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# Ideas, interests and practical authority in reform politics: Decentralization reform in South Korea in the 2000s

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## Ideas, interests and practical authority in reform politics: decentralization reform in South Korea in the 2000s

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### ABSTRACT

This paper explains the reason why the hitherto statist country, Korea, has carried out significant decentralization since the 2000s. In explaining the motivation for decentralization, extant literature has focused on the role of parties, bureaucratic politics, democratization, or territorial interests. Yet there is still limited explanation of how the decentralization laws in Korea could be successfully passed in the 2000s, while central stakeholders still persisted. By tracing the process of decentralization reform in the 2000s, this article demonstrates how structural factors created favourable circumstances and discursive background for institutional change, and how the idea of decentralization, through the idea diffusion mechanism, gave directions for central decision makers to produce a specific path of reform strategies. It also pays attention to the formation of 'practical authority' for reform politicians that made it possible to overcome obdurate resistance from central bureaucrats and politicians.

### KEYWORDS

Decentralization; central-local relationship; idea; institution; South Korea

### Introduction

Increased subnational authority is now in vogue and decentralization has become an essential feature of the process of political transformation from the past generation (Faguet, 2014; Marks *et al.*, 2008). From the 1970s onward some profound transformation in central–local government relations was witnessed in western democracies such as France, Italy, Spain and the United Kingdom, and the changes include territorial reorganization, functional rearrangement and redistribution of financial resources across different levels of government. Even countries that already enjoyed substantial level of local autonomy, like the United States, boosted empowerment of subnational organs of government (Rodriguez-Pose and Ezcurra, 2010). According to the World Bank, about 95 percent of democratic countries are implementing some sort of decentralization reform, regardless of size, degree of democracy and the scale of the economy (Rodriguez-Pose and Ezcurra, 2010: 620–621).

South Korea has often been known as a typically strong and highly centralized state where the markets and local governments were tightly controlled by the central state during the period of rapid industrialization. However, political turmoil and the economic crisis in the 1990s was followed by remapping of the previously dominant centralized

model—i.e. developmental authoritarianism—which had delivered tangible economic success in a very short span of time. Although the notion of a strong state and a developmental regime is still lingering, it is also true that the central government has begun to lose its power precipitously since the late 1990s. Amidst the dual shock of domestic political-economic change and the globalizing economy, many centralized countries, including Korea, have pursued far-reaching decentralization reform as a cure-all strategy for meeting economic, political, social and international challenges, since it was also *commonly believed* that decentralization would promote socio-economic development, efficiency, transparency and democracy (Faguet, 2014; Grindle, 2007; Roddan, 2004; Treisman, 2007).

The attempts to transform the centralized structure in Korea are not a new phenomenon in its post-war history. Yet, despite a series of reforms, the gradual devolution and transfer of functions to local governments has slowed greatly, because of inadequate devolution of appropriate financial resources and decision-making authority; changes in relations between central and local governments have at best been piecemeal throughout the post-war period (Lee, 1996). While the first constitution (1948) had mandated local autonomy, the military regime (1961–1987) forcefully abolished it and introduced the ‘command and control system’ of intergovernmental relations. After the national democratization (1987), there was substantial progress toward decentralized governance and direct local elections were allowed by the revised Local Autonomy Act. Yet the magnitude of reforms in central–local relations in the earlier period of new democracy was not as great as people might have expected. Thus, in the historical context of the Korean government’s decentralization, the emergence of advocates of decentralization among national politicians and bureaucrats who were often considered major opponents of the reform in the 2000s was a striking phenomenon. The establishment of specialized committees for decentralization (2003), recruitment of decentralists to governments and the passage of laws promoting decentralization (2003–2008), strengthening the basis of self-governing through residential recall (2007), petitioning (2000), educational autonomy (2009) and participatory budgeting (2004) as well as the transfer of central affairs under the Kim Dae-Jung and Roh Moo-Hyun administrations seem to be more than mere marginal adjustments in central–local relations.

Korea’s decision to carry out deeper decentralization, beyond simple local elections, in the late 1990s and early 2000s posits three interesting and interrelated questions. First, why did Korea, despite a lack of historical experience in local democratic governance and the relatively successful ‘top-down system’, suddenly decide to decentralize in the 1990s–2000s? Second and relatedly, under what conditions did decision makers choose decentralization reform as a formal policy agenda and how has it been successfully implemented? Lastly, why has consolidation of the new local democracy been limited over time since the initial legislation? The first question relates to the timing and structural conditions that made the passage of decentralization reform bills possible in Korea’s context. The second and third questions imply the need to inquire why Korea could not make a ‘big bang’ reform in central–local relations after the initial legislation in 2003.

As discussed in the following section, the existing literature on the development of decentralization has mainly focused on democratization (Diamond, 1999; Turner, 1999), globalization (Rondinelli *et al.*, 1998), party/interest politics (Falleti, 2010; Riedl and Dickovick, 2013) or inter-scalar tension (B. Park, 2008; Sonn, 2010) as the main causes of

decentralization. Yet these explanations do not provide clear answers to the questions the decision makers choose to address, the specific content of reform proposals and determination of the top priorities in the reform process. In this context, this research sheds light on an array of phenomena, from a decision-making perspective, by drawing attention to 'ideational' elements and the exercise of 'practical authority' that possibly link the structural (institutions) and the individual (interests) factors together. I argue that in the Korean context, decentralization as a policy idea gave visible direction to central decision makers, helped to formulate a specific path of strategies and framed the discursive background of the reform in the light of the overwhelming national political and economic uncertainty of the late 1990s. Assuming that the degree and content of decentralization reforms are highly dependent upon the pattern of domestic political-economic change as well as interaction with structural factors, this paper also emphasizes how practical authority, which is defined as 'power-in-practice', was formulated and recognized by key decision makers as effecting substantial institutional changes based on the new policy ideas against obdurate resistance and bringing about comprehensive decentralization.

The remainder of this paper illustrates the foregoing remarks by reviewing extant literature on the evolution of decentralization and local democracy and traces the process of the politics of decentralization reform in the past decade with an emphasis on ideational factors. I look for evidence in government documents, discourses in secondary resources, and elite interviews with past decision makers in the government.

## **Politics of decentralization: an analytical framework**

Diverse approaches have been adopted to address social issues and problems such as inequality, development and representation, but perhaps no issue has received as much attention as decentralization (Treisman, 2007). As the cases of countries undergoing the transformation of central-local government relations show, 'decentralization' has been one of the most frequently and widely used terms in the context of changing intergovernmental and state-society relations across continents.

There is a broader and more multifaceted social meaning that has agglomerated with the passage of time. The most common definition of decentralization includes administrative, political and fiscal decentralization (Cheema and Rondinelli, 2007; Falletti, 2010; Jun and Wright, 1996; Roddan, 2004). First, administrative reform refers to general transfer of the responsibility for providing public services and administrative functions such as education, social services, public safety, utilities and health from central government to subnational bodies; the process of administrative reform usually—but not necessarily—entails devolution of decisional authority and de-concentration. Second, political decentralization implies new constitutional or legal design for subnational political actors that include directly elected mayors, governors and local councillors (Jun and Wright, 1996). Third, fiscal decentralization is designed to increase fiscal autonomy of subnational governments by delegating decisional authority on matters of taxation or local expenditure (Treisman, 2007). Other scholars have extended these three types of decentralization by drawing on several standards such as territory and function. For Turner (1999: 4–5), 'territorial decentralization' includes devolution, de-concentration and privatization, while 'functional decentralization' reflects transfer of authority to functionally specialized agencies like interest groups, quasi-nongovernmental organizations (quangos), or private actors.

