

# **Local Governance and Civil Society in Korea: Toward Participatory and Better Governance**

Pan Suk Kim

*Associate Dean, Graduate School of Government and Business  
and*

*Professor of Public Administration,  
College of Government and Business*

*Yonsei University*  
Republic of Korea



## **Local Governance and Civil Society in Korea: Toward Participatory and Better Governance**

### **Introduction**

The purpose of this paper is to give some review on local governance and civil society in Korea in terms of changing structures of local affairs, governance and participation of the civil society in policy making. Prior to discussion of decentralization and local governance, however, it would be better to briefly introduce the current reform efforts that take place in Korea since decentralization and local governance are a major part of current reform agendas in Korea.

Korea experienced a serious economic crisis in the late 1990s. In order to cope with this daunting economic crisis, the Korean government had no choice but to carry out serious reform programs that were grounded on economic values such as efficiency, competition and performance. A brief summary of major key characteristics of such initiatives in government reforms are as follows. First, the Korean government has introduced a "small government" concept by reducing the sizes of governmental organizations and the number of government employees, scaling back the central and local government budget, and transferring some of the public service organization functions to private sector. Second, the Korean government has tackled its rigid civil service systems by introducing an annual salary system for high performance, a job posting system for internal competition, an external recruitment system for open competition, performance-related pay and incentives, and the establishment of the consolidated central personnel authority in 1999 for promoting civil service reform. Third, the Korean government has improved its budgeting systems by introducing the performance-oriented budget system to transform its input-oriented financial system in order to improve organizational performance and better financial management. Fourth, the Korean government promoted e-government toward open, transparent, speedy, and paperless administration. Finally, the Korean government has deregulated the rigid and outdated governmental regulations to encourage economic revitalization to provide a business-friendly environment (Kim, 2000; Kim and Moon, 2002).

To a certain extent, the government reform programs in the 1990s has shown several positive results. For instance, the Korean government successfully fulfilled all requirements of the International Monetary Fund (IMF) and other global economic players including the World Bank. As the Korean economic crisis settled, however, different kinds of challenges have arisen in Korea for various reasons: (1) opposition groups criticized the government's neo-liberalist approaches; (2) trade unions demanded more participatory measures for their representation and arbitration power in the labor market; (3) those who lost their jobs during economic re-

structuring process demanded a better social safety net; and (4) civic groups complained about the government's top-down manner of public administration and public policy and demanded more participation of civil society and various stakeholders.

In February 2003, when President Moo-hyun Roh was inaugurated, his administration demonstrated somewhat different policies from the previous governments. The Korean government in the late 1990s mainly focused on quick responses to economic crisis and fiscal stress. One of the differences in government reform between the previous regimes and the Roh Administration (2003~present) is that the Roh Administration undertook the government reform by focusing on more major issues including decentralization and good governance. The Roh Administration organized the Presidential Commission on Government Innovation and Decentralization (PCGID) and five subcommittees (i.e., public management, decentralization, e-government, finance and tax, and public personnel management).<sup>1</sup> The Roh Administration labeled its symbolic title as the "Participatory Government" and as such, participatory methods have been broadly discussed in public administration and policy making. Accordingly, interactions between the government and the civil society have been widely emphasized. Also, governance and good governance have become popular issues in the political and intellectual communities.

The scope of this paper is not to review all of the reform measures the Korean government had taken. Instead, the main focus of this paper is on local governance and civil society based on recent development in Korea. Thus, changing context of local governance will be briefly reviewed in the subsequent section, followed by an overview of the recent major development related to decentralization and local governance. After that, the role of civil society in local governance will be discussed, followed by discussion on local governance and ended by conclusion.

## **I. Changing Context of Local Governance in Korea**

Local autonomy was introduced in 1949 by President Syngman Rhee (1948~1960), but was eliminated by the military coup in 1961. The local council was abolished by the military dictatorship and all heads of local authorities were then appointed by the central government until 1990. The Korean public demanded for many years to have an open and democratic central government as well as local autonomy, but almost nothing has changed in the political arena until the late 1980s although its economic status has been substantially improved. From the 1970s to the 1980s, street demonstrations and oppressive government reactions were one of the typical socio-political phenomena. However, President Chung-Hee Park's assassination in 1979 was the catalytic event that fueled the public's demand for democratization. Military successors to the presidency Doo-Hwan Chun (1980~1988) and Tae-Woo Roh (1988~1993) both had problems with legitimacy and popularity. During the Chun Administration, no substantial improvement has been made in politics. When President Tae-Woo Roh took the office, however, he has made a political compromise to allow for local autonomy to calm down the public's criticisms and demon-

strations. In 1991, local autonomy was reestablished with elections for council members, started as part of a move to democracy in Korea. Today, each of local authority has a local council and the head of each local authority are elected by its constituents for every four years.

