

Local Autonomy and Decentralization

Local autonomy refers to various activities through which a self-governing body representing the residents within a certain regional boundary carries out its political and administrative decision making while maintaining relative independence from the central government. In this global era, the growing demands for improving regional competitiveness, inter-regional equal development, and resident-oriented administrative services have necessitated local autonomy more than ever. Local autonomy mainly consists of autonomous power over local affairs and an independent budgetary capacity in a geographical region with an explicit boundary where residents and a self-governing body are located. Local governmental autonomy has been a recent global trend.

The local self-governing body that plays a key role in local autonomy in Korea is the administrative organization that maintains close relations with its residents. The local self-governing body is constituted of local residents, and it forms a legal entity. There are two types of self-governing bodies in Korea; macro-level bodies such as the Special City, Metropolitan City, Special Autonomous City, Do or Special Autonomous Province, and primary-level bodies such as Si, Gun or Gu.

Local residents may participate in local autonomy mainly through elections. The local residents elect both the members of local councils and the heads of local governments. Both macro-level and primary-level local councils are accordingly constituted. The heads of local governments include the mayor of the Seoul Special City, the mayor of the Metropolitan City, the governors of Doses, and heads of Guns and Autonomous Gus. The heads of local governments

may request that residents vote on important matters which impose an excessive burden to the government or have a significant effect on the residents. The residents also have the right to recall the head of the local government or local council members.

After 30 years of preparation, the establishment of local councils in 1991 has ushered forth the era of local autonomy, and since then the scope of local affairs and local authority has been expanding. Significant local autonomy includes jurisdiction, organization and administrative management of local government, the promotion of residents' welfare, the promotion of industries including agriculture, forestry, trade, factories, local development and the establishment and management of public and private facilities for residents, the promotion of education, athletics, culture, art, public safety, and firefighting.

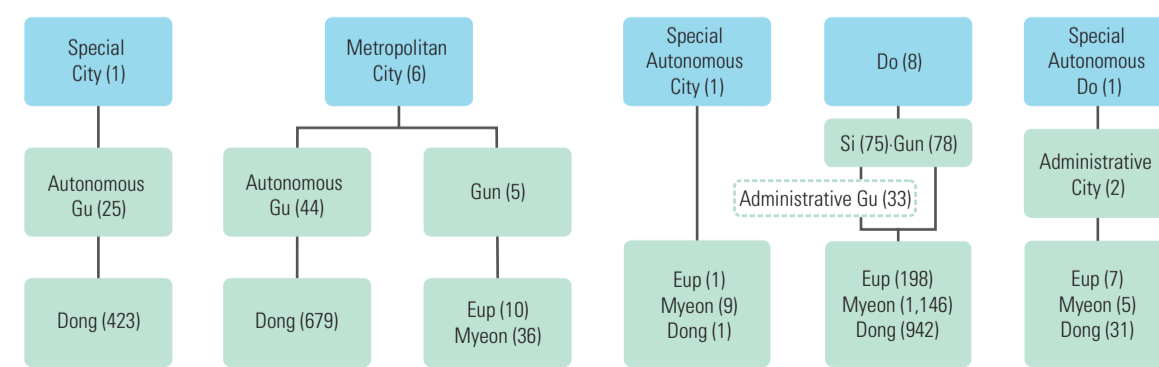
In 2014, the macro-level local self-governing bodies in Korea are the Seoul Special City; six metropolitan cities including Busan, Daegu, Incheon, Gwangju, Daejeon, and Ulsan; the Sejong Special Autonomous City; eight Doses including Gyeonggi-do, Gangwon-do, Chungcheongbuk-do, Chungcheongnam-do, Jeollabuk-do, Jeollanam-do, and the Jeju Special Autonomous Province. In addition, there are 262 primary-level local self-governing bodies including 77 Sis (including 2 non-autonomous Sis), 83 Guns and 102 Gus (including 33 non-autonomous Gus). There are also 216 Eup, 1,196 Myeon, and 2,076 Dong at the lower level. All the self-governing bodies mentioned above constitute the localized administrative system in Korea.

Administrative District System in Korea

Si - Do	Classification	Si - Gun - Gu			Adm. City - Non-auto. Gu		Eup - Myeon - Dong				
		Total	Si	Gun	Gu	Si	Gu	Total	Eup	Myeon	Dong
Total (17)											
Special City		227	75	83	69	2	33	3,488	216	1,196	2,076
Seoul		25			25			423			423
Metropolitan City											
Busan		16		1	15			210	2	3	205
Daegu		8		1	7			139	3	6	130
Incheon		10		2	8			147	1	19	127
Gwangju		5			5			95			95
Daejeon		5			5			78			78
Ulsan		5		1	4			56	4	8	44
Special Autonomous City											
Sejong								11	1	9	1
Do											
Gyeonggi-do		31	28	3			20	550	32	108	410
Gangwon-do		18	7	11				193	24	95	74
Chungbuk		12	3	9			2	153	15	87	51
Chungnam		15	8	7			2	207	24	137	46
Jeonbuk		14	6	8			2	241	14	145	82
Jeonnam		22	5	17				296	33	196	67
Gyeongbuk		23	10	13			2	331	36	202	93
Gyeongnam		18	8	10			5	315	20	176	119
Special Autonomous Do											
Jeju						2		43	7	5	31

MISPA (2014)

