

The Process of Decentralization and
The Realities of Local Government in South Korea

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I. Introduction

In this paper, I would like to introduce the present situation of the institution of local government in South Korea, and examine the promotion of reform toward decentralization. In this analysis, I would like to explain the political, economic, and social background to the public elections of the head of the local government body and the members of the local assemblies that took place in 1995. I would also like to consider how these public elections effected the reform on the institution of local government, as well as the development of decentralization, and lastly, look at how globalization has effected the voluntary activities of local governments.

II. Local Government in South Korea

1. The establishment of local government in South Korea

The institution of local government in South Korea was institutionalized through the provisions in Article 8 of the Constitution, and local government law was established on July 4th, 1949.

However, due to the Korean War that broke out on June 25th, 1950, the execution of this law was delayed, therefore, the first local assemblies were constructed in 1952. At the time, however, the meaning of local government was not fully realized, and information on local governments in developed countries was not available, therefore, local government had implied a bureaucratic government. Thus, local administration resulted in the friction between the local assemblies and the head of the local government body, the interference from a high ranking local body, and the administrative intervention by the political parties. This ultimately resulted in the revision of local government law in 1956, which limited the powers and the function of the local assembly.

The Chang Myun administration that was established after the student revolution on April 19th, 1960, tried to revise the local government law. However, Park Chung-Hee government that came into power after the military coup d'etat in 1961, dissolved the local assembly, and established the "provisional law concerning local

government", and suspended all local government law and regulations that went against this provisional law.

Thereafter, a supplementary provision in the Constitution of the Third Republic in 1962 (legislated by President Park's administration) prescribed the constitution of a local assembly, but the enactment of the law itself was avoided, and no local assemblies were composed. Article 10 in the supplementary provision in the Yushin Constitution in 1972 (also legislated by President Park's administration) stated that "local assemblies will not be composed until our country is united." In the 1980 Constitution (legislated by Chun Doo-Hwan administration) stated that "after considering the autonomy of administrative and finance system of the local government body, the composition of local assemblies may take place, but the period for the composition will be enacted through legislation," thus, making the institution of local government a nominal phenomena in South Korea.

In the revision of the Constitution that took place in 1987 (revision by the Roh Tae-Woo administration), all the provisions concerning local government that were temporary on hold were dealt with, and the national assembly revised the local government law in 1988. As a result of this new local government law, local assemblies were composed in 1991, however, the government had extended the election of the head of the local government body to 1995. In conclusion, we can say that full-scale enforcement of local government law in Korea has only existed for approximately ten years.

2. The structure of local government

There are two different types of local government bodies, the wide-range local government body, and the basic local government body, that are prescribed in Article 2 of the local government law.

Within the wide range local government body, there are three components which include the special city, the expansion cities, and provinces. At present, there is one special city, which is Seoul, six expansion cities, and nine provinces. The wide range local government body is directly under the jurisdiction of the central government.

Within the basic local government body, there are city, country and ward. The city is under the jurisdiction of the provinces, the county under the expansion city or the provinces. The ward is under the jurisdiction of special city and the expansion cities. It is possible for the local authority of the ward to be different from that of the city and the county. At the present time, there are 72 cities, 91 counties, and 69 wards.

Local government body is a corporate body.

Within the local government body, there are local assemblies, which is the legislative organ, and the local government body which is the executive organ, where the head of the local government body is placed. Aside from these two, there is a Ministry of Education, so to speak, on the local government level.

The local assemblies are composed of members that are elected by the people, and serves for four years. The position of local assemblyman is an honorary post, but a fixed amount of salary is given every month as expenses for their activities.

The local assemblies legislate regulations and ordinances, and deliberate on and decide the budget. It also holds the authority over administration and finance, and investigative authority as well.

The head of the local government body is elected directly by the people, and he/she may serve up to three terms of four years. The head is a representative of the local government body, and is responsible to supervise, manage, and execute affairs, and is also responsible supervising the members of the staff.