There are two tiers of local government below the central Korean government level. The lower level is formed with local governments that consist of 77 "*si*" (cities), 88 "*kun*" (counties), and 69 "*ku*" (urban autonomous districts) governments. Cities and counties are quite similar to those of other countries in terms of their functions, political systems, and jurisdictional areas; and autonomous districts are the equivalent of wards, but the division is mainly for administrative purposes in big cities. Between the central and local governments, there are 16 provincial-level governments comprised of nine "*do*" (provincial governments), Seoul capital city, and six "*kwangyuk-si*" (metropolitan city governments). Cities and counties are under the auspices of provincial governments, whereas urban autonomous districts form the sub-units of metropolitan cities, with the exception of a few counties in agricultural areas that belong to metropolitan cities by geographical consolidation (Some agricultural or fishery areas exist as counties under geographically adjacent metropolitan city government).

Korean local governments are in responsible of similar functions as those in many other countries except for one unique feature: both police and education functions are still handled by separate institutional arrangements, not by local governments. Currently, the police function is under the Ministry of Government Administration and Home Affairs (MOGAHA) and there is no local police system. Establishment of a local police force is now under discussion and it is likely to happen in the near future. As for education, provincial and municipal education offices have been established for the purpose of local autonomy, but the Ministry of Education and Human Resources Development (MOE) still tightly controls them. Public school teachers in Korea are still national government employees and they strongly oppose becoming local government employees.

Moving into the 1990s, the local autonomy system started to be reinvigorated after a long suspension. Local elections and the ensuing reforms revived and strengthened democracy in the Korean localities. Positive developments include local democracy, enhanced local government responsiveness to citizens, and citizen's recognition of their rights in local affairs including issues such as regional development and general welfare. Although efforts have been made to strengthen local governments' political capabilities in reestablishing the local elections, however, fiscal decentralization has been slower than that of political decentralization. Many local governments have been suffering from fiscal stress due to their lack of fiscal capabilities. Although it is considered that efforts in administrative re-engineering, restructuring, retrenchments, and tax reforms including the reallocation of financial sources by the central government can help alleviate fiscal stress, the outcome of fiscal decentralization is still not significant at the present time (Kim and Kim, 2003).

President Roh established the Presidential Committee on Government Innovation and Decentralization (PCGID) right after his inauguration. With regard to

decentralization, PCGID set the principle of “decentralization first, supplement later” in order to expedite decentralization. PCGID set a broad-range of ambitious reform agendas in various areas under the label of roadmaps. Among many reform agendas, major tasks that related to decentralization are as follows: (1) expanding the role of local governments by redistributing authority between central and local governments; (2) strengthening the basis of autonomy for local government; (3) strengthening accountability of local governments; (4) realizing citizen autonomy by a fostering civic society; and (5) establishing an intergovernmental and inter-regional cooperation system (PCGID, 2003).

## II. Recent Major Developments on Local Affairs

In order to see the current status of Korean local decentralization and local governance, it is necessary to review major changes on local affairs occurred since President Moo-hyun Roh was inaugurated in early 2003. President Roh was in favor of local autonomy and decentralization and promised to deal with those issues in his campaign. Accordingly, the general public expected a substantial change on local affairs. One noticeable development in local affairs is the promulgation of three new laws related to local affairs: the Special Act for the New Administrative Capital Construction, the Special Act for Local Decentralization, and the Special Act of Balanced National Development. However, one of the three laws, the Special Act for the New Administrative Capital Construction, was judged to be unconstitutional by the Constitutional Court.<sup>2</sup> Immediately, President Roh prepared an alternative law, the Special Act for the Multifunctional Administrative City, to fulfill his promise in his campaign proposing a multifunctional administrative city. In February 25, 2005, the law was passed in the National Assembly.<sup>3</sup>

Other major issues for discussion are *Jeju* province's referendum to reshape its local government structure and the establishment of local police in Korea. More details of each issue are as follows.