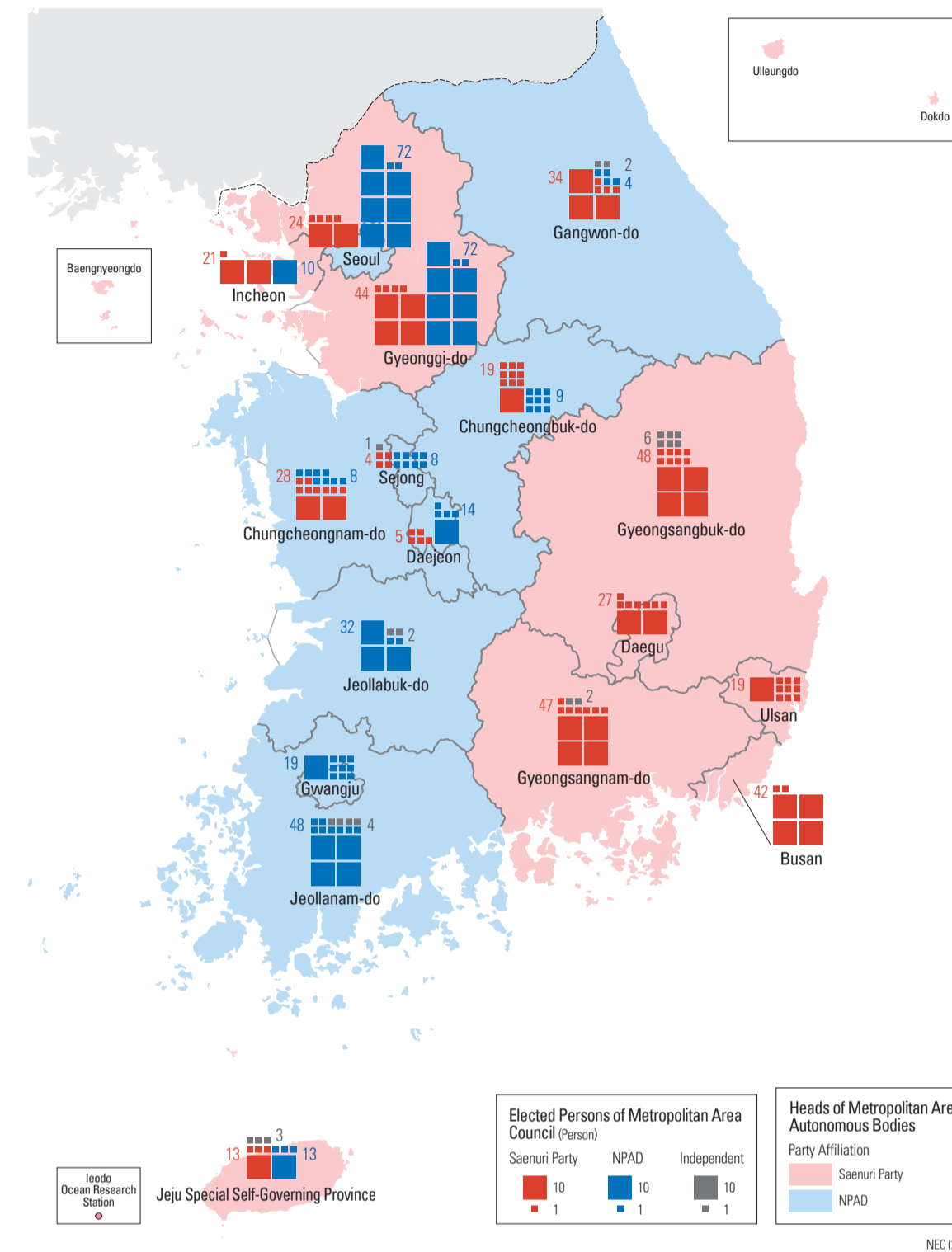
Administrative District System



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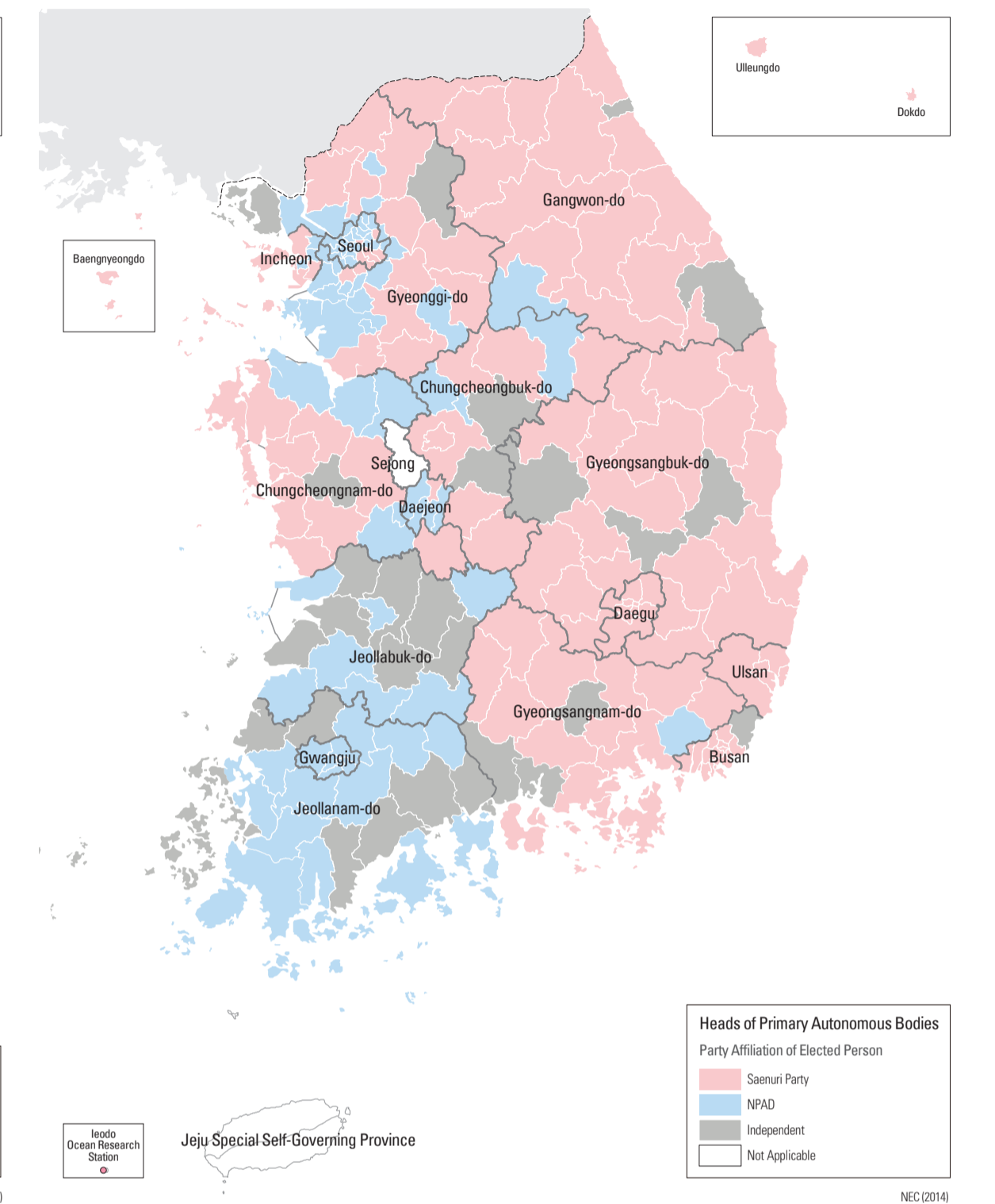
Local Autonomy and Election

