

Why Korea's Globalization Policy (1994 –  
1997) Failed at the Local Level

- A Local Government Perspective -

By

Hee Dong Kang

Thesis

Submitted to

**School of Public Policy and Global Management, K D I**

**In partial fulfillment of the requirements**

**For the degree of**

**MASTER OF INTERNATIONAL RELATIONS**

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## **Abstract**

### **Why Korea's Globalization Policy (1994 – 1997) Failed at the Local Level: A Local Government Perspective**

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Korea's globalization policy was not as successful in reaching its stated outcomes as was expected in 1994 – 1997. My question about the globalization policy is why the local governments did not manage it proficiently. Local governments developed the organizational infrastructure, human resources, and budgets for its policy. However, many local civil servants, affected by the government's logic of public relations, were still ambivalent about how to implement the policy because local governments neither directed the civil servants efficiently nor received the necessary autonomy from the central government.

The lack of actual recognition of globalization led to its failure as a policy. In particular, the structure of top-down decision-making and lack of autonomy in the organizational management at the local level were the decisive factors leading to the failure of the policy because many local civil servants were not only left outside the decision-makings process but were passive recipients of executive orders. The central government was also responsible for its failure because it should have redistributed

the authority and responsibility between the central government and local governments. Such structural reforms should have been focused on developing the civil servants' ability at all levels.

On the basis of the failure of the globalization policy, these methods of reform must be introduced consistently, and the new relationship with the civil groups must be considered seriously for the future.

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## LIST OF ABBREVIATIONS

NICs	Newly Industrializing Countries
GDC	Globalization Driving Committee in the Prime Minister's Office
GDT	Globalization Driving Team in Each Local Government
KRILA	Korean Research Institute of Local Administration
CNGDT	Globalization Driving Team in ChungNam Province
WTO	World Trade Organization
TNCs	Transnational Companies
MNCs	Multinational Companies
GNP	Grand National Party in Korea
ICP	International Corporation Department in Local Governments except for Seoul
REB	Regional Economic Bureau in Local Governments
NVM	New Village Movement in 1970s
LALF	Local Authority Internationalization Foundation



## . Introduction

Many people often say that Korea's president holds strong powers over the society and the people. Some proposed reasons are: legacy of a monarch ruling system, strong Confucianism culture, small territory suitable for centralization, frequent national crises<sup>1</sup> by war, experience of Japanese colony, the Korean War, and the autocratic government during 1950s - 1980s. Thus, the Korean president has had the actual power and has played an important role in the process of modernization. Two examples are as follows.

The first example is that the ex-president, Park Jung Hee, mobilized all people's hope for a better life through economic development. Since he wanted to legitimize his seizure of power by developing the impoverished Korean economy, there were many forceful or transcendent-legal measures to implement the plan<sup>2</sup> for economic development after he advanced the New Village Movement in 1970s, many lands were used for public purpose without adequate indemnity. His strong leadership and powerful governmental organizations were beyond the people's capacity to revolt. People could not resist the government's power. Therefore, the government was able to mobilize the total resources to foster the Korean economy. As a result, Korea became the promising country, one of Newly Industrializing Countries (NICs).

The second example is the introduction of the Real Name Finance Transaction System in 1993, which asked everyone to transact their banking account using only their real name; in contrast, non-real name the accounts could not be taken back until a depositor converted it

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<sup>1</sup> According to an historian, Korea had undergone almost 1,000 invasions from the surrounding countries in 5,000 years of its history. This means it experienced on average a war every five years.

<sup>2</sup> As soon as he seized power, he set up the Five Years Plan of Economic Development in 1962. This plan was been executed into 1980s and the core plan of Korean modernization.

into his or her real name. This measure, which looks like a violation of the ownership rights,<sup>3</sup> was introduced successfully with the people's anticipation of recovering the desirable market out of the distorted underground financial market. In the Korean reality, nobody could undertake these enormous tasks without the president's resolution.

Korean president's power has been institutionalized by constitutional law. He has an actual power to lead the administrative body (article 66), veto power over legislation<sup>4</sup> (article 53), and immunity from prosecution<sup>5</sup> (article 79). By institutionalizing these powers, the Korean President has the means to impose his will on the whole society. Before June 1995, he had appointed not only all head officials of local governments, but also controlled the local governments in terms of the organization, budgets, the approval of the main projects and inspections. The central government, which supports the president's will, also had the absolute supervisory authority to local governments (sometimes, the concept of the president is used almost identically to the central government because the president controls it; in this thesis, two concepts are used without any differentiation).

The Four Large Local Elections on June 27, 1995, were a turning point in the relationships between them. As the residents elected a chief of the local government, the elected governor or mayor had freedom to exercise his own policy style more independently than before; however, the central government could virtually control local governments in terms of organization, budget, approval of major projects, and inspection. There are two examples of the central government's influence. First, around 45 counties<sup>6</sup> out of 245 basic

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<sup>3</sup> Korean Constitutional Law, Article 25.

<sup>4</sup> This means the President has a superior right to the legislative body. Actually, the president can dominate the legislative body with the manipulation of the ruling party or other means.

<sup>5</sup> This means the President has a superior to the judiciary body. Also, he has the right of appointment of all judges, from the general judges to the top. Thus, many judges hardly exclude the influence of the President. In the past (in 1960s to mid 1990s), the judge was frequently derided to the maid servant of the power

<sup>6</sup> Korea has two kinds of local autonomy organizations: one is large local autonomy organization constituted by Provinces and Large cities; another is basic autonomy one constituted by counties and cities. The latter is directed by the former and the central government. I roughly remember the number of basic local autonomy

local autonomy organizations could not even pay the personnel expense without the central government's financial support. Second, in the case of ChungNam province, the independent ratio of financial ability was 43.4% in 1993, 39.4% in 1994, and 27.9% in 1995.<sup>7</sup> The main reason for the decrease of these figures was the sharp increase of financial demand in spite of sluggish rising financial capacity of the local government. Other local governments' situations were not different from ChungNam's.

Thus, the central government still maintained the power to control local governments. Kim Young Sam did announce the globalization plan on Nov. 17<sup>th</sup>, 1994 in Sydney. Subsequently, the central government organized the Globalization Driving Committee (GDC) under the Prime Minister's office. All local governments also organized their Globalization Driving Team (GDT) around the end of 1994. In addition, all newspapers and chaevols<sup>8</sup> shouted globalization unanimously. Definitely, all sectors of Korea were full of enthusiasm to drive the globalization policy. Nevertheless, there were not prominent performances of globalization. All newspapers, which acclaimed the globalization policy at first, pointed out unanimously its failure at the end of Kim's reign. What were the problems of this roaring policy? The omnipotent president urged all local civil servants to implement the globalization policy, but they did not know what it was and how it was implemented as a policy.

I will explore these problems in the following study from the local governments' perspective. This paper will proceed in the following order: I will evaluate whether or not the globalization policy was successful. I will discuss the globalization theory and its applications next. I will analyze the causes for the problems of globalization policy with the

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organization which could hardly maintain its personnel expense.

<sup>7</sup> National Statistical Office Republic of Korea. Year Book of Regional Statistics. 1996. p. 276.

<sup>8</sup> The president of the Sam Sung Conglomerates, Lee Kun Hee, suggested the employees of his companies that we needed to change every thing except for our wives and children in the globalization times. Also, the president of the Dae Woo conglomerates, Kim Woo Jung, advocated the global management before that time. Ironically, two presidents suffered from the mismanagement of his companies later. This would be another evidence of the failure of the globalization policies.

result of some surveys. This survey was quoted from the results of Korean Research Institute of Local Administration (KRILA). Finally, I will give the concluding remarks and some suggestions for the other policies in the future.

### **. The evaluation of the globalization policy: success or failure ?**

The result of a government's policy is not usually appraised by the market function since its policy isn't premised on the principles of supply and demand as in the market. Therefore, it is difficult to evaluate the result of a policy. There are different evaluations of the result of a policy, therefore, it is not easy to conclude which evaluation is correct. Notwithstanding these difficulties, I will argue the result of the globalization policy was a failure at the local level. Why?

First, the globalization policy didn't produce substantial results in the Korean society. According to the GDC's self-evaluation,<sup>9</sup> the globalization policy was successful because it could broaden the social basis to accept its concept. This self-evaluation would be correct in some sense when we recollect the hot debate regarding what the globalization actually is from December 1994 to January 1995. In fact, many civil servants, needless to say average people, had never heard the term " globalization" first until the president declared the globalization policy. Owing to the globalization policy, many civil servants began to pay attention to globalization. However, globalization as a policy is different in that it was an investment of human and material resources for the purpose of approaching its direction. Therefore, it should have produced some results in society rather than a simple increase in recognition of the concept.

Second, the globalization policy was driven mainly by the top-down method. This

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<sup>9</sup> Globalization Driving Committee. White paper of the globalization policy. 1997. pp12-13.

method was very inefficient in accomplishing the goals of the globalization policy. Although many local civil servants had an interest in the globalization policy, they did not have a clear idea – as mentioned earlier - what the globalization policy was or how to implement it beyond the logic of public relations by the central government. They were accustomed to receiving orders from the upper level managers, but reluctant to implement the policy due to their lack of confidences.

This phenomenon could be explained by the pathology of the bureaucratic system. The efficiency of the centralized management system could function in some specific range or stage, but its system tends to reveal the limitation in the next stage. The globalization policy declared by the president was not preceded by any developed measures because many civil servants who were alienated from the decision-making of the globalization policy could not move arbitrarily until they confirmed the president's intentions. But the president was too busy to control the whole process for the globalization policy, so he could not give the specific guidelines case by case. In the end, the huge organization of civil servants under the strong president did not act according to the president's will. Some critics described this phenomenon as Bokjibudong in Korean: literally, civil servants didn't work; they only contemplated the president's intention. As a result, the government didn't overcome the inefficiencies of the nation's management in the globalization policy as expected, although it focused on eliminating them.

