



E-ISSN: 2664-603X
P-ISSN: 2664-6021
IJPSG 2024; 6(2): 16-19
www.journalofpoliticalscience.com
Received: 06-06-2024
Accepted: 05-07-2024

Dr. Aditya Kumar Gupta
Assistant Professor,
Department of Political
Science, National PG College,
Bhongaon, Mainpuri,
Uttar Pradesh, India

Central-Local Governments leadership and fiscal crisis: Policy Frame Work of South Korea

Dr. Aditya Kumar Gupta

DOI: <https://doi.org/10.33545/26646021.2024.v6.i2a.353>

Abstract

The local government is commonly defined as the lowest tier of public administration within a known state. Local government aims at bringing government to the grassroots and enabling citizens to participate effectively in the making of decisions affecting their daily lives. As the level closest to the citizens, local government is, in principle, in a much better position than central government to deal with matters that require local knowledge and regulation on the basis of local needs and priorities. The democratic institution promised a system of separation of power, democratic rights and freedom for all people. From this viewpoint, the democratic change in central control is assumed to improve the performance of local government based on the theory that the growth of local autonomy motivates local government to improve its performance. Financial crises were used to justify the revival of pervasive central controls. So this study is concerned with the relationship between central control and local performance in the context of fiscal crisis, whose focus is driven by the experience of fiscal crises over recent years in Korea.

Keywords: Autonomy, decentralization, fiscal, local governments, leadership, participation

Introduction

Democratic change of central controls has not significantly improved the performance of local government. This evidence supports the view that even after the revival of local autonomy in Korea; central control plays a role of regulator rather than a role of constructive engagement with local government and emphasizes a role of constructive engagement with local government and emphasizes institutional stability. Thus central government has not yet developed the creative potential of democratic local government and should more positively make an effort to establish democratic central local government relations. The Korean local government belongs to the unitary system. The Korean constitution grants local autonomy to local government. The Korean local autonomy system is generally considered to be influenced by 'German local autonomy' reflecting norms developed during the Japanese colonial time. Hierarchical upper and lower tiers of local governments are established under the constitution of the Sixth Republic and granted legal personality, which is the typical appearance of German local government system. The German local governments do not have complete freedom in performing their tasks because 'mandatory functions' are assigned to local government by state legislation (Denters and Rose, 2005: 122) ^[9]. In this context, the Korean local government's deals with some mandatory affairs delegated from the central government in addition to voluntary local affairs. The sovereignty of a unitary state is indivisible so the devolution of sovereignty over to the local government cannot be conceded (Kim CS, 1998: 91) ^[23]. The people who argued for the introduction of organization autonomy in the early days of local autonomy in Korea were mostly scholars who had studied the experiences of German or Japanese law. They had an opinion that the state is superior to local governments. These scholars' opinions are reflected in the 6th Republic Constitution and the Act of Local Autonomy. Korean local government remains constitutionally protected from the political ideologies, policies and priorities of the state. Article 117 of the constitution stipulates that local governments must deal with what is deemed necessary for the well-being of their community and the protection of their property. Thus the existence of local government and local councils is protected by the Constitution but the state legislation can assign limitations on local government functions.

Corresponding Author:
Dr. Aditya Kumar Gupta
Assistant Professor,
Department of Political
Science, National PG College,
Bhongaon, Mainpuri,
Uttar Pradesh, India

The Constitution permits the legislative autonomy of local government not 'within the range that does not violate the laws' but 'within the limits set by the laws'. Functions of local governments can be limited by the authority of central government and the National Assembly. Despite the regulation of the constitution, thus, in practice Korean local government has always been subordinate to central control.

Local Autonomy of Local Governments

Over the last three decades, expenditure undertaken by local governments increased by 0.4%, whereas central government expenditure was reduced by 0.8% in terms of general government expenditure in Organization for Economic Co-operation and Development (OECD) countries. The level of fiscal decentralization varies significantly across countries but it is difficult to deny that total spending by local governments is gradually increasing as shown by the longitudinal statistics. This could also mean that, at the moment, local government is much more closely involved with our lives. However, has performance of local governments improved in line with its increased size and importance? Emphasis on government performance has been on the rise across many countries and this phenomenon appears likely to continue after the global economic crisis of 2007-8 (Talbot, 2010) ^[24]. Thus, literature on performance management and measurement in the public sectors has been thriving in recent years. Some commentators deal with the theory and method of performance management (Bouckaert G and Halligan J, 2008, Talbot, 2010) ^[4, 24], others with performance determinants of local government (Andrews *et al.* 2012, Boyne & Enticott, 2004, Boyne *et al.*, 2011) ^[1, 5, 6]. There are comparative studies of policy of performance management and its development across the different countries (Pollitt, 2006, Christensen *et al.*, 2003) ^[17, 7]. Nevertheless these studies downplay the extensively conventional authenticity that local performance might be exaggerated by the dynamics of central-local government relations.