Election Results of Metropolitan Area Autonomous Bodies



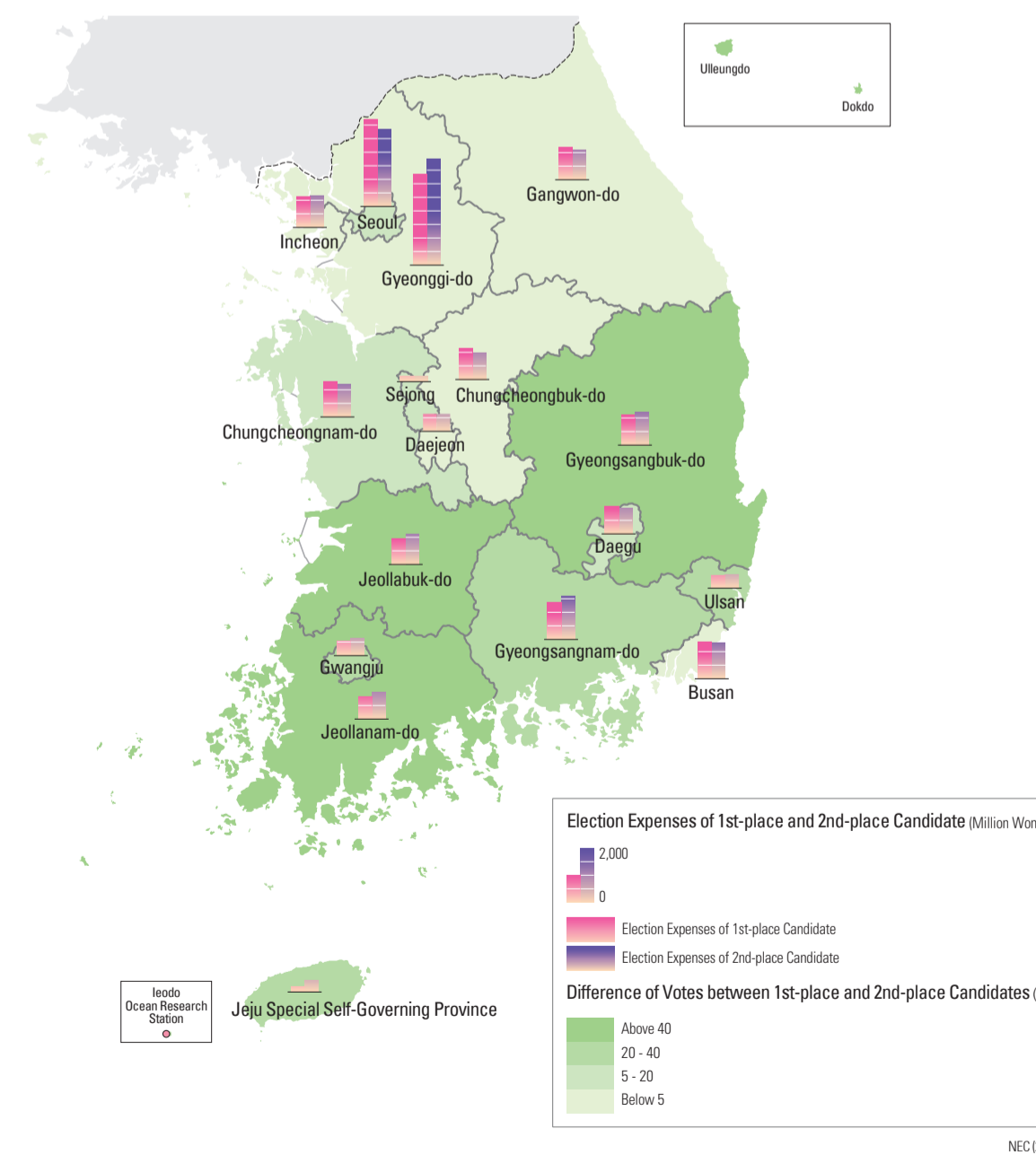
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Election Results of Primary Autonomous Bodies



