

EVALUATING 10 YEARS' EXPERIENCES OF DECENTRALIZATION: THE EMPHASIS OF INTERGOVERNMENTAL RELATIONS AND DECISION-MAKING STRUCTURE

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Abstract: The purpose of this paper is to examine the evolution of the intergovernmental relations in Korea since the decentralization reforms begun in 1991. This study evaluates whether the Korean experience of 10 years of decentralization has significantly changed the decision-making structure in the country. Even though the apparent framework of tiers and local governments are the same as those before decentralization reform, the real number of decision-making units has increased and a new decision making structure has emerged since the introduction of local elections. The creation of local council as well as the elections of heads of local government brought about the loss of the central government's controlling power over local governments. However many people are not satisfied with the actual state of decentralization. Constraints and limits that most local governments face support this thesis. In this point of view, the experience of the last ten years can be summarized as 'controlled decentralization'. However, the central government is not totally responsible for this dissatisfaction. Citizen's low participation and local governments' incapacity and inefficiency are also responsible. These resulted in 'the New Iron Triangle' Model of decision making.

INTRODUCTION

Decentralization means transferring the decision-making power from the central government to the local governments. Korea, especially during the rapid development period of Park Chung-Hee regime, is known as one of the most centralized countries in the democratic world. President Park and his successor Chun deployed the economic development policy at the expense of political development. Their authoritative regimes were maintained primarily based on the centralized political system of the president. This is why many who were against Park's regime were strongly demanding decentralization. Is this country completely decentralized now?

Because there is no objective criteria about the degree of decentralization, it can not be said that

any country is 'centralized' as well as 'decentralized'. In the Weberian sense of an ideal type, thus there is a continuum between two typical types; the centralized model and the decentralized model. The Korean system before the decentralization of the 1990's was a typical example of the centralized model. Specifically, the president of the Republic decided most of the important policies and the local administrations passively and faithfully executed the central government's will. Therefore, struggling against the political regime lacking the legitimacy of the people, many proponents for the democratization in the 1980's were eager for complete decentralization in a short period of time.

Nevertheless, Bark(1990), anticipating different speeds of decentralization according to the urbanization and other factors of the regions, cautioned unrealistic aspirations of rapid and complete decentralization of the country. In fact, decentralization is a on-going process to the end state which

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depends on many factors, such as the country's history, the political system, the people's level of political participation, etc.. The question is how to introduce decentralization reform in order to maximize its positive effects.

This study aims at clarifying and evaluating the 10 year experience of Korean decentralization in terms of intergovernmental relations. The concept of 'intergovernmental relations' is comprised of many aspects: What were the strategies of the institutional rearrangement?, Why did the central government try to preserve its power over the local government?, To what extent did each level of local governments enjoy discretion?, Were the relations among local governments conflictual or cooperative?, What is the power relationship between the executive branch and the newly shaped local council? These are the main questions of which this study will attempt to explain.

THEORETICAL FRAMEWORK OF ANALYSIS

Decentralization has at least two meanings (Pollitt et al., 1998: 7); political decentralization and administrative decentralization(or deconcentration). The former is concerned with whether authority is given to appointed officials or to elected representatives, while the latter is concerned with how much authority is endowed to managers or appointed bodies in an organization. In the Korean political context, political decentralization is much more important.

Decentralization, like centralization, is a variable determined by "the level and variety of participation in strategic decisions by groups relative to the number of groups in the organization" (Hage, 1980: 65). It is necessary to consider the power distribution among different entities which is determined according to a variety of locations and a variety of strategies of power

in the country.

What is essential for a politically decentralized system is that local governments are constituted by election. Once local authorities are elected, their power increases with regard to the central government. In a democratic society, only organizations formed by the people's election dispose of the legitimate decision-making power affecting citizens rights. Thus local elections create new units of decision-making.

In other words, the local election is the variable which significantly changes the variety of location of decision-making power in a country. However creating new units of decision-making by local elections does not necessary bring about the total transfer of power from the central government to local governments in a country which has a long history of centralization. In addition to the local election, it is important to decrease the central government's existing power, because it is difficult to weaken a person's power, once given. The way in which the central government intervenes with local affairs determines the degree of decentralization. If local governments' power is equal to or stronger than that of the central government's power, we can say that it functions similar to a federal system.

