

S&E

Space & Environment

is a quarterly English magazine intended to disseminate research output and international activities of Korea Research Institute for Human Settlements

Vol. 95
SEPTEMBER 2023

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Published by Korea Research Institute for Human Settlements (KRIHS, <http://www.krihs.re.kr/>)

Publisher Gyo-Eon Shim

Edited by Global Development Partnership Center (GDPC, <http://gdpc.kr/>)

Editorial Team Sang Keon Lee (Editor), Hye Jung Park, Jeong Yun Hwang

Tel. +82-44-960-0429 Fax. +82-44-211-4772

Designed and Produced by Goryeo C&P Co., Ltd. Tel. +82-2-2277-1508~9

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01

A Study on the Development of Small and Medium-Sized Urban Areas for the Multipolar Decentralized Territory

Sunghee Min

1. The need for the development of small and medium-sized urban areas

■ Must establish a new base for regional development by forming small and medium-sized urban areas in connection with small and medium-sized cities and surrounding areas

Small and medium-sized cities play a key role in connecting large cities with agricultural, mountain, and fishing villages in the national spatial structure. However, since it is difficult for just a single small and medium-sized city alone to continue to perform this role in such diversely changing circumstances, there is an increasing emphasis on the formation of small and medium-sized urban areas through connection and cooperation with neighboring cities. For small and medium-sized cities facing a continuous decline in population and industry, it is not effective enough to secure competitiveness with urban policies at the level of individual cities; rather, a more realistic strategy is to develop with neighboring regions (Kim & Woo, 2019). To achieve balanced national development, there must be a perspective based on spatial structure to secure competitiveness at the regional level instead of city level by connecting the resources and functions of small and medium-sized cities.

■ Small and medium-sized urban areas can be a major tool for the megaregion policy

Considering the changes in policy conditions, such as the shift in awareness that focuses on the quality of life, low growth, and COVID-19, establishing policies focused on small and medium-sized urban areas is an important tool for the success of the megaregion policy for balanced national development. Small and medium-sized urban areas are important areas that share the role of large cities within the megaregion and can improve the quality of life for residents and surrounding areas. Simultaneously, many small and medium-sized cities that are currently in danger of extinction

had served as a base for various transport infrastructures, such as railways, in the past. Thus, they might be able to serve as new network nodes within the megaregion by using such physical and geographical advantages.

2. Setting the spatial scope for the development of small and medium-sized urban areas

■ Setting small and medium-sized urban areas through quantitative analysis

Gridded population data was used to identify the spatial structure of small and medium-sized urban areas, and commuting data at the administrative district level was used to review connectivity. The definition of an urban area generally encompasses a city and adjacent areas nearby with a high level of economic and social integration. The concept of an urban area includes the overall economic function of the city and thus is often described as “functional,” and it is particularly useful in providing information for policy decisions in various fields, including transport, economic development, and planning (EU et al., 2021).

To set the spatial scope of small and medium-sized urban areas, the results of quantitative analysis and review of selecting these urban areas were considered overall. Since urban areas can be selected differently depending on various elements, such as variables used in quantitative analysis to set the small and medium-sized urban areas, the point of analysis, and the standard for traffic volume in commuting that can be classified as surrounding areas, it is necessary to consider all these elements. Furthermore, the setting of urban areas must also consider various elements, such as the perception of residents that cannot be represented by statistics or regions, that must be developed as important areas in terms of policy.

■ Setting small and medium-sized urban areas (plan)

The spatial scope of small and medium-sized urban areas is set flexibility through the plan derived based on the quantitative analysis in this study as well as policies and previous studies. The spatial scope of small and medium-sized urban areas can be set in various ways from minimum to maximum range, and the plan can be examined as follows.

The minimum population size of small and medium-sized urban areas is 136,739 in the urban areas around Sokcho, and the maximum population size is more than 2 million in the urban areas around Cheonan and Asan, and including Pyeongtaek and Anseong. The population size of the small and medium-sized urban areas around Jeonju is a minimum of 1,350,911 to a maximum of 2,031,740.

