Korea’s National Territorial and Regional Development Policies

Won Sup Lee
Director, Planning and Management Division
Korea Research Institute for Human Settlements
Contents

I. Korea’s Territory

II. Policy Framework and Issues

III. History of National Territorial Policies

IV. Territorial Policies since 2013
I. Korea’s Territory
Korea in Northeast Asia
Geography and Land Use

Location and Area

- The Korean Peninsula lies on the northeastern section of the Asian continent, sharing border with China, Russia and Japan
- South Korea encompasses a total of 100,210 square kilometers, including about 3,200 islands mostly in the southwest

Land use and Natural Environment

- Land use is consisted of 64.5% of forests, 20.3% of arable land and 6.6% of urban land
- High mountains are located along the Grand Baekdu Mountains running along the east coast, north to south direction
- Climate is characterized by the Asian monsoon system with distinct four seasons and annual mean temperature of 6-16 degrees
Population

- Total population of Korea is about 50 million in 2010, doubled from 25 million in 1960
- Annual population growth rate fell sharply over time, from 3% in the 1960s through 1.5% in the 1980s to below 1% after the 1990s
Urbanization

- Population is heavily concentrated in a few regions, with the capital region accounts for 49.5% and 7 metropolitan cities account for 45.9%, while share of rural regions is less than 10%

- Urbanization rate is 91.6% with major cities including Seoul (10.2 mil), Busan (3.5 mil), Incheon (2.8 mil), Daegu (2.5 mil), Daejeon (1.5 mil), Gwangju (1.5 mil) and Ulsan (1.1 mil)

<table>
<thead>
<tr>
<th>Year</th>
<th>Nation</th>
<th>Urban</th>
<th>Rural</th>
<th>Nation</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>24,989</td>
<td>9,784</td>
<td>15,205</td>
<td>1970</td>
<td>31,435</td>
<td>15,750</td>
</tr>
<tr>
<td>1980</td>
<td>37.449</td>
<td>25,738</td>
<td>11,711</td>
<td>1990</td>
<td>43,390</td>
<td>35,558</td>
</tr>
<tr>
<td>2000</td>
<td>47,964</td>
<td>42,375</td>
<td>5,579</td>
<td>2013</td>
<td>51,141</td>
<td>46,838</td>
</tr>
<tr>
<td>Urbanization</td>
<td>39.1</td>
<td>50.1</td>
<td>68.7</td>
<td>81.9</td>
<td>88.3</td>
<td>91.6</td>
</tr>
</tbody>
</table>
Population Distribution
Regional and Local Administration, 2015

- **Regional Government (17)**
  - **Special City (1)**
    - **Gu(25)**
      - **Dong (423)**
    - **Gu(44)**
      - **Dong (680)**
    - **Gun(5)**
      - **Eup(10) Myeon(36)**
  - **Metro City (6)**
  - **Province (8)**
    - **Shi(75)/Gun(77)**
      - **Gu(35)**
      - **Eup(200) Myeon(1,145) Dong(947)**
  - **Special Province/City (2)**
    - **Shi(2)**
    - **Eup(8) Myeon(14) Dong(33)**

- **Local Government (226)**

- **Community Center (3,496)**
II. Policy Framework and Issues
Hierarchy of Territorial Plan

- CNTP
  - Provincial Plan
    - City/County Plan
  - Regional Plan
    - Area-wide plan
    - Capital region plan
    - Special region plan
    - Development promotion zone plan
    - Border region plan
    - etc
  - Sectoral Plan
    - Transportation
    - Housing
    - Water resource
    - Culture & tourism
    - Information
    - Industrial location
    - etc
## Major Policy Issues

- **Concentration into the capital region**

<table>
<thead>
<tr>
<th>Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>44.3%</td>
</tr>
<tr>
<td>GRDP</td>
<td>48.9%</td>
</tr>
<tr>
<td>R&amp;D expenditure</td>
<td>67.7%</td>
</tr>
<tr>
<td>Bank deposit</td>
<td>69.6%</td>
</tr>
<tr>
<td>100 Largest corporations</td>
<td>86.0%</td>
</tr>
</tbody>
</table>
III. History of National Territorial Policy
# Paradigm Shift in Territorial Policy