Third, the results of some globalization policies were very poor since many globalization projects were picked up from existing projects and were produced simply by a change in title of existing projects. In my opinion, the central government seemed to make haste to get some results. A ministry of the central government ordered local governments to report its agenda and performance once a week. This hastiness produced a lot of paper work. Nonetheless, a few local governments tried to develop the globalization policy. I will

introduce the actual globalization projects, which came out of ChungNam Province. Someone might say that the case of ChungNam was too specific to judge the performance of other local governments. But ‘civil servants going backpacking abroad (see below paragraph ①), was adopted as a globalization policy by the central government and spread to all local governments. In contrast, other projects were not adopted as actual globalization projects.<sup>10</sup> Therefore, the case of ChungNam Province has room to be generalized to judge the situation of other local areas.

① Civil servants abroad going backpacking: all civil servants who wanted to go abroad could have a chance of going backpacking with the least amount of red- tape. This was created by the ChungNam Provincial Government at first and spread to all local governments by the Ministry of Home Affairs. Owing to this measure, 29 civil servants in ChungNam Province could go backpacking abroad in 1995 through 1997. The number per year during that period was as follows.

<Table 1: Number of local civil servants who had experienced going backpacking abroad >

Year	Total	1995	1996	1997
Persons	29	9	12	8

This measure was quite innovative in light of the local government’s attitude because going abroad at that time required complicated procedures such as pre-investigation of an official’s trip abroad and the *ex post* facto report on the trip abroad. It stimulated the civil

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<sup>10</sup> The Ministry of Home Affairs published the collection of the globalization policies to spread all local governments its policies in 1995.

servants to go abroad more freely; a few civil servants could experience being abroad because of budget constraints. When we consider the civil servant's important role, the importance of their overseas experiences cannot be underestimated. In this respect, it looks successful. Yet, it was ceased during the foreign crisis times in 1998 through 1999.

② The organization of the foreigners' consulting group for the ChungNam Provincial Government: the ChungNnam Globalization Driving Team (CNGDT) planned to commission ten to fifteen foreigners as consultants. But it has still not been implemented.

③ The home-stay movement of the foreigners: CNGDT planned for the foreigners to experience the life of ChungNam by means of staying in the residents' homes. But it has still not been implemented.

④ The operation of civil servants interest research group: CNGDT planned to operate the various research groups with its finance. One research group was organized in 1995. It continued in 1996.

⑤ The production of audio tape for the tourists of hometown: CNGDT urged each city and county of the ChungNam Province to make the audio tape for the tourists of its region. But it has not been implemented until now.

## **. The theoretical overview of globalization and its ideology**

Generally, we can categorize three kinds of globalization theory. Following is brief introduction of the ideology of the globalization in Korea.

### **A. The theoretical overview of globalization**

First, Hyperglobalists argue that the current globalization has been unprecedented

historically.<sup>11</sup> They share a conviction that economic globalization has been dissolving individual nations' borderlines and constructing new forms of social organization. This entity will eventually replace the traditional nation-states. The dominant features are global capitalism, global governance, and global civil society. Individual countries decline and old hierarchies erode their prestige. As a result, they predict that the power of globalization will end the nation-state in the end and bring up the global civilization.

Second, Skepticalists dispute the view of hyperglobalists as follows<sup>12</sup>: drawing on statistical evidence of the world flows of trade, investment, and labor, the current economic interdependence has the historical precedence in 1890s. They contend that the concept of economic integration means the world market in which prevails the 'law of one price'. Thus, the current level of integrated market is the only heightened stage of internationalization. In this respect, Skepticalists emphasize the enduring power of individual nation-states to regulate the international economic activity. Contrary to Hyperglobalists' s view, the regulation of national governments is parameter to ensure continuing economic liberalization. Although the nations and the market are the important driving forces of globalization, the power of the national government has been reinforced and enhanced.

Transformationalists think that globalization is a central driving force to induce the drastic social, political, and economic changes which are reshaping modern societies and world order.<sup>13</sup> Contemporary stages of globalization are historically unprecedented because individual nations and societies are being driven by the huge power of the integrated market. There is no longer a clear distinction between international and domestic affairs. In a word, globalization is functioning a 'massive shake-out' of societies, economies, and institutions of

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<sup>11</sup> D. Held, A.McGrew, D. Goldblatt, J. Perraton. Global Transformations. Stanford Univ. 1999. pp 3- 5.

<sup>12</sup> D. Held, A.McGrew, D. Goldblatt, J. Perraton. Global Transformations. Stanford Univ. 1999. pp 5- 7.



governance and world order; however, the direction of these changes is not certain. Thus, Transformalists are reluctant to say what is the ultimate shape of changes excepting the global integrations and fragmentations. Nonetheless, these changes are being driven by the combined forces of modernity such as the technology of telecommunications and computer.

So, which theory is appropriate to interpret Korea's globalization policy? In my opinion, Hyperglobalists and the Scepticalists have some problems in applying their ideas to the reality of Korea. According to Hyperglobalists, the nation-state will end as the market gets dominance over the state. The Korean government has maintained a strong power over the market. The experience of Government-led development could hinder market function. The adoption of more market principles could heighten efficiency, but in the meantime it could deepen the inequality in society. In this situation, nothing can supersede the nation in correcting such imbalance of the distribution so far. Even in the western countries, which have a long tradition of market-dominance<sup>14</sup>, the nation has played an important role in lieu of many large corporations in resolving trade conflicts. Thus, co-existence of the nation and the market seems to be more plausible than the extinction of the nation by the market.

The scepticalists' view doesn't seem to be appropriate from the standpoint of the nation's developmental strategy. Let's consider many transnational organizations such as transnational companies (TNCs). The TNCs are considered to be genuine footless capitals without specific nationality and with an internationalized management. These companies are ready to locate and relocate anywhere for the pursuit of higher profit or more security of the capital. Thus, those companies, no longer based on a specific country have enormous power of the capital, and are dwarfing the prestige of individual countries. Therefore, it doesn't seem to be appropriate to explain the Korean globalization policy with this theory.

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<sup>13</sup> D. Held, A. McGrew, D. Goldblatt, J. Perraton. Global Transformations. Stanford Univ. 1999. pp 7- 10.

<sup>14</sup> Classic economists, e.g. Adam Smith, Ricardo, and Malthus, advocated the superiority of the market over the

I adopt the transformationalist's view that globalization has been transforming the state power and world politics. Because it considers both the global phenomenon and the reality of the nation proportionately, it is appropriate to apply its theory to the Korean situation. Korea's globalization was triggered by the response to outward pressure. Kim Young Sam promised not to open the rice market when he was the presidential candidate. However, he could not help but open the rice market because the structure of Korean economy, highly dependent on overseas trade, he neither had the reasons nor abilities to refuse the pressures of opening its market to the global society.

Subsequently, Korea had to undertake the follow-up procedures: the approval of the national assembly, the rearrangement of the law and institution, and the persuasion of the people. The huge power of globalization strongly pressured Korea to reshape and restructure according to the trends of global society. Therefore, Korea's globalization policy as the response to the outer pressures could be understood as a readjustment of the nation's functions rather than the weakening of them. Thus, this phenomenon could be explained appropriately by the transformationalist's view.

## **B. The ideology of the globalization policy**

The former president, Kim Young Sam, used the globalization policy as a political ideology. According to Su Hoon Lee Professor of Kyung Nam University, we can see the inclinations of this ideology with the following. First, domestically, Kim Young Sam needed new reasons and principles to persuade the people because he had to change his initial stance due to the storms of WTO supported by most countries. Therefore, globalization was introduced in the name of strengthening the nation's competition ability and that is why he

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nation, mercantilism in 18<sup>th</sup> century.

was able to pursue a reduction in the organization of central government.<sup>15</sup> The bureaucratic group was regarded as a very powerful, self-interest-oriented elite group in the Korean society. Even so, he drove the reorganization with the help of the ideology of globalization.

Second, the Grand National Party (GNP), the ruling party that considered itself as a leading reformative force, expelled Kim Jong Pil, who was the representative of the GNP but not a welcomed figure because he was related to an historical incident.<sup>16</sup> Third, he was able to implement educational reform on May 31, 1995. Actually, the educational reform of Korea was a very sensitive task since it set out to change too many persons' sentiments and their interests. However, Kim Young Sam could drive educational reform in the name of strengthening the nation's competitive ability.<sup>17</sup> At that time, globalization was seen as a panacea to societal pathologies. Fourth, the conglomerates persistently asked the government to enlarge the corporation's autonomy and deregulation. Strengthening the nation's ability to compete was also a part of the background logic of the large corporations' request. Kim Young Sam's adoption of the globalization policy seemed to kill two birds with one stone: reducing the domestic political hardships and embracing conglomerates at the same time. The globalization policy was the product of the nation's dominating ideology over the society.

Kim Young Sam's government started with a great deal of popular anticipation. Although many people applauded him, it was true that his reformative measures caused implicit resistance and the support of the reform was not stable. A series of major accidents<sup>18</sup>

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<sup>15</sup> In late 1994, Korea merged the Ministry of Economic Planning Board and the Ministry of Finance into Ministry of Finance and Economy and it merged the Ministry of Construction and the Ministry of Transportation into the Ministry of Construction and Transportation.