The vice-head of local government body, as well as the vice mayors and vice governors of the special city, expansion cities, and the provinces are all appointed by the president, on the recommendation of the head of the local government body. For the special city, up to three vice mayors are allowed, and for the expansion cities and the provinces, one vice mayor and one governor is allowed (with the exception those areas where the population exceeds 8 million, like Kyong-gi province, where three are allowed). In the city, county, and the ward which are the basic local government body, the vice-mayor and vice-head of the county, and vice-head of the ward are general public servants, but their rank is decided by the President, and must be appointed by the head of local government body.

3. The affairs of local government

The general affairs of the local government body are similar to that of the national government which include, general affairs, delegation of the body, and delegation of the organs.

4. The executive organ (local civil servant system)

(1) The appointment system of local civil servants

Among civil servants, there are 548,120 national civil servants, which are 64.2%, and 305,994 local civil servants, which are about 35.8% of the total. Excluding the 59,609 members of the local ministry of education, out of the total 246,385 local

civil servants, there are 64,802 within the wide-range local government body, and 181,583 in the basic local government body.

(2) Training for local civil servants

The management of human resources of the local civil servants is one of the objectives of regional revitalization. To provide a better administrative service for the people, the quality of local civil servants must be increased.

There are official government organizations in each city and province that educate and train the local civil servants.

5. Local Assembly

(1) The number of members in local assemblies

The local assembly in Korea is based on a parliamentary system, and the electoral district is based on administrative districts. The number of wide-range local assembly members is 690, in which 74 members (10%) are chosen by proportional representation. There are 38 female members (5.6%) in the assembly. In the basic local assembly, the number of assembly members are 3490, but there are 3466 (Aug. 2000). Out of this total, 57 are female (1.6%). There are no female members in the basic local government assemblies in ChoongChung Namdo, Kyeongsang Namdo, Cheju provinces.

After the revival of local government law in 1991, the wide range local assembly, and the basic local assembly of Seoul were 132 member, and 778 members, respectively. In a survey conducted in 1994, concerning the number of local assembly members, almost 68% of people stated that the number of members should be decreased into half or third. Even at the present time, there are discussions on decreasing the number of members.

(2) Local government and political parties

After the composition of local assembly in 1991, there have been arguments on how political parties could participate in the local assembly. In 1991, political parties were able to take part only in the wide range local assembly, and not in the basic local assembly. However, on March 16th, 1994, the provision of "public election law and the prevention of corruptive election law" recognized the participation of political parties in both local government bodies. However, after an intense argument between the ruling and the opposition parties, it was decided that participation of political parties be limited to the wide range local assembly.

The problem of participation of political parties in relation to local assembly members and the election for the head of the body, are well illustrated in the 27 votes

of non-confidence between 1992 and 2000. There are two different types of non-confidence vote. One is where non-confidence vote from the opposition, and one where, strategically, non-confidence vote was given by various parties. At the present time, the reason for non-confidence vote is a result of conflicts between assembly members.

The problem of political parties is concentrated on the issue of candidates and nominations for the head of the local body. The control of local assembly by political parties of the central government prevents the autonomy of local assembly, as well as decreases the competition of local assembly members.

(3) Local assembly members and the problem of remuneration

Since the revision of local government law in 1988, the position of local assembly member was thought of as a self-sacrificing, non-paid job. The Article 32, it states that local assembly members are a honorary post, and expenses would be paid to them only during the period where assembly was in session, or an official trip was made during the same period. However, there were demands for a higher status, thus, in March 1994, the regulation was revised, and those who were elected after June 27th, 1995, were to be paid a monthly salary, on top of daily expenses and travelling expenses. At the present time, a member of the wide range local assembly receives 20.4 million won, and a member of the basic local assembly receives 12.2 million won, annually. On top of this salary, there are other expenses, so the total is greater than the numbers quoted above.