The abovementioned definitions of decentralization indicate that there is no formulaic pattern of it across time and space. The bottom line is that different countries are carrying out various kinds of decentralization from the most basic level to the very complicated one. Since the late 1980s, after the Cold War era came to an end and most authoritarian regimes fell, centralized states in Latin America, East Asia and Central Europe have accelerated the process of promoting international trade and investment and this has cast light on the local as well as national climate for smooth provision of services, infrastructure, quality of life and so on. Such local conditions usually require strong subnational governments and civic organizations (Cheema and Rondinelli, 2007: 5). At the same time, the ‘new public management’ movement, which was initiated in the UK and New Zealand and spread to other countries, also encourages decentralization along with other innovative government reforms (Kamark, 2000).

As such, for various reasons, many countries have opted for decentralization but the actual motivation (cause) and consequences of it can vary across regions in reality. Interestingly, little attention has been paid to the *causes* of the variations in central–local government relations. It was not until the 1990s that the East Asian countries such as Japan and Korea went through unprecedented transformation of central–local government relations. Under the Kim Dae Jung administration (1998–2003), the Korean government made efforts to modernize the flawed post-war central–local government relationships by enacting the Law for the Promotion of the Transfer of Central Authorities in January 1999 and established specialized reform committees dealing with decentralization agenda. As Table 1 shows, the Roh administration (2003–2008) established the Presidential Committee on Government Innovation and Decentralization (PCGID), a pilot organization set up to pursue decentralization more effectively. In collaboration with central ministries, the PCGID developed the blueprint for comprehensive decentralization (the Decentralization Roadmap) that aimed at both decentralized and de-concentrated governance (July 2003). Finally, in December of 2003, as a result of these efforts, the Special Law on Decentralization Promotion (SLDP), containing three chapters and 21 articles, on new central–local relations was passed in the National Assembly. The PCGID and related ministries prepared a comprehensive list of central affairs to be decentralized and designed new institutions for that purpose. Following this special law, subsequent reform measures such as the resident recall system (2006) and Jeju Special Self-governing Province (July 2006) were introduced.

Before the passage of these bills there had been some attempts, endorsed by opposition parties, to reorganize the central government but they were not successful. The authoritarian regime (1961–1987) had suspended the practice of local democracy for 30 years for various reasons such as administrative inexperience of subnational governments, insufficient fiscal resources and the North Korean threat (Bae and Kim, 2013: 264). The reintroduction of local elections in 1991 and 1995 heralded the first full-fledged local democracy under the non-military regime in post-war history and undeniably laid the groundwork for further decentralization in the 2000s by building basic local democratic institutions. Yet the ruling party, the conservative political parties and the former President Roh Tae Woo (1988–1993), worried about the shrinkage of their power base at the centre, deferred the local elections three times and were reluctant to transfer full authority to local executives (Yoo, 1994: 516).<sup>1</sup> Above all, central bureaucrats and politicians of the ruling party—mostly the older generation of politicians from the authoritarian regime—were disinclined

**Table 1.** Points of decentralization reform in Korea.

Period	Major legislation/policy on decentralization	Programmes	Types of decentralization (emphasis)
Kim Young-Sam Administration (1993–1998)	Revision of Local Government Act (1994)	<ul style="list-style-type: none"> <li>• Direct election of local political actors (governors, mayors, councillors)</li> </ul>	Political decentralization (democracy)
Kim Dae-Jung Administration (1998–2003)	Law for Promotion of Transfer of Central Authorities (1999)	<ul style="list-style-type: none"> <li>• Establishment of Presidential Committee for the Promotion of Transfer of Central Authorities (1999)</li> <li>• Planning the promotion of devolution</li> <li>• Investigate transferable affairs</li> <li>• Monitoring devolution process</li> </ul>	Administrative and fiscal decentralization (devolution)
Roh Moo-Hyun Administration (2003–2008)	Special Law on Decentralization Promotion (2004)	<ul style="list-style-type: none"> <li>• Establishment of Presidential Committee on Government Innovation and Decentralization (2003)</li> <li>• Designing decentralization roadmap (2003)</li> <li>• Initiate decentralization reform: delegation of central authorities/ discussing possible devolution of public education and public safety/ rationalization of national and local taxation system/enhancement of local council</li> </ul>	Full-fledged decentralization (self-governing/balanced development)
	Special Law on the Establishment of Jeju Speical Province (2006)	<ul style="list-style-type: none"> <li>• Abolishment of traditional command-and-control system for Jeju Island for the promotion of internationalization and economic development</li> </ul>	Regional economy
	Other measures	<ul style="list-style-type: none"> <li>• Resident petitioning (2004)</li> <li>• Group litigation (2006)</li> <li>• Resident recall system (2007)</li> <li>• Sepcial administrative city (2006)</li> <li>• Partial educational autonomy (2009)</li> </ul>	Follow-up decentralization

Source: Bae and Kim (2013); MOGAHA (2005).

to share power. Even under the two civilian administrations, politicians in the National Assembly, where the conservative Grand National Party (149 of 272 seats) was dominant, and bureaucrats in central ministries were not cooperative over the passage of decentralization bills (Kim *et al.*, 2004: 27–53).<sup>2</sup> Then what explains the success of the abovementioned legislation in the late 1990s and the early 2000s?

Recent studies have provided some plausible theories explaining the global shift toward decentralized states, outlining the reasons why national policy makers have endorsed decentralization, pointing out the role played by political parties, electoral strategies, bureaucratic politics and the democratization process as the main causes of decentralization. First, functionalist explanations emphasize the importance of socio-economic development as well as democratic governance at the local level in the promotion of decentralization. In other words, by highlighting the erosion of the power of central authorities, these perspectives argue that the level of decentralization is dependent upon the growth of localities in size, population, scale of the economy, urbanization rates, local expenditures, democratization and so forth (Diamond, 1999; Sharpe, 1988). The second approach is linked to the logic of bargaining games played between central and local

politicians who have different territorial interests. For example, if subnational interests prevail in the process of territorial reorganization, political and fiscal decentralization is likely to occur first, instead of administrative delegation alone, which may in reality add to the problems of local governments (Falleti, 2010). The third explanation recognizes decentralization as a product of pork-barrel, electoral, or party politics, arguing that central political actors mobilize localities in order to hold on to power in national politics (Garman *et al.*, 2001). Building upon this, Riedl and Dickovick (2013) additionally investigated the impact of the relative power of ruling and opposition parties in shaping the content of the decentralization reform.