Statement of the problem

The issue of central-local government relations can be rechristened as decentralization. Decentralization policy has been directly connected with the increase in local autonomy, which has been chosen as a favorite reform agenda over the last twenty years in Korea. Why has decentralization policy been so attractive to national politicians? Now why has local government become so important in Korea? Originally local autonomy was legally based on the Korean constitution but it could not be properly implemented due to the Korean War and the unstable domestic situation. Then Korean local autonomy ceased again when, on the 16th May 1961, a military coup took place. Until the Local Autonomy Act was amended in 1988 local councils were legally prohibited and, even after 1988 the organizing of local councils was not seriously implemented. At the end of the 1980s however, Korea embarked on the path to full liberal democracy and democratic local government was seen as a vital component of those enlightened political reforms. It can be said that Korean local autonomy was partly resurrected in 1991 by election of local councilors and completely resurrected in 1995 by the direct election of top local government officials. Since then the consolidation of local democracy has been a constantly high priority goal for successive Korean governments.

Scope of the study

The scope of this study is limited to South Korea. It deals with the Korean central-local relations featured in the area of fiscal institutions and the performance of local authorities. The control modes exerted by central government are observed through the local authorities' fiscal institutions such as budget, spending and tax in which, usually, central government directly or indirectly exercises its intervention. The main argument that this research would like to explore concerns the impact of institutional transformation in modes of central control over the last decade after implementing local autonomy and how the change of central control impacts local authorities' performance.

Aims of the study

The fundamental arguments of the research are presented in the following aims. The central government controls over local government will impact the performance of local government. The effect of central controls on the performance of local government will vary with the different modes of central control. Normative controls and Remunerative controls are likely to enhance the performance of local government and on the other hand Coercive controls are likely to reduce the performance of local government. The financial crises effect is likely to negatively affect the effects of each mode of central controls on local government performance.

Methodology and Research Design

This research employs two major methodologies to make arguments and to generate and substantiate hypotheses. Historical institutionalism theoretically underpins the arguments of the stability of central government controls. At the same time, a quantitative method, especially the fixed effect panel data model, will be used to prove a string of hypotheses on the effect of central controls of local government

Responsibility Government

Local government is a multi-purpose institution which assumes responsibility for a broad range of functions such as articulation of political priorities, consumer of public finance, service provider and enterpriser. According to 'Colin Copus' (2014) ^[8] highlights on the political service provision roles of local government in 'England' and explores how the governing role links to service provisions which enable local politicians to make decisions that reflect their political preferences. The political role as an elected government has been frequently downplayed due to the entrenched centralism. The implementation of local autonomy in Korea, thus, means to fulfill 'political democracy' to the public. Compared to the economic development, the level of political democracy deserves to lose the trust of people. In the mid-1990s determined pursuit of local autonomy could have heralded the change of power between central government and local government. But the initial measures to organize local councils by direct election and to elect the head of local government were unthinking, undertaken without sufficient preparation. In fact, the choice of local autonomy has a determinate influence over central-local government relations and demands a deeper discussion about democratic decentralization.

Local Governments and Service Delivery

In reality, local governments are at the forefront of delivering and providing the core public services on which citizens rely in their everyday life. Local governments lead the development and implementation of innovative solutions to new and pressing social problems. The volume of activity of local governments, as measured by their expenditure, is becoming huge. In terms of the 2019 budget, Korean local governments spent 229 billion dollars, whereas central government spent 230 billion dollars. As revealed by the OECD Fact book 2013, from 2001 to 2019, whereas Korean central government expenditure decreased by 3.6%, Korean local government expenditure increased by 1%. If it is taken into consideration that a significant amount of social welfare activities are transferred to local governments in response to an aging society, expenditure of local government will continue to grow in volume. This trend in financial decentralization presumably reflects the expansion and complexity of local government roles. Thus it is timely and important to explore central-local government relations from selected cases in Korea in order to enhance the performance of Korean local government.

The Constitutional Status and Central-Local Relations in Korea

In requisites of engagement with the theory of central local relations, it is necessary to understand the constitutional status of local governments. The major structural question is whether local governments possess general competence powers to do what is deemed necessary for the well-being of their community or they only undertake specific functions according to powers given them by central government (Goldsmith & Page, 2010:34) ^[10]. An available typologies of local government systems are not comprehensive or fully satisfactory (Swianiewicz, 2014: 292) ^[21]. Nevertheless, the most well-known typology is based on those of Page, Goldsmith (1987) ^[25], Hesse and Sharp (1991) ^[26]. According to Franco or Napoleonic group referring to Southern Europe, local government is highly protected in the constitution but local governments are restricted to those functions that central government explicitly grants to local governments. (Denters and Rose, 2005: 10) ^[9]. In contrast the Anglo model refers to the UK and Ireland in which local governments are unprotected by the constitution but are similarly restricted to those functions that central government explicitly grants to local governments. The local governments of the Middle European group such as German and Switzerland have more formal constitutional status. They are protected in the constitution and possess a general functional competence. In federal systems usually the state level of regional government has the constitutional responsibility for overseeing local government, while in unitary systems central government occupies the commanding position (Goldsmith and Page, 2010: 34) ^[10].