As shown in Table 1, we can elaborate on the typology of decentralization according to the two variables: local election and the central government's power over local governments.

A country where local high officials including mayors and prefects are appointed by the central government and the central government keeps close control over local administration can be classified as 'The Centralization Model' (cell 1.1). On the contrary, we can use 'The Decentralization Model' for a country where local governments are formed by citizen elections and the central government is relatively weak in relation to the local government (cell 1.4). These two models, for clarity for understanding, are pure types. The other

Table 1. Framework of Analysis

Local officials Central power	Appointed	Elected
Strong	Centralization (1.1)	Controlled Decentralization (1.2)
Weak	Deconcentration (1.3)	Decentralization (1.4)

two models are deviated models of the pure types. The Deconcentration Model purports that even though local high officials are appointed by the central government, local authorities dispose of relatively strong decision-making power to the extent that the central government gives its power to the local government. The Controlled Decentralization Model shows that the central government using direct or indirect means, keeps its controlling power over local governments which are constituted by local election.

Korea has, for many decades, known an extremely centralized system as a unitary political system which can be contrasted with a federal system. This does not necessarily mean that every decision in the Korean political system is made exclusively by the central government. Even in a extremely centralized country, more or less important decisions are made at the local levels. But, in this case, those who made decisions at the local level were appointed officials from the central government. As a matter of fact, the location of decision-making power is dispersed in the centralized system as well as in the decentralized system.

In centralized systems, there are local branches of the central government's administration at the local level. These organizational decisions are, by nature, not political, but administrative. In the centralized country, transferring power from the central government's ministries to their local branch offices is called 'deconcentration'. Deconcentration can be useful for narrowing the gap between the government and the people as in the French prefectural system which reflects its effectiveness(IM, 2002).

This study aims to clarify which model, of the three mentioned above, has evolved in the last 10 years. Therefore an essential factor for decentralizing Korea is the power relationship between the central government and local governments. D. Wright(1988) formulated three types of intergovernmental relations; The Hierarchical Model, The Overlapping Model, and The Independent Model. The Korean system before decentralization reform can be best explained by the Hierarchical Model. The main method of transforming a centralized country into a decentralized one is the institutional rearrangement, as well as, the redistribution of various functions among different levels of autonomous unities.

Besides examining this formal reshaping of the decentralized institutions, it is important to examine changes in what the central and local governments do to evaluate the real changes. There are many theories in this regard such as: the policy formation role (for the central government) and the implementation role (for local governments), the production and economic function (for the central government) and the consumption function (for local governments), etc. (Saunders, 1984). The division of labor between center and periphery is important for this study to the extent that it affects the central/local relationship.

Based on theoretical background, we will examine the evolution of the intergovernmental relations from the perspective of the vertical relationship, first, and from that of horizontal relationship among local governments, second.

VERTICAL RELATIONS: CHANGES IN CENTRAL AND LOCAL GOVERNMENT RELATIONS

Formal Aspect: Redistribution of Competences

Distribution of power is largely determined by the level (and number) of local governments and the

latter's geographical demarcation. Therefore, how to redesign level of local governments while launching decentralization 10 years ago was one of the most debated issues. Specifically, the optimal number of tiers and the location of the first (the lowest) tiers were the most debated issues among many scholars, administrators, and politicians because these determine the number of councillors and local civil servants.

However, the solution Korea adopted does not reflect a drastic change because the previous administrative levels and circumscription, which are in fact the heritage of Yi dynasty (1392~1910), have been essentially preserved (Cho, 1994: 274). It is clear, nonetheless, that the decentralization significantly changed the central/local relationships.

Before decentralization, the hierarchical relations between central/local governments were operated through the various administrations arranged on the unity of command principle like the military. From the central government to the street-level bureaucracy, a metropolitan city or Do (province), Si (city), Gun (county) or Gu (district), Eup (town), Myon (township) or Dong are defined in hierarchical order. At each administrative level, there was an administrative area and an equivalent administrative organization whose main functions were to implement upper level organization's orders, laws, directives, circulations etc.. Therefore the discretion of lower level unities was extremely narrow.