While the abovementioned theories explored the cases of developing countries such as Latin America to explain the origin of decentralization reform and offer plausible insights, the reason why *even successful statist countries* in other regions like Northeast Asia are pursuing decentralized forms of governance despite facing politically and economically hard times still needs further clarification. Despite their usefulness, all explanations claiming modernization factors, pork-barrelling, or bargaining processes as motives behind countries' drive to endorse decentralization programmes only offer partial explanations of why the Korean decentralization took place in the late 1990–2000s, but *not earlier*. For instance, according to the functionalistic perspective, one might expect that even if Korea lagged behind other advanced countries in terms of the degree of decentralization, it would be expected to have caught up and become a leading country by now. However, despite the socio-economic development and the level of democracy in Korea, decentralization did not materialize during periods of economic prosperity. B. Park (2008) argued that top-down regulation from the centrist state had generated 'inter-scalar tension' between the national and the local governments during the period of authoritarian developmentalism. However, only after initial decentralization reform in the early and mid-1990s, which was conditioned by the democratization movement in 1987, various empowered, place-dependent forces could demand further transfer of power to localities. As such, while not denying the growing power of local governments in the earlier decentralization process in the 1990s, the reason why central stakeholders agreed to devolve central affairs to subnational bodies is not fully addressed in the extant literature. It is also true that most political parties are attached to specific territorial interests, i.e. their electoral bases (Kwon, 2004), yet—regardless of party affiliation and territorial interests—they were unwilling to implement substantial decentralization and systematically ignored the requests from the localities, because it implied sharing their dominant political status with local executives in their respective electoral districts (Kim, 2008: 20). Politicians in opposition parties were relatively more favourable towards promoting local democracy but failed to seize political power for decades as regional support was substantially weaker than for their conservative counterparts.

### **Analytical framework: idea, practical authority and decentralization**

During the national clamour for democratization, major central political actors as well as advocates of decentralization had taken the stand that any political opposition to decentralization was anti-democratic, regardless of the personal position or preference on decentralization (Yoo, 2006). There was a strong collective belief that decentralization was an essential ingredient of the grand democratization. Where is the origin of this

belief? In the literature, many scholarly works from the perspective of historical institutionalism and constructivism have discussed how decisions on institutional and policy changes like decentralization are driven by ideas, which is commonly defined as the dominant world view, paradigm, culture, international norms or shared values (Berman, 2001; Campbell, 2004; DiMaggio and Powell, 1991). Considering the earlier formation of central–local governments' relations in different countries and dependency on borrowed knowledge and ideas during most of the developmental period, it is not unnatural to explore the possible influence of ideas on decentralization reform.

Drawing on the existing political science and public policy literature, a number of scholars have dwelled upon several aspects of ideational influence on institutional and policy changes. In particular, since the nature of ideas is '*relational*' to other factors (Carstensen, 2010; Béland, 2009), they are not merely possible sources of institutional and policy changes; it is necessary to explicate the causal mechanism that links ideas to political institutions, structural environment and powerful actors in public policy-making processes (Campbell, 2004; Yee, 1996).

A generally agreed view on the role of ideas in policy changes is that certain structural environments determine whether an idea will be adopted or not (Florini, 1996; Kingdon, 1995) and the idea itself participates in construction of the content, strategy and priority of a specific reform (Béland, 2009). More specifically, the role of ideas in shaping reforms and policy changes can be described as follows. First, advantageous conditions such as external shocks, financial crises, political upheavals and changing socio-economic conditions that require an appropriate level of domestic policies in both public and private sectors facilitate deployment of new ideas by decision makers (Checkel, 1997).<sup>3</sup> The present crisis provides a 'discursive background' for addressing the need for reforms by highlighting the problems of central dominance. Given structural problems, ideas allow decision makers (agents) to reduce the uncertainty by interpreting the nature of crisis (Blyth, 2002: 11). Although the global economic situation, recession and crisis were never uniformly strong in Korea and there were many different diagnoses of the origin of the crisis, it is true that Korea's financial crisis clearly destabilized the foundation of the centralized system. The crisis exposed the structural flaws in the financial and banking systems and the central government did not have appropriate mechanisms to monitor transparency. The financial institutions and banks were protected by central agencies that provided 'political loans' to selected conglomerates, which became bad loans during the crisis (Kihl, 2005: 157–158). Accordingly, due to this presence of an inefficient and paralysed central system, the government gradually lost its legitimacy and was unable to focus on meeting the demand for further development and issues related to economic difficulties at the subnational level (UCLG, 2009).

Secondly, ideas contain 'instruction sheets' or 'powerful ideational weapons' for decision makers and provide plausible and clear ways to overcome a crisis or recession, as shown in the example of monetarism which was considered a cure for the problem of inflation during times of economic difficulties (Walsh, 2000: 485). In the context of Korea, the regional economic gap, the bubble economy and the International Monetary Fund (IMF) bailouts were instrumental in triggering the move towards neoliberal ideas (paradigm) in government reform (Kihl, 2005). Among the ideas in a form of programme, devolution and 'balanced development' oriented decentralization has been one of the most frequently employed measures to remedy the problematic centralized system,



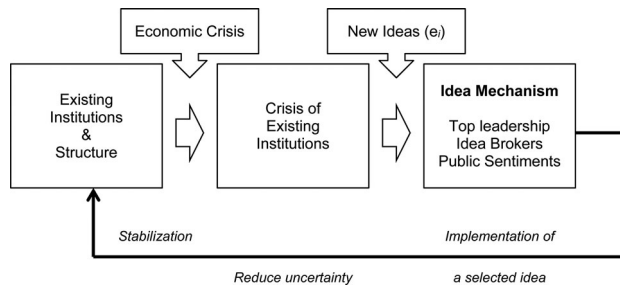
inefficient economy and imbalanced state–society relations that are typically conspicuous in economically hard times (Faguet, 2014).

Thirdly, a ‘good’ idea is not always accepted, nor does it always impact on policy formulation, because there is also an interest-based power relationship between the idea and the policy (Weir, 1989: 84–85). To a large extent, successful adoption of new ideas or programmes such as neoliberal reform or decentralization depends on whether actors occupying important political positions and offices determine which ideas are realistically implementable in the process of reform (Cartensen, 2010: 854; Weir, 1989: 84). In particular, the reformers may find spaces for action that allow successful implementation of a new reform idea against obdurate resistance from vested interests. Abers and Keck (2013: 22–23) portrayed this building of capabilities and recognition in the pursuit of reform as ‘practical authority’. To make this practical authority work, top reformists gradually accumulate a reputation as problem-solving agents by building intermediary institutions that are closely connected to politically powerful stakeholders and are likely to produce the desired changes. In Korea’s decentralization reform in the 2000s, reformist leaders recruited supporters (idea brokers) and placed them in important positions such as top executive positions in special reform councils, administrative agencies or ministries. Although the reform councils in Korea have at best been nominal throughout the history, these actors and agencies, backed by top leadership, gradually gained external recognition as effective problem-solving institutions by designing roadmaps of decentralization and producing intermediate outcomes.

Finally, support from the societal level is also crucial for continuing pursuit of a selected idea or reform agenda in policy processes (Campbell, 2004: 96). Even if the idea of reform is socialized as an effective solution, it might not be successfully implemented without political legitimacy. Decision makers discern public opinion or voices at the societal level through various channels such as public opinion polls, feedback from constituents, hearings or policy suggestions. In the case of decentralization, there was a clear division of interests between central and local governments and thus local governments and civil societies, as well as local businesses, attempted to influence the content of the reform in Korea (Bae and Kim, 2013).

To summarize, the four components can be analysed as a sequential process (Figure 1). When the existing paradigm or specific policy cannot effectively resolve the policy failure and there is *great uncertainty*, policy makers, in turn, *re-examine* or *reinterpret* their previously taken-for-granted policies and assumptions about the problems and solutions. In doing so, perceived problems open up the possibility of adopting a new idea when the policy makers are convinced that programmes influenced by the idea would resolve the policy failure and improve undesirable situations. Finally, actors convinced by consultations and evidence adopt the new ideas. It is not too difficult to imagine that the decentralization idea whose theoretical benefits are well recognized among key stakeholders would most likely be adopted as an alternative for resolving problems. Once a new idea is successfully implemented through ‘idea diffusion mechanism’, which might produce practical power to influence relevant stakeholders, the changed institution gets stabilized and the process is repeated over a period of time (Yee, 1996).