### *Special Act for the Multifunctional Administrative City*

The Korean government has pushed ahead with the relocation project in order to fulfill one of President Roh's important pledges during his campaign in the 2002 election. Accordingly, the Special Act on New Administrative Capital Construction was promulgated in the end of 2003. However, this act was halted following the October 21, 2004 decision from the Constitutional Court that ruled the Special Act on New Administrative Capital Construction as being unconstitutional. Consequently, the Korean government prepared a new alternative plan entitled “the establishment of a new multifunctional administrative city” in the *Kongju-Yongi* region of South *Chung-cheong* Province. The National Assembly endorsed it in early 2005 allowing the government to move most of its offices out of Seoul as part of a plan to decentralize the nation's capital. In this case, some of the opposition party members including the Grand National Party also supported to pass it. Currently, the ruling party (*Uri* Party) is not the majority of the National Assembly: it has 146 (48.83%)

seats out of 299 seats in the National Assembly as of May 31, 2005. The government asserts that it is a strategic choice to resolve population congestion and economic concentration in Seoul and its surrounding areas. President Roh made it clear that balanced national development is the aim of the project, brushing aside the general belief that it was a political consideration to woo voters in the *Chung-cheong* provinces. The government's plan is to move most state agencies to the new multifunctional administrative city, while keeping the presidential office and the National Assembly in Seoul. The special law stipulates that 12 ministries, four agencies and several other institutions be relocated to a new site in South *Chung-cheong* Province. As long as *Chong Wa Dae* (The Blue House) and the National Assembly remains in Seoul, critics say that it will be problematic for the administrative center to perform its function properly. This task is currently carried out by the Multifunctional Administrative City Construction Agency (MACC) under the Ministry of Construction and Transportation (MOCT).<sup>4</sup>

### ***Special Act for the Balanced National Development***

The Korean government also unveiled a new national development plan that focuses on developing the strategic industries of provinces. In December 2003, the Special Act for the Balanced National Development was promulgated by the National Assembly. President Roh asserted that localization is the current trend that can't be reversed and it is indispensable to national development and prosperity. Through the cooperation and balanced development of the metropolis and its surrounding areas, it is imperative to open a win-win era both for provincial areas as well as for Seoul<sup>5</sup>. To maximize the relocation of industries and public enterprises, sites for strategic industries and the relocation of public institutions were chosen to match each region's characteristics. That is, specialized industries more suitable for some regions will be fostered and public offices whose affairs are closely related to those industries will be moved there as well. A plan announced by the central government stresses the integrated development of the regional strategic industries rather than the separate and independent format. According to the government's master plan, as a country's administrative center, the South *Chung-cheong* Provinces, will be fostered as a center for the national administration and research and bio industries. The *Kyongsang* Provinces (southwestern Korea), where Korea's largest *Pusan* port is located, will become a logistical center that focus on automotive, ship-building and nano industries. The *Cholla* Provinces (southeastern Korea) are to be developed as frontline bases and ports for trade with China. *Kangwon* Province (northeastern Korea) and *Jeju* Island are designated to further develop their tourism resources and the animation industry. President Roh's plan is to have Seoul develop into the economic capital of the Korean peninsula, while *Kyonggi* Province (suburban Seoul) into a center for electronics and information technology. *Incheon*, the major port (seaport and airport) nearest to Seoul, is to evolve into a logistic base to draw foreign investment. Such a plan helps several provincial governments to reduce their budget reliance on the central government and gives local governments more autonomy over public affairs. In addition, the central government will re-

adjust the level of local taxes and provide additional plans to get local governments the financing they need. These tasks are currently promoted by the Presidential Committee on Balanced National Development (PCBND).<sup>6</sup>

### ***Special Act for the Local Decentralization***

The Special Act for the Local Decentralization was also promulgated in December 2003. The objective of this law is to make responsibilities of the state and local authorities clear, and to promote local development and overall competitiveness by setting basic principles, tasks, and implementing systems of local decentralization. According to Article 2 of the Act, local decentralization can be understood as the harmonization of functions between the state and local authorities through a rational distribution of authorities and responsibilities of the state and local authorities. This act broadly lists possible tasks for local decentralization: redistribution of national and local affairs and authorities, enlargement of local finance, improvement of competency of local administration, revitalization of local council, expansion of resident participation, reinforcement of the accountability of local administration, and reestablishment of the cooperation system between the state and local authorities. This task is coordinated by the Presidential Committee on Devolution Promotion for Local Authorities (PCDPLA)<sup>7</sup> and the Presidential Committee on Government Innovation and Decentralization (PCGID). However, this is a sun-set law expiring on January 17th, 2009. Thus, much progress will have to be done by 2009. There has been a great deal of discussion for promoting decentralization, but so far the results of such discussion are far less than public expectation. One of the reasons is the fact that the first two acts have been very controversial—the government put so much efforts for promoting the ideas of the first two legislations while given less attention to the Special Act for the Local Decentralization, which is less controversial.