A survey was conducted on the remuneration system for assembly members, with Seoul city assembly members as subjects, and the results were as follows: 39.7% stated that the position of assembly members should be changed to paid work from honorary post, while 34.7% stated the position should be changed to non specialization position, and 23.1% stated that it should stay as a honorary post.

(4) Local assemblies and the executive organ

The history of local government in Korea is based on the structure of conflict. Therefore, the executive organ and the local assembly are not in an equilibrium, which results in the supremacy of the executive organ, and the weakening of the assemblies. It is necessary to reexamine the role and the status of local assemblies, under this structure.

If local administration is to maintain any balance, it is important that the powers and authorities of the local assemblies are in equilibrium and the roles divided.

There are the following problems between the local assemblies and the executive organs in Korea:

- (1) The relationship between the national government and the local assemblies
- (2) The relationship between the head of local government body and local assemblies
- (3) The constraint factor in terms of legislative activities of the local assemblies

6. The Administrative and Finance System of local government body

To accomplish the ideals of local government, it is important that the finance and administrative system are autonomous. It is best if the local government body can independently secure the source for finance, and use that to maintain and manage its organ. In order to accomplish this, local taxes and revenues excluding taxes (procedure fees, public fees, etc) must be secured voluntarily. This will in turn become the basis to insure the autonomy in preparing the budget and execution, however, in Korea, the ratio of national taxes to local taxes, in the year 2000, are 91 to 20, respectively.

In Korea, local taxes are applied to all regions, and if that is not enough for finance, the central government provides supplement. This is called the adjustment policy, which include the local subsidy policy, government subsidy policy, and local donation policy.

The local subsidy policy is where the revenues from taxes of the central government are subsidized for local government. The central government cannot interfere or take part in how the local government uses this source of finance. This policy insures the autonomy of finance and administrative system of the local government. This subsidy totals about 15% of the national tax revenues.

The government subsidy policy is a source of finance from the national revenues, and unless the rate is decided on national and local expenses in terms of certain projects, the subsidy rate is not fixed. This subsidy is based on the budget of the central government, and the use of this source of finance is limited to certain projects only.

The local donation policy is based on the specific tax revenues of the central government, and a certain amount is donated to the region for specific objectives. This policy aims at equal development among regions, and the expansion of the foundation of local finance and administrative system. This policy is relatively stable, and differs from the government subsidy policy, because there is no need to pay it back, and there is no obligation and burden on the local government. The amount of funding that is donated to the local government may be used in five different projects, which include: road construction, the development of rural areas, the prevention of water pollution, promotion of young people, and regional development.

What is more important than the expansion of local finance in the decentralized local government is the efficient management of local finance. Because the local finance and administration is heavily dependent on the central government, it is important to manage efficiently.

In order to increase the thoroughness and efficiency of the management of local finance and administration, there is a policy of finance and administration policy that is prescribed in the local government law and local finance and administration law. There are various policies that may show the autonomy of local government, in terms of finance and administration, however, the reality is that the autonomy remains low.

<p style="text-align: center;">Calculation Method</p> $\frac{\text{local taxes} + \text{revenues excluding taxes}}{\text{general accounts, total budget scale}} \times 100$

(Units: %)

	Special City	Expansion City	Province	City	County	Governing Body
Average	94.9	69.6	35.2	49.6	21.0	45.0
Maximum (place)	94.9 (Seoul)	76.3 (Inchon)	71.4 (Kyonggi)	96.3 (Kwachun)	69.8 (Hwasung)	95.0 (Central Ward, Seoul)
Minimum	-----	59.5 (Kwangju)	14.7 (Junnam)	16.2 (Sangju)	9.3 (Jang heung)	22.1 (East Ward, Inchon)

III. Reforms to increase Local Authority

The 21st century is a transition period. A new globalized civil society (Zivilgesellschaft), centered on the global standard of governance will take place in the 21st century. This trend is already seen in the European Union.