Considering the relational nature of ideas to structural and individual factors, it is important to note that an idea has different components that do not occupy equally critical



**Figure 1.** An analytical framework: ideational diffusion model.

positions (Cartensen, 2011). In the Korean context, decentralization has not had a uniform meaning in the modern period and understanding the changing emphasis on different ‘non-core’ elements of the decentralization idea over time is crucial. Considering the trajectory of Korea’s development and political transformation, the earlier idea of decentralization ( $t_1$ , time 1) was understood as a core democratic principle ( $e_1$ , element 1) for opposition politics under authoritarian rule.<sup>4</sup> Yet, with the global wave of neoliberalism and the 1997 financial crisis ( $t_2$ ), advocates of decentralization have started putting more emphasis on inefficiency ( $e_2$ ), balanced development and regional inequality ( $e_3$ ) over democratic values (Rozman, 2002). The following analysis of Korea’s decentralization shows how political interests were influenced and mitigated by the adoption of the new decentralization idea in the late 1990s and the early 2000s.

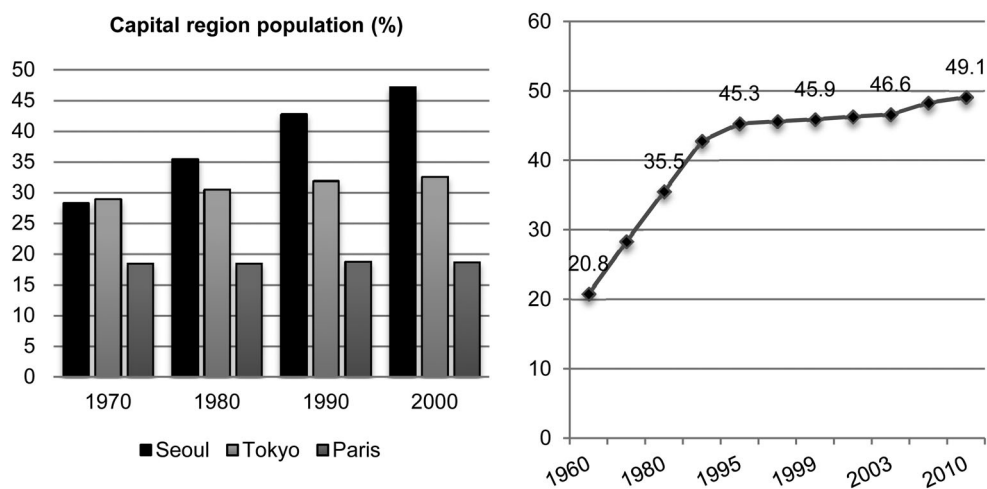
### Structural factors: decline of the central model and decentralization ideas

Korea has gained a reputation for being a ‘developmental state’ because of its economic success. Due to the high degree of state intervention and centralized power that preceded the economic success, a dominant belief has been that the centralized system was in a better position to promote the national economy through legal, financial and informative support (Amsden, 1989; Wade, 1990). It has also been argued that the Korean economic miracle was largely the outcome of the state’s spatial policy and disproportionate distribution of limited resources to selected regions in the process of industrialization (B. Park, 2008). In doing so, Korea, one of the resource-poor countries in the region, achieved an unprecedented growth rate and scale of export-oriented development from the 1960s. Since the structural core of the developmental regime in East Asia was a centralized system, the success of economic growth and industrialization meant rapid centralization of the government (B. Park, 2008).

Regardless of the economic success, however, favourable perceptions of the centralized state governance have gradually changed since the process of democratization began and this perception further declined after the economic crisis in 1997. In the era of globalization and in the wake of the East Asian financial crisis in the late 1990s, although there is no precise turning point, highly centralized decision-making authority and population and national infrastructure concentrated in Seoul Metropolitan Area (SMA, Sudokwŏn) – the most notable by-products of centralization – became the main targets of criticism. In order to modernize the economy and the industry, the Park Chung Hee regime

strategically provided financial and administrative incentives to export-oriented companies and adopted the ‘growth pole’ policy that promoted the growth of selected cities and regions. Population and businesses have located around the industrial complexes in SMA or Busan coastal industrial areas because this provided an easy path to central bureaucrats and financial resources (Wade and Kim, 1978). Notwithstanding the intentions of the national leaders, the planned economic development process orchestrated by the central government produced an exceedingly centralized distribution of population and resources (Figure 2). SMA, although accounting for only 11 percent of the Korean territory, became one of the largest urbanized regions in the world, with a very high concentration of population, big business headquarters, manufacturers and research and development investment (MOCT, 2002). Even when the economic recovery programmes were carried out by the Kim Dae-Jung administration, economic resources, foreign funds and political authorities were much more concentrated at the centre. This was because the government-initiated recovery programmes aimed at the fastest and most efficient resolution of the crisis (PCNBD, 2004: 37).

The problems of centralization vary. Firstly, concentration of business in the SMA caused the rapid increase of rent and transaction costs for businesses. In addition, the degraded environment and lack of amenities and housing significantly increased costs for the government. Due to the widened regional disparity stemming from over-concentration, antagonistic regionalism between the advanced and devastated regions became a serious socio-economic problem in Korean society. Above all, dominance of the central government failed to meet local citizens’ demands and deepen democratic practices: Rozman (2002: 12) called the central government’s promise of decentralization ‘a lip service’. The central government had taken measures to resolve the problem, from relocation of central ministries, agencies and public universities to the spatial regulation—i.e., greenbelt policy—in the SMA. Yet it failed to address the over-concentration problem effectively.<sup>5</sup>



**Figure 2.** The concentration of population (%) in the SMA. Sources: PCNBD (2004: 46); Korea Statistics Office webpage. Note: Concentration (%) = Metropolitan region population/Total population.

While problems stemming from centralization persisted, the economic crisis and slowed growth opened a great opportunity for a shift in intergovernmental relations through highlighting the problems of a central command-and-control system and the corruption entrenched within it. Strong state intervention to boost the national economy initially succeeded in the 1970s–1980s, but this success also created issues such as mismanagement of national finances, improper business–government relationships and a rigid labour market (Haggard and Mo, 2000; Minns, 2001). The mismanagement of economic and monetary policies and the non-transparent financial assistance to government-favoured companies and banks produced a moral hazard problem in Korea (Heo and Roehrig, 2010). As a result of this outbreak of the worst economic crisis and several corruption scandals such as bribery cases involving the president’s family, the approval rate for the Kim Young Sam administration in 1997 fell below 10 percent and the general public swiftly lost confidence in the old centralized system. Under such circumstances, the most determined opposition figure, Kim Dae Jung, was elected to the presidency in December 1998.