### ***Jeju Special Autonomous Province***

In the first-ever referendum over its local government structure in Korean history, residents of *Jeju* (the largest resort island in Korea) supported the proposition that calls for the merger of four cities and counties into two and the consolidation of local councils.<sup>8</sup> The adoption of the proposition, which also empowers the governor to appoint mayors and county heads, will serve as a model for other local governments hobbled by bloated, bureaucracy-created multi-tiered structures. According to the proposal, the island's two counties (North *Jeju* County and South *Jeju* County) will be merged with its two cities (*Jeju* City and *Sogwipo* City), and to be directly managed by the provincial government. The mayors of the two expanded cities will be appointed by the *Jeju* governor.<sup>9</sup> *Jeju* residents have a good reason to celebrate the passage of the proposition, as it is expected to clear bureaucratic hurdles in an ambitious plan to turn the island into one comprehensive international free city with new growth engines from high-tech industrial parks and tourism hubs to free trade areas. As a matter of fact, the proposition was pressed as a result of slow progress made in implementing the 2003 *Jeju* International Free City



master plan. Local officials were frustrated because it took two or three years to get a simple permit in some cases, as local administrations and councils in cities, counties and the province got involved in the process. Some plans were scrapped altogether due to opposition by a county council. *Jeju* residents apparently shared this sense of frustration.<sup>10</sup> By all means, it will be remembered as an important step to becoming a special self-governing province where people from all over the world will be able to do business without many difficulties.<sup>11</sup>

The current system is costly, and operate with low efficiency because there are too many administrative ladders in an island. The voting results reflect *Jeju* residents' willingness to change the current administrative system into a more efficient one. Resident referendum in *Jeju* will stimulate other regions so that more referenda will arise as regional conflicts grow in the future. Consequently, a new form of local government or a new structure of local governance might emerge through the exercise of the resident referendum in the future.

### III. Increasing Role of the Civil Society in Local Governance

The number of NGOs has recently been growing very rapidly in many countries, including South Korea. As of January 1, 2006, the estimated number of civil-social organizations in Korea is 23,017, but all of them are not identifiable (*NGO Times*, 2006). The *NGO Times* (2006) published the *Encyclopedia of Korean Associations* based on the international classification of nonprofit organization (ICNPO), listing many civil-social organizations and their branches. This directory listed 5,556 NGOs and 17,461 associations (education, social welfare and professional/academic associations are the largest groups among associations).

As the concept of governance has been introduced in various areas of Korean society, partnerships between the government and NGOs are expanding from time to time. Up until the 1980s when the authoritarian regimes prevailed, the role of civil society was very limited. As democracy and market economy advance in Korea, however, the role of civil society has expanded in a variety of ways. For example, critical citizens have begun to organize citizens' coalitions, participate more actively in national and local affairs, and demand vocally more from the government than in the past. Therefore, it would be fair to say that many NGOs in Korea are playing important roles such as acting as watchdogs for government and business (Cho, 2000; Joo, 2001; Park, 2001; Kim, 2002; Kim and Moon, 2003). As a result, a number of NGOs have begun to receive serious attention in a wide scope of national and local issues.

In recent history, Korean citizens' movements have contributed greatly to the development of civil society and democratic order through the expansion of citizens' participation in the public sector. Through the presentation of possible alternatives they are shaping the popular consensus to meet the needs of the times, constructively monitoring and criticizing the existing socio-political systems and applying pressure for the sound development of almost all areas of Korean society through the mobilization of mass media attention and ICT applications. Many activities have

been carried out not by a single NGO, but in cooperation with many other citizen organizations.

According to the Directory of Korean NGOs (*NGO Times*, 1999), distribution of organizations by establishment year is as follows: 5.7 percent in the pre-1960s, 7.2 percent in the 1960s, 9.0 percent in the 1970s, 21.6 percent in the 1980s, and 56.5 percent in the 1990s (Cho, 2000: 144). This fact indicates that more than half of these organizations were established in the 1990s. Up until the 1980s, many civil organizations under the authoritarian regimes demanded political development including improvements in human rights and democracy. Since the early 1990s, however, civil movements have grown to include almost all issues including environmental protection, quality of life, national reunification, and various other social issues.

Such growth of civil-social organizations could be explained by several factors. Among them, two major factors should be acknowledged. First, democratization triggered the development of civic-social organizations. Korea's democratization was accelerated in 1987, when college student protests against the military regime led the regime to submit to a competitive election (Kim, 2002; Kim and Moon, 2003).

Second, local autonomy and the movement to localization also affected the development of civil society. In the past, most of these organizations were located in Seoul, but this situation gradually changed. According to the *Encyclopedia of Korean Associations* (*NGO Times*, 2006), approximately 55 percent of NGOs were located in Seoul and its suburban areas, while 45 percent of NGOs were founded in local areas. Particularly, nearly half of the newly created organizations were established in local areas as the local autonomy expanded.<sup>12</sup> Following the reinstitution of local democratic structures in the early 1990s, the nationwide network of civil society organizations has played an active role in educating local political leaders and citizens for effective political participation and sustainable local development.