The provincial governor and mayors were appointed by the central government and through this nominating power, the central government had largely influenced the personnel administration of higher civil servants working at the local administrations. In other words, the central government exercised an unchallengeable power over local personnel administration, especially in the field of recruitment, promotion and mobility of staff (IM, 2000).

From the organizational point of view, the

Ministry of Interior was in charge of supervising local administrations. Therefore this ministry had power over other ministries which needed local administrations to implement their own policies (Cho, 1994: 274). Inside the Ministry of Interior, the Direction of Internal Affairs had a direct and hierarchical link with that of the Provincial Offices, and the Bureau of Local affairs of the Si, Gun, or Gu Offices. This line of command among these administrative units was as strong as a military (IM, 1997: 307~319). The central government's uncontrollable power was severely criticized, especially when it illegally intervened in political elections, which made it possible for the former military regimes to continue with their illegitimate government. This was the reason why decentralization was considered as a key to the country's political development.

This hierarchical relationship between the central and local governments resulted in a spectacular phenomenon. It is similar to local governments departmentalization and internal operational principles to those of the upper level's, ie. the central government's (Cho, 1992; 1996; IM, 1997). This organizational similarity can be explained by coercive, mimetic and normative isomorphism which made it easier for the central government to control local administrations even in informal aspects (cf. DiMaggio and Powel, 1991: 63~82). In sum, despite the existence of local administrations, Korea before decentralization, had only one prevailing decision maker, the central government, in that both the central and local administrations functioned as if they were a single organization and consequently the former intervened with the latter's decision-makings in various ways.

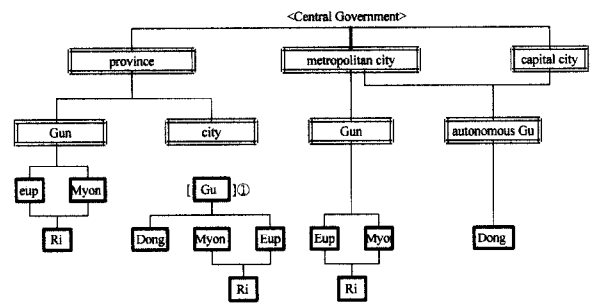
The 1990s' decentralization adopted a two tiered system. The metropolitan city and Do became upper level autonomous unities with a moral personality, and the Si, Gun, and Gu lower level autonomous ones. The heads of these two level governments are no longer appointed by the central

government, but directly elected by the citizens. Also the local councils, whose main functions are making local policies and controlling their executive heads, are constituted by direct suffrage. This means that the central government lost its unchallengeable power over local administrations which were based on its appointment power of high officials as explained above. However, this drastic reform of the system is not realized as most decentralists had hoped, because the main structure and the geographical mapping, as well as their administrative buildings and most of personnel of the newly created local governments, were not changed. The other administrative units under the lower tier have not been changed either.

Therefore, the configuration of decentralized unities and administrative unities are very complicated as Figure 1 illustrates. Because the main frame of this organizational configuration has not been changed for the last 10 years, it is unnecessary to draw another figure in order to compare this with that of the previous period.

As seen in Figure 1, there is a maximum of three administrative tiers in addition to two administrative tiers. Before decentralization, the central government could easily exercise its power through these hierarchically arranged administrative organizations. Shifting the status of the Si, Gun and Gu from administrative units to local government signifies the creation of decision-makers who may exercise veto power to the central government. Consequently, decentralization put the central government into an uncertain situation for obtaining local governments' cooperation. Especially if provincial governors and mayors are affiliated with the opposition parties, the hierarchical model of the past is no longer valid. This does not necessarily mean that local governments enjoy more autonomy, but that the central government's power over local administration has drastically diminished.

Nonetheless, the number of local governments in a traditionally centralized country can be an indicator



< legend >

□ local government
 □ administrative tier

*① is an administrative unit existing only in large cities.