<sup>16</sup> Kim Jong Pil had played a key role in the military coup on 16, May, 1961 and organized the Korean Central Intelligence Agency (KCIA) that was notorious for the political inspection. But Kim Young Sam had embraced him to win the presidential election in 1992. After Kim Young Sam inaugurated the presidency, Kim Jong Pil was a big burden for the GNP because he was regarded as the representative of the conservative group in Korea. Nonetheless, such a symbolic evaluation could resurrect him in the Local Elections in 1995 and his political life span has been extended.

<sup>17</sup> Su Hoon Lee, Global phenomenon and the Korean Globalization: Critical View, 1995. p.63.

<sup>18</sup> The fall of the airplane in Mok Po City, the sinking of the excursion ship in Chung Ju lake, the explosion of LPG tank in Taegye, the derailing accident in Pusan, the collapse of the Sung Su Large Bridge in Seoul, the

made the reform policy difficult. The fierce resistance to the Uruguay Round and its breakdown were big burdens for Kim Young Sam's government that had started with the people's mandate. Also in 1994, Kim Young Sam's government needed to take the initiative for the upcoming local election in 1995, the general election in 1996, and the presidential election in 1997.

Therefore, Kim Young Sam developed a new and aggressive ideology to overcome the political hardship. Namely, globalization was the belief and assumption of the Korean society and a political elite group. As Titus Alexander manifested earlier, it made the Korean people and government function collectively, retain ideas and assumptions for interpretation of the current situation, answer the some questions, and formulate aspirations and inform decisions.<sup>19</sup> The central government chose the globalization policy on the grounds of coping with the inward political and outward economic crisis; however, its effect could not last long because the defeat of local elections in 1995 exposed the limit of the ideology of the globalization manifestly.

### **C. Global phenomenon and globalization policy**

Global phenomenon appeared before long. In some sense, it has the same long history as capitalism.<sup>20</sup> In fact, both globalization and capitalism have taken the same route in terms of intervention and independence from the nation. The basic principle of capitalism is to pursue accumulation of the capital itself. Because the capital has expanded the range of activity for the profit, the concept of economy of the nation-state cannot control the

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collapse of Sam Pung Department Store: these accidents had a lot of victims but the government didn't deal with them smoothly.

<sup>19</sup> Titus Alexander. Unraveling Global Apartheid: An Overview of world Politics. 1996. p 230.

<sup>20</sup> Su Hoon Lee. Global phenomenon and the Korean Globalization: Critical View. 1995, pp 52 -68. The discussion of this section was mainly dependent on Su Hoon Lee's view.

movement of the capital in the intrastate and the interstate. Thus, the capital has the intrinsic tendency of international accumulation. In this context, globalization is another expression of internationally accumulated capital at the current level.

According to Su Hoon Lee, the current globalization was directly triggered by the crisis of the world economy in 1970s. Many major capitals in the first countries (America, EC, Japan) had vigorously pursued the export-drive in order to get out of the domestic depression before 1970s, but they adopted the new strategies in 1970s as Multi National Corporations (MNCs) or Trans National Corporations (TNCs) began to expedite the basis for production and marketing by looking for cheap cost of labor and transportation. In this process, the first countries have supported the activities of MNCs or TNCs and sometimes acted in lieu of them. Therefore, many major corporations played a main role in the process of globalization while the nation took charge of subsidiary roles.

On the other hand, the basis of Korean globalization policy is mainly constructed by the nation. Korea has driven the government-led economic development since 1960s. This method had been very efficient in developing the country rapidly until 1970s and the relationships between the capitals and the government were very close – crony capitalism. But it faced some impediments in late of 1970s. The existing method of accumulating the capital could not be maintained due to the temporary vacuum of ruling power<sup>21</sup>, underdevelopment of components setting industry, and imbalance between large corporations and small & medium sized corporations. These factors lowered the international competitive ability of the large corporations. Moreover, the aggravation of trade surroundings in the dimension of the world economy asked Korea to import more in proportion of the export.

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<sup>21</sup> Korea had the autocratic government led by the president, Park Jung Hee and Korean Central Intelligence Agency (KCIA). In Oct. 1979, the chief of KCIA, Kim Jae Gue, assassinated Park Jung Hee. As a result, Korea was surrounded by the chaos for some time and the ruling organizations were not functioned normally.

Therefore, Korea drove the ‘economic stabilization policy’ in the 1980s. This policy reflected the requests of liberalization of the capitals which were developed to some degree: i.e. adjustment of investment of heavy chemical industry, clearance of the insolvent enterprise, enhancement of banking autonomy and its privatization, privatization of public enterprise, and activation of the capital market, and so on. These measures were solutions of crises of the capital accumulations by the government-led method and a milestone of the change of relationships between the nation and the capital. Even though the term of globalization was hardly mentioned at that time, the primitive frameworks of globalization were formed and driven since 1980s. The globalization policy of Kim Young Sam’s government was the reaction of the new surroundings in the 1990s on the basis of these historical measures.

However, we need to consider some relationships between the globalization phenomenon and the globalization policy. First, whereas the globalization phenomenon focuses on the economic and sociological concept, the globalization policy focuses on the political and historical concept. Thus, the former is related to the general aspects of the multiple nations; the latter is related to the specific aspects of individual countries.

Second, the globalization phenomenon can intimidate the autonomy of individual countries because the capital, controlling the production capacity, has the probability to pull itself out at any time in a country. This could be the vulnerability of the individual countries that is suffered from the scarcity of the production. Thus, a nation-state loses the autonomic power to control its economic and non-economic surroundings compared to in the past. In particular, the labor policy of a nation-state is more fragile to the threatening of the capital because developing countries generally prefer to maintain the current level of employment by holding the capital in their territories.

Third, the globalization phenomenon can deepen the dichotomy of the world countries.

According to Arrighi<sup>22</sup>, the gap of wealth between the core countries and the peripheral countries was deepened drastically in the last half century. Globalization brings up two possibilities to mankind: hope and setback. In the era of globalization, we can see augmentation of production and exhaustion of resources, development of the nature and pollution of surroundings, and the advancements of scientific technology and development of mass weapons at the same time. These two aspects of globalization suggest the importance of a nation-state that has been responsible for the distribution, welfare, and security.

### **. The positive analysis of the failure at the local level**

The local governments have three major factors to implement a policy: civil servants, local government, and central government. But these factors were not functioned efficiently.

First, the local governments did not have the globalization recognition. In particular, there were problems in decision-making system - the bottom-up decision making method - in the local governments. As a result, the local civil servants did not convert the positive attitudes about globalization into a specific policy. I will explore that with the local civil servants' attitudes: understanding of the meaning of globalization, civil servants' interest in globalization, the local civil servants' expectation about globalization, the local civil servants' view about globalization.

Second, the local governments had some problems in operating their organizations, human resources, and budgets. These factors are closely interlocked each other. Therefore, I define this situation as a system. If a factor had some problems in a system, that system could not exert its full functions as expected. In that sense, I will analyze problems of an individual factor: organizations and functions of local governments, management of human resources of

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<sup>22</sup> Su Hoon Lee. Global phenomenon and the Korean Globalization: Critical View. 1995. p.61

the local government, and budget of the local government.

Third, the central government needed to redistribute its strong rights to the local government, but it did not. Therefore, the local governments had some difficulty driving the globalization policy.

#### **A. Lack of globalization recognition at the local governments**

Civil servants' individual attitude was optimistic and expectative about globalization. This seems to be influenced by the central government's public relations. But this attitude was not activated in the drive of the globalization policy because of the lack of globalization recognition. Followings are analyses of the reasons.

##### **(1) Understanding of the meaning of globalization**

###### **(a) Polls about the understanding of the meaning of globalization**

We can see the overall attitude of the local civil servants about globalization. 46.4% of the respondents understood globalization a complex concept. And 34.3% of the respondents understood it as an advancement of the mind and behavior. 41% of the large city civil servants understand the meaning of globalization with number 5, and 52% of the provincial civil servants did as well. In addition, there was no salient difference of understanding among local civil servants in terms of the gender, age, academic level, position, department, and work in charge.

(Table 2 follows on p.17)



< Table 2: Local civil servants' understanding of the meaning of globalization ><sup>23</sup>

1. Deepening the competition with foreign countries in the borderless field	31 (9.7%)
2. Opening the door of our country and accepting the culture of the foreign country	4 (1.2%)
3. Communicating the human and material resources with foreign countries freely	27 (8.4%)
4. According our mind and behavior to the high international level	110 (34.3%)
5. All of the above	149 (46.4%)
Total	321 (100%)

#### (b) Problems of decision-making system

The local civil servants' understanding of globalization was too abstract to implement it as a policy. The explanation of "according our mind and behavior to the international high level" (see the above item 4 and 5 in table 2: 80.7 % of respondents understood it as this) suggests questions as follows: ① what was the high international level?; ② what was the our current level?; ③ which sector was necessary to be developed to the high international level? Nobody could answer this question without serious discussion of in- and- out organizations. Hence, the level of understanding of globalization was too superficial to take any measures due to a lack of organizational consensus.

Also, 56.1% of total respondents (see the above item 1 and 5 in table 2: 1. Deepening the competition with foreign countries in the borderless field: 9.7% + 5. All of the above: 49.4% = 56.1%) understand globalization as strengthening of the competitive ability of the

<sup>23</sup> Ik Sik Kim. The strategy of the local administration's globalization. KRILA. 1995. p 56.

nation. But there were many imminent things for Kim Young Sam's government to undertake such as the adjustment of the industrial structure, the improvement of educational institutions, the guarantee of the complete autonomy of the local government, the reform of the judicial system, the reform of the medical system, the enlargement of the labor rights, the reform of administrative districts, the reform of the electoral institutions, and the guarantee of women's participation were waiting for the government's practical measure.<sup>24</sup> I believe these individual tasks were more important than the abstract declaration of the globalization policy itself. Kim Young Sam's government should have pursued the practical things instead of the abstract slogan of the globalization policy.