At the same time, there is an emergence of civil subjects who emphasize the global dimension of human respect, the security for fundamental human rights, and the conservation of global environment that exceeds national boundaries.

At the present time, the state can no longer be sovereign, and there is a demand to limit the function of state as a subject of governance, based on mediation of administration of local governments within a particular region. In this sense, there is an importance on strengthening decentralization.

However, it is important to note that there are social, economic, and cultural factors that make reform for decentralization difficult.

From a historical point of view, there was no such thing as local government policy, before it was institutionalized in the constitution. A feudal lord system in the West, or the Daimyo system in Japan that are similar to local government system did not exist in Korea. For 500 years of Chosun Dynasty, there was a complete centralized system, and thereafter, during the Japanese occupation, there was no local government system either.

Since the history of local government system itself is very short in Korea, we can say that there was no room for establishment of reforms for decentralization.

Seoul, where the central government is located, has also become the center of social, economic and cultural innovations. The entire area of Korea is about 90000km² and the total population about 47 million. The area of Seoul is about 11.8% of the total area, but 46.3% of the total population is concentrated in Seoul. Out of the ten distinguished universities, 80% of them are concentrated near the capital. 92.1% of those who pass national examination are from universities near the capital, and 51.9% of those who have their Ph.D. received them from universities near the capital as well. The main branch of 88.5% of the 30 big enterprises is in Seoul, 72.9% of foreign companies are in Seoul, and 84.3% of government organizations are in Seoul as well.

Legislation, executive and judicial are all concentrated in Seoul, and politics, economics and education are all centered in Seoul. As we can see, political and legal authority is concentrated on the president and the central government, therefore it is difficult to transfer authority to the local government.

Also, political parties in Korea are centered on a strong political leader, and thus political parties themselves have centralized characteristics.

This kind of environment makes reform for decentralization difficult, however, there has been several projects that have succeeded, in terms of reform.

1. Effort by the central government

The central government has made some efforts for reform, which include enactment of legislation.

In January 1991, the central government established a "legislation on the powers of central administration and the promotion of transfer of power to the local government." This legislation enabled a creation of a council that would evaluate case by case, the powers of the central government and the powers of the wide range local

government body. After consideration, the power may be transferred to the wide range local government body, or to the basic local government body.

Another effort is being made in the human resources section of education. "Special law concerning the promotion of local universities" was legislated, but it has not produced much success.

Lastly, an effort is being made in the local administration section, in terms of civil servant law, where mutual exchange between civil servants in the central administration and local government are being pursued. This will work towards revitalizing the local administration. The plan for this exchange was enforced in March 2001, and the actual exchange is to take place in June.

2. Implementation of public election

The student revolution on April 19th, 1960, was an expression of people's will for democracy. This belief in democracy and basic rights resulted in conflicts in the military regime after the coup d'etat. Some of these conflicts include the Kwangju Uprising, and the civil protest of 6.10.

Chun Doo-Hwan, had attained power through a coup d'etat after the assassination of President Park. However, his regime was criticized for not having any legitimacy. The people demanded a direct election, and for this to be accomplished, the constitution needed to be revised again. Therefore, the people started the constitutional revision movement. As a reaction to this movement, President Chun extended the debate on constitutional revision, but students, opposition parties as well as many others expressed their objection (which led to the civil protest of 6.10). The presidential election after this was conducted as a direct election, and the change of regime took place peacefully.

Direct elections for president made it possible to question the political responsibility to the people, and in 1991, elections for local assembly members were established, and by 1995, direct election of the head of the local government body was established.

In the present time, there are demands by interest groups and civil movement groups to question the responsibility of illegal and corruptive behavior of the head of the local government body. We can say that this is an example of decentralization.

However, there are some side effects to direct election of the head of local government body. This has increased corruption and illegal election campaign of political parties. Not only that, after being elected the head of the local government body commits to projects that may be a huge burden financially, and at the end, causes

financial deficit for that local government.