Figure 1. An Overview of Local Governments and Their Administrative Units.

of the decentralization. Theoretically, as the distance between the decision-making center and the people shortens, the greater the satisfaction the citizens reap from decentralization, because the people's participation and communication are easier. Table 2 compares the number of local administrative units in 1990 with that of local governments in 2000. During the last ten years, the number of decision units *per se* has changed slightly.¹⁾

At the upper level, with the exception of the creation of a new metropolitan city, Ulsan, in 1997, the number remains the same. At the lower level, the number of autonomous Gu's (from 22 to 25 in Seoul, from 34 to 44 in other metropolitan cities) and that of the Si's (from 68 to 72) have increased, as the Gun's have decreased (from 136 to 86 in the provinces). In other words, the total number of lower level local units has decreased by 23. These changes represent the rapid urbanization largely caused by immigration from rural areas to cities. But it is worth noting that just before the launch of decentralization, the central government had passed legislation for consolidating local autonomous units, thinking that too many local governments may result in inefficiency (IM, 1997: 102~193).

2) The names of the local governments have not changed much, either.

Table 2. Comparison of Number of Local Units

	Seoul	Gu	Metropo- litan city	Gun	Gu	Do	Si	Gun	total	
									upper	lower
1991	1	22	5	0	34	9	68	136	15	260
2000	1	25	6	5	49	9	74	84	16	237
difference	0	+3	+1	+5	+15	0	+6	-52	+1	-23

Thanks to this initiative of the central government in 1994, 40 consolidated cities of a Si and its neighboring Gun were born. In the same way, the creation of new local governments is still strictly controlled by the central government until now.

To summarize, it is difficult to say that decentralization in Korea has resulted in a revolutionary or chaotic impact in terms of the formal organizational rearrangement. But the creation of the two tiers of local governments was a significant factor to end, to some extent, the hierarchical relationship between the central and local governments.

Informal Aspect of Autonomy: What Local Governments Really Do

In the former Korean system, in principle, the central government decided everything and the local administrations executed those decisions, even though, in reality the former delegated a part of its affairs to the latter. The work units of which local administration were in charge was mixed, by nature, with local affairs and state' affairs. To evaluate the decentralization effects, it is important to examine the aspect of 'who does what.'

The decentralization reform resulted in clarifying and enlarging so-called local affairs.²⁾ These imply

- 2) The Law of Decentralization (Clauses 10 and 11) enumerates local affairs as below;
- defining local governments' circumstances, shaping their administrative agencies,
 - affairs concerning citizen's welfare
 - agriculture, commerce, and industries, etc..
 - local development, facilities concerning the environment
 - education, sports, culture, arts
 - local security and fire-fighting

that the local governments are endowed with whatever affairs that concern themselves and their citizen's life. Nevertheless, the division of labor between the central and local governments is still unclear, because local governments handle not only their local affairs, but also some state's affairs on behalf of the central government. Therefore there are three types of affairs (or functions); state affairs, delegated affairs of the state functions, and local affairs.

In order to evaluate the changes of their roles, it is better to examine which affairs are performed by which government level. Table 3 compares the number of these three categories of affairs between 1994 and 1996. The numbers in the table represent only the functions prescribed by the laws, not real work volume performed by the civil servants in reality. Unfortunately statistics from the past 10 years, which would make more significant comparisons before and after the decentralization, are not available.

This table shows that the percentage of local functions over all has increased from 13.3 to 18.3, while the state's functions including the state's functions delegated to local government oscillates between 86.7 and 81.7%.³⁾ Even though the number of local governments' functions tend to increase, it is clear that the decentralization has not yet brought a massive transformation of state functions into local functions. Local governments' power after the decentralization is still limited, because the greater the number of local functions, the stronger the local governments' decision-making power. The central government recently recognized that this was an important hindrance to decentralization. Therefore a Presidential Commission on Devolution Promotion for Local Authorities was launched in August 1999. Its main goal is to reclassify as many functions as possible

- 3) Comparatively, one can estimate that the portion of local affairs in Japan is about 30%, that in France 40%, and that in USA 50% (<http://www.dpla.go.kr>).

Table 3. Changes in the Distribution of Functions

	units(%)			
	State	Delegated functions	Local functions	Total
1994	11,744(74.5)	1,920(12.2)	2,110(13.3)	15,774(100.0)
1996	11,646(73.8)	1,246(7.9)	2,882(18.3)	15,774(100.0)
changes	-98(0.7)	-674(35.1)	+772(36.6)	

source: Oh, 1998:135

in order to transfer the state's affairs to local affairs by 2002. This commission's activities of imposing the devolution for local governments in various ways seem to have resulted in positive effects (cf. <http://www.dpla.go.kr>).

