative decentralization proposals which were more comprehensive and radical decentralization proposals than the central government’s bill. It means that networking with local government through the local government association is regarded as very significant for the civic activist groups to empower their position as policy competitor. (Bae and Sellers, 2007)

The advanced decentralization continued in the 2000s that resulted in local democracy more solid than ever. The progressive government initiated new laws for improving local autonomy and decentralization processes. Since 1996, local citizens could request their governments to disclose public information, and they could present petition for revising or abolishing their local ordinances since the year 2000. Moreover, they could participate in local budgeting process since 2004, and even oust incompetent local executives since 2006. Additionally, several systems such as neighborhood council were introduced for encouraging vigorous participation of citizen in the decision making processes. By creating such a political system at the local level, citizens are able to express their views on everyday issues in their communities. As a result, the influence of citizens and civic organizations has become increasingly important.
There is another reason for pushing decentralization processes from the people. Changes in national and global political economic environment in the 1990s and 2000s have contributed to creating a favorable atmosphere for advancing decentralization. The highly centralized political system could generate successful economic growth, and the efficiency of government was proved. However, people started to doubt about centralized policy making and geographical concentration as Korea was hit by the financial crisis in 1997. As a result, neo classical approach started to be implemented. By doing that, ironically local autonomy and decentralization process improved substantially, and the progressive government under the leadership of the President Roh, Moo Hyun took such an opportunity to intensify local democracy. Until this goal was met, all political actors played their roles in advancing decentralization. Local governments were cooperative one another even with local government associations, and civic activist groups.

With the local election in 1995, local autonomy and decentralization process has been improved substantially. Local citizens assessed local elections and local autonomy for 10 years proceeding improved delegation, local capacity, and political participation at the local level. In addition, they assured that policy channels from local organizations to the central government were diversified by various new institution and procedures. (Bae and Sellers, 2007) (See fig, 1)

Figure 1: Decentralization Reform and Local Democracy

![Graph of local democracy contribution](image)

Source: Ministry of Government Administration and Home Affairs, Presidential Committee on Government Innovation and Decentralization (PCGID), 2005

The horizontal relationship between actors at the local level is particularly visible in terms of local politics in order to reach their common goals. However, their relationships particularly between local governments are very competitive in terms of local and regional economic development. By decentralizing processes, local governments have to deal with their own development strategy and economic growth instead of receiving subsidies from the central government. In order to bring domestic and international capital investment, local governments compete with one another by attracting investors. As a result, remote regions
and local governments from the Seoul capital region and industrially weak local governments started to lose their grips to carry out their development strategy.

### 3.3. Characteristics of inter governmental relationships

During the 1990s and 2000s, local governments, local government association, and civic activist groups struggled for local autonomy and local democracy jointly. By doing that, decentralization processes were substantially improved. The most distinctive strategy of civic movements was to influence policymaking process. Their main target and public desire were to transform highly centralized state power and business conglomerates. Therefore, it was very clear to get the public support and escape from their parochial position while demonstrating their visibility in central policy making. (Lee and Arrington, 2008; Bae, 2008)

With the decentralization process, the relationship between the central and local governments has been changed significantly. The former had to hand over its control power to the local governments in many aspects since the local election took place in 1995. Since then the latter could exercise their local autonomy and local democracy in terms of local politics. However, the local governments could not enjoy their economic freedom because their tax revenues are limited, and budget condition is highly dependent on the central government except few local governments in the Seoul Metropolitan areas and other major industrial areas. Therefore, the vertical relationship between the two actors after the decentralization process has been mitigated due to the several legal enforcements compared to the authoritarian period. However, the central government still maintains its control power by using tools particularly in economic incentives and legal enforcements. It may say that decentralization process made the vertical relationship between the two political actors more integrated in politics, but its relationship as a vertical structure still remains in economy. (Park, 2010)

By contrary to the vertical relationship, the horizontal relationship between the central and local governments can be characterized rather as a dualistic mode. In order to meet the final goal of local autonomy and local democracy, all political actors such as local governments, local government associations, civic activist groups, even the central government during the presidency of Roh, Moo Hyun had been cooperative. As a result, decentralization process could create a substantial progress, and all political actors have been benefited from it. The horizontal relationship between the local governments as well as between local governments and civic activist groups have been more integrated than under the authoritarian governments. Moreover, the horizontal relationship between various political actors could play roles in driving forces to level up local autonomy and local democracy significantly.

At the same time, it put particularly the local governments under pressure to compete with one another because all local governments must carry out their local development strategy. As explained, the decentralized process has created local autonomy and local democracy. It means that the financial subsidy of central government has decreased substantially since the local democracy. Therefore, all local governments have to find out their economic development strategies that has affected particularly in remote and rural local government negatively.
Overall, the decentralization process has changed inter governmental relationships to a high extent. However, its comprehensive administrative change particularly in the vertical relationship needs to be carried out continuously although the democratic change in the vertical and horizontal relationships has been successful.