At first glance, broadness of the globalization policy seems to be very desirable because it could approach its goals comprehensively. But such methods render the direction of a policy ambiguous. In the case of the globalization policy, the local governments did not successfully convert the individual civil servant's understanding of globalization into a concrete policy because of the lack of a reasonable decision-making system, which means the bottom-up decision making methods – a policy begins to be created by lower level civil servants' discussion and participation rather than by higher level civil servants' order and control.

## **(2) Local civil servants' interest in globalization**

### **(a) Polls about the local civil servants' interest in globalization**

68.5% of the local civil servants showed interest in globalization with over the average enthusiasm (see the item 4 and 5 in table 3). While 24.3% of the local civil servants were lukewarm, 7.2% of them were disinterested (refer table 3). Also, 71% of the provincial

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<sup>24</sup> Hyun Jin Lim. The Way of Korea in Global Era. Thought (quarterly magazine) in spring, 1995, p.274.

government employee had interest in the globalization; 65% of the large city government employee showed interest in it. By gender, male civil servants showed higher interest (70%) than female civil servants (57%). By age, 20s (68%) and 30s-40s (68%) showed a little bit higher interest than others. By academic level, civil servants with more schooling showed higher interest than others: above master's degree (81%), above technical college degree (70%), below high school (63%). In position, higher civil service grade showed higher interest: above grade 5 (85%), below grade 6 (66%). In department, the civil servants in globalization related department showed higher interest (87%) than the civil servants in others (64%).

< Table 3: Degrees of the local civil servants' interest of globalization><sup>25</sup>

1. Having no interest at all	1 (0.3%)
2. Having hardly interest	22 (6.9%)
3. Half interest, half disinterest	78 (24.3%)
4. Having interest	150 (46.7%)
5. Having high interest	70 (21.8%)
Total	321 (100%)

#### **(b) Internal events in the organization**

The bulk of local civil servants had a high interest in globalization (68.5%: see the item 4 + 5 in table 3); however, there were a minor level of disinterest (7.2%: item 1+2 in table 3). This high interest resulted from the intensive public relations by the government. But problems of the globalization policy were the results of a lack of interest within the general

<sup>25</sup> Ik Sik Kim. The strategy of the local administration's globalization. KRILA. 1995. p 57.

public. A poll of the people about the globalization policy shows a very low interest: only 34.4% of the respondents responded that they were likely to know the meaning of globalization suggested by the president and half of them who knew the meaning of the globalization thought of it as a strengthening of competitive ability.<sup>26</sup>

These figures also show a big difference of the recognition between the government and people about globalization. The difference of recognition between government and people reveals that globalization was a big event only with the governments (central government and local governments). Many local civil servants would say self-contemptuously, “we work very hard within our organizations regardless of the citizen’s interest.” In a word, the actual productivity of the globalization policy was at an almost zero rate in that the local civil servants’ interest of the globalization policy did not reflect the realization of people’s needs.

### **(3) The local civil servants’ expectation about globalization**

#### **(a) Polls about the expectation of globalization**

63.6% of the respondents expected the beneficial consequences for their regional society; 4.9% of the respondents anticipated negative effects. 31.5% of respondents expected half negative and half positive consequences. There was no big difference in the expectations of positive results of globalization between the civil servants in large cities (62%) and provinces (65%). Also, there was some difference in opinion regarding the results of globalization between genders (male: 64%, female: 57%). By age, people in their 50s (92%), 30s-40s (62%), and 20s (59%) expected positive effects of globalization. By academic level, civil servants with more schooling showed higher expectations than others: above master’s

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<sup>26</sup> Hyun Jin Lim. The Way of Korea in Global Era. Thought (quarterly magazine) in spring 1995. p.272.

degree (78%), above technical college degree (67%), below high school (54%). By service grade, higher grades expected strong positive results: above grade 5 (72%), below grade 6 (62%). By department, the civil servants in globalization-related departments expected much more influence (80%) than the civil servants in others (60%).

<Table 4: Local civil servants' expectation about the influence of globalization><sup>27</sup>

1. It is likely to have extremely negative effects.	4 (1.2%)
2. It is likely to have considerably negative effects.	12 (3.7%)
3. It is likely to have lukewarm effects (half negative and half positive).	101 (31.5%)
4. It is likely to have positive effects to some degree.	172 (53.6%)
5. It is likely to have many beneficial effects.	32 (10.0%)
Total	321 (100%)

**(b) Public relations instead of the actual measures for the globalization policy**

The existence of high expectations for the globalization policy (63.6%) could have been an advantage to execute the policy. But this figure seems to be contradictory to the recognition of the average people. Following is an anecdote. There was much controversy shortly after the declaration of globalization about how to express the term of globalization. According to a newspaper, the central government worried that globalization had been recognized as a unilateral opening of the nation regarding the WTO system. As a result, the government chose the term of SheGyeHwa with the hope that it would not be interpreted to open Korea unfairly. Considering this apprehensive atmosphere in government, the civil servant's optimistic attitude was exceptional.

<sup>27</sup> Ik Sik Kim. The strategy of the local administration's globalization. KRILA. 1995. p 58.

Thus, this high expectation seemed to be affected by the logic of the government's public relations, which emphasized the positive effects of globalization. At the local level, there was nothing but the public relations of the globalization policy from the central government. The local governments also transmitted the public relations to their employees and people. Nonetheless, they rarely took actual measures for that.

#### **(4) The local civil servants' view about globalization**

##### **(a) Polls about the view to globalization**

While most local civil servants (95%) showed a favorable attitude toward globalization with above average enthusiasm, only 5% of the respondents showed a negative attitude. Such an enthusiastic attitude was higher in the provinces (64%) than large cities (56%), and the supporting ratio of male civil servants (61%) was higher than female's (54%). By age, people in their 50s (83%), those in their 30s-40s (60%), and those in their 20s (55%) took an active attitude about globalization. By academic level, civil servants with more schooling took a more active attitude than others: above master's degree (74%), above technical college degree (61%), and below high school (55%). By position, higher levels took a much more positive attitude: above grade 5 (77%), below grade 6 (57%). By department, the civil servants in globalization-related departments took a much more active attitude (75%) than the civil servants in others (57%).

(Table 5 follows on p.23)

<Table 5: Local civil servants' view about globalization ><sup>28</sup>

1. We must refuse globalization.	1 (0.3%)
2. We don't have to respond to it.	14 (4.4%)
3. We have disinterest in it.	1 (0.3%)
4. We need to respond to it to some degree.	113 (35.2%)
5. We must take some active measures.	192 (59%)
Total	321 (100%)

### **(b) Inconsistent attitude of the local civil servants**

Obviously, the local civil servants' attitudes were very supportive because 94.2% of respondents (item 4 + 5 in the above table 6) agreed to respond globalization positively. However, they showed a reluctant attitude towards taking charge of some globalization projects.<sup>29</sup> This phenomenon was generally shown not only in individual civil servant's attitudes, but also in the department's attitudes (section or department). Why did they show such inconsistent attitudes in replying to this survey?

We need to look into another item of the survey done by KRILA. Local civil servants pointed out the greatest impediments regarding international communications and cooperations (globalization)<sup>30</sup> as follows: deficiency of the budget (34.5% : 111/322); local civil servants' insufficient ability (31.1% : 100/322); lack of recognition regarding the necessities of communication and cooperation (17.7% : 57/322); residents' disinterest

<sup>28</sup> Ik Sik Kim. The strategy of the local administration's globalization. KRILA. 1995. p 59.

<sup>29</sup> I can state this fact due to my experience. They seemed to think the globalization projects were extra work besides regular work except for a few.

<sup>30</sup> This item of survey by the KRILA manifested the international communication and cooperation of local governments, but this concept, I suppose, doesn't exclude the concept of globalization in it.

(9% : 29/322); deficiency of the central government's support (4.7% : 15/322)<sup>31</sup>.

The local governments had nothing but the aspiration for driving the globalization policy. The necessity of globalization suggested by the government stimulated the civil servants to do something about globalization, but it failed to incorporate their views into a real policy because there were neither specific guidelines from the central government as past nor autonomous decisions by the local governments themselves required in the globalization times. Therefore, the local civil servants did not come up with the specific idea for the globalization policy.

### **B. Local government's situation relative to globalization**

Many local civil servants thought that their government was not prepared enough for globalization. 41.0% of the respondents replied that the preparation of local governments for globalization was non-existent; 18.3% of the respondents thought that there were prepared, and 35.4% of the respondents thought that there were prepared a little bit. Whereas 3.7% of the respondents replied to “ no preparation for globalization ”, 1.6% of respondents replied to “ much preparation “.

(Table 6 follows on p.25)

This poor preparation for globalization resulted from both the low degree of social development and the driving method of the globalization policy. The former is not the object of this thesis, so I am going to focus on the latter. According to the other item of the KRILA's survey<sup>32</sup>, the local civil servants pointed out the problems for the globalization policy as

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<sup>31</sup> Ik Sik Kim. The strategy of the local administration's globalization. KRILA. 1995. p 64. The original was the table, but I changed the table like this.

<sup>32</sup> Ik Sik Kim. The strategy of the local administration's globalization. KRILA. 1995. p 62. I transformed the table into the material shown.



follows: ① organization of the administration for globalization (23.6%: 76/317); ② function of the administration (25.7%: 83/317); ③ human resources of the administration (26.7%: 86/317); ④ budget of the administration (22.4%: 72/317).