Other factors that contributed to the development of civil society are globalization, informatization (ICT revolution),<sup>13</sup> partnership among different sectors, consumerism and citizen empowerment, emergence of a pluralistic society, and government failure and the shrinking role of governments around the world. Beside that, distrust of politicians, conversion of democratization movements to civil movements, and the emergence of pro-NGO-oriented regimes including the last two (YS Kim and DJ Kim) administrations as well as the incumbent President Moo-hyun Roh have all affected the development of NGOs in Korea. In the Office of the President, President Roh created the Office of the Senior Assistant to the President for *Civic and Social Agenda* for the first time in Korean history.<sup>14</sup>

One of the most critical incidents that reflect the strength of the local civil society is regarding a decision on the location of the nuclear waste disposal site. The central government's attempts to designate a nuclear waste repository have been frustrated ever since it began the project in 1986, due to desperate opposition of local residents and local civil society. The nation retains 18 nuclear reactors in four regions and currently stores nuclear waste at interim repositories. But these will reach full capacity around 2008. This case demonstrates that the central government cannot smoothly implement its policy or program if local residents and local civil soci-

ety do not support the central government's policy or program.

### ***A Case of the Location Decision on the Nuclear Waste Disposal Facility***

So far, the Korean government has failed to determine a site for nuclear waste disposal facility due to strong resistance over the years in all designated regions. The latest attempt to build the facility in *Wido* Island, an islet off the coast of *Puan* County in South *Cholla* province, was also frustrated as more than half of the residents backed by local environmental activists opposed the plan. The residents staged violent demonstrations for months in 2003, demanding that the bid forwarded by the county mayor be scrapped. South Korea, the world's sixth largest nuclear power plant operator, should select another disposal site for low- and intermediate-level radioactive waste soon. It will be the government's last-ditch effort to select a nuclear dumpsite as it cannot hold it off any longer, considering the fact that the storage capacity for the nation's low-level radioactive waste is expected to run out by 2008.<sup>15</sup> Thus, the Korean government should have selected a site for the radioactive waste repository, but has failed to build social consensus over the years. One of the key criteria for a site selection is, needless to say, geological and environmental feasibility of the candidate site. However, the most critical factor becomes the reaction of the local residents as well as local NGOs. In 2003, the government announced *Wido*, a small island located 14 kilometers off the southwestern coast, as the potential site for the nation's first nuclear waste repository. However, it scrapped the construction project, after strong protests from local residents and environmental activists.

After that, to attract local governments, the revised announcement for the selection of the site was made to strengthen financial support and streamline criteria for the selection to improve transparency. The government plans to provide 300 billion won (about \$290 million) in financial support for any local government that willing to houses a waste dump site. In addition, to avoid resistance from residents, the ministry-in-charge (Ministry of Commerce, Industry and Energy: MOCIE) required a residential vote before submitting an application. The result of the vote became one of the most important criteria for the selection of the site.<sup>16</sup> In other words, a local resident's vote became the only answer to the issue of building a waste dump in a subsidy to a local government to house the waste dump as well as providing sufficient information and stage promotional campaigns regarding nuclear waste disposal to residents in order to avoid repeating confrontation from the candidate sites.

### ***Rising Conflicts and Possible Measures***

The Korean government faced serious challenges when in carried out large-scale national projects such as building highways, tunnels, and water reclamations. On one hand, it is clear that the voice of citizens and civil society has been expanded in the process of policy formation and implementation. In spite of that, however, more conflicts among government, civil society, and citizens have occurred. To a certain extent, the rule of law has been significantly damaged because the authority of

government has been frequently challenged by street demonstrations and public resistance.

In addition, governance and network management has various side effects: unclear overlapping responsibilities, broad span of control, and complexity and diversity in various dimensions. Accordingly, successful network management requires grappling with skill-set, technology, information asymmetry, and cultural issues. The network manager must master the daunting challenges of governing by network or governance.

Because of such serious conflicts over national and local projects, the government prepared a law entitled "the Basic Law for Conflict Management of Public Agencies" and sent it to the National Assembly expecting its passage in the near future. Currently, conflict management is becoming an important matter in Korean society because a variety of social conflicts arises not only in the public sector but also in the private sector as the country moves forward and becomes mature.