4. Current tendencies

Despite the decentralization process undertaken since the 1990s, Korea remains a very centralized nation compared with the western democratic countries. The decision making power is still concentrated in the executive. Accordingly, local governments are still heavily dependent on the central government for funding and guidance although they have their own function to some extent. Particularly, regional governments serve as intermediary between the central and municipal governments. Therefore, the main function of local governments is to implement centrally determined policies and programs, which are directed and guided by central government ministries and agencies even after the Roh, Moo Hyun government.

Even in the year 2013, local governments do not have their own court, prosecution, police (except Cheju Province) or education systems. Such high degree centralization creates coherent implementation policies at the national level. Therefore, there is no clear cut reform divide separating ministries or national agencies. Generally under the Lee, Myoung Bak administration (2008 - 2013), the central government is committed to the idea of free market economy, and seeks to expand existing network, and national resource permitting.

Although the National Assembly remains as an archetypical parliament, parliamentary committees continue to play only a minor role in sorting out positions and reaching compromises. Despite such a limited function of parliament toward the administration, there is no substantial support for nondemocratic alternatives to the current political system. Therefore, all relevant political actors will accept democratic institutions as legitimate continuously although the anti-government demonstration in 2008 showed dissatisfaction with the central government policy.

Under the conservative Lee, Myoung Bak government, the central government strongly tended to intervene in local affairs. As a result, the central government faced public opposition although local governments could not react properly in regard to comprehensive privatization plan and large scale infrastructure related projects such as the Four Rivers Projects, which were rearranged and rescheduled. (BTI, 2012)

In addition, the plan to move substantial parts of the national administration to the central Korea was abandoned for a while in 2009, and later in 2011 it restarted to be constructed. In 2013, several ministries moved in the new administrative capital city which is named as Sejong City and planned to be permanent locations for 11 ministries among 15 ministries. In fact, the Roh, Moo Hyun government originally planned to move the capital city to the central Korea in order to carry out its balanced development policy, which was represented by decentralization reform for the local autonomy and local democracy. However, various interests groups in the Seoul Metropolitan City claimed the Constitution Court, and the plan was rejected because it violated the constitution. Since then, the Roh Moo Hyun government downsized its plan as the Administrative Complex City, in which most of government ministries have to be resided except, the Ministry of Foreign Affairs, the Ministry of Defense,
the Ministry of Law Affairs, the Ministry of Education and Science. Such a decision must be carried out even under the Lee, Myoung Bak government because of strong regional interest in central Korea as well as the local government’s demand. The painful experience in Asian financial crisis in 1997 provided Korean policymakers important lessons to respond decisive action, which contributed to dealing with the global financial crisis properly.

5. Conclusion remarks

The decentralization reform in Korea has had a long process since the 1990s, and it is still an ongoing process to meet its final goal, which all local governments are able to enjoy their local autonomy and local democracy not only in terms of politics, but also in terms of economy. In fact, local autonomy and local democracy have been developed substantially particularly since the year 1995 with the local election compared to the authoritarian governments periods. After initiating the local election, the central government had to rebuild its vertical relationship with the local governments although the central government could exercise its decision making power through economic incentives and legal empowerment compared to the top-down one way policies carried out by the authoritarian governments.

As a result, the vertical relationships between the central and local governments have become more sophisticated and process oriented than before due to various new laws particularly Special Law on Decentralization Promotion (SLDP) in 2004. Through the laws for local autonomy and local democracy, the local governments gained some functions to deal with their own interests such as local economic development strategy, local planning etc. However, they are still dependent on the central government substantially. Therefore, the vertical relationship between the central and local governments has become moderate compared to under the authoritarian government period, but still exists to high extent.

Regarding the horizontal relationships between local governments as well as local governments and civic activist groups have been more integrated and cooperative since the local election because they have common goal to maximize local autonomy and local democracy. First of all, the horizontal relationship between the local governments is cooperative for their common goal on the one hand and competitive with one another for their economic development strategy on the other hand. By contrast, the relationship between the local governments and civic activist groups is rather cooperative and complementary for their common goal.