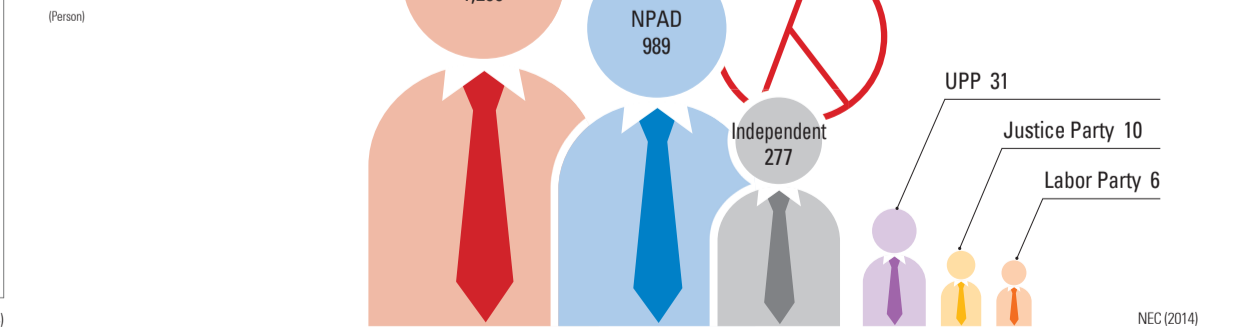
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Election Expenses of Candidates by Metropolitan Area Autonomous Bodies



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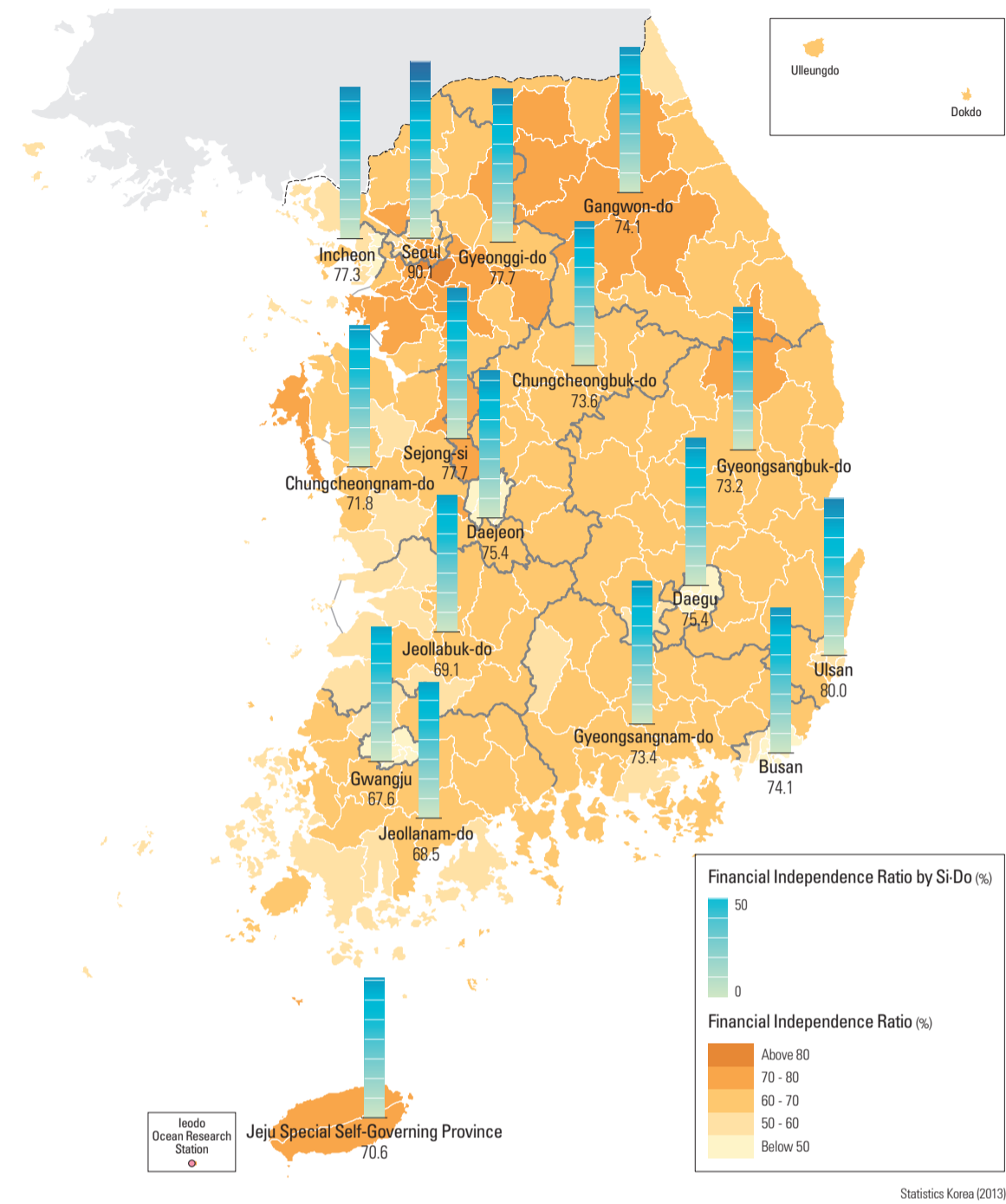
Party Affiliation of Elected Persons in Primary Autonomous Council