What is more important is that this overwhelming weight of the state functions considerably constrains local governments' autonomy because in this regard local governments function like an arm of the state's administration. The central government delegates a part of its affairs to upper-level local governments, while upper-level local governments themselves handle these delegated affairs in certain cases, or hand a part of them down to their lower-level governments. Consequently lower-level local governments do not have much room to do for their own affairs.

Because national statistics which may show delegated tasks are not available, we will examine Table 4 covering only North Cheonlla province's case. In Table 4, 'number of affairs assigned' signifies responsibility of laws and other official documents, while 'number of affairs dealt' means those affairs that a local government really deals with. Over the total number of governmental functions, the central government's affairs occupies 40%. But the central government deals with only 3,598 of 4,842 affairs (74.3%), while the lower local governments, the Si and Gun deal with 2,978. That is 191.4% of the 1,558 affairs assigned.

This means that the lower the level of government, the more they work for the upper-level govern-

Table 4. Affairs Dealt by Different Governments

	Central government	Chonlla Province	Si, Gun	Total
Number of affairs assigned (A)	4,842	3,573	1,556	9973
N. of affairs dealt (B)	3,598 (40%)	2,334 (26.6%)	2,978 (33.4%)	8910 (100%)
B/A*100	74.3	65.3	191.1	

Source: Institute of Local Administration, 1997.

ment; the number of Si's and Gun's affairs treated for their sake is only a little more than 50% of the total. This is a serious problem which may hinder local autonomy. Not only do the local governments spend part of their time and energy on the affairs that are not their own, but also the central government can constantly intervene with local governments' administration for this reason. In other words, the responsible departments of the central government issue some detailed directives, examples, or ask for reports concerning their affairs handled by local governments in order that their delegated affairs be implemented in a way that pleases them. This is an important tool for the central government to keep control of local governments.

HORIZONTAL RELATIONS: CHANGES IN INTER/LOCAL GOVERNMENTS' RELATIONS

Before decentralization reform took its effect, local council did not exist. Instead, hierarchically superior administrations of mayors or governors played the role of local councils such as approving mayors or governors policy decisions: the Prime Minister played the role of local council for the Seoul Metropolitan Government, the Minister of Interior for the provinces, and the provincial offices for the city, town, and borough administrations. Upon introducing the two tiers system, local councils constituted by citizens' suffrage took over these roles. In addition to relations between the

central government and the local governments, relations between two or more local governments and those between the upper level local government and its own subordinate governments are important to evaluate the decentralization effect. The ideal state of decentralization is that the lower level governments are autonomous enough to decide all essential issues for their citizens and cooperate well with each other without conflicts.

Relations Between the Upper and the Lower Level Governments

The Law of Decentralization(Clause 5,6,21,36 etc.) defines that such affairs as those concerned with more than two lower level governments, belong to the competence of Metropolitan or Provincial Offices, while the lower level governments are in charge of the affairs related to the citizen's everyday life.⁴⁾ This vertical division of labor slightly differs in metropolitan areas from provincial areas. In the metropolitan areas, the upper level government has more decision-making power than the lower level local government, and vice versa.

Aside from this legal aspect of division of labor, there are frequent *de facto* interactions between the upper and the lower local governments, because the law endowed the former some supervisory power over the latter. Many lower-level governments complain that through this working relationship, the upper-level government intervenes in the lower-level governments' administration in excessive and detailed ways. Personnel administration and auditing of the lower-level governments are some examples of these interventions (Bae, 1997: 81; Kim, 1997: 18~19; Lee, 1998: 201~217).

Thus, conflicts between the upper and the lower governments are common. The lower governments

criticize that these kinds of conflicts are a hindrance to their full autonomy. The conflicts come mainly from bureaucratic behavior of the upper governments' employees due to the insufficient experience of the decentralization as well as from the institutional imperfection (Lee, 1998: 201~217). These problems of hierarchical relations will be solved as the local actors learn the new rules of decentralization.