<Table 6: Views toward preparedness of the local government for globalization><sup>33</sup>

1. There was little preparation for it.	132 (41.0%)
2. There was some preparation for it.	59 (18.3%)
3. There was a little bit of preparation for it.	114 (35.4%)
4. There was no preparation for globalization.	12 (3.7%)
5. There was much preparation for it.	5 (1.6%)
Total	322 (100%)

### **(1) Organizations and functions of the local governments**

All local governments had organized the globalization departments. 14 local governments except for Seoul had driven the globalization tasks through the two separate departments: the Planning and Management Bureau (International Cooperation Department: ICP) and the Regional Economic Bureau (REB). Seoul also drove the globalization policy by the two separate departments: the Culture and Tourism Bureau and the Industry and Economy Bureau. The reason why Seoul had a different organization was that it operated its own organization without the direction of Ministry of Home Affairs. The local governments' organization and function are very important because they were the basic institutional units to deal with the globalization policy.

#### **(a) Similar organizations at the local governments**

According to Ik Sik Kim in KRILA, organizations and functions of the local governments had some problems: the existence of several departments<sup>34</sup> overlapping responsibilities for globalization tasks, the ambiguous responsibilities among them, and the separation of execution's and research's functions. Followings are the situation of globalization driving organization in the local governments.

< Table 7: Local governments' globalization-driving organization >

	Driving Organization
Seoul	Culture and Tourism Bureau (International communication department) Industry and economy Bureau (Commerce and Industry department)
Pusan	Bureau International Commerce Cooperation Bureau, Planning and Management Bureau (International Cooperation Office), Regional Economy Bureau (Regional Economy)
Taejeon	International Commerce Bureau, Regional Economy Bureau (Regional Economy Department)
Kyunggi	International Commerce and Cooperation Bureau, Agriculture Policy Bureau (Agricultural Circulation Department)
Chungbuk	International Cooperation Bureau, Regional Economy Bureau (Small and Medium sized Support Department)
Chungnam	Planning and Management Bureau (International Cooperation Office), Regional Economy Bureau (Small and Medium sized Support Department)

\* The original has 15 cities and Provinces, but I took some out of them.

In the case of other cities and provinces, while the ICP took care of the general

<sup>33</sup> Ik Sik Kim. The strategy of the local administration's globalization. KRILA. 1995. p.60

<sup>34</sup> He seems to point out dispersion of globalization-departments in local governments, establishments of third sectors (for example, trade corporations organized and contributed by local government: this was the model case of KyungNam Province), existence of Regional Development Institutes.

international communication and cooperation tasks, the REB was responsible for economic communication and trade. But two different organizations sometimes had similar functions since their work was not clearly divided.<sup>35</sup> Thus, he suggested integration of the similar organizations.

### **(b) Similar functions at the local governments**

The function of an organization in cities and provinces was similar to each other. Followings are ChenNam Province's case. The reason why the function of an organization was similar resulted from the direction of the central government. For example, the approval of an organization and function by the central government was applied to the other cities and provinces because the central government needs to maintain the same stance to the request of organizational installation by the local government. Therefore, we can see the situations of other cities and provinces with this case. Ik Sik Kim also suggested to integrate these similar functions.

(Table 8 follows on p.28)

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<sup>35</sup> Ik Sik Kim. The strategy of the local administration's globalization. KRILA. 1995. p 43

< Table 8: Comparison of functions of ChenNam's globalization department ><sup>36</sup>

	International Cooperation Department	Regional Economy Bureau
International Commerce	<ul style="list-style-type: none"> <li>- Collection of the material for the expedition for overseas market and the research in commercial policy and commercial support</li> <li>- Research for the upbringing of small &amp; medium sized corporations and the improvement of the agricultural &amp; livestock product circuit system</li> </ul>	<ul style="list-style-type: none"> <li>- Support of the administration for the expedition of the overseas market</li> <li>- Financial support and execution for the export of the regional corporations</li> </ul>
International Cooperation	<ul style="list-style-type: none"> <li>- International Policy development and Research</li> <li>- General Planning of the international communication Work and its execution</li> <li>- Sister relationship between international cities and civil group's communication</li> </ul>	<ul style="list-style-type: none"> <li>- Inducement of foreigner's corporation and its support</li> </ul>

**(c) False myth of efficiencies**

The pluralism of organization has some merits if it were not excessive in operating the organizations of the local governments. In this context, I have a different opinion about Ik Sik Kim's idea that integration of similar organizations could enhance the efficiencies. The operation of separate yet similar organizations could get the various ideas and lessen the fallacy through checking some problems repeatedly. Therefore, the view that emphasized the

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<sup>36</sup> Ik Sik Kim. The strategy of the local administration's globalization. KRILA. 1995. p 45

integration of similar organizations was not quite correct for the globalization policy. Globalization is the ideal harmonization of efficiencies and pluralism (diversities). The two factors could reinforce each other since competitions through pluralism eventually enhance efficiencies. Thus, there was the necessity of pluralism in managing the organization for globalization. In some sense, whether or not the local governments had the globalization recognition was more crucial problem.

## **(2) Management of human resources of the local governments**

### **(a) Poll about human resources development**

The majority of local civil servants thought that they should be developed by the local governments (45.5%), and the colleges or corporations (29.4%) that were located in their regions. They also showed interest in recruiting the expert from outside and then moving in from the central government respectively (21.3% and 4.4%)

(Table 9 follows on p.30)

< Table 9: Development of human resources for globalization><sup>37</sup>

1. The local government should develop human resources for globalization.	144 (45.0%)
2. The local government should get human resources for globalization through the central government.	14 (4.4%)
3. The local government should get an expert for globalization from the outside.	68 (21.3%)
4. The local government should commission the colleges and corporations, located in their regions, to develop human resources for globalization.	94 (29.4%)
Total	320 (100%)

**(b) Realities at the local governments**

The local governments did not manage their employees to develop the abilities for globalization. The problems are described in the following section.

**(b1) Team abilities prior to individual abilities**

The local governments did not manage the development of the individual civil servants' abilities with respect to a long-term view. It lowered the civil servants' capabilities of dealing with the policy.

The local governments tended to emphasize the importance of a team's abilities because of its regard for the organizational unit itself over the individual civil servants' abilities. Usually, there was no clear range of works to cover among individual civil servants because all work was mainly imposed on an organization itself. This tended to produce an imbalance

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<sup>37</sup> Ik Sik Kim. The strategy of the local administration's globalization. KRILA. 1995. p 63

of work among staff in the office: the more able staff member there were, the more work they were responsible for. But the able staff might not get some compensation because of the strong rooted seniority system. Therefore, motivation for developing abilities was lowered in the long- term because the evaluation and compensation of the individual civil servant' abilities did not work properly.

On the other hand, this system had some merits. At first, senior level officials would welcome this system because they could get satisfactory results from it. If so, they could decide the direction of a policy wisely. Second, the citizens were able to get good results by adopting this system because they were the ultimate demanders of a policy. This logic was prevalent in the organizations, and effective in a short period. But a team was an organization of the individual civil servants with some specific purposes. The baffle on developing the individual civil servants' abilities lowered the level of policies, and the citizen might eventually have encountered disadvantages from the low quality of such policies.

## **(b2) Underestimation of the education and training**

Some local civil servants had negative ideas about the education and training of a human resource. Sometimes, the training and education in the work place tended to be recognized as only a means for promotion rather than the development of the civil servant: according to the "Law Regarding Local Civil Servants", the score of the education and training was essentially required to get a promotion. Of course, it was true that many civil servants pursued the education or training very seriously. But some civil servants underestimated the importance of the development of ability through education. They would say that performance of the work and the score of the education were viewed quite separately by management.

Accordingly, some managers tended to hesitate to educate and train their staff. We can assume many civil servants have different abilities. As a result, the degree of exertion of their abilities would be different in their office. As mentioned above, some managers were likely to be dependent upon the organization using a few smart civil servants' abilities. Let's suppose a smart civil servant to have wanted to take some classes outside his office. Then, his manager could not use his employees' ability for that period. If it were a long-term educational program, he might not be able to use this employee's skills at any point during his tenure. For this reason, other civil servants who had neither the intention nor the ability to participate in education or training would substitute for the civil servants who needed and wanted to. Such attitudes towards the human resources' development didn't change much compared to the past, although local governments cried out for the globalization policy. Due to these attitudes, the improvement of human resources through colleges and corporations, which were located in the local civil servants' region, was unrealistic idea.

These attitudes influenced local civil servants with low motivation to develop their abilities. Thus, some managers would complain of the insufficiency of the human resources notwithstanding the large number of civil servants in local governments. In the meantime, they might have been reluctant to give some educational opportunities to a member of their office. Without changing this inconsistent attitude, it was not easy for local governments to raise the competent human resources for globalization. Here is an accurate interpretation about the general idea of the training and education. This was extracted from the thesis by Ho Guen Song, Professor of Seoul National University.<sup>38</sup>

In neo-classical economics, growth and welfare were not

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<sup>38</sup> Ho Guen Song. Globalization and the Korean societal development. Thought (quarterly magazine in spring, 1995). P 154 -155.



concepts that excluded each other. Economic growth enhances the level of people's welfare. That is to say, we can get a big slice from a big pie. However, when we consider the fact that we have experienced the different slice according to the characteristics of the power to cut the pie, the growth and the welfare have been regarded as naturally exclusive concepts. If we placed the development and distribution strategies of the world's countries on an intersection graph respectively, Korea could definitely be classified as a country of growth-oriented strategy. Korea has had the view that the creation of jobs through the economic pumping is the foremost value of the distribution. .... Korea has had the rigid thought that economic development results from the efficient usage of the material resources and the high development of the scientific technology. Thus, Korea has used the profits obtained from economic activity to invest in the enlargement of business or facilities rather than to develop the human resources such as training and education of their employees.

