Experiences and Lessons of Territorial Development Policies in Korea

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I. Geography of Korea
Korea in Northeast Asia
Geography of Korea

Location and Area

The Korean Peninsula lies on the northeastern section of the Asian continent, sharing its border with China, Russia and Japan, and climate is temperate with four distinct seasons.

South Korea encompasses a total of 99,720 square kilometers, including some 3,200 islands mostly in the southwest.

Major Cities and Economies

Major cities include Seoul (10.0 million), Busan (3.5 million), Incheon (2.6 million), Daegu (2.5 million), Daejeon (1.5 million), Gwangju (1.4 million) and Ulsan (1.1 million).

Major industrial products include semiconductors, automobiles, ships, consumer electronics, mobile telecommunication equipment, steel and chemicals.
Political Administration

7 Metropolitan cities (Shi)
9 Provinces (Do)
75 Cities (Shi)
86 Counties (Gun)

Metropolitan cities and provinces represent regional government, and cities and counties represent local government.
II. Territorial Policy Framework
Legal Framework of Territorial Policy

- **The Framework Act on National Territory (2002)**
  - The act is the fully revised version of the Act on the Comprehensive Territorial Development and Planning (1963)
  - The act stipulates basic guidelines on the planning, making and implementing of territorial policies, including the Comprehensive National Territorial Plan (CNTP)
  - The act specifies fundamental principles of territorial management: the balanced development of national territory (Article 3), the creation of conditions for competitive national territory (Article 4), and environment-friendly territorial management (Article 5)
Hierarchy of Territorial Plan

- Three Levels of Administration
  - National government makes the Comprehensive National Territorial Plan (CNTP) as the guiding plan for regional and local plan
  - Regional governments make the Comprehensive Provincial Plan, while local governments make the Comprehensive City/County Plan

- Regional Plan and Sectoral Plan
  - Regional plan covers a single or multiple administrative areas
  - Sectoral plan covers the whole nation for specific themes such as transportation, housing, water, environment, etc.
Hierarchy of Territorial Plan

- **CNTP**
- **Provincial 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
III. History of Territorial Development
<table>
<thead>
<tr>
<th>Decades</th>
<th>Main Emphasis</th>
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<tbody>
<tr>
<td>1960-1970s</td>
<td>Development of growth poles</td>
</tr>
<tr>
<td>1980s</td>
<td>Control of the capital region</td>
</tr>
<tr>
<td>1990s</td>
<td>Promotion of local regions</td>
</tr>
<tr>
<td>2000s</td>
<td>Territorial integration and balanced development</td>
</tr>
</tbody>
</table>

Paradigm Shift in Territorial Development
The 1\textsuperscript{st} Comprehensive National Territorial Plan (1972-1981)

Maximize the growth potential of the country with limited resources

1. Develop large industrial estates and metropolitan regions
   - southeastern coastal industrial belts
   - Seoul Metropolitan Area

2. Priority Investment in Infrastructure (Expressways, Ports) and link to major industrial estates

3. Develop the depressed regions
## Goals and Strategies of the First CNTP (1972-1981)

<table>
<thead>
<tr>
<th>Goals</th>
<th>Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective management of land use</td>
<td>Growth pole development</td>
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<tr>
<td>Building infrastructure for territorial development</td>
<td>• Developing large-scale industrial complexes</td>
</tr>
<tr>
<td>Resource development and natural conservation</td>
<td>• Building facilities of transportation, telecommunication, water resource and energy supply</td>
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<tr>
<td>Improvement of living conditions</td>
<td>• Empowering lagging regions</td>
</tr>
</tbody>
</table>

- Developing large-scale industrial complexes
- Building facilities of transportation, telecommunication, water resource and energy supply
- Empowering lagging regions
## Progress in the 1970s