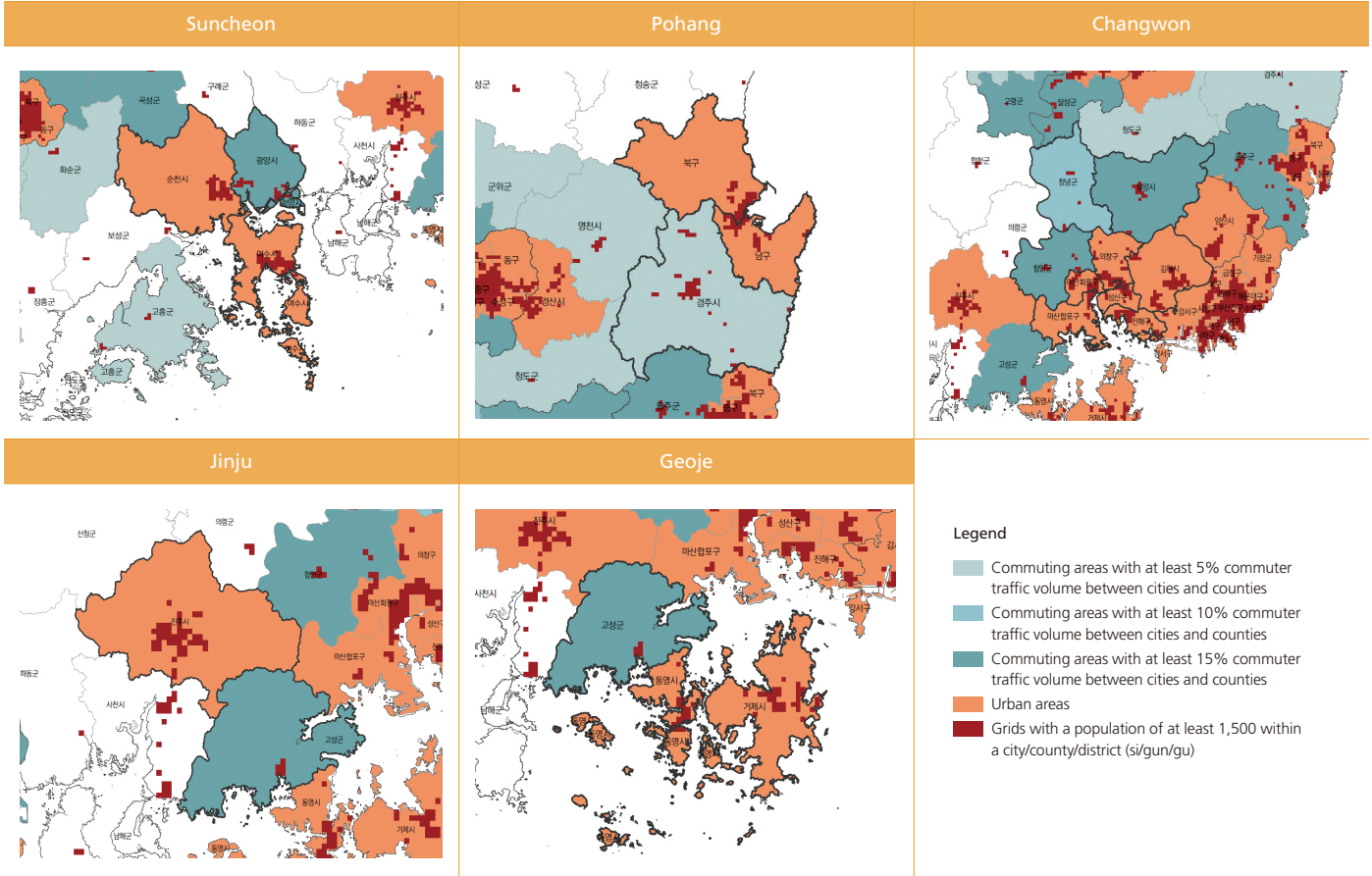
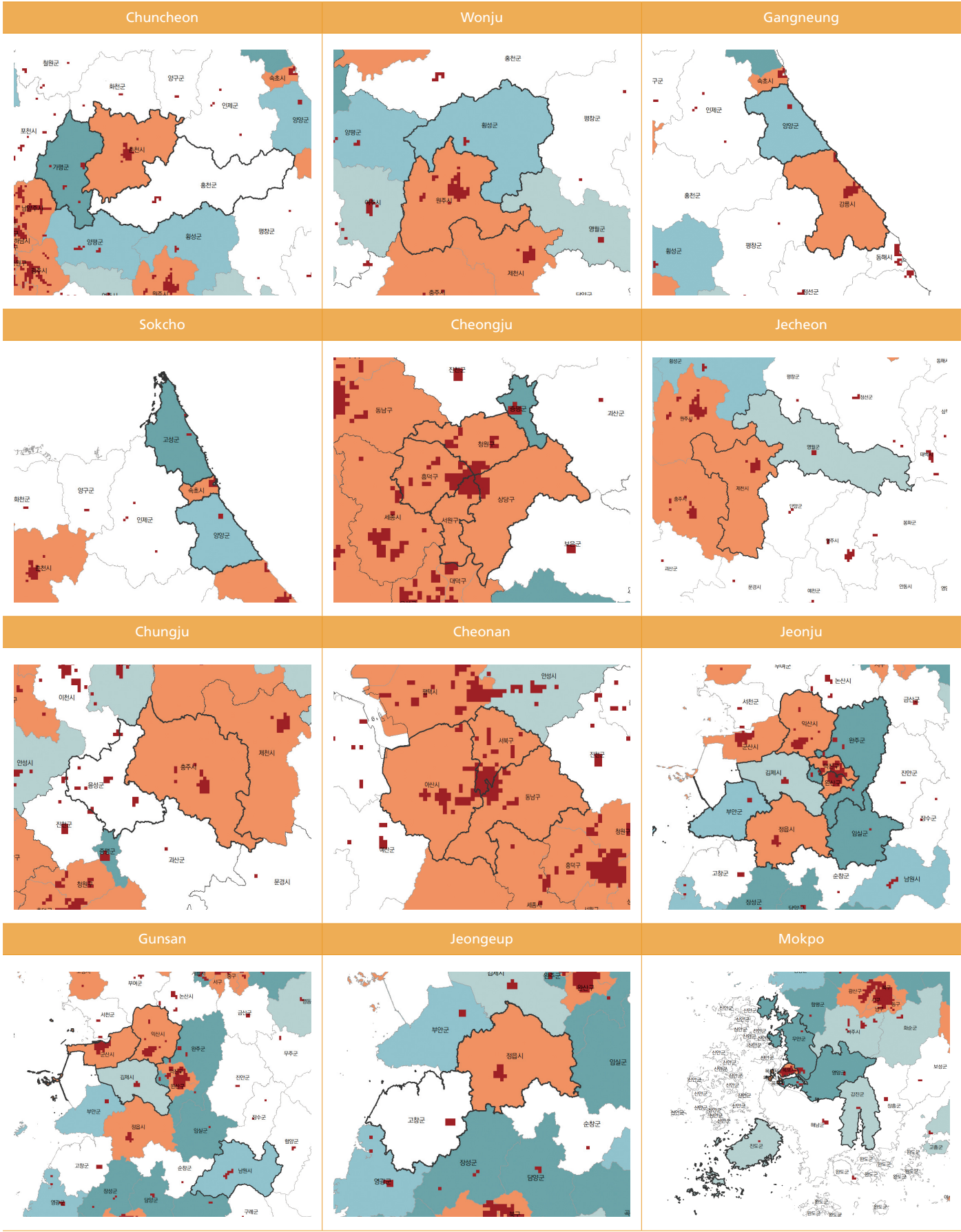
In Gangwon-do, four small and medium-sized urban areas can be set around Chuncheon, Wonju, Gangneung, and Sokcho, and urban areas can be set around Chuncheon and Wonju. In Chungcheongbuk-do, three small and medium-sized urban areas can be set around Cheongju, Jecheon, and Chungju, and they can also be set as single small and medium-sized urban areas. In Jeollabuk-do, a single small and medium-sized urban area can be set around Jeonju, and in Jeollanam-do, two small and medium-sized urban areas can be set around Mokpo and Suncheon. In Gyeongsangbuk-do, one small and medium-sized urban area can be set around Pohang, and one around Andong that seems to need development in terms of policy. [Table 1, Figure 1](#)