<table>
<thead>
<tr>
<th>Decade</th>
<th>Main Emphasis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960-1970s</td>
<td>Growth pole development and industrialization</td>
</tr>
<tr>
<td>1980s</td>
<td>Control of the capital region and decentralization</td>
</tr>
<tr>
<td>1990s</td>
<td>Promotion of provincial regions and localization</td>
</tr>
<tr>
<td>2000s</td>
<td>Balanced development and regional competitiveness</td>
</tr>
<tr>
<td>2010s</td>
<td>Quality of life and happiness of people</td>
</tr>
</tbody>
</table>
Territorial Policies in the 1960-1970s

- Growth Pole Development and Industrialization
  - Regional policy aimed to develop selected growth poles specialized in heavy and chemical industries such as steel, machinery, chemical, shipbuilding, non-metallic, and electronics industries
  - Large-scale industrial complexes were developed in Ulsan, Pohang, Changwon, Gumi, Yeocheon, Okpo and other cities mostly along the southeast coastal regions, leading a rapid growth of the cities
  - Growth pole strategy resulted in the spatial concentration of manufacturing industries and population, creating disparities between the regions with the poles and without the poles
Industrial Complexes, 2014

- Total 1,074 complexes
  - 41 National complexes
  - 560 General complexes
  - 14 Urban high-tech complexes
  - 459 Rural complexes

- Engine of Korean economy
  - 73,380 operating firms
  - 2,079,763 employed
  - 436 billion dollars export
Goals and Strategies of the First CNTP (1972-1981)

**Goals**

- Effective management of land use
- Building infrastructure for territorial development
- Resource development and natural conservation
- Improvement of living conditions

**Strategies**

- Growth pole development
  - Developing large-scale industrial complexes
  - Building facilities of transportation, telecommunication, water resource and energy supply
  - Empowering lagging regions
Territorial Policies in the 1980s

Addressing Spatial Concentration and Disparities

- Major policy goals in the 1980s were to reduce widening gaps among regions and concentration in the capital region.

- Various measures including the Capital Region Readjustment Planning Act (1982) and the First Capital Region Readjustment Plan (1984-1996) were implemented to lessen the concentration of population and industry into the capital.

- Development of Industrial complexes was focused on medium and small cities and also rural areas, with 20 complexes built in cities and 266 in rural areas until 1997.

- Large scale living environment improvement projects such as 2 million housing construction and 5 new towns construction began to implement in the capital region from the late 1980s.

Goals

- Guiding settlement of population in local regions
- Expanding development probability to the whole nation
- Improving national welfare
- Conserving natural environment

Strategies

- Forming multi-cores territorial structure and regional living space
- Growth control and management of Seoul and Busan
- Expanding social overhead capitals such as transportation and telecommunication
- Promoting development of lagging regions

17
Territorial Policies in the 1990s

- **Approaches to Regional Development**
  - Employed the strategy to build large scale economic bases such as major industrial complexes and area-wide development.
  - New policy measures included high-technology industrial complex, multimedia complex and information industry complex.
  - Major target of development was the west coast region, Chungcheong and Honam provinces, with weak production base and living condition compared to the capital region and south east region.
  - The concept of new industrial spaces was applied to the west coast development, building large scale new industrial estates and the west coast expressway.
Territorial Policies in the 1990s

Area-Wide Development Program

- The program aims to develop major cities and surrounding areas, industrial complexes and hinterlands, and contiguous urban areas together.
- A total of 10 areas were designated except the capital region from 1994 to 2005.
- Development plans are comprehensive, covering themes of industrial location, higher control functions, international infrastructure and sustainable development.
### Third CNTP (1992-2001)

**Goals**
- Creating decentralized territorial structure
- Establishing productive and resource saving land use system
- Improving national welfare and environment conservation
- Building bases for North-South reunification

**Strategies**
- Promoting provincial regions and controlling capital region
- Creating new industrial spaces and upgrading industrial structure
- Building comprehensive and high-speed networks of interaction
- Increasing investment for living facilities and environment
- Enhancing implementation of plan and reorganizing regulations
- Developing and managing North-South exchange areas
Territorial Policies in the 2000s

- **Building an Open and Integrated Territory**
  - The Asian financial crisis in the late 1990s affected territorial policies as the government aimed to make Korea the hub of Northeast Asia, serving as the gateway.
  - Global open poles, instead of growth poles, were developed in selected areas in the capital region and coastal cities with ports and industrial hinterlands.
Fourth CNTP (2000-2020)

Goals

- Balanced territory
- Green territory
- Open territory
- Unified territory

Strategies

- Forming open and integrated territorial axes
- Enhancing regional competitiveness
- Creating healthy and pleasant environment
- Establishing high-speed transportation and information network
- Building bases for exchanges between North-South Korea
Territorial Policies in the 2000s