Although recent developments in ideational theory highlight the role of ideas in more or less incremental or transformative policy and institutional changes (Cartensen, 2011; Schmidt, 2002), it is still plausible that ideas become very important in evaluating and criticizing existing institutions in times of crisis. Against this backdrop, the economic crises opened up a new vista for competition among different ideas that could possibly reduce the extreme uncertainty. Of course, the demand for decentralization has existed since the founding of the nation, but the ‘political–economic’ conceptualization of it, with the influence of globalization, neoliberalism and the demand for reinventing the government, materialized more clearly in this period. The first source of ideas on new central–local relationships came from the globalization strategy based on neoliberalism. In order to meet the so-called ‘global standards’, the Kim Young Sam administration (1993–1998), by announcing the globalization strategy (*segyehwa*), attempted to cure the ‘Korean Disease’ of inappropriate relationships and networks between big business and the government by reducing the dominance of conglomerates and the power of central ministries (Hahm and Kim, 1999).<sup>6</sup> Yet it was criticized for containing more ‘rhetoric’ than incentives for mobilization, although this globalization drive became the basis of speedy political–economic reform in the subsequent administrations. Almost all sectors including big business and central bureaucrats resisted this move toward globalization (Kihl, 2005: 138–139). The difference was a *contextual* factor: the economic crisis.

Facing the unprecedented economic crisis, many opinion leaders, including western commentators who called for rather drastic reform, started to focus on the inefficient central government institutions. Through the policy learning process, policy communities and academics who were inspired by the political–economic ideas of decentralization tackled the issues of the highly centralized decision-making system, financial and population concentration in the capital region. It was also recommended that serious congestion in the capital region could be relieved by weakening central bureaucratic dominance. In this delegitimizing process, different elements ( $e_i$ ) of a decentralization idea ranging from a ‘small but strong’ federal system (economic scale-oriented, bigger provinces) to European-style village-based autonomy (self-governing-oriented, democracy) have been suggested, but the accepted element of decentralization was maintaining the current two-tier structure of local governments and pursuing both devolution of central affairs and finance and balanced regional development.<sup>7</sup>

It was the Kim Dae-Jung administration that pushed forward liberalization of the old political structure and the economy in the middle of the unprecedented external shock in 1997. President Kim effectively exploited ‘external pressure’—i.e. IMF bailout—to implement neoliberal reform programmes without serious challenges from central stakeholders and opposition groups (Ha, 2006: 14) and rather easily mobilized political support from the general public and policy expert groups in the light of the economic crisis. Decentralization was one of the 10 major reform agendas that included devolution, deconcentration and privatization of public enterprises and deregulation. The next leader, Roh Moo-Hyun also followed the strategy of the ‘bloc economy’ and emphasized the hub status of Korea in the East Asian region that might be achieved through decentralization and balanced regional development.<sup>8</sup> He proactively took the lead in structural reform by initiating innovative policies such as the creation of an administrative capital city in Yeonggi-Gongju region (11 August 2004) and a balanced national development plan (PCNBD, 2004). These policies were expressions of the strong political will of the president, who believed that centralized administration and businesses were creating unnecessary inefficiency and inequality in an age of economic difficulty by using rhetoric such as ‘efficient government and democratic consolidation’ and ‘the age of locality’. As such, the two presidents aimed to frame the discursive background for decentralization by highlighting the problems of the centralized system so as to enhance the national economy, beyond a simple ‘Tocquevillian’ type of local democracy and decentralized state (Rozman, 2002). In his inaugural address, President Roh said:

It is very important for Korea to decide whether to be a central country of Northeast Asia or stay as a secondary country of the region ... [ ... ] [M]any countries considered decentralization strategy as a crucial national priority in the age of global competition and they are implementing a localization strategy to transform their system to respond to global changes. In Korea, decentralization is very delayed.<sup>9</sup>

In sum, the idea of decentralization was a part of the diagnosis of the economic difficulties and political turmoil caused by the economic crisis and softened the political gridlock at the centre. It is true that the two presidents were ideologically pro-decentralization compared to the conservative one, but the ruling party was in a minority. In this political landscape, it was necessary for top political leaders to justify or legitimize the reform programmes to the general public or opposition parties through various rhetorical symbols, such as the decentralization idea, when they were planning controversial or innovative programmes (Bleich, 2002; Schmidt, 2001). The reason why previous reform efforts were not successful was simple: the centralized developmental state worked well and the earlier introduction of local elections had limited impact on the top-down style of central–local government relations. Yet the dysfunctional politics and economy at the centre opened a ‘policy window’ and pushed top decision makers to call for a decentralization reform.

### **The politics of decentralization in the 2000s: idea and practical authority**

Previous studies on the politics of decentralization in Korea often concluded that the limited nature of decentralization under the authoritarian regime was the outcome of strong resistance and interest politics of the central politicians and bureaucrats (Lee, 1996). Even when the crisis brought to the fore the problems of a centralized system,

central politicians and bureaucrats still had a strong tendency to avoid any course of action. Compared to the past reforms, however, the decentralization drive under the Roh administration was somewhat successful and proceeded smoothly in terms of delegation and redistribution of authority. The SLDP bill passed in 2003 contained several important steps toward decentralization that had previously failed to be enacted under the authoritarian regime. In this regard, a number of historical institutionalists (e.g. Hall, 1989; Weir, 1989) emphasized that reform ideas promoted by key advocating actors and agencies would not be implemented due to the constitution and structure of politics (veto points) or the legacy of existing policies. Turbulent political–economic circumstances often empower reformist politicians. In the 1990s–2000s Korea’s economic downturn, democratic consolidation and changing circumstances provided a political opportunity for reformist leaders (idea brokers) in government, who were often from intellectual and scholarly groups, campaign managers or business consultants.

### *Political leadership and placement of ‘idea brokers’ in government*

In the analysis of reform politics, ‘political gridlocks’ including bureaucrats, business interests and politicians have often been seen in the literature as having a stronger influence (Mo, 2001). However, it would be a mistake to ignore the importance of strong presidential leadership in bringing about the changes in central–local government relations in Korea. Under the authoritarian regime, the opposition party leaders who became presidents after democratization used decentralization as a political strategy to discredit the central political power and the authoritarian regime. After democratization, it was the top political leaders who were in favour of decentralization in an era of economic difficulties and political transition. These high-profile politicians were often critical of the process of application of the values and propagation of decentralization ideas (Béland, 2009; Carstensen, 2010). They provided general support for the promotion of decentralization and intervened at critical junctures to keep the process moving forward by appointing decentralists (idea bearers) in key positions and coordinating bureaucratic and interministerial conflicts.

First, the presidents influenced the setting of the agenda for decentralization reforms by appointing advocates of decentralization as idea brokers in key executive or advisory positions in the government. In fact, there were divisions among advocates of decentralization over the appropriate size of local governments and the scale of authority transfer. While some argued that European-style village-level autonomy was the way to go, others preferred two tiers of local government or 70 regional governments for further economic development (Kim, 2008). Those who supported devolution and balanced development as the two priorities for administrations were strategically appointed to important positions. Kim Dae-Jung established a standing advisory committee—the Presidential Advisory Committee on Policy Planning (PACPP)—to design coherent national reform policies, and recruited reform-minded scholars. Roh brought forward many of his policy staff’s recommendations for resolution of disparities between the centre and the periphery, and thus decentralization and balanced development became two priorities for his administration. Many high-ranking positions were filled by people who shared ‘the same idea’ of decentralization, de-concentration, balanced development and other reform ideologies. For example, Byung-Joon Kim, a well-known decentralist scholar

and one of the most influential political figures in the Roh administration, was appointed as the chairman of the PCGID; and he designed coherent decentralization policies. Roh also promoted some decentralists into top executive positions, such as Minister of the Government Administration and Home Affairs (MOGAHA) that played the role of a control tower. The former MOGAHA, Doo-Kwan Kim, had built a reputation as a successful leader of a small county (*gun*) in Gyeongsang Province and was suddenly promoted to the head of Government Administration and Home Affairs, which was quite peculiar. Furthermore, the chairman of PCGID, Sung-Sig Yoon, and the chairman of the Presidential Committee on National Balanced Development (PCNBD), Kyeong-Ryung Seong, were also recognized as ‘decentralists’ because of their publications in academic journals and membership of professional societies.<sup>10</sup> As such, in terms of time sequence, the Roh government placed decentralization issues at the top of its reform agenda. The political appointees occupying key positions played a crucial role in the decentralization process by building a ‘decentralization coalition’. Presidential authority over personnel became an important tool for the pursuit of the decentralization idea.<sup>11</sup>