Although the decentralization process has been continued nearly last two decades, the general view of public opinion on the political democracy has not been improved. Given the Asian Barometer Survey, popular support for democracy and in particular satisfaction with existing institutions has declined substantially from 1996 to 2006. It revealed that the preference for democracy over its alternatives decreased from 65 percent in 1996 to 43 percent in 2006. Satisfaction with democracy also declined from 55 percent to 48 percent during the same period. More dramatic and serious decline took place in the trust in existing democratic institutions; trust in executive fell from 62 percent in 1996 to 26 percent in 2006, trust in the legislature from 49 percent to 7 percent, and trust in court from 70 percent to 27 percent during the same period. It indicates that Korean democracy is still working, but many citizens are not satisfied with their democratic system despite the decentralization reform. The reason for it may be that people’s capability to understand democracy and implement it
has been improved continuously since the decentralization process, while democratic institutions have halted their democratization process. Therefore, such a gap exists as a result. (BTI, 2012; Asian Barometer Survey, 2006)

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Decentralization Reform under the Economic Crisis in South Korea

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1. Introduction

- Concept of decentralization: changing relationship between the state and society & the center and periphery
- Political and administrative decentralization in the West & following the developing world since 1970s: Asia and Arab world
- Vertical structure in Korea until the mid of the 1990s: control and command localities -> state-led industrialization period
- Launching local self government system in 1995: neoliberal system -> progression toward democracy
- Local autonomy focused on administrative aspects: local election, distribution of centralized power
2. Historical Development of Decentralization Process

• Suspended the practice of local democracy during the authoritarian governments (1962 ~ 1987)
• Local autonomy regarded as delayed decentralization or late adoption of local democracy since 1995
• Reasons for the delayed decentralization: weak local capacity, nationalized political system, weak democratic culture
• Political power of localities remained functionally and financially limited until the end of 1990s: Kim Young Sam government (1993 ~ 1998)
• Opening of constitutional possibility transferring power to civilian governments: new promise of Kim Dae Jung as opposition leader for introducing local democracy
• Local democracy regarded as appendix to democratization in Korean context: politically opportunistic!
• Kim, Dae Jung government (1998 ~ 2003)
  - Public sector reform based on IMF bailout program
  - Focused on affairs at the central level of government
• Roh, Moo Hyun government (2003 ~ 2008)
  - Setting the foundation of decentralization initiatives
  - Decentralization issues as the top policy priority
  - Special Law for Decentralization in 2004
  - Reducing central government’s functions
• Lee, Myoung Bak government (2008 ~ 2012)
  - No specific decentralization policy (Table 1)
Table 1: Decentralization Reforms in the two progressive governments.

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○ Rationalization of National and Local Tax System (Raising the Rate of Local Allocation Tax)  
○ Enhancement of Authority of Local Councils (Strengthening the Authority of Local Legislation) |

Source: Ministry of Government Administration and Home Affairs, 2003
3. Change of Inter-governmental Relationship

- Vertical relationship between central, regional, and local governments
- Five Year Comprehensive Decentralization Plan in 2004
  - 2,830 functions transferred from the central to local governments from 1991 to 2006
  - Big change in local democracy, but small change in administration
  - Important planning functions curtailed by the central government: capital region, greenbelt policy, land use power
  - Central government having material and incentive leverages
• Budget issues
  - Verticalized structure between central and local governments
  - Local spending to central spending: from 55.5% in 1991 to 50.5% in 2003
  - Degree of fiscal autonomy in local governments: from 64.8% in 1991 to 56.2% in 2005
  - Strong competition between local governments
• Horizontal relationship between governments and private sectors
• Cooperative functions of local governments: four government associations in the late 1990s and early 2000
• Setting common goals to achieve local autonomy
• Collaboration of local governments and with civic organizations: key factor for decentralization
• Approaching a holistic way: local government association
  - Executive committee negotiating with central government & preparing their own bills supported by civic groups
  - By return, civic activists requiring collaborative action with local governments (Fig. 1)
Figure 1: Decentralization Reform and Local Democracy

Source: Ministry of Government Administration and Home Affairs, Presidential Committee on Government Innovation and Decentralization (PCGID), 2005
• Characteristics of inter-governmental relationships
• Most distinctive strategy of civic groups: influencing policy making processes
• Local democracy existing and practiced, but little economic freedom in many local governments
• Mitigated vertical relationship between central and local governments: more integrated in politics, but vertical structure in economy existed
• Dualistic mode in horizontal relationship
  - Substantial progress in local democracy based on cooperation between all actors and more integrated roles
  - Under pressure to compete with one another between local governments
4. Current Tendencies

- Remaining a centralized nation compared with western nations
- Decision making power remaining in the executive
- Local governments heavily dependent on the central government for funding and guidance
- High degree of centralization creating coherent implementation policies at national level
- Lee, Myoung Bak government pretending to intervene local affairs: Four River Projects
- Delayed to move Administrative Capital in Sejong Specialized City: completed in 2013
5. Conclusion Remarks

- Long process of decentralization process since 1990s: still on going process
- More sophisticated and process oriented relationship between central and local governments: moderated vertical relationship
- Cooperative and competitive relationship between local governments: dualistic horizontal relationship
- Growing desire of people for further democratization and decentralization