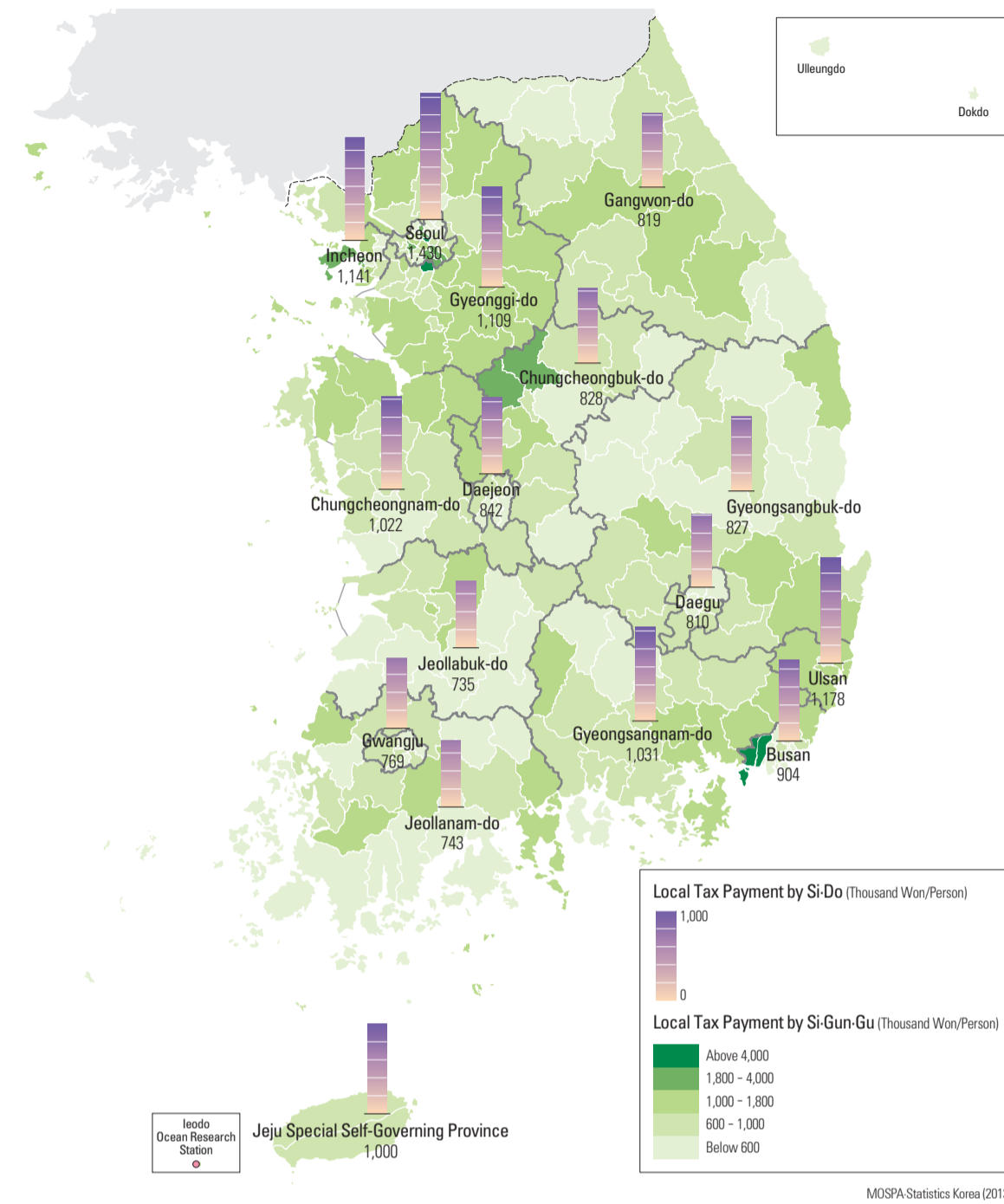
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Local Finance