Behind this institutional learning process, there is a structural problem. Many local governments complain of not having a sufficient number of competent employees. This is important because without competent employees local governments can not make wise decisions, nor implement them. Table 5 shows changes in state and local governments' manpower. The total number of civil servants has decreased by 2,479 between 1992 and 1998, which is due to the government restructuring policy after the financial crisis of 1997. Nevertheless, the number of local governments' employees has increased, while that of state functionaries has decreased. This is one of the decentralization effects in terms of policy change in personnel administration. However, the portion of local civil servants over the total remains around 35% and 36%. This is a structural limit because the status of most teachers and all police officers is that of a state civil servant which is different from most western countries.

On the other hand, many criticize that weak financial autonomy is the main obstacle to full decentralization. Especially, considering the Korean administrative culture, if the local governments are financially dependent on the central government or the upper level governments by way of subsidies or

Table 5. Number of Civil Servants

year	State Em.(A)	Local Em. (B)	Total (C)	A/C	B/C
1992	565,115	306,295	871,410	0.65	0.35
1998	553,561	315,370	868,931	0.64	0.36
difference	-11,554	9,075	-2,479	-0.01	0.01

4) The law's executive order concretely enumerates the affairs supposed to be treated by each local government in this regard.

joint financing, the latter can have influence on the former's business even beyond legal limit. In fact, the average financial autonomy of the Gun is 22.0%, of which the lowest case, i.e. Yangyang Gun, records only 9.2%. It is possible that this low autonomy constrains local governments' degree of their financial discretion in expenditure.

Relations Between Local Council and Executive Authority

It is impossible to compare council and executive authority relation of before and after decentralization, because local councils, per se, did not exist 10 years ago. Therefore, it is relevant to describe the decision-making mechanism as well as its effect since decentralization reform. This can be summarized by the replacement of the hierarchical relationships between supervisory administrative organs and local administrations with the horizontal relationships between the newly constituted local councils and local administrations.

From western perspectives, decision-making in local governments is a joint process between executives and local councils (Chandler, 1988: 1 ~ 10). Mainly because western local systems are similar to the parliamentary system, it is difficult to discern clearly the role of the local council from that of the executive (Staffell, 1993: 222 ~ 254). On the contrary, the Korean local system adopted the so-called presidential system where the roles of local legislative and executive branches are differentiated and even opposed to each other: the former is in charge of policy-making where the latter is in charge of policy-implementation. In other words, according to the Decentralization Law, the local democracy in Korea is based on the principle of power separation between elected heads of local government and local council. However the reality can be different from what the law is designed for.

In general, a local policy making process consists

of several steps: policy formulation, decision-making, implementation, evaluation, and feedback. The three main local actors, the citizens, the local council, and the local administration, can be involved in different policy steps according to the issue concerned. Citizens play an active role in policy-formulation and a less active one in policy evaluation. Local councilors can play a key role in decision-making and a more or less important role in other steps while the executive can play a key role in policy implementation and more or less important role in other steps. For this reason, in theory, The Strong Mayoral Model and The Weak Mayoral Model may exist.

Ten years of experience with decentralization proves that the strong mayoral system is the dominant type, which is one of the generalized characteristics of Korean administrative culture. Lim Hean-man(1999) conducted empirical research to prove this peculiarity. His study concerns 230 lower level local governments in 1998, of which 6 are excluded because of non-availability of data. Of the 224 local governments he studied, 109, that is 48.7%, are classified as the executive dominant type, while the opposite type, the council dominated type has only 31 cases (13.8%). The other types represent either a hybrid form of either, or no-power relation at all.

This power relationship between the two branches is largely determined by the political party affiliation and the actors' relative level of knowledge or information. If the mayor or governor's party and the party to which the majority of councilors affiliate are the same, the relations become more cooperative than conflictual. With

Table 6. Typology of Power Relations

	council dominant	inter-penetrated	equilibrium	indifference	executive dominant	total
number of cases	31	18	39	27	109	224
%	13.8	8.0	17.4	12.1	48.7	100.0

this type, except those where councilors are remarkably intelligent and well informed based on their personal network, the executive dominant type predominates. The council dominant type usually appears where the majority of councilors are affiliated to the same party as the central government's and the mayor or governor is a member of the opposition party. Because local administrations need more or less cooperation and support of the central government, those who have access to the central government are more likely to have their needs met than those who have no connection with the central government.