Table 1. Setting small and medium-sized urban areas (plan)

ProvinceProvince	Central city	Surrounding area (minimum)		Surrounding area (maximum)	
		City/county	Population (person)	City/county	Population (person)
Gangwon-do	Chuncheon	Hongcheon-gun	350,288	Hwacheon-gun, Cheorwon-gun, Yanggu-gun, Gapyeong-gun, Inje-gun	533,926
	Wonju	Hoengseong-gun	400,233	Hwacheon-gun, Yanggu-gun, Inje-gun, Chuncheon, Hongcheon-gun	828,640
	Gangneung	Yangyang-gun	239,602	Pyeongchang-gun, Donghae, Samcheok, Taebaek, Jeongseon-gun, Uljin-gun	579,663
	Sokcho	Goseong-gun, Yangyang-gun	136,739		136,739
Chungcheongbuk-do	Cheongju	Jeungpyeong-gun	879,406	Boeun-gun, Goesan-gun, Jincheon-gun, Eumseong-gun, Chungju	1,334,706
	Jecheon	Yeongwol-gun	169,492	Danyang-gun	198,036
	Chungju	Eumseong-gun	300,731	Jecheon, Danyang-gun, Yeongwol-gun	498,767
Chungcheongnam-do	Cheonan	Asan	1,310,585	Pyeongtaek, Anseong	2,043,129
Jeollabuk-do	Jeonju	Wanju-gun, Gimje, Iksan	1,350,911	Imsil-gun, Buan-gun, Jeongeup, Gochang, Gunsan, Namwon, Muju-gun, Sunchang-gun, Jangsu-gun, Jinan-gun	2,031,740
	Gunsan	Iksan, Namwon, Gimje	704,250	Seocheon-gun	755,186
	Jeongeup	Gochang-gun	160,387	Buan-gun	211,524
Jeollanam-do	Mokpo	Muan-gun	308,313	Yeongam-gun, Gangjin-gun, Jindo-gun, Sinan-gun, Haenam-gun	531,568
	Suncheon	Gwangyang, Yeosu	708,713	Boseong-gun, Goheung-gun	811,411
Gyeongsangbuk-do	Pohang	Gyeongju	752,366	Yeongdeok-gun, Uljin-gun, Ulleung-gun	844,828
Gyeongsangnam-do	Changwon	Haman-gun	1,092,469	Gimhae, Miryang, Changnyeong-gun	1,793,971
	Jinju	Goseong-gun	397,025	Sacheon, Namhae, Hadong, Sancheong-gun, Hamyang-gun, Geochang-gun, Uiryeong-gun, Hapcheon-gun	796,579
	Geoje	Tongyeong, Goseong-gun	419,141		419,141

Source Min et al. (2022) A Study on the Development of Small and Medium-Sized Urban Areas for the Multipolar Decentralized Territory
Note Statistics Korea Resident Registration Population Statistics as of 2021

Figure 1. Setting small and medium-sized urban areas (plan)



Source Min et al. (2022) A Study on the Development of Small and Medium-Sized Urban Areas for the Multipolar Decentralized Territory

3. Direction and policy tasks for the development of small and medium-sized urban areas

Basic directions for the development of small and medium-sized urban areas

Some of the basic directions for the development of small and medium-sized urban areas included strengthening the network for connection, establishing a decentralized cooperative system, and building sustainable and self-sufficient small and medium-sized urban areas. The most important direction for the development of small and medium-sized urban areas is to strengthen the network for connection between local governments. Moreover, it is necessary to build a decentralized cooperative system for smooth communication in small and medium-sized urban areas. Finally, sustainable and self-sufficient small and medium-sized urban areas must be established for small and medium-sized urban areas to keep contributing to balanced national development.