Financial Independence



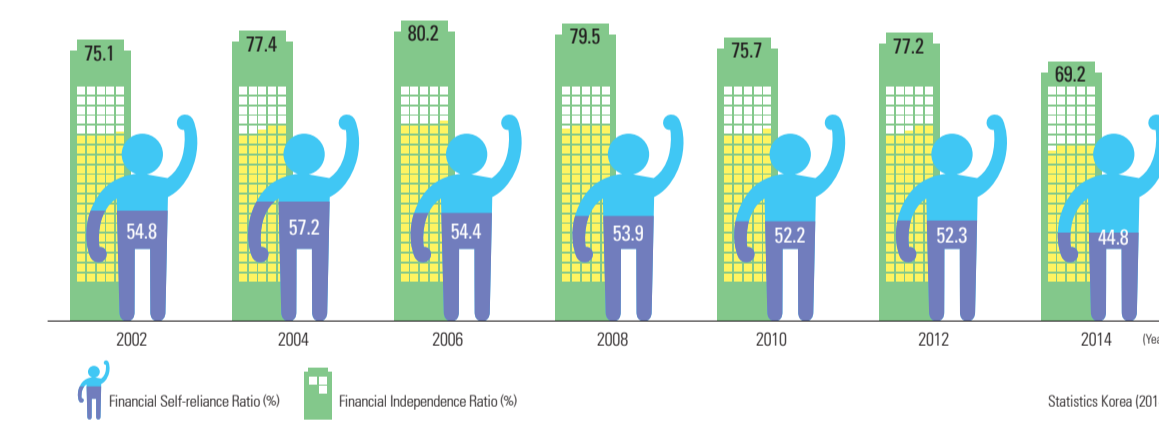
Local Tax Payment



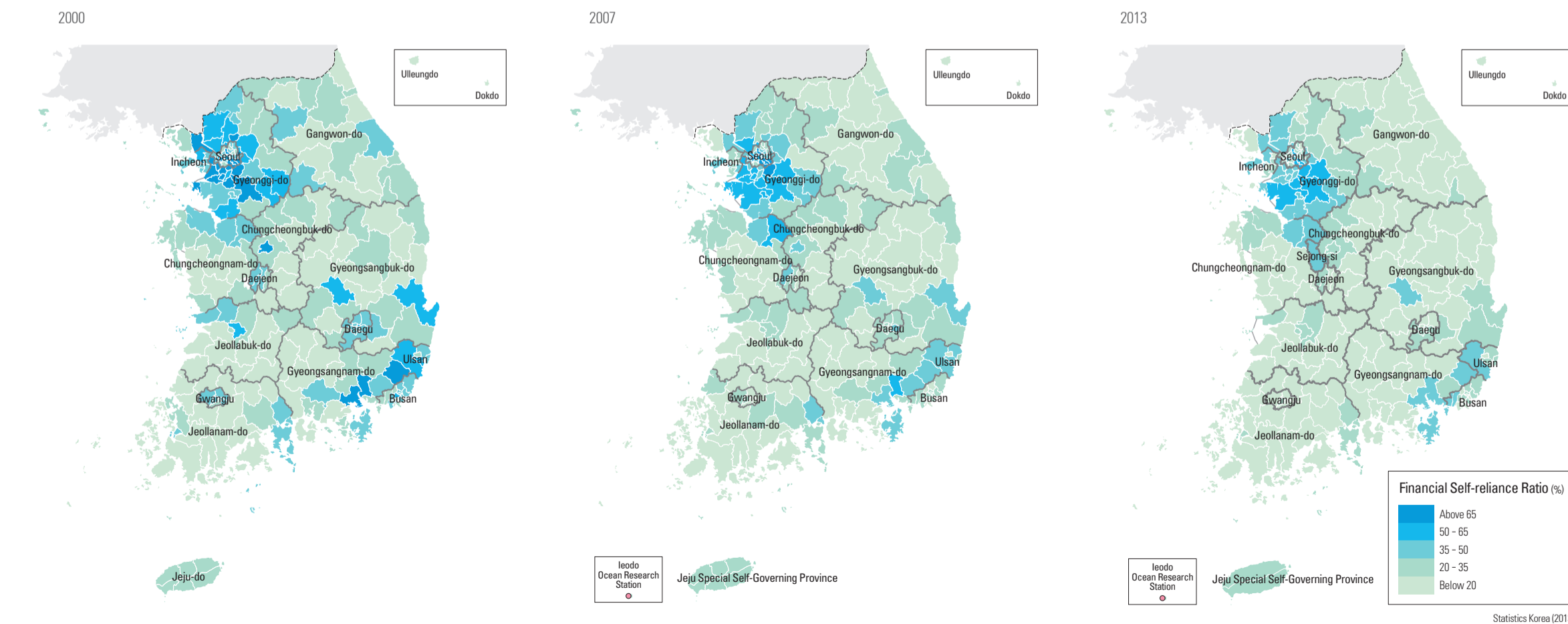
Since the advent of local autonomy in 1991 both the demands for and efforts toward achieving more local autonomy and decentralization of power have increased. The push toward decentralization of power is based upon the perception that it is more desirable for a local self-governing body to provide locally determined public services to its own residents. In order to ensure satisfactory services on a local level, it is essential to secure financial independence. Unfortunately, fiscal self-reliance decreased by 17% between 1991 (69%) when the

local autonomy was re-introduced and 2012 (52.3%). Most local self-governing bodies are now highly dependent on financial assistance from the central government, which makes them less autonomous and less engaged in financial management. The demand for greater fiscal independence is expected to rise due to the increasing demands for local autonomy in the future. It is also expected that finding local revenue sources and providing reliable public services will remain high priority agenda items for the foreseeable future.

Changes of Financial Self-reliance and Financial Independence in Local Governments