However, it is true that no matter what type, there are more or less conflicts and this is often good for decentralization. Conflictual relationships become dysfunctional in decentralization, if there are intelligent councilors with strong personalities who won't concede, nor negotiate. But conflicts mostly come from misunderstandings or miscommunications. Because, local councilors are new actors in the local political game since the launch of decentralization, most of them, not knowing the rules and their virtual influences on local decision-making process, need time to learn.

As for the conflictual cases, Sim Ik-Sup and Son, Keang-Hee(2000:) analyzed that local councils make decisions mostly in deference to the administration's intention which is decisive in policy outcomes. In other words, the policy decision-making structure of local government is unitary and participants are limited.

CONCLUSION: NEW IRON TRIANGLE AND SUGGESTIONS FOR FURTHER REFORMS

Intergovernmental relations is a term which originated in the 1930s with the advent of the New Deal and the research and practice in this area in the USA (Wright, 1988). It was motivated by

strong concern for the effective delivery of public services to clients. By contrast, the research and reform in Korea in this regard have been focused on the redistribution of the central government's power toward the local units. Effectively, Korean decentralization has changed the decision-making structure in the country. This change resulted in not only central/local relations but also inter/local governments relations. As Table 6 summarizes, the impact of decentralization can not be neglected.

The creation of local council as well as the elections of heads of local government brought about the loss of the central government's controlling power over local governments. However many people are not satisfied with the actual state of decentralization from this 10 year's of experience. Many studies severely criticize the central government's reluctance to cede its power as the main cause of the dissatisfaction (Chung, 2000). This argument is more persuasive if we consider limited local governments' decision-making power and their high dependancy on the central government especially in the areas of financing, recruitment, legislating laws etc.. In this point of view, the experience of the last ten years can be summarized as 'The Controlled Decentralization Model'.

On the other hand, the central government is not totally responsible for this dissatisfaction. Citizen's low participation in local affairs and local councils'

Table 7. Formal Aspect of the Central/Local Relations

	Before decentralization	After decentralization
Model	centralization	controled decentralization
vertical relationship	authorative, hierarchical	negotiation, conflictual
horizontal relationship	do not exist	interactions increased, cooperative
main problem	central government's inability, low local autonomy	local governments' inability, central government's control, low participation

incapacity and inefficiency of problem-solving are also responsible. This is one of the reasons why the Strong Mayoral Model prevails in Korean local governments (Park et al. 2000). In this context, the heads of local governments' executive branch decide most important local affairs which were dictated by the central government before decentralization reform. Meanwhile the heads of local governments can not make decisions in secret any more, which was somewhat possible before this reform. This is a decentralization effect, in the sense that heads of local governments, who become sensitive to peoples' opinion toward their decisions due to re-election considerations, propagandize rather than remain secretive. Generally, their goal of keeping good public relations is realized by way of some power oriented intellectuals' justifications and local mass media's support through organized seminars, inauguration ceremonies, TV or radio shows, etc. If a head of local government is too ambitious to be realistic, most of his decision-making will dilute people's true concerns and interests but will look as if it is democratically based on this new iron triangle, local government-some participative intellectuals-mass media (IM, 2002). This is a perverse effect of overly rapid decentralization. Nevertheless the actual state of decentralization can not be neglected. This signifies the following:

- Decentralization should not be viewed as a singular process such as the complete transfer of power from the central to the local governments, but as a multi-dimensional set of relationships.
- Decentralization and centralization should not be treated as opposite variables in a zero-sum game. Practical experience suggests that an increase in local role does not necessarily entail a decrease in central power, and vice versa.

Optimal levels of decentralization in a country can vary according to the competence of local personnel, geographical constraints, or the citizen's

level of participation. The level of decentralization in the USA with a long history of decentralization has been determined by representativeness, politically neutral competence, and executive leadership (Kaufman, 1969). Korea can not immitate the American local system and its experience, due to the difference of political history and culture. Thus it is very important to know the appropriate loci of authority which is largely determined by the substantive capability for resolving policy problems by local governments.

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