Policy tasks for the development of small and medium-sized urban areas

The policy tasks for the development of small and medium-sized urban areas included strengthening the connective cooperation between these urban areas, setting flexible urban areas that meet the characteristics of small and medium-sized cities, discovering connective cooperation projects to enhance the self-sufficiency of small and medium-sized urban areas, securing policy continuity and persistence, forming a consensus on the development of these urban areas, and having the central government provide systematic support. First, to vitalize small and medium-sized urban areas, it is necessary to select a region that will play a central role and strengthen connective cooperation based on the interdependence between the central area and the surrounding areas. Second, a bottom-up method must be carried out, which can flexibly set the areas between local governments instead of a top-down method in which the central government sets the areas. Third, it is

necessary to flexibly set target projects for the development of small and medium-sized urban areas and expand support for each type of small and medium-sized urban area and project. Fourth, systems must be established to ensure continuity and persistence of policy implementation at the national level. Fifth, there must be a motivation for connective cooperation by clearly providing which benefits will be given to the areas set as small and medium-sized urban areas. Sixth, since small and medium-sized urban areas are in a policy blind spot, the central government must provide support for these areas to connect and cooperate with one another.

■ **System reform for the development of small and medium-sized urban areas**

For system reform, the matters reviewed included adopting an interdepartmental implementation system, building cooperative governance between local governments, establishing plans for small and medium-sized urban areas, strengthening the mediation role of upper-level local governments, and finding financial resources to establish small and medium-sized urban areas. First, institutional support is needed so that several regions can unite for living areas and

urban planning, as well as support to facilitate the formation of alliances. Second, to deal with various changes in conditions, it is necessary to perceive that it is difficult to solve problems at the level of a single local government and promote awareness of the necessity and advantages of connective cooperation with surrounding local governments. Third, local governments must establish development plans by autonomously discussing and organizing living spheres based on living spaces, and the central government must support these plans with customized regional development strategies. Fourth, the functions and authorities of upper-level local governments must be expanded to ensure the effectiveness of small and medium-sized urban areas, and the benefits provided by the central government must be clear. Finally, the central government must come up with stable financial resources in addition to providing institutional support for cities and counties to carry forward connective cooperation projects.

Sunghee Min
Research Fellow
National Balanced Development Research Center
shmin@krihs.re.kr

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02 Linking Decentralization and Balanced Development: Lessons from France Case

Soo Jin Kim

1. Background and Meaning

■ **Enactment of the Special Act for the Integration of Decentralization Balanced Development and**

In 2022, the Korean government suggested a new necessity and blueprint of a decentralized balanced development policy. Back in September, the Suk-yeol Yoon administration announced the upcoming enactment of the Special Act on Local Autonomy and Decentralization and Balanced Regional Development (hereinafter referred to as the “Integration Act”) to integrate decentralization and balanced development, and it was approved by the State Council on November 1.⁰¹ The problem recognized in the Act begins with the current situation that even though decentralization and balanced development have a close relationship, the implementation framework is split into the Presidential Committee on Autonomy and Decentralization and the Presidential Committee for Balanced National Development under separate acts. As relevant plans have also been prepared separately without sufficiently considering the link between decentralization and balanced development, it results in the problem where measures and tasks end up being fragmented. Against this background, the primary purpose of the Integration Act is to seek region-led balanced development by linking measures related to decentralization and balanced development, and establishing an integrated implementation framework.

■ **Concerns and Criticism during the Integration Process of Decentralization and Balanced Development**

The policy objective of the Integration Act is to achieve balanced development through decentralization. Nonetheless, some questions have been raised, including whether the proposed measures and tasks are specific enough to create

an implementation plan, and whether these measures and tasks cover the conditions that should be created before transitioning to region-led ones. Moreover, there is an ongoing dichotomous debate about whether decentralization or balanced development should come first, if the values of balanced development, which highlights equity, and the values of decentralization, which stresses difference and diversity, are mutually exclusive with each other.

■ **Necessity for the Case Study of France**

Meanwhile, although some previous studies were conducted on how to pursue decentralization or balanced development in an integrated manner, the studies have not been reflected or embodied in specific policies. Furthermore, while many models of decentralized balanced development in other countries, which are worth referencing, have been introduced in Korea, there is a lack of an understanding of the political and economic contexts behind the introduction of models without deeply considering changing values.

Despite its strong tradition of centralization, France has discussed the values of decentralization or balanced development for decades since the early 1980s and sought to enact and amend applicable laws and make institutional improvements. While the case of France is not perfectly successful, it may serve as a useful reference for setting future policy directions in Korea, where the debate has just begun.