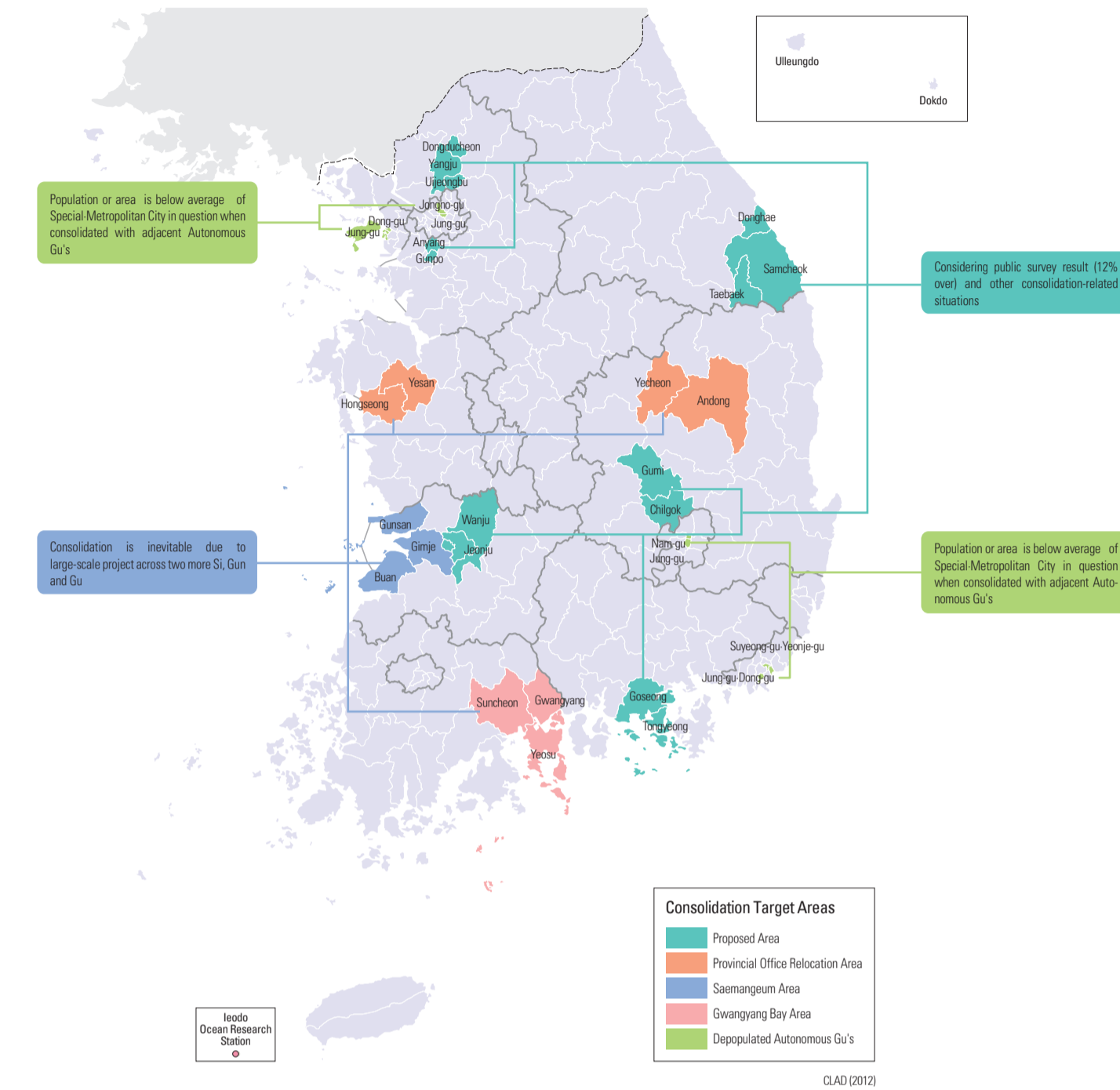


Changes of Financial Self-reliance

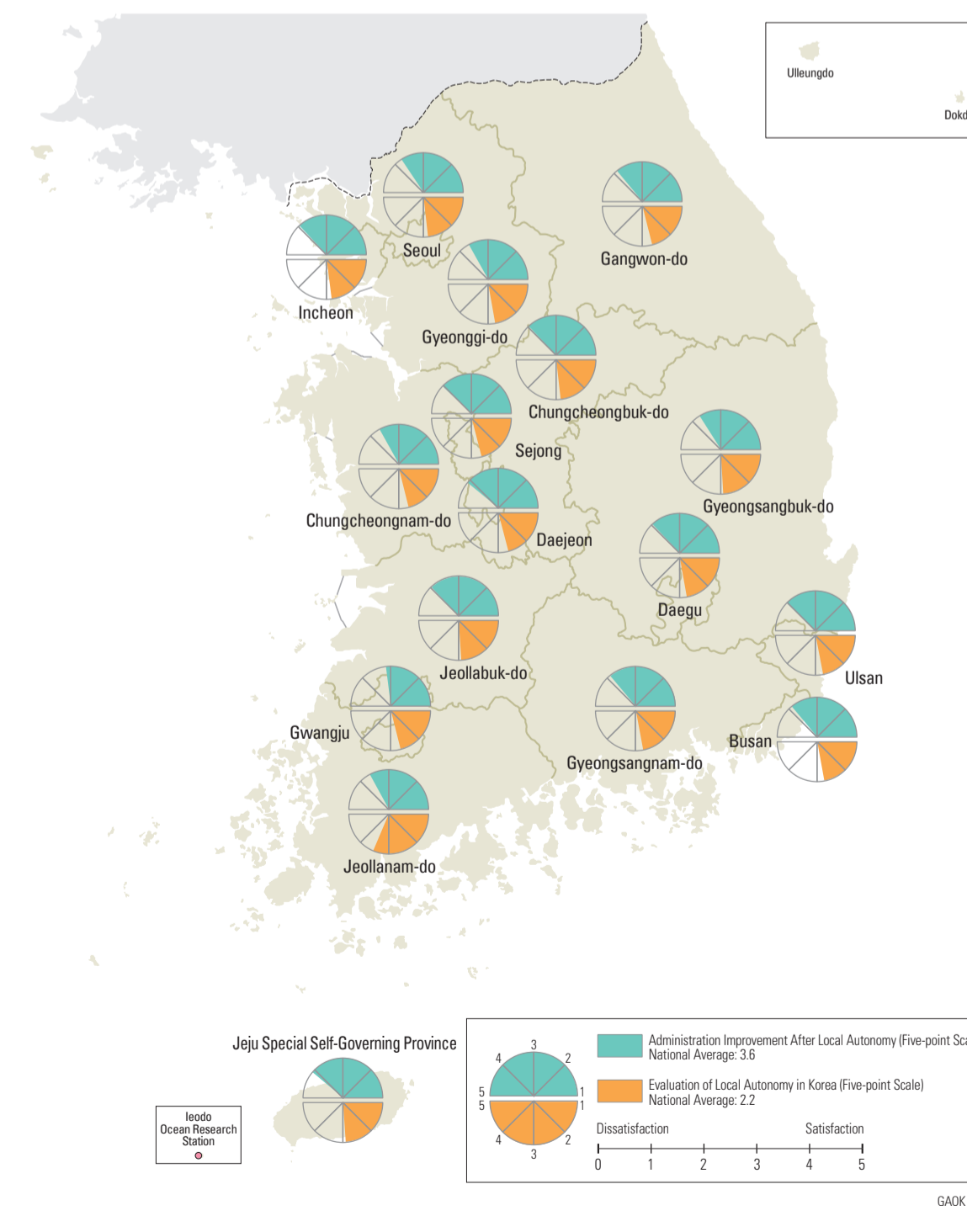


Decentralization of Power

Si · Gun · Gu Consolidation Target Areas and Their Characteristics

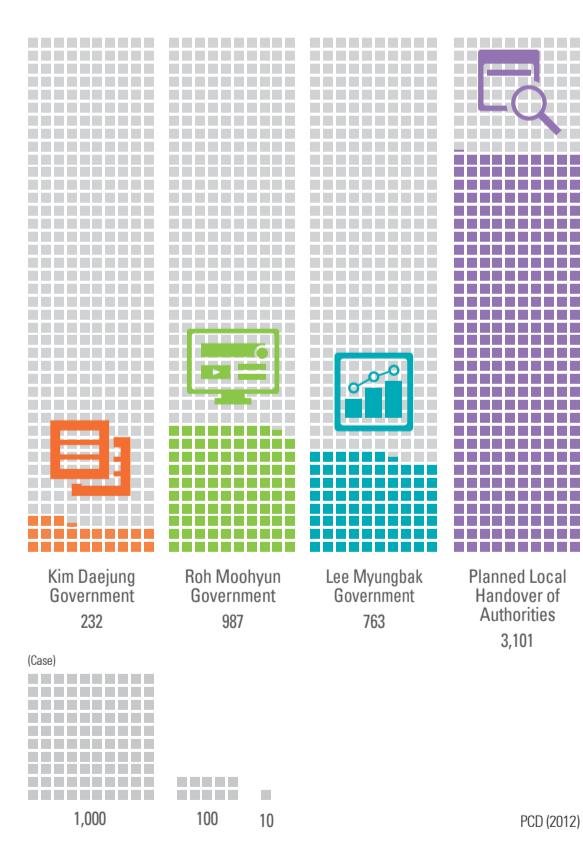


Decentralization of Power Public Survey



Rapid urbanization and industrialization since the 1960s have led to numerous problems not the least of which includes the decreasing efficiency of local governmental administration and the weakening economy of local self-governing bodies – a process that makes the fostering of greater local autonomy even more difficult. One proposed solution included a restructuring of administrative jurisdictions. After a series of discussions in 1994, Si · Gun · Gu was consolidated by the central government to create 40 consolidated cities in 1995. Yeosu-si, Yecheon-si, and Yecheon-gun were then consolidated in 1998. The consolidated cities of Jeju-si and Seogwipo-

Local Handover of Central Government Authorities



si were also established along with the creation of the Jeju Special Self-Governing Province in 2006. The cities of Changwon-si, Masan-si, and Jinhae-si were consolidated in 2009. Due to the enactment and implementation of the Special Act on the Transformation of Local Administrative System, the Si · Gun · Gu consolidation has been pushed forward as one of key tasks. Based on the Act, the consolidation targets 36 Si · Gun · Gus within 16 regions which meet various conditions including the local governments' own proposal along with the determination that they represented a depopulated locality. One outcome of this effort is that Cheongju-si and Cheongwon-gun were consolidated on July 1, 2014 to form the consolidated city of Cheongju-si.