#### **IV. Discussion on Decentralization and Local Governance**

For over a decade the Korean government attempted to transfer many functions of the central government to the local authorities, but the results of such efforts are not really significant, although some changes have been made at a slow pace. The Korean government established a special committee on devolution promotion for local authorities in order to promote decentralization and local autonomy since the Young-sam Kim Administration (1993~1998) and it still exists today. Why do such changes take so long without substantial advancements? There might be many ways to explain this. It is extremely difficult to do once and for all. Decentralization is not a technical matter. Instead, it is an exercise of rationality through many complicated and dynamic mechanisms. It is difficult to expect a quick solution. To a certain extent, it is a power game between the central government and the local authorities. Therefore, the actual division of powers in a country is a compromise that makes about as much sense as a synthesis of water and fire. In order to promote a rational transfer of powers from the central government to the local authorities, it is necessary to make a practical compromise rather than an academic exercise or an ideal blueprint.

Among the two sides of who is promoting decentralization, central government and the local authorities, much criticism goes to the central government because it is the most powerful player in the process and it also had a lack of will and support. Nonetheless, the local authorities are also not free from the criticisms on its role in decentralization. Local authorities should build up their own competencies and institutionalize self-governing capacities, but they have been accustomed to rely on what the central government provides in the form of guidelines. In an age of governance, the local authorities should transform into a form of governance that more transparent and participatory, ultimately towards good governance.

Changes in the previous monopoly-type governmental system of rule caused the appearance of this new concept of governance. In the past, matters concerning

social problems were dealt with solely by the state. However, nowadays, the cooperation and networking between public and civil organizations are important in order to get agreement on policy-making and administration matters. Therefore, it is fair to say that governance is the process of policy making through active and cohesive discussion among various policy-makers interconnected through a horizontal network (Kim and Jho, 2005). While the past form of governing was based on authoritarian states and hierarchical structures, nowadays, governance is based on participatory policy-making and a vast network composed of diverse actors.

At a national level, governance has changed significantly. For example, the presidency has been transformed from an imperial presidency to an institutional one. Presidential power has been substantially dismantled and institutionalized in recent years. The Prime Minister, who had been a weak figurehead in the past, now exercises enormous executive power delegated by the President on the daily operation of government. The President is no longer dominating the ruling party's operation and management. Prosecutors are now completely independent from politics. These are just a few examples of the recent developments in Korea.

At a local level, the role and influence of the Ministry of Government Administration and Home Affairs (MOGAHA) has been gradually declining in local affairs.<sup>17</sup> In the past, the Ministry of Home Affairs (MOGAHA's predecessor) had tightly controlled over all local authorities. As governors and mayors are now directly elected by local residents these governors and mayors are trying to exercise their own authorities and keep a distance from interventions of the central government. Over the last several years, decentralization has been certainly extended. However, there are still a number of areas for further improvement. Since Korea has a strong gubernatorial model as well as a strong mayoral model system, a governor or a mayor exercises enormous power over local affairs, while a local council is still relatively weak in its competency as well as its institutional function. Staff support for local council is very limited and its workforce is also relatively small. Furthermore, there are shortcomings as far as budget, employees, and legislative supports. The revenues of local governments still depend on the goodwill of the central government to finance their projects. Apart from social welfare contributions, other revenues are distributed by higher-level politics. As an additional financial source, many mayors are looking to a new tax. There have also been complaints about a lack of local influence over town and transportation planning and construction and infrastructure matters. All legal professional including judges and prosecutors in a local area are dispatched by the central government. Therefore, more checks and balances for the executive and legislative bodies of the local authorities should be more institutionalized toward good governance.

## Conclusion

Korean society is now experiencing a switchover from a vertical and centralized power structure to a horizontal and decentralized one. Local governments do not easily comply with the policy and guideline set by the central government. The

intergovernmental relationship between the central government and local authorities is moving towards more cooperative or sometimes conflicting or competitive manner instead of a hierarchical fashion. As local council members and the head of the local authority are elected by local residents, local authorities became politically more autonomous than the past. The increasing use of the Internet is stimulating the formation of a horizontal network among members of regional society, transcending time and space. And the opening of the high-speed bullet train has completed a nationwide land transportation network.

Since 2003, there are noticeable changes in decentralization and local governance. As mentioned earlier, three special acts were legislated in the National Assembly, providing the legal and institutional foundation for further decentralization: (1) the Special Act for the Multifunctional Administrative City was enacted to prepare for the transition from centralization in the capital region to decentralization; (2) the Special Act on Balanced National Development is intended to help foster strategic industries for the regions and enhance efficiency in implementation of integrated and balanced urban/rural development policies; and (3) the Special Act on Decentralization aims to improve the practical effects of decentralization by boosting the capacity and independence of local autonomous governments. With the approval of several special bills, the Roh Administration has initiated a second wave of democratization in South Korea. Whereas the first wave started in the 1980s and targeted the national level, the focus now is on regional and local governments. Therefore, it now up to the local politicians and residents to fully exploit the new framework and empower themselves.