More importantly, these appointments were possible because the two presidents were ‘decentralists’ themselves. The original pioneer of a specific idea is usually in a privileged position when choosing the elements of ideas that should be accorded priority (Cartensen, 2010: 851). Kim Dae-Jung was the ‘original pioneer’ among opposition politicians who had advocated the decentralization idea in the earlier period of authoritarianism. Roh, even before he became a prominent political figure, was deeply influenced by the idea of decentralization and established his own private research institute on local autonomy, the Centre for Local Autonomy (*Chibangjachi Silmuyönguso*), in 1993.<sup>12</sup> Although the PCGID and its decentralist staff were given powers to conduct investigations and deliberate on basic matters related to decentralization, the power to achieve consensus among central agencies was eventually vested in the president.<sup>13</sup> While the president utilized a variety of techniques to build his management capabilities, he used the policy staff in the Presidential Office as a bridge to the ministries and bureaucrats. In order to keep the policy staff within the presidential orbit, the Presidential Office hosted regular meetings to discuss policy issues, reform policies, legislative strategies and coordination problems with other agencies, which frequently came up in these meetings. By having contacts with the senior departmental staff—such as the vice-minister—on a regular basis, the presidential policy advisors and staff tried to circulate and reinforce the president’s values and the immediate policy goals. Although the political authority and prerogative of the presidency have become substantially weaker under the civilian governments, the legacy of the ‘strong presidency’ in Korea still gives the president much power to intervene in governmental processes at any critical juncture.<sup>14</sup>

Top political leaders interpreted the current situation as a window of opportunity for decentralization reform. Roh empowered relevant agencies such as PCGID and MOGAHA, which had been considered by past administrations as mere secondary or advisory government organizations, by giving them critical roles in the whole process of decentralization. There was still some room for interest-based politics and resistance from sectoral politicians and central bureaucrats but decentralist politicians effectively mobilized their ideational allies in governmental organizations.

### *Ideas and practical authority: dealing with internal resistance*

In decentralization politics in the past, as classical studies such as Niskanen (1971) on bureaucratic behaviour have analysed, central bureaucrats and politicians have often been the most important barriers to decentralization reforms in Korea's modern history. In fact, strategic use of ideas does not mean that idea brokers and advocates can easily disregard the vested interests attached to existing institutions. Instead, they have to work around those interests and institutions to ensure the new idea gets the top priority (Cartensen, 2011). When SLDP in 2003 and the follow-up decentralization programmes were introduced, the Roh administration, supported by idea bearers, paid particular attention to this 'internal resistance' matter and was relatively successful in dealing with central actors' opposition. Since decentralization meant ministerial reorganization and loss of jobs, a number of groups were apprehensive.

First, as one of the core reform-related agencies under the Roh administration, the MOGAHA was in charge of carrying out several important tasks for the completion of decentralization.<sup>15</sup> However, bureaucrats at the ministry responsible for implementing decentralization-related tasks had to worry about their own jobs. For them, the Presidential Office's attention to reorganization of central affairs meant that functions of the MOHAGA were expected to be abolished or demoted to small agencies if the decentralization project was to be fully implemented. Since most of local government-related affairs were on the 'to-be-devolved' list, the job of the MOGAHA was to delegate most of its functions and human resources as well as its budget to subnational governments. In August 2003 a number of workers in the MOGAHA Employee Association decided to float an organization—A Team for Keeping MOGAHA (*Haengjabu Jikimi Gihoekdan*)—to systematically oppose the plan of delegation (*Seoul Newspaper*, 2003). Workers in other ministries also joined forces to support the resistance. Leaders of public workers unions kept in contact with other ministries' employee associations on a regular basis and cooperated with them in opposing decentralization.

Beyond job security matters, there was also widespread scepticism about the capability and moral rectitude of subnational governments among central bureaucrats. According to a survey, about 60 percent of central bureaucrats raised questions about the level of competence of local bureaucrats and thought they were superior to their local counterparts in dealing with government affairs (KIPA, 2002: 27). In particular, bureaucrats in the Ministry of Finance and Economy (MOFE) and Ministry of Planning and Budget (MOPB) were very sensitive to issues such as raising the local allocation tax rate from 15 percent to 18.3 percent (currently 19.24 percent) and creation of local income tax (Kim *et al.*, 2004: 47). As these examples indicate, it was clear that central bureaucrats were up against the decentralization reform and tried to thwart the possibility of decentralization of their jobs and affairs (*Dong-A Ilbo*, 2004b).

Second, with occasional exceptions, national politicians and assemblymen were generally less cooperative due to the potential conflict of interests. Before the revision of the Local Autonomy Act (1994), national assemblymen had served as the main policy channels to deliver local requests and concerns to the central political world through their casework, pork-barrelling and lawmaking. Moreover, they had carried considerable clout over local personnel and budget implementation, because they used to be the only 'elected' officials who could directly access the central policy-making process (Ahn, 2001). However,



since the full-fledged local elections in 1995, the status of assemblymen as ‘imperial politicians’ at the subnational level had changed, because of the rise of elected governors and mayors. Since then, the relationships between local executives and national assemblymen has become more contentious over many local issues. Therefore in the process of SLDP in December of 2003, few assemblymen were supportive, and a number of politicians went so far as to propose abolishing local elections for basic-level local government leaders (*si, gun, gu*), and to limit the tenures of local mayors and councilmen to three consecutive terms. They claimed that these measures would prevent corruption and complacency among local politicians.<sup>16</sup>

As such, the vested interests of central bureaucrats and politicians could have jeopardized delegation of central affairs and empowerment of local governments. Yet President Roh and decentralist ministers—e.g. Doo-Kwan Kim and Sung-Kwan Heo—played crucial roles in managing the bureaucrats’ complaints and resistance and enabling the MOGAHA and other ministries to carry out decentralization. First, while President Roh provided the MOGAHA with new functions such as e-government, immigration policy and government innovation in place of the ministry’s affairs that had been transferred to local governments,<sup>17</sup> he empowered the ministry to prepare the government bills for decentralization, deal with other ministries’ complaints and develop detailed programmes for actual implementation (MOGAHA, 2005). After experiencing the first massive layoffs during the period of IMF bailout, central bureaucrats fully realized that their jobs were no longer the ‘iron rice bowl’ (lifetime job) and they could not help but accept a certain level of reorganization.<sup>18</sup> While the ruling party and the national assemblymen were still less autonomous when the presidency was strong (see C. Park, 2008), few politicians publicly raised objections to the passage of the SLDP, because they did not want to be labelled as anti-decentralists or ‘old-fashioned’ conservatives.