### **(b3) Difficulty in securing the human resources from the central government**

The local governments had some difficulty securing able civil servants due to the long history of the centralization. Therefore, the recruitment of human resources from the central government seems to be a good idea. Even so, there were some impediments in getting an excellent civil servant from the central government. Actually, the personnel transference between the central government and the local governments was sharply decreased after the Four Large Local Elections on June 27 (Local Elections), 1995 since the elected governors or mayors of local governments wanted a equitable exchange of personnels. Because they knew that the exchange of civil servants before the Local Elections were mainly done by the asking of the central government, the local government could not usually accept the civil servants at the central government's asking rather than choosing them with their own perspective.

In this situation, the personnel exchange between the central government and local

governments was not easy to meet their respective needs. Also, some excellent civil servants of the central government avoided working at the local government. If they worked at the local government, they might have lost the opportunity of promotion because it did not have enough high positions to accommodate them. Moreover, local government employees resisted to accept central government civil servants because their moving in deprived local civil servants of promotions in their local government.

Nonetheless, this method of accepting human resources from the central government had some good effects at the local governments. In the case of ChungNam Province, some civil servants from the central government had excellency in performing their roles. But the number of them during the times of the globalization policy in ChungNam Province (1995-1997) was around 15. Such small number implies that local governments had to cultivate capable civil servants for themselves. In addition, the local governments ought to have secured able civil servants regardless of hometown, gender, age, or nationality if someone had adequate qualifications.

#### **(b4) Mismanagement of experts**

The recruitment of civil servants on contract status (they usually were called as expert status at the local governments, yet in this thesis, I am going to call them “experts”) from the outside was not as successful as expected. There were some problems.

First, the productivity of the experts in the work was very low. In some cases, the experts’ areas of expertise were not directly relevant to the needs of administrative organizations because the local government recruited them by degree level.<sup>39</sup> As a result,

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<sup>39</sup> For example, some of them majored in biology, microbiology, English literature, Chinese literature, Japanese literature, etc.

some of them lacked the necessary knowledge. According to an anonymous local civil servant, this recruiting method was directed by the central government, so the local governments also had to recruit experts in this way. In this situation, experts who were contracted by local governments could not exert their abilities in their job.

Second, they did not have the connection relationships in the local government such as schoolings, hometown, and friends in same examination for the civil servant. The lack of such connection relationships made difficult them to adapt in their new job. They did not have a chance of the job training in the local government, whereas the regular civil servants had. Therefore, they did not know about the procedures of the administration.

Third, the local governments did not put to use the experts. Because the local governments did not recruit the experts with demands of some tasks, some local governments did not know which tasks was given to them and how to use them because their existence was very exceptional in terms of schoolings, age, and careers. Therefore, the regular civil servants and experts did not harmonize each other. This deepened the disruption between them. In some local governments, experts had separate offices apart from the executive organizations. They were outsiders in their expected tasks.<sup>40</sup>

Fourth, although experts' performance was poor, the local governments renewed the contraction with them. Their position was the contraction status. This meant to contract with them on the basis of the evaluation of their performances in their works. But their contract was contracted on the basis of favoritism, which was highlighted in Korean society. This reality contradicted the ideal of globalization because the principle of market by globalization aimed to get rid of such inefficiencies. It was a paradox that the recruitment of experts for strengthening globalization undermined the basis for its success due to the low

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<sup>40</sup> The source of this information cannot be disclosed. Yet, I heard an expert wanted to join the executive organization without any special treatment rather than to stay in the separate office.

productivity. This also reveals an example lacking the substance of globalization.

#### **(b5) Insufficient foreign language skills of the local governments**

The local governments' capability for globalization was low in the foreign language skills, which is a very basic means in the era of globalization. Therefore, they had a big impediment to communicate with foreign countries. Following is the local servants' foreign language abilities in the globalization related departments. The number of total local civil servants of globalization related departments was 350. Among them, there were 92 who had high-level foreign language skills<sup>41</sup> and there were 95 who had medium-level foreign language skills<sup>42</sup>. 163 local civil servants (43%: 163/350) could hardly communicate with foreigners although they were in the globalization departments.

(Table 10 follows on p.37)

In the above table, Ik Sik Kim, the head researcher of the KRILA, pointed out that the deficiency (26.5%) of those who had high-level foreign language skill was a big problem for the implementation of the globalization policy. He also pointed out some other problems: absolute insufficiency of local civil servants in the globalization-departments (total 350/ 15 cities and provinces; average 23.5/ each city or province), frequent changes in positions in the globalization-department personnel (I will show this fact in detail in below), and low performance of civil servants as experts.<sup>43</sup>

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<sup>41</sup> That meant they could communicate with the foreigners without the interpreter's help.

<sup>42</sup> That meant they could communicate with the foreigners in the level of everyday life.

<sup>43</sup> Ik Sik Kim. The strategy of the local administration's globalization. KRILA. 1995. pp 52-53.

< Table 10: Local civil servants' foreign language abilities in the globalization department s><sup>44</sup>

	English		Japanese		Chinese		Others		Total
	H	M	H	M	H	M	H	M	
Total	48	68	26	23	13	4	5	0	187
Seoul	8	9	3	2	1	1	0	0	24
Pusan	5	6	1	4	1	1	1	0	19
Taegue	0	9	1	0	1	0	2	0	13
Incheon	3	4	2	0	0	1	1	0	12
Kwangju	1	2	1	0	1	0	0	0	5
Taejeon	2	7	0	0	0	0	0	0	9
Kyunggi	6	5	2	1	2	0	1	0	17
Kangwon	2	0	4	0	0	0	0	0	6
Chungbuk	5	6	1	1	1	1	0	0	15
Chungnam	8	5	2	2	1	0	0	0	18
Chenbuk	5	6	1	1	1	1	0	0	15
Chennam	2	2	2	1	0	0	0	0	7
Kyungbuk	1	5	2	3	1	1	0	0	13
Kyungnam	1	0	1	0	2	0	0	0	4
Cheju	3	3	2	1	0	0	0	0	9

\* H: high level, M: medium level

This data set might have had some problems because there was a probability of some degree of double counting. The number of civil servants who had above medium-level foreign language skills was 187 out of 350 in total. However, if some civil servants spoke bilingual or multilingual such as English, Japanese, Chinese, and other languages, they might have been counted more than once in this data set. Thus, there is possibility that the total number of those who had the above medium level foreign language skills was actually less than 187.

Even so, Ik Sik Kim's research regarding 'local civil servants' foreign language ability in the globalization departments shows us an approximation of civil servants' ability in globalization-departments in terms of foreign languages. In addition, the local civil

<sup>44</sup> Ik Sik Kim, The strategy of the local administration's globalization, KRILA . 1995. p 49.

servants' foreign language skills in other departments were much lower than the civil servants' in the globalization related departments.

#### **(b6) Low specialization of globalization works**

In the local governments, it is strongly believed that the more capable civil servants are, the more frequently are changed in their positions. This makes the degree of specialization in work lower. Why did this phenomenon happen in the local governments?

Many local civil servants would say that the local administration was highly dependent on the acquaintance between the local civil servants. If some civil servants knew each other very well, they would usually have good results as intended. However, it was sometimes very difficult for them to gain these results if they did not have the close acquaintanceship between them. For this reason, some civil servants frequently tried to change their positions because having same job experience in an office was a very good way to make or maintain close acquaintanceships. Managers also prefer them because subordinates' acquaintanceships were another resources for the manager to survive in an organization. But these frequent position transitions led the specialization of works to lower because many local civil servants did not accumulate enough experiences in their work.

This phenomenon happened in the globalization departments. Even though the president called for the globalization policy, the globalization related departments was not recognized as a major department, which had the priority of promotion because of receiving the manager's extraordinary interest. On the contrary, many civil servants tended to think that the globalization-departments were difficult jobs, and that it was difficult to get a good reputation from the manager with their globalization works since they did not have the confidence in their foreign language, culture, and mentality. Therefore, the local civil servants

in the globalization-departments sought the better position in other departments. Following is the situation of the position transition in the globalization- departments in 1995.

< Table 11: Tenure of responsibilities of civil servants in globalization-departments ><sup>45</sup>

	Below 1 year	1-2 year	Over 2 year	Total
Total	99	135	53	287
Seoul	1	1	23	25
Pusan	8	17	8	33
Taegue	6	18	0	24
Incheon	7	12	0	19
Kwangju	4	9	1	14
Taejeon	8	6	2	16
Kyunggi	15	7	5	27
Kangwon	3	8	3	14
Chungbuk	2	11	0	13
Chungnam	0	8	10	18
Chenbuk	6	9	0	15
Chennam	7	4	1	12
Kyungbuk	12	9	0	21
Kyungnam	13	5	0	18
Cheju	7	11	0	18

\* The number of local civil servants in the departments of international commerce & cooperation was counted in this table.

We can see the result as follows: 1- 2 years tenure (47 %: 135/287), below I year tenure (34.5 %: 99/287), over 2 years (18.5 %: 53/287). This shows us that many local civil servants did not prefer their position in the globalization departments. The local governments also did not pay attention to raise experienced civil servants for globalization positions. Thus, we can assume that many local governments' specialization of globalization was relatively low at that time.

<sup>45</sup> Ik Sik Kim. The strategy of the local administration's globalization. KRILA. 1995. pp 47-48

## **(2) Budget of the local governments**

### **(a) Insufficient finance of the local governments**

We need to look into the local governments' general budget situation and their independent financial abilities. With them, we can see why the local government could not drive the globalization projects enthusiastically. This also shows the reason that the local civil servants were reluctant to do the globalization projects because this low ratio of financial independence excepting the case of Seoul indicates much difficulty in implementing the globalization policy.