- **Drive for Balanced National Development**
  - Balanced territorial development was pushed strongly by the Participatory Government (2003-2008), attempting to relocate national administration and public organizations away from the capital to the provinces.
  - Three types of new cities, an administrative (Sejong) city, 6 enterprise cities, and 10 innovative cities were planned to accommodate public institutions and private investment.
  - Regional innovation system and industrial cluster replaced industrial complex as the new engine of regional growth.
  - Depressed rural regions were designated as the revitalization areas, receiving support from the central government.
Innovation Cities and Enterprise Cities

**Innovation Cities**
- Relocate public agencies from the capital region to the provinces
  - Public agencies: 154
  - Employees: 49,000
- Construct 10 innovation cities
  - Create clusters, linking public agencies, enterprises, universities, and research institutions

**Enterprise Cities**
- Revitalize regional economies through private investment
  - Incentives: right to expropriate land and tax reduction

![Map of Innovation Cities and Enterprise Cities](image)
The Revised 4th Comprehensive National Territorial Plan (2011-2020)

**Global Green Territory**

1. Create a new framework of territorial development on the basis of 5+2 economic regions
2. Manage green territorial development responding to global climate change
3. Build an attractive territory where every person enjoys quality life
4. Create a gateway to the Eurasia Pacific region by establishing global infrastructure
### Progress in Development Indicators

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GNI per capita</td>
<td>US dollars</td>
<td>254</td>
<td>1,645</td>
<td>6,147</td>
<td>10,841</td>
<td>20,562</td>
</tr>
<tr>
<td>Urbanization</td>
<td>%</td>
<td>50.1</td>
<td>68.7</td>
<td>79.6</td>
<td>88.3</td>
<td>90.9</td>
</tr>
<tr>
<td>Express way</td>
<td>km</td>
<td>551</td>
<td>1,225</td>
<td>1,551</td>
<td>2,131</td>
<td>3,859</td>
</tr>
<tr>
<td>Pavement of road</td>
<td>%</td>
<td>9.6</td>
<td>33.2</td>
<td>71.5</td>
<td>76.0</td>
<td>79.8</td>
</tr>
<tr>
<td>Electrification of railroad</td>
<td>km</td>
<td>-</td>
<td>451</td>
<td>525</td>
<td>668</td>
<td>2,212</td>
</tr>
<tr>
<td>Electric power generation</td>
<td>Gwh</td>
<td>9,167</td>
<td>37,239</td>
<td>107,670</td>
<td>266,400</td>
<td>495,745</td>
</tr>
<tr>
<td>Number of automobile</td>
<td>000</td>
<td>127</td>
<td>528</td>
<td>3,395</td>
<td>12,059</td>
<td>17,941</td>
</tr>
<tr>
<td>Housing stock</td>
<td>000</td>
<td>4,360</td>
<td>5,319</td>
<td>7,357</td>
<td>11,472</td>
<td>17,672</td>
</tr>
<tr>
<td>Water supply capacity</td>
<td>000 tons/day</td>
<td>2,166</td>
<td>6,756</td>
<td>16,274</td>
<td>26,980</td>
<td>30,936</td>
</tr>
</tbody>
</table>
IV. Territorial Policies since 2013
Regional Policies of Park’s Government

- **Vision**
  - *Happiness to the People, Hope for the Regions*

- **Goals: HOPE**
  - Happiness: Feeling happiness and hope
  - Opportunity: Securing opportunities for happy living
  - Partnership: Voluntary participation and cooperation
  - Everywhere: Reducing blind areas of policy
Regional Policies, 2013-

- **Strategies**
  - Building basis for the *happy living zones*
  - Enhancing economic vitalities of regions through job creation
  - Improving local education and nurturing creative talent
  - Flourishing local culture and restoring ecosystem
  - Customized regional welfare and medical system
Regional Policies, 2013-

- Policy Framework of *Happy Living Zones*
  - Purpose of the living zones is to enhance peoples’ happiness and quality of life based on daily living space.
  - A total of 63 zones were formed depending on the size and function of central city: 20 metropolitan zones, 14 rurban zones, 21 rural zones, and 8 exemplary zones.
  - New local governance, the association of local governments, will be formed in each zone to promote inter-local cooperation.
  - Each zone formulates five-year development plan focusing on inter-local cooperation projects.
  - Central government provides financial and technical assistance to local governments for implementation of the plan.
Happy Living Zones

20 metropolitan zones

14 rurban zones

21 rural zones
THANK YOU!