Conclusion

Enforcement of local autonomy was a challenge for centralism, though various central controls remained effective. Institutional changes were incremental and critical to bring out a major change in the future. In the analysis that follows, at how these centralizing trends impacted Korean local autonomy. Certainly the centrally operated controls which would be designed to influence local government seemed to lead to a shift of power to local government but

in reality maintained the control of central government. A Part of administrative autonomy, local governments needs a minimum set of powers and capacities to initiate regulatory legislation on issues affecting their jurisdiction. They need the authority to approve and issue generally binding ordinances on public matters in the jurisdiction subject to national and state laws. Their powers usually extend to local economic development, land use planning and management, zoning and public safety-and in certain cases to some aspects of public health, social protection, education and environmental protection.

References

1. Andrews R, Boyne GA, Law J, Walker RM. Strategic management and public service performance. New York: Palgrave Macmillan; c2012.
2. Bekkers V, Dijkstra G, Edwards A, Fenger M. Governance and the Democratic Deficit: An Evaluation. In: Bekkers V, Dijkstra G, Edwards A, Fenger M, editors. Governance and the Democratic Deficit. Aldershot: Ashgate; c2007. p. 295-312.
3. Bochel J, Bochel C. Local Political Leadership and the Modernization of Local Government. *Local Gov Stud.* 2010;36(6):723-37.
4. Bouckaert G, Halligan J. Managing Performance: International Comparisons. New York: Routledge; c2008.
5. Boyne GA, Enticott G. Are the 'poor' different? The internal characteristics of local authorities in the five comprehensive performance assessment groups. *Public Money Manag.* 2004;24(1):11-8.
6. Boyne GA, James O, John P, Petrovsky N. Party Control, Party Competition and Public Service Performance. *Br J Polit Stud.* 2011;42:641-60.
7. Christensen T, Lagreid P, Wise LR. Evaluating Public Management Reforms in Central Government: Norway, Sweden and the United States of America. In: Wollmann H, editor. Evaluation in Public Sector Reforms. Concepts and Practice in International Perspective. Cheltenham: Edward Elgar; c2003. p. 56-79.
8. Copus C. Councillors' Perspectives on democratic legitimacy in English local government: Politics through Provision? *Urban Res Pract.* 2014;7(2):169-81.
9. Denters B, Rose L. Comparing Local Governance: Trends and Developments. Palgrave MacMillan; 2005.
10. Goldsmith M, Page E, Editors. Changing Government Relations in Europe: from Localism to Inter-Govern Mentalism. Routledge/ECPR; c2010.
11. Hepworth NP. Local Government and Central Control. *Public Adm.* 1977;55(1):16.
12. Jung YD. Administrative Reform in Korea: A Historical Institutional Perspective. *Korea J.* 1999;39(2):5-22.
13. Kim DY. Paths toward Successful Introduction of Program Budgeting in Korea. In: Kim JM, Editor. From Line-item to Program Budgeting: Global Lessons and the Korea Case. Korea Institute of Public Finance and the World Bank; x2005.
14. Kim JM. From line-item to program budgeting: Global lessons and the Korea Case. Korea Institute of Public Finance and the World Bank; c2005.
15. Lee JS. The Politics of Decentralization in Korea. *Local Gov Stud.* 1996;22(3):60-71.

16. Park WA. Financial liberalization: The Korean Experience. In: Ito T, Krieger A, editors. Financial Deregulation and Integration in East Asia. Chicago: University of Chicago Press; c1996.
17. Pollitt C. Performance Management in Practice: A Comparative Study of Executive Agency. *J Public ADM Res Theory*. 2006;14:25-44.
18. Rhodes R, Hart P. *The Oxford Handbook of Political Leadership*. Oxford; c2014.
19. Somerville P, Haines N. Prospects for Local co-governance. *Local Gov Stud*. 2008;34(1):61-79.
20. Sweeting D, Copus C. whatever happened to local democracy? *Policy Polit*. 2012;40(1):21-38.
21. Swianiewicz P. An Empirical Typology of Local Government System in Eastern Europe. *Local Gov Stud*. 2014;40(2):292.
22. Thelen K, Steinmo S. Historical Institutionalism in Comparative Politics. In: Steinmo S, Thelen K, Longstreth F, editors. *Structuring Politics: Historical Institutionalism in Comparative Analysis*. Cambridge: Cambridge University; c1992.
23. Kim CS, Lee MH, Kim CK, Kim KH. 90Sr, 137Cs, 239+ 240Pu and 238Pu concentrations in surface soils of Korea. *Journal of Environmental Radioactivity*. 1998 Jul 1;40(1):75-88.
24. Talbot C. *Theories of performance: Organizational and service improvement in the public domain*. Oxford University Press; c2010 Sep 30.
25. Goldsmith M. *The evolution of local governance*. New York: Routledge; c1987.
26. Hesse JJ, Sharp LK. *Local government in international perspective: Some comparative observations*. New York: Routledge; c1991.