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Unit</th>
<th>1970</th>
<th>1980</th>
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</thead>
<tbody>
<tr>
<td>GNI per capita</td>
<td>US dollars</td>
<td>254</td>
<td>1,645</td>
</tr>
<tr>
<td>Urbanization</td>
<td>%</td>
<td>49.8</td>
<td>66.7</td>
</tr>
<tr>
<td>Express way</td>
<td>km</td>
<td>551</td>
<td>1,225</td>
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<tr>
<td>Pavement of road</td>
<td>%</td>
<td>9.6</td>
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<tr>
<td>Electrification of railroad</td>
<td>km</td>
<td>-</td>
<td>451</td>
</tr>
<tr>
<td>Electric power generation</td>
<td>Gwh</td>
<td>9,167</td>
<td>37,239</td>
</tr>
<tr>
<td>Number of automobile</td>
<td>000</td>
<td>127</td>
<td>528</td>
</tr>
<tr>
<td>Housing stock</td>
<td>000</td>
<td>4,360</td>
<td>5,319</td>
</tr>
<tr>
<td>Water supply</td>
<td>000 tons/day</td>
<td>2,166</td>
<td>6,756</td>
</tr>
</tbody>
</table>
Spread the growth effects to the whole country

1. Suppress over-concentration in Seoul Metropolitan Area

2. Develop multiple growth poles throughout the country

3. Consider environmental aspects on territorial development

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

Goals

17
### Progress in the 1980s

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<tr>
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<th>1980</th>
<th>1990</th>
</tr>
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<tbody>
<tr>
<td>GNI per capita</td>
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<td>1,645</td>
<td>6,147</td>
</tr>
<tr>
<td>Urbanization</td>
<td>%</td>
<td>66.7</td>
<td>79.5</td>
</tr>
<tr>
<td>Express way</td>
<td>km</td>
<td>1,225</td>
<td>1,551</td>
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<tr>
<td>Pavement of road</td>
<td>%</td>
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<td>Gwh</td>
<td>37,239</td>
<td>107,670</td>
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<tr>
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<td>000</td>
<td>528</td>
<td>3,395</td>
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<td>000</td>
<td>5,319</td>
<td>7,357</td>
</tr>
<tr>
<td>Water supply</td>
<td>000 tons/day</td>
<td>6,756</td>
<td>16,274</td>
</tr>
</tbody>
</table>
Establish multi-centered national territorial structure

1. Decentralized national development
   - develop the west coast industrial space and local cities

2. Develop a comprehensive transportation network (7x9 arterial road network)

3. Expand South-North Exchanges and prepare for the unified Korea
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
## Progress in the 1990s

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Unit</th>
<th>1990</th>
<th>2000</th>
</tr>
</thead>
<tbody>
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<td>GNP per capita</td>
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<td>10,841</td>
</tr>
<tr>
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<td>%</td>
<td>79.5</td>
<td>84.5</td>
</tr>
<tr>
<td>Express way</td>
<td>km</td>
<td>1,551</td>
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<tr>
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<td>%</td>
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<td>km</td>
<td>525</td>
<td>668</td>
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<td>Electric power generation</td>
<td>Gwh</td>
<td>107,670</td>
<td>266,400</td>
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<tr>
<td>Number of automobile</td>
<td>000</td>
<td>3,395</td>
<td>12,059</td>
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<tr>
<td>Housing stock</td>
<td>000</td>
<td>7,357</td>
<td>11,472</td>
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<tr>
<td>Water supply</td>
<td>000 tons/day</td>
<td>16,274</td>
<td>26,980</td>
</tr>
</tbody>
</table>
Open & integrated territory and balanced regional development

1. Build π-shape territorial axis open toward Pan Yellow & Pan East Sea Regions  
   - Serve as “strategic gateway”
2. Promote regional competitiveness
3. Build high-speed transport network
4. Provide bases for cooperation between South and North Korea
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
## Progress in the 2000s