(Table 12 follows on p.41)

We can see that the lowest region was ChenNam (19.3%) and the highest region was Seoul (84.8%). Also, the average ratio of Metropolitan cities (Seoul, Pusan, Taegye, Incheon, Kwangju, Taejeon) was 67.43%; that of the other Provinces (other regions of above table) was only 28.29%. Therefore, the financial support by the central government was indispensable to maintain the similar level of administration nationwide. Accordingly, this low ratio of financial independence was a decisive factor to avoid investing in the globalization policy.



< Table 12: Ratio of financial independence of local governments in 1995 ><sup>46</sup>

(billion won)

	Revenue (A)	Independent Revenue (B)		Ratio of financial independence (%: B/A)	
		Local tax	Non-local tax		
Total	34058.6	17750.7	13262.0	4488.7	52.1
Seoul	5840.7	4952.9	3967.2	985.7	84.8
Pusan	2051.5	1412.2	1175.7	236.5	68.8
Taegue	1528.5	965.8	759.8	206.0	63.2
Incheon	1084.1	807.8	627.8	180.0	74.5
Kwangju	755.1	392.3	279.9	112.4	52.0
Taejeon	799.6	490.1	407.4	82.7	61.3
Kyunggi	5491.0	3574.9	2497.3	1077.6	65.1
Kangwon	1862.1	493.2	340.7	152.5	26.5
Chungbuk	1288.7	439.8	290.9	149.0	34.1
Chungnam	1950.6	543.5	356.4	187.1	27.9
Chenbuk	2164.8	611.3	362.9	248.4	28.2
Chennam	2422.5	467.7	310.8	156.9	19.3
Kyungbuk	2937.0	898.4	636.4	262.0	30.6
Kyungnam	3251.0	1487.7	1098.6	389.1	45.8
Cheju	631.4	213.0	150.1	62.9	33.7

**(b) Small amount of investing money to the globalization projects**

Then, how much budget was used for the globalization policy? All local government's budget for the globalization policy was 25.7 billion won in 1995. This amount of money was 0.18% of the total budget (14,607 billion won) in 1995. The total globalization budget of large cities (Seoul, Pusan, Incheon, Taegue, Kwangju, Taejeon) was 11.9 billion won; the total budget of Provinces (Kyunggi, Kangwon, Chungbuk, Chungnam, Chenbuk, Chennam, Kyungbuk, Kyungnam, Cheju) was 13.8 billion won.

Among them, the regions that had higher globalization's budget out of general account budget were Taejeon (0.32%) and Cheju (0.54%); Seoul (0.09%) and ChungNam

<sup>46</sup> National Statistical Office Republic of Korea. The Year Book of the Regional Statistics, 1996. P. 280.

(0.10%). The budgets were very low in terms of the portion of the globalization project's budget. The pure project budget of Large Cities for the globalization policy was 3.8 billion won (0.06% of General Account Budget/ 33% of Globalization Driving Budget); also 3.7 billion won (0.05% of General Account Budget/ 26% of Globalization Driving Budget) was budgeted for Provinces' .<sup>47</sup>

< Table 13: Budget of the globalization policy of local governments >

( billion won )

	General Account Budget	Globalization Driving Budget	Portion (%)
Total	14,607	25.7	0.18
Seoul	3,800	3.6	0.09
Pusan	1,372	2.5	0.18
Taegue	1,307	1.1	0.11
Incheon	711	1.9	0.26
Kwangju	533	1.2	0.24
Taejeon	489	1.6	0.32
Kyunggi	1,987	4.1	0.21
Kangwon	627	1.3	0.22
Chungbuk	457	0.9	0.19
Chungnam	716	0.7	0.10
Chenbuk	782	1.8	0.23
Chennam	820	1.0	0.13
Kyungbuk	933	1.3	0.14
Kyungnam	1,010	1.4	0.13
Cheju	240	1.3	0.54

\* I changed the currency unit of the original table from million to billion. Also, the total budget of the local government is composed of general account budget plus special account budget. This is the sum-up of general account budget of the local governments.

### (c) Causes of small amount of budget on the globalization projects

Two causes existed in the small budget of the globalization projects. First, I will

<sup>47</sup> Ik Sik Kim. The strategy of the local administration's globalization. KRILA. 1995. p 50-51

argue the local governments and the central government didn't have a strong will to mobilize finances for the globalization. By comparing the globalization projects with the governors' election campaign projects and the presidential election campaign projects, a lesser level of political mobility can be found. As soon as the new governor or president is inaugurated, the governments respectively established the election campaign projects as the foremost priority to invest money. However, the central government and the local governments did not adjust the project's priority to these criteria.

Second, reforms of the imbalanced financial system were necessary for the local governments to drive a policy autonomously. The ratio of the belonging tax revenue between the central government and local governments is 78: 22(%). As mention earlier, around 45 basic local autonomy organizations could not pay the personnel expenditure without the support of the central government. The gorgeous slogan of the globalization policy could not be attractive for them without reforming the imbalanced financial system. In fact, the enhancement of the autonomy of local governments was one of six-main point tasks of the globalization policy, but the structural reform to support this purpose did not accompany it. Thus, local governments could not have implemented the globalization policy for themselves because of deficiency of financial measures.

### **C. Central government's role in globalization at the local level**

Many local civil servants replied to the question "What is the desirable role of the central government to the local governments for the globalization policy?" as follows: development of the local civil servants' ability (28.3%); distribution of functions (28.0%); support of the local government's finance (23.0%), the rearrangement of the organization of the local government for the globalization (13.4%), and the diffusion of information for the

globalization of localities (6.8%). Following is the result of arranging that replies.

< Table14: Central government's role for globalization at the local level ><sup>48</sup>

1. Development of the local civil servant's ability and consciousness for globalization	91 (28.3%)
2. Distribution of functions between central government and local government	90 (28.0%)
3. Support of the local government's finance	74 (23.0%)
4. Rearrangement of the organization of local governments for globalization	43 (13.4%)
5. Diffusion of the information for globalization at the local level	22 (6.8%)
Total	322(100.0%)

### **(1) Distribution of the functions between the central and local government**

#### **(a) Necessity of distribution of the functions**

The central government needed to concede the concentrated function to the local governments. Two reasons could be suggested about that. First, too much concentration of the functions in the central government threatens the autonomy of the local governments in terms of international communications. According to Ik Sik Kim, the enlargement of autonomous functions of local governments was required in the globalization times. He pointed out the example: the central government's control of the governor or mayor's overseas visit might

<sup>48</sup> Ik Sik Kim, The strategy of the local administration's globalization, KRILA, 1995. P 120-121.

induce the distrust in the process of constructing the sister relationship between two cities<sup>49</sup>.

Second, the horizontal distribution of the power in an organization must be accompanied with the vertical distribution of the power between the central government and the local governments. The concentration of power in a specific position or section of an organization could induce the functional disharmony in an organization: i.e. a department, which had the concentrated power, might have dominated the other departments; then, other departments might have exerted less enthusiasm in managing their works. Considering the ideal of globalization, emphasis of the multiplicity of the actors in globalization by the Korean government<sup>50</sup> was related to this problem.

#### **(b) Realities at the local governments**

There was no conspicuous redistribution of functions between the central government and the local governments excepting the local autonomy institution, which was actually executed on June 27<sup>th</sup>, 1995. Thus, such restrictions were also impediments to drive the globalization policy.

In addition, redistribution of power in an organization needed to be highlighted as much as distribution of functions between the central government and the local governments. But it was hardly considered at that time. One of the vulnerabilities in the Korean globalization policy was the imbalance between authorities and responsibilities in an organization. Holders of the authorities such as managers in an organization usually appealed to the recipients of the order such as subordinates to do their works with enthusiasm; however, responsibilities usually belonged to the recipients who had no proportionate authorities.

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<sup>49</sup> Ik Sik Kim. The strategy of the local administration's globalization. KRILA. 1995. P 121.

<sup>50</sup> Blue House emphasized the multiplicity of the actors in globalization on Jan. 25, 1995: whereas the internationalization focused on the function of a nation, the globalization pursued the functions of the multiple

Therefore, the recipients of orders would try to avoid that responsibility if possible. This was also a cause for low motivation with the local civil servants to implement the globalization policy.

### **(3) Rearrangement of the organization of local governments for globalization**

The central government had the strong rights to create an organization of the local governments. Respectively, the local governments had to get the approval from the central government to rearrange their organization. Therefore, there was no space for the local governments to operate their own organizations.

#### **(a) Inconsistency of ‘ small and smart government ’**

The principle ‘ small and smart government ’, aimed to reinforce the nation’s competitive ability, was a major logic for the globalization policy. Therefore, it controlled the creation of organization for the globalization policy because it was contradictory to the ideal of small government. But this principle was not obeyed well. For example, the case of ChungNam Province<sup>51</sup>, just like other local governments and the central government, showed a steady increase in the number of civil servants: 2,159 (1994), 2,237 (1995), 2,261 (1996), 2,336 (1997).<sup>52</sup> Eventually, the principle of ‘ small and smart government ’ was applied to only the globalization policy, which was the most important project for Kim Young Sam’s government. I believe the globalization policy needed to be handled with the reinforced organization.

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actors such as individuals, societies, companies, the local governments, and the central government.

<sup>51</sup> This phenomenon was almost same because Ministry of Home Affairs directed all local governments except for Seoul with the same guidelines.

<sup>52</sup> Year Book of ChungNam Statistics in 1998, p. 527. The number of the civil servants increased in times of the globalization policy. Eventually, the principle of small and smart government was not kept in Kim Young Sam’s reign.

### **(b) Problems of temporary organization**

The organization for globalization was made as a temporary organization instead of a permanent one because the temporary organization could be operated without an increase of the number of total civil servants. This “temporary” organization was not productive in implementing of the globalization policy. Some reasons follow.