As the notion of local autonomy expanded with the composition of local councils in 1991, concrete discussion on redistribution of both authority and administrative affairs between central and local governments began. With the launch of the President Kim Daejung government in 1998, the decentralization of the central administrative authority became one of 100 governmental reform tasks. The formation of the Presidential Commission for Promotion of Local Empowerment (hereafter, PCPLE) was then implemented. The decentralization of power was pursued according to three main principles: decentralization first followed by supplementation later, subsidiarity, and comprehensiveness. Subsequently, the President Roh Moo-hyun government stated that the decentralization was one of two main government reform tasks, and the Presidential Committee on Government Innovation and Decentralization (hereafter, PCGID) was launched. The key function of the Committee was to discuss the vision and strategies for government innovation and decentralization and to deliberate the implementation and evaluation of related government tasks.

The President Lee Myung-bak government enacted the Special Act on the Promotion of Decentralization and established the Presidential Committee on the Promotion of Decentralization (hereafter the PCPD) in 2008 by combining local empowerment functions from the PCPLE with decentralization functions from the PCGID. Most recently, the President Park Geun-hye government enacted the Special Act on Decentralization and the Transformation of Local Administrative System, and established the Presidential Committee on Local Autonomy Development by integrating both the PCPD and the Committee on the Transformation of Local Administrative System in order to pursue its own decentralization and local autonomy reform. The Committee actively implements various policies such as promoting the competitiveness of local self-governing bodies by way of the drastic decentralization of central authority, the rational redistribution of government affairs between central and local governments, the promotion of transferring of already designated local government-oriented affairs, and the systematic management of the tasks of decentralization.