Today, societies became more complex and this put pressure to develop new models of governance: from a hierarchical government to a networked government. Government alone, for example, cannot solve various social problems, so it must work together with other sectors. The transformation of the public sector involves less government but more governance (Rhodes, 1996: 655), although the reactions to such changes are not negligible. A new paradigm based on networks, where states and citizens, governments and private sectors, organizations and citizens form a web of relations, is emerging.

In addition, good governance is a core concept in the governance paradigm. Good governance is indispensable for building peaceful, prosperous and democratic societies, and comprises several major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and in accordance to the rule of law. In this regard, Korean local authorities should promote and institutionalize such characteristics of good governance in their governing capacities as much as possible because centralized government-led system of the past high-speed growth era is no longer efficient and is becoming a bottleneck for national growth. There is a salient need for substantial decentralization and good governance in order to achieve sustainable national growth through revitalized localities. Building cooperative good local governance could be one of the best ways of reinventing local governments.

Overall, local government is expected to be more transparent, accessible, and

responsive to its citizens. Participation is a critical factor for good local governance. The citizens have not, however, largely engaged in the community development and meaningful participation alleged to be necessary for sustaining communities. Participative decision making at the local level could improve the quality of public decisions, ensure citizen acceptance of decisions made, and increase trust in government efficiency (Thomas, 1987; Rusk, 1993). Building collaborative processes and other ways of interacting is time-consuming, but will enhance the overall level of social capital (e.g., trust, respect, norm, network in society) and consequently provide a positive environment conducive to cooperative local governance in the long run.

#### Notes

- 1 For more details, visit the PCGID's homepage at <http://www.innovation.go.kr>.
- 2 The Constitutional Court ruled that the special law designed to move the capital from Seoul to *Kongju-Yonggi* region of South *Chung-cheong* Province is unconstitutional as it is nothing but an attempt to amend customary law, albeit unwritten, without due procedure. Therefore, to abolish the customary law that recognizes Seoul as the capital, a constitutional revision should first be made in accordance with constitutional procedures. Accordingly, people should make a decision for themselves in line with the Constitution. The relocation plan is an important policy equivalent to national security, which requires a national referendum. However, Justice Jeon Hyo-sook turned down the petition against the capital move as she believed that the capital relocation does not require a national referendum (*Korea Times*, October 21, 2004).
- 3 Of 194 lawmakers in attendance, 167 voted in favor of the bill and 13 voted against it. Fourteen Assembly members abstained (*Korea Times*, December 29, 2003).
- 4 For more details, visit the MACC's homepage at <http://www.macc.go.kr/>.
- 5 *Korea Times* (January 29, 2004).
- 6 For more details, visit the PCBND's homepage at <http://www.pcbnd.go.kr/>.
- 7 For more details, visit the PCDPLA's homepage at <http://www.dpla.go.kr/>.
- 8 Based on the Resident Referendum Act of 2004, a local residents' referendum is possible if enough citizens request one.
- 9 For more details, visit the *Jeju* Province's homepage at [http://www.jeju.go.kr/jeju\\_f/english/contents/index.php?mid=02](http://www.jeju.go.kr/jeju_f/english/contents/index.php?mid=02).
- 10 A total of 82,919 voters, or 57 percent of 145,388 eligible votes cast "yes" ballots on the new system while 62,469 voters or 43 percent opposed the idea. *Korea Times* (July 28, 2005).
- 11 The referendum also gave its stamp of approval on *Jeju's* determination to go global, as long-term foreign residents exercised their voting right for the first time since the enactment of a law in 2004 entitling foreigners residing three years or longer to cast their ballots in local elections. Long-term foreign residents can now participate in local elections.
- 12 Among them, however, social organizations such as economic, academic, and religious organizations were still concentrated in Seoul.
- 13 As of January 1, 2006, nearly 59 percent of Korean associations including NGOs have their own homepages (*NGO Times*, 2006).
- 14 For details, visit the Blue House's homepage at <http://english.president.go.kr/warp/en/tour/org/>.
- 15 For more details, visit the Energy for You' homepage at <http://www.4energy.co.kr/>.

16 *Korea Times* (June 8, 2005).