2. Changing Values of Decentralization and Balanced Development in France

■ **Changing Values of Decentralization in France: From Decentralization to Differentiation**

01. It was passed in the plenary session of the National Assembly in June 2023, and the enforcement of the Special Act began in July.

The values of decentralization in France have changed over the course of the following four phases: During the first phase (1982–2002), laws were introduced to establish each level of the local administrative system (région, département, and commune), and the devolution of powers started. During the second phase (2003–2013), the fiscal autonomy of municipalities was highlighted, and authority for certain office tasks was devolved to municipalities. During the third phase (2014–2018), régions and communes were integrated to establish new administrative boundaries, and the powers and responsibilities of each level of the local administrative system were clarified. During the fourth phase (2019–present), the focus has been placed on difference and diversity among municipalities, and discussion has begun on déconcentration, décentralisation, différenciation, and simplification.

■ Changing Values of Balanced Development in France: From Equality to Cohesion

The values of balanced development in France have changed over the course of the following two phases in relation to decentralization: First, the value shifted from equilibrium (équilibre) to equality (égalité) during the first and second phases of decentralization. Second, since the mid-2010s, it

shifted again from equality to cohesion (cohésion) during the third phase of decentralization. The latest different pathways for cohesion are further categorized into integration (intégration) and solidarity (solidarité), and integration and solidarity suggest their own spatial strategy. The local administrative system has been reorganized when cohesion is interpreted as integration, and spatial programs, such as the Third Place (Tiers-Lieux), have been implemented when it is interpreted as solidarity. The concept of solidarity is closely related to différenciation, which has emerged in the fourth phase of decentralization. **Figure 1**

3. Two Spaces of Cohesion in France: Integration and Solidarity

■ Space of Cohesion in France: Integration and Reorganization of the Local Administrative System

The values of decentralization and balanced development in France have developed in parallel without conflicting with each other. After the Decentralization Law was enacted in 1982, the local administrative system became overly complex, which made it difficult to assign powers and responsibilities to different levels. Subsequently, the government sought to

improve administrative efficiency with spatial zoning and election scheduling. By integrating existing régions into new ones and reducing the total number of régions, the main purpose of the government was to strengthen regional competitiveness with economies of scale and allow régions to practically serve as key points within the European Union.

While the integration of régions has had some positive effects in terms of reducing the gap between regions, it is mainly evaluated as contributing to a widening gap between regions. One of the reasons has been cited as a lack of prior discussions about functional links between major cities in régions. It has also been noted that the integration has shown fewer financial savings than expected and caused unexpected social costs by undermining existing residents' perception of régions' unique identity.

■ Space of Cohesion in France: Solidarity and Third Place

To overcome the economic crisis brought on by the COVID-19 pandemic, the French government announced the France Relaunch Plan (France Relance). The central government in France states digital transformation and ecological transformation as the two pillars of the France Relaunch Plan. There are the concepts of solidarity and its consideration about how to build solidarity behind these pillars. The Third Place was originally a non-profit program, which started in 2017, to build so-called *third places* across France to improve access to public services (especially digital services) and localize innovation and industry in underdeveloped areas, including rural or vulnerable areas (quartier prioritaire). In the wake of COVID-19, these places were recognized as a place to create new ways of working and living together. In 2019, the central government in France introduced this approach to create an inter-ministerial collaboration program and fund the budget in connection with the French Relaunch Plan.

■ Intersection between Different Pathways toward Balanced Development

These two physical and non-physical spatial strategies are not mutually exclusive but are implemented in parallel with some time apart from each other. With the transition from equality and interregional justice to cohesion and spatial justice, the policy direction of balanced development has shifted from seeking absolute consequentialism-based equality to delivering spatial justice as a process of accepting differences between regions and tackling large and small inequalities arising therewithin. This shift is well represented in both spaces. With more emphasis

on the integration of régions and horizontal fiscal adjustment, the spatial and fiscal mechanisms are changing in connection with each other. Furthermore, the role of local governments has become more important for office tasks, which the central government previously took care of. What solidarity and third places mean, however, goes beyond the importance of the role that local governments play. The actors of balanced development have shifted from local governments to local communities, the spatial unit of balanced development has transitioned from physical space (geographically adjacent