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Unit</th>
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<tbody>
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<td>US dollars</td>
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<td>20,045</td>
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<tr>
<td>Urbanization</td>
<td>%</td>
<td>84.5</td>
<td>86.7  ('05)</td>
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<tr>
<td>Express way</td>
<td>km</td>
<td>2,131</td>
<td>3,368</td>
</tr>
<tr>
<td>Pavement of road</td>
<td>%</td>
<td>76.0</td>
<td>78.3</td>
</tr>
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<td>km</td>
<td>668</td>
<td>1,818</td>
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<td>Gwh</td>
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<td>Housing stock</td>
<td>000</td>
<td>11,472</td>
<td>13,534 ('06)</td>
</tr>
<tr>
<td>Water supply</td>
<td>000 tons/day</td>
<td>26,980</td>
<td>31,138 ('06)</td>
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</tbody>
</table>
IV. New Initiatives in Territorial Development
New Initiatives in Territorial Development

- Lee Myung-bak Administration’s regional policy approach
  - Strengthening regional competitiveness is vital for national competitiveness and region’s growth potential
  - Shifting away from the balanced regional development policy, emphasis is placed on building competitive regions
  - Apart from administrative boundary, establishing specialized and enlarged economic regions is crucial to respond to the global competition among regions
  - It is important to create a win-win situation between the capital region and the provinces through inter-regional cooperation and collaborative development
  - Also importance is the green growth as a response to the global climate change and as the means for new growth engine
Development of Mega Economic Regions

- Objectives and Framework
  - Mega economic regions are proposed for global competitiveness by overcoming the limitation of administrative boundaries, maximizing scale and network economies
  - 7 metropolitan cities and 9 provinces are regrouped into 7 mega economic regions

Source: Presidential Committee on Regional Development
Leading Industry and Human Resource

- Developing one or two leading industries in each mega region
- Promoting R&D and high-value added s/w-led businesses
- Nurturing regional human resources related to leading industries

※ 1.3 trillion Korean won to be invested in leading industries
Leading Infrastructure

- Expanding infrastructures linking major cities and strategic growth regions
- Establishing backbone road and transportation network
- Connecting major international cities through airports and seaports

※ 50 trillion Korean won to be invested into 30 leading infrastructure projects
Green Growth-Based Regional Development

- Positive Cycle Between Development and the Environment

- **Economic & Territorial Development**
  - Green industry as a new growth engine
  - R&D in green technology
  - Green new deal projects

- **Environment**
  - Reduce environmental pollution through carbon abatement
  - Improve the quality of life
  - Adopt green life style
Four Major River Restoration Project

- A Green New Deal Project
  - A new approach to enhance the quality of the environment around the rivers and to resolve water related problems stemming from climate changes
  - Rivers will be turned into multi-purpose spaces where people live, enjoy landscape and use new infrastructure facilities
  - The project intends to prevent floods and droughts, protect the ecosystem and promote economy
Four Major River Restoration Project

The view after completion of the River Restoration Project
V. Concluding Remarks
Brief Evaluation

- Territorial development has played a key role to transform Korea from a poverty ridden country to an advanced global player.
- Modern infrastructure built through territorial development contributed not only to the nation’s economic growth but also to peoples’ higher standard of living.
- Unresolved issues include the continuing concentration into the capital region and the weakening vitality of rural areas.
- Sometimes, territorial policy agenda becomes the battlefield of political confrontation, making them short lived.
- It becomes more important to draw a consensus on territorial policy issues, and to secure funding for development.
Future of Territorial Policy

- Global changes in economies, politics and the climate present new challenges to Korea
- Korea has to prepare for the reunification with North Korea and an integrated northeast Asian economies
- While nurturing lagging areas for balanced development, an important task is to explore strategies for global competition
- Building new territorial structure based on new growth engines such as green technologies will further enhance the competitiveness of Korea in the global market
- Korea has tried to catch up and learn from advanced nations during the past half century, but in the future, Korea has to lead and take care of other countries’ territorial development