In addition, many special committees (*wiwonhoe*) under the Office of the President or the Office of the Prime Minister have become crucial in disseminating the decentralization idea. Among the various presidential advisory committees, the PCGID was the key organization supporting the politics of decentralization and government innovation. Because the original legal nature and the mission was simply to provide ‘advice’ to the president on issues of government reform (SLDP Article 17), the committee initially was recognized as an advisory committee and yet it began to engage in practical experimentation on a smaller scale and later this action gradually produced intermediate outcomes such as the Decentralization Roadmap (2003). In fact the PCGID exercised practical authority in coordinating the different opinions of central ministries with regard to the process of decentralization because President Roh fully supported and encouraged this committee by strategically placing the decentralists. The PCGID contributed to networking with various interest groups on the issue of decentralization and developed a diverse set of decentralization strategies via several academic conferences and workshops such as the Regional Forum on Reinventing Government in Asia (September 2006). The chairman frequently gave special lectures or presentations to civil servants. The committee held rounds of discussions across the country in which various interest groups participated. Also, through the publication of reports and hosting of conferences, the committee gave examples of successful cases of government innovation and disseminated the benefits of decentralization to citizens. Moreover, in terms of legislative politics, the PCGID attempted to elicit cooperation from central political actors—in particular opposition

parties—by sending officers to address explanatory seminars and meetings attended by the assemblymen and members of the Subcommittee on Administrative Autonomy and the Subcommittee on Legislation and Judiciary, which were responsible for the passage of the law in the National Assembly (December 2003).<sup>19</sup> At the same time, the highly motivated committee members attempted to negotiate with other central ministries and civic organizations by arguing that it would be difficult for the decentralization bill to be passed in the National Assembly if it covered sensitive issues that caused conflicts among stakeholders (Kim *et al.*, 2004). In this way, the PCGID was able to build trust and gradually gained ‘external’ recognition as a core reform agency. By building capabilities and reputation beyond simply being a consultative committee, reform-minded specialists in the committee could exercise practical authority and contribute to developing the blueprints for decentralization and innovation. Given the context of economic shock, distrust in government, regional disparity and a globalizing economy, the committees and their key decentralists as idea brokers employed various types of negotiation and persuasion tactics to pressure central bureaucrats and politicians who were reluctant to acquiesce to the reform.

In this context, the central actors could not publicly take a stand against the wave of decentralization. The internal conflict and resistance were not easily captured by mass media or scholarly works because Korean bureaucrats valued ‘unity’ in their organizations. In the case of decentralization, it was the ‘decentralization idea’ promoted by reformists that effectively softened their resistance. Some conflicting issues such as fiscal transfers were treated ‘ambiguously’ to reduce denunciations without any practical policy implications. Yet, considering the past reform failures, it was the empowered decentralists with practical authority who eventually overcame resistance from central stakeholders through repeated persuasion.

### ***Civil society and public sentiments: socialization of the idea***

Studies on local politics and decentralization consistently demonstrate the importance of mobilization of local and civil society in the activities for the promotion of democracy (Grindle, 2007). Although local stakeholders, including local politicians, civic organizations and general citizens, were not direct participants in the process of lawmaking, the rise of decentralization movements from local governments, civic communities and scholarly groups are viewed as one of the most significant trends in the central–local governments’ relations in contemporary Korean politics (B. Park, 2008). In fact, the attitudes on decentralization shared by subnational stakeholders, labelled as ‘public sentiment’ (Campbell, 2004: 159–160), influenced the relative success of decentralization in many cases (Eaton, 2001) and there has been a collective belief among the public and academics about the necessity of decentralization, particularly for better public services and fast economic recovery.

A decade of developmental authoritarianism deterred local politicians and citizens from promoting local democracy and governing their communities, but even the limited range of local elections since the mid-1990s have changed the local political landscape. In particular, as Bae and Kim (2013) argued, professionalization, diversification and institutionalization of civil society at both national and local levels were indispensable in pushing forward decentralization. Since the 2002 presidential elections, local civic groups,

such as the Civic Movement for Decentralization (CMD, established in 2000), have initiated decentralization movements in the major metropolitan cities. Many of 'pro-decentralization' local intellectuals such as local journalists, university professors, leaders of civic organizations and businessmen have participated in this organization and attempted to address issues of local disparity, inequality, underdevelopment and so forth on various occasions.<sup>20</sup> Beyond simple lobbying activities, some activists such as Hyung-Ki Kim, the founder of the CMD, directly participated in government meetings hosted by PCGID as representatives of civic organizations or external consultants and proposed various policy alternatives.<sup>21</sup> In addition, prominent civic organizations at national level, such as the People's Solidarity for Participatory Democracy (PSPD) and Citizens' Coalition for Economic Justice (CCEJ), also established separate divisions or teams to deal with decentralization issues and actively participated in the national discourse on decentralization.

Moreover, as Korean localities were rapidly urbanized and local democratic politics was consolidated after the mid-1990s, local governments were expected to play a bigger role, with the maximum effort to make further decentralization happen. First, local governments, through their representative organizations such as National Association of Governors, National Association of Mayors, called for a holistic approach to the division of powers within the nation. This strategy entailed an integrated approach to decentralization so that major decisions on political, administrative and fiscal decentralization could be adopted as a single package.<sup>22</sup> The four organizations (governors, mayors, provincial and city councillors) also organized an executive committee for negotiation with the central government and prepared their alternative bills for the promotion of decentralization by cooperating with civic organizations. Second, political discourses from powerful local politicians became very influential in the process of decentralization. As local electoral politics grew to be politically critical, candidates running as mayors and governors of big cities were nominated from the pool of powerful figures in national politics. Based on this empowered status, some nationally recognized local politicians issued press statements regarding the central government's decentralization policy.

Despite the inherently restricted system of local autonomy, there was unprecedented support for local democracy and decentralization from below. The local decentralization movement, which had developed from the growth of local governance and local society since the late 1990s, motivated local intellectuals to pursue decentralization more actively and helped local citizens understand the value of democracy at least on a superficial level. This kind of local activism challenged the central dominance and was possible due to widespread understanding of the value and benefit of decentralization.

## An analysis

The politics of decentralization in Korea could have been explained by typical power politics, inter-scalar tension or democratization theories. More people certainly participated in deliberations over the new central–local government relations and deepening of local democracy. That said, how could Korea enact decentralization promotion laws in the 2000s, despite the lack of historical experience and prevalence of the central interests? I argue that the analytical framework, which builds on the mechanism of idea diffusion—i.e. leadership, idea brokers and public sentiment—captures the broader picture of

decentralization politics in Korea over a considerable empirical range. While political transformation and economic crisis in the late 1990s had considerable delegitimizing effects on the centralized system, top leaders diagnosed Korea's political and economic problems as a crisis and conceived of decentralization as the solution, thereby putting decentralization at the top of national agenda. This idea shaped the overall and specific discursive background of decentralization reform, but at the same time the implementation process was further complicated by existing political institutions, stakeholders and the political process. Considering the failure of previous decentralization reform, the political process analyzed in the previous section suggests that traditional stakeholders at the centre—central bureaucrats and sectoral politicians—in decentralization politics had limited options to choose from within the dominant idea of decentralization. Thus, they viewed compliance as an unpleasant necessity and negotiated with reformers behind the scenes.