First, the local civil servants who belong to the regular organization were reluctant to take care of the globalization projects since there were no reinforcement of organization and staff. It was only additional work for them. Therefore, it was difficult for them to cover the globalization tasks entirely.

Second, the local civil servants were reluctant to devote themselves to dealing with the globalization projects in the temporary organization because the works conducted in the temporary organization rarely used for the appraisal of the work performances. The regular organization usually considered outcomes of the regular work as the work performances. Therefore, the regular organization was necessary to drive the globalization policy.

### **(C) A historical example of the organization for the globalization policy**

In 1970s, Korea drove the New Village Movement (NVM) strongly for the purpose of developing its society. It can accurately be stated that the NVM was not a social movement but the policy of top-down government-led Korean modernization. The NVM was started by the ex-president Park Jung Hee; similarly, the globalization policy was started by the former president Kim Young Sam. To implement this policy, all administrations have created the regular organization – Saemaulgua Department – since 1970s. In early 1980s, the NVM faced the crisis of cutting off because of the death of Park Jung Hee.

Notwithstanding many dysfunctions of the NVM, it has contributed to develop the

Korean society. In the case of Chungnam Province, the Saemaedulgua department was responsible for the development of the minds and the consciousness for the globalization policy. I believe the permanent existence of the NVM has played a key role in producing its successful outcome. Therefore, the permanent organization for the globalization policy should have been introduced in mid-1990s.

### **(3) Development of the local governments' ability and minds for globalization**

The local governments wanted to get the autonomy from the central government in the era of globalization. On the other hand, the local governments expected the central government to develop the local governments' ability and minds for globalization. At a glance, these two facts seem to be contradictory each other. But it could be understood as the interdependence between the central government and the local governments. What follows is the polls about the degree of the local civil servants' satisfaction when the central government supported the local governments in terms of the international communication and cooperation.

#### **(a) The central government's cooperation on the local government's international communication**

The local civil servants were not satisfied with the central government's cooperation on the international communication of the local governments. More than half of local civil servants (see the item 3 of the same table: 53.6%) felt half-satisfactory and half-unsatisfactory. The local civil servant's unsatisfactory opinion (see the item 2 and 4 of the below table: 30.4%) was almost two times as much as they felt satisfactory (see the item 3 and 5 of the



same table: 16.2%).<sup>53</sup>

< Table 15: The central government's cooperation on the local government's international communication><sup>54</sup>

1. Half satisfactory/ half unsatisfactory	165 (53.4%)
2. Unsatisfactory	69 (22.3%)
3. Satisfactory	47 (15.2%)
4. Very unsatisfactory	25 (8.1%)
5. Very satisfactory	3 (1.0%)
Total	309 (100%)

### **(b) Regulation-oriented direction from the central government**

This high level of unsatisfactory opinions was the result of the regulation-oriented tradition under the centralized government system. This system was on the basis of the assumption of the superiority of the central government system to the local governments' since the central government was believed to have a much higher level of excellence of system, resources, and capacity for decision-making. As a consequence, the central government regulated and directed the local governments to keep on track. But regulation tends to reproduce more regulation from the viewpoint of the local governments because the local governments, which lost the autonomous decision making abilities, rely on the more specific guidelines from the central government.

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<sup>53</sup> Ik Sik Kim. The strategy of the local administration's globalization. KRILA. 1995. P 65.

<sup>54</sup> Ik Sik Kim. The strategy of the local administration's globalization. KRILA. 1995. P 65.

Therefore, so-called ‘ pathological phenomenon of bureaucratic system’ highlighted in there. In this situation, many local civil servants were not satisfied with the central government’s cooperation because they usually saw it as a regulation. Globalization implies the exclusion of the regulation because function of the market can get better result through competition and efficiency beyond the direct regulation. Therefore, the central government’s unsatisfactory regulation needed to be repealed. The globalization policy was introduced to improve such a phenomenon. But its progress was very sluggish. Thus, the central government was not contributive to develop the ability and minds of the local governments for globalization

Even so, there were some activities of the central government for the globalization policy. The Ministry of Public Relations published some books, which focused on emphasizing the necessity of globalization and appealing the civil servants to participate in the globalization policy. The Ministry of Home Affairs also published some books, which comprised all globalization projects suggested by all local governments. The Ministry of Home Affairs also organized the Local Autonomy Internationalization Foundation (LAIF). But, the role of the LAIF was not salient because it had a very short history and did not accumulate enough experience about the international or global communications. Therefore, the central government and the local government need to develop more practical work for globalization through using this institute skillfully.

#### **. Conclusion & suggestions**

As mentioned earlier, Korea has driven the ‘ economic stabilization policy’ since the early 1980s and was a starting point for globalization of Korea. But the globalization policy happened about 15 years later after that measure. Seemingly, the Korean globalization policy seems to make a good start in that most local civil servants accepted that policy without

reluctance. But the local governments did not introduce a reasonable decision-making system, bottom-up decision-making system, in their organizations. Thus, the globalization policy was not be implemented because of the lack of globalization recognition even though the president urged the local governments strongly to do so. They did neither manage the human resources in their organization nor secure the budget for the globalization policy.

The central government was also responsible for the failure of the globalization policy. It did not have a clear idea about globalization either. As a result, the redistribution of the functions between the central and the local governments was very sluggish except for the local autonomy institution in 1995. The rearrangement of the organization of the local government was inconsistent in applying the principle ‘ small and smart government ’. The most important policy for Kim Young Sam’s government, the globalization policy, was not implemented meticulously. A long history of centralization and regulation-oriented direction was not helpful for the local government to develop the abilities and minds for globalization. In the end, these factors led the globalization policy to fail at the local level.

The basic point of globalization is to dismantle the nation-led system or the concentration of authority since the market is superior in terms of efficiency, production, and cost. The history of globalization is the same as the history of capitalism. The belief to the market, the concept ‘ invisible hand’ , was given by Adam Smith more than 200 years ago and has succeeded into the neo-liberalism, which is the basis of thought of globalization. But this invisible hand could not function according to the intention of the Korean government because globalization could not be transplanted to the Korean society by declaration of the president. Globalization was asking Korea to have the globalization recognition and reform the decision-making system, management of human resources, operation of the budget, and cooperation of the central government. These tasks needed to be approached with democratic procedures on the basis of social consensus of in and out organizations. But the central and

local governments urged the local civil servants to implement the globalization policy without accompanying the above tasks.

Korea's tradition of the nation-led development model brings up questions of the national identity in the era of globalization. The retrenchment of the nation's intervention and the enlargement of market must be the two sides of a single coin. Korea has driven the government-led capitalism on the basis of plan-rationality, which means the major economic plan and execution is dependent on government control, management, administrative direction, and inspection.<sup>55</sup> The globalization policy, which emphasized “*small and smart government*”, was another declaration to accept the enlargement of the market. Strengthening the function of the market would improve the efficiency in a short time. But it might deepen social dichotomies over a long time: the rich getting richer and the poor becoming poorer. Recollecting the 19th century, there is a historical lesson that creating a bigger pie through the function of market elicited a fierce struggle of distribution rather than the end of the struggle. So, the market in the globalization times is giving us two simultaneous tasks: enhancement of economic efficiency and increasing inequality of distribution of wealth. This is the conundrum of the nation-state in the era of the globalization.

The nation must ultimately be responsible for maintenance of the function of the market, solution of its dysfunction, and, at the same time, enlargement of moral vision. In this context, the fact that globalization was mainly interpreted as a means of strengthening the national competitive ability in Korea does not seem to be desirable. Such attitudes might evoke the drastic weakening of the nation's function over the market because the market will continuously be getting stronger through accumulation of capital. I do not believe that the market could be responsible for the public functions as the nation. Thus, it is crucial that the

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<sup>55</sup> Ho Guen Song, Globalization and the development of the Korean society, Thought (quarterly magazine in spring, 1995, p.152.

globalization policy maintain a balance between the market vitality and the public function of the government.<sup>56</sup>

These are my recommendations for the policy at the local level: first, the central government must give more autonomy to the local government with a concomitant increase in responsibility. In the past, the reluctance of the central government to give the autonomy resulted from the distrust of the local governments' ability to keep their regions on track with the pace of the nation's development. But the central government needs to set up a new partnership with the local government by fine-tuning the balance between national priorities and local autonomy.

Second, inter' and intra' organizational systems of checks and balances must be introduced. Korean values, which have strong roots in Confucianism, focus on the morality and virtue of the ruler instead of the system. It was generally accepted in the past that the ruler who had enough virtue and morality was qualified to rule over people; the ruled were asked to follow such a ruler with respect. Despite many merits of Confucianism, this has been the seed of corruptions and moral hazards in Korean society. Whereas western democracy has been developed from the distrust of power, Korean Confucianism emphasized morality of the ruler, which created moral hazards in Korean society. As a result, Korean society's core Confucian ideology is losing prestige. From now on, Korea must audaciously introduce the systemization, meaning decentralization of the structure of decision-making and guaranteeing the participation of multiple actors in developing and implementing policy.

Third, the activity of civil groups must be seriously considered to advance the civil society. The government, the market, and the civil society are independent actors in the

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<sup>56</sup> Ho Guen Song. Globalization and the development of the Korean society. Thought (quarterly magazine in spring. 1995. p 167.

implementation of policy in the era of globalization. The market and the nation will come into cooperation and conflict as they pursue their purposes. Development of civil groups is likely to make the market and nation maintain a desirable course because the good sense of multitude of agents in civil society will be strengthened in the transition period of globalization. The fact that the Korean globalization policy disappeared - largely due to the disinterest of the average people - demonstrates the importance of the participation of the people.

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