17 For more details, visit the MOGAHA's homepage at <http://www.mogaha.go.kr>.

### References

- Bennett, Robert. (ed.). 1990. *Decentralization, Local Governments and Markets*. Oxford: Clarendon Press.
- Bryson, J. M. and R. C. Einsweiler. (eds.). 1991. *Shared Power: What Is It, How Does It Work, How Can We Make It Better?* Lanham, MD: University Press of America.
- Cho, Hee-Yeon. 2000. "The History of Korean NGOs: Fact and Prospect," in Kim, Dongchoon et al., *What is NGOs?* Seoul: Arche, pp. 127-156. (in Korean)
- Cho, Hee-Yeon. (eds.). 2001. *NGO Guide*. Seoul: Hankyoreh. (in Korean)
- Cigler, B. A. 1996. "Adjusting to Changing Expectations at the Local Level" in J. L. Perry, (ed.). *Handbook of Public Administration*. San Francisco, CA: Jossey-Bass.
- Finley, Michael. 2002. *Deep Change or Slow Death*. Louisville, KY: BrownHerron.
- Joo, Sungsoo. 2001. *Dispute on Civil Society and NGO: Major Concepts, Models, and Theories*. Seoul: Hanyang University Press. (in Korean)
- Joo, Sungsoo and Jungil Nam. 2001. *Korea NGO Report 2001*. Seoul: Hanyang University Press. (in Korean)
- Kim, Pan Suk. 2000. "Administrative Reform in the Korean Central Government," *Public Performance and Management Review* 24(2): 145-160.
- Kim, Pan Suk. 2002. "The Development of Korean NGOs and Governmental Assistance to NGOs." *Korea Journal* 42(2): 279-303.
- Kim, Pan Suk. 2005. "Symposium on E-governance: Introduction—Challenges and Opportunities for Democracy, Administration and Law," *International Review of Administrative Sciences* 71(1) : 99-108.
- Kim, Pan Suk and Jae Y. Kim. 2003. "Fiscal Autonomy of Korean Local Governments and Intergovernmental Relations in the 1990s," *Journal of Public Budgeting, Accounting and Financial Management* 15(3): 414-437.
- Kim, Pan Suk and M. J. Moon. 2002. "Current Public Sector Reform in Korea: New Public Management in Practice," *Journal of Comparative Asian Development* 1(1): 49-70.
- Kim, Pan Suk and M. J. Moon. 2003. "NGOs as Incubator of Participatory Democracy in South Korea: Political, Voluntary, and Policy Participation," *International Journal of Public Administration* 26(5): 549-567.
- Kim, Pan Suk and W. S. Cho. (eds.). 2005. *Building e-Governance: Challenges and Opportunities for Democracy, Administration and Law*. Seoul: National Computerization Agency and IIAS in Brussels.
- Ministry of Government Administration and Home Affairs (MOGAHA). 2005. *Initiatives for Government Innovation in Korea: Selected Successful Practices*. Seoul: Ministry of Government Administration and Home Affairs.
- NGO Times. 1999. *Directory of Korean NGOs*. Seoul: NGO Times. (in Korean)
- NGO Times. 2006. *Encyclopedia of Korean Associations*. Seoul: NGO Times. (in Korean)
- Oates, Wallace E. 1972. *Fiscal Federalism*. N. Y: Harcourt, Brace, Jovanovich.
- OECD. 2001. *Citizens as Partners*. Paris: OECD.
- Park, Sangpil. 2001. *NGO and Modern Society*. Seoul: Arche. (in Korean)
- Presidential Commission on Government Innovation and Decentralization (PCGID). 2003. *Roadmap for Government Innovation*. Seoul: Presidential Commission on Government Innovation and Decentralization.
- Presidential Commission on Government Innovation and Decentralization (PCGID). 2005. *Innovative State of the Twenty-First Century*. Seoul: Presidential Commission on



## Government Innovation and Decentralization.

- Rhodes, R. A. W. 1996. "The New Governance: Governing with Government," *Political Studies* 44: 652-667.
- Romzek, B. S. 1996. "Enhancing Accountability" in J. L. Perry, (ed.). *Handbook of Public Administration*. San Francisco, CA: Jossey-Bass.
- Rusk, D. 1993. *Cities without Suburbs*. Washington, D. C.: Woodrow Wilson Center Press.
- Salamon, Lester. 1997. *Holding the Center: America's Nonprofit Sector at a Crossroads*. New York: Nathan Cummings Foundation.
- Thomas, J. C. 1987. "Citizen Involvement in Public Management: Lessons from Municipal Administration" in R. B. Denhardt and E. T. Jennings, Jr. (eds.). *The Revitalization of the Public Service*. Colombia: University of Missouri Press.
- Tiebout, Charles. 1956. "A Pure Theory of Local Expenditures," *Journal of Political Economy* 64(5): 416-424.
- Wolman, Harol. 1990. "Decentralization: What It Is and Why We Should Care", in R. Bennett, (ed.). *Decentralization, Local Governments and Markets*. Oxford: Clarendon Press.