Another important finding is the formation of practical authority in the process of idea-based reform politics. An accepted idea is not usually disseminated as a unified package but rather continuously constructed and reconstructed through small-scale practices (Sikkink, 1991; Abers and Keck, 2013). In Korea, decentralists (idea brokers) in government organizations and committees made great efforts to overcome obdurate resistance over decentralization plans, and to find available resources and networks they could utilize to build new central–local government relationships. In doing so, they gradually built an internal and external reputation to exercise practical authority. Decision making and implementation are situated within the broader discourse in the period of political and economic turmoil and make possible significant change, which had not been possible in the past.

The idea-based theory possibly explains why subsequent governments—i.e. the Lee Myeong Bak administration (2008–2013) and the Park Geun Hye administration (2013–present)—have been less interested in or have slowed the follow-up decentralization reform.<sup>23</sup> On the surface, it seems that the Lee administration continued to transfer central affairs and established a decentralization promotion committee (2008). Yet the removal of 'home affairs' from the competent central ministry's domain (from the Ministry of 'Government Administration and Home Affairs' to the Ministry of 'Public Administration and Safety') and President Lee's plan for a mega-regional economic zone (reorganization of local governments) were rather regarded as strengthening central authority. This indicates that demise of the idea's mechanism—pro-decentralization leader, idea brokers and public support—can weaken the pursuit and continuity of the reform.

## Conclusion

The principal theme of this paper is its insistence that we must consider the flow of ideas within the broader context of domestic and global political–economic arrangements if we are to understand why nations pursue certain types of decentralization policies and why those policies change. Conventional explanations on the causes of the varieties of decentralization across countries mainly focus on the modernization factors, party and electoral politics, or other elements. By rejecting overly individual or structural accounts, this ideational approach intends to offer an additional explanation of decentralization that stresses the way in which an 'idea' structures the central–local government relationship and the

direction of regional policy. It has important implications for conventional political analysis and it shows how ideas frame political discourses and how they can restrict or shape the politics of interests among political actors. The formation of practical authority for key reformers and agencies in the process of decentralization were also important.

It might be difficult to tease out the pure effect of ideas for understanding institutional change. Still, the idea-based framework offered in this research attempts to show the limitations of interest-based explanations for institutional change by paying attention to the ideological background of decision makers and actors who were responsible for decentralization reform. It was the decentralization idea that pushed various stakeholders to rethink their relative positions under the rapidly changing global economy and domestic political realignment. Struggles among political actors calculating the costs and benefits of the status quo in the context of great uncertainty were constrained or displaced by the dominant idea. Without understanding the role of the idea, it would be difficult to explain why central political stakeholders agreed to share their political and financial power with their local counterparts in the context of economically hard times.

Beyond the argument that ‘ideas matter’, future research about ideas and institutional change should further explore the nature of relationships among different elements of an idea and how their emphasis changes incrementally, while the core is sustained. The case of Korean decentralization illustrated that slightly different elements of the decentralization idea—village-level autonomy, small federal states, economic zones, etc.—were favoured and emphasized by the Kim Dae-Jung, Roh Moo-Hyun and Lee Myung Bak administrations. This incremental change within the broader discursive background of decentralization (idea) possibly depends on each regime’s knowledge of the ideational element’s ‘alluring’ qualities, but it still remained as a black box. In addition, we are still in need of rigorous empirical analyses on the question of ‘how much weight’ should be assigned to ideational factors in explaining institutional or policy changes.

## Notes

1. Under the divided government of 1988 for the first time in Korean history, President Roh Tae Woo exercised his veto on the revised Local Autonomy Act (1989) and delayed the full-fledged elections of local governments (Lee, 1996: 6).
2. Interview with a senior bureaucrat at MOGAHA on 12 October 2005.
3. Since the mainstream ideational studies primarily emphasize the importance of ideas in times of structural crises, recent theoretical development has paid attention to ideational analysis of incremental and transformative changes (Cartensen, 2011).
4. For example, as a key politician and democratic activist from the opposition party, the former President Kim Dae Jung’s discourse mainly emphasized democratic benefits, but after he returned to politics from his hiatus in 1995, he put greater emphasis upon the idea of ‘equality’ among different regions (Lee, 2011, [http://www.pressian.com/news/article\\_print.html?no=3797](http://www.pressian.com/news/article_print.html?no=3797)).
5. These kinds of programmes initiated in the early 1970s included the removal of some governmental agencies and manufacturers to newly developed regions and restrictions on new industries in the capital city area (OECD, 2001: 96–97).
6. For example, the Kim administration enacted reform measures such as an anti-corruption law, a real-name banking system, and a fair competition law (Lee, 2000: 104–112). Many powerful ministries were merged or displaced and there were many layoffs among central bureaucrats on 3 December 1994 (Kim, 1999: 169).
7. Interview with former member of PCGID on 25 February 2015.

8. This goal, combining national competitiveness and liberalization policies including decentralization, was outlined in several presidential addresses (PCNBD, 2004: 28–29).
9. Roh Moo-Hyun’s address at the Forum on Five-Year Innovative Development of Incheon Region, on 8 July 2004 (quoted from PCNBD, 2004: 28–29).
10. Roh personally confessed that his reform idea was influenced by a scholarly book, the *Vision and Strategy of Government Innovation*. The author, Sung-sig Yoon, was appointed chairman of PCGID in 2003 (*Dong-A Ilbo*, 2004a).
11. Interview with a civic activist at the Civic Movement for Decentralization on 10 October 2005.
12. The purpose of this centre was educating local officials and elite groups about the value of local democracy and autonomy (Interview with the former policy advisor to the President Roh on 23 July 2009).
13. Ibid.
14. For example, when three central ministries’ turf war over local allocation tax reform reached its peak, President Roh himself settled the conflicts directly. Interview with the former chairman of PCGID on 19 October 2005.
15. The Kim Dae-Jung administration created the MOGAHA in 1998 (28 February) and the ministry had managed local affairs mainly through two subdivisions, the Division of Local Administration and the Division of Local Finance and Taxation.
16. Forty-two assemblymen actually proposed the revision of the Local Autonomy Act (1994) to abolish the basic-level local elections in 2000 (29 November), though the proposal was defeated (Ahn, 2001).
17. Interview with the former leader of the Employee Association at MOGAHA on 18 October 2005.
18. Interview with a senior bureaucrat at MOGAHA on 12 October 2005.
19. Ibid.
20. One of the notable facts about CMD is, unlike other types of civil society movements, it was organized exclusively by local actors who took up the promotion of decentralization and self-governance by organizing a mass meeting called ‘National Intellectuals’ Declaration for Decentralization’ in September 2001 or announcing a local charter in March of 2001 (B. Park, 2008).
21. Interview with a civic activist at the Citizen’s Coalition for Better Government on 28 October 2005.
22. Local government associations refused the central government’s incremental strategy, because this approach resulted in slowed or unbalanced decentralization in the previous administrations. Interview with a senior specialist at National Association of Mayors on 21 October 2005.
23. Some argue that decentralization under the Lee administration can be seen as less progressive because major devolutions were already implemented under the previous administration (Interview with a former minister on 23 February 2015). Yet many indicators such as appointment of non-decentralists, decreasing fiscal independent ratio and a worsening local economy reaffirm that the administration was less interested in decentralization (Interview with a bureaucrat at a provincial government on 15 February 2015).

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