3. Efforts by the body of local governments

Some of the efforts that are made by the local government include:

- (1) The increase in quality of local administration through the development of information technology: to insure transparency and fairness, the local government of Seoul and the people have established an information system, through the use of Internet.
- (2) The unique culture and economy of local government: various local governments are working toward promoting the unique culture of their regions, such as the "2001 Expo on potteries in the province of Kyonggi Do" and film festivals in the cities of Pusan, and Kwang ju. Also, in Kangwon County, a local government succeeded in revitalizing the region's economy through the development of a casino.
- (3) The establishment of policy in local governments: the province of Cheju is in an optimal location geographically, therefore, there were discussions on developing Cheju as an international city. The construction of an international city is still at the planning stage, however, the local government of Cheju have been involved in establishing policies for the accomplishment of this project. Also, in 2001, an "international economy deliberation organization" that consists of 15 people from the financial and academic world from 8 countries in Europe and North America, was established. The objective of this organization was to develop Seoul as the central city in East Asia, and plans for a "digital media city" to be developed by 2010 in Seoul is currently in the planning stage as well.

4. Efforts of citizens groups

It is hoped that local government system will complete democratization, revitalize the regional economy, and most of all increase the well-being of the people.

However, the local government's inability to correspond to people's expectations and promoted the necessity for citizens groups as well as active participation in activities of the local government.

Since the civil protest movement in June 1987, the number of groups and organizations has increased rapidly in Korea. For example, in 1997, there were about 2914, where as in 2000, the number increased to about 4023. If we include the number of sub-organizations, in 1997 the number was about 9400, which increased to 20,000 in year 2000.

The government has executed number of laws which include "law to support the non-profit civil groups" (January 12th, 2000) as well as the establishment of judicial execution (April 17th, 2000) in order to promote the public interest. In this law, the once you register a particular non-profit organization, the government will support their expenses, and subsidies will be paid to those organizations that are chosen, after handing in a project plan to the mayor or governor.

A concrete example of the effort of decentralization by citizens groups is the "Statement by intellectuals in all regions for the accomplishment of decentralization" signed on September 3rd, 2001, was an example where members of cities, including Taejon and Kwangju, which included professors, educators, people from the religious, cultural and legal world initiated a petition movement to promote policies for decentralization.

At the present time, there are various citizens groups in Korea that are active, but due to the inequality and imbalance in social regime, there are many issues that need to be improved. One of the most important things is to overcome the centralization of Seoul itself.

There is an intimate relationship between the revitalization of local government and revitalization of citizens groups. In order to increase the well-being of people through social reform, by means of citizens groups, it is important to decentralize the activities of these citizens groups. It is also important that the citizens groups establish concrete proposal to accomplish decentralization.

IV. Conclusion

As noted in detail above, the reasons why local government has not functioned in Korea are due to the delay in the development of civil society, the monopoly of authority by the central government, and the insufficiency of self-identity of social movement. In order to overcome these problems, it is important to decentralize, so that the local governments may function.

In January 1991, the central government established a "legislation on the powers of central administration and the promotion of transfer of power to the local government." This legislation enabled a creation of a council that would evaluate case by case, the powers of the central government and the powers of the wide range local government body, which is thought to promote decentralization, but no concrete results can be seen yet. The effort being made in the human resources section of education, which led to the establishment of "Special law concerning the promotion of local universities" has not produced much success either, thus, it is important to come up

with a new plan to promote decentralization.

The year 2002 will become political significant. The head of the local government body, and elections for local assembly members are being planned. At the end of the year, there is a presidential election. In these two elections, the problem of decentralization will surely become a political issue. Academics and citizens groups will be pushing for reform toward decentralization. The ruling party, as well as the opposition will commit to the reform, in order to get people's vote.

If a balanced system is developed in all regions through decentralization, and when competition and cooperation regimes among the regions are formed like that of Europe or United States, I believe that the a region based nation state development model will develop, that will overcome the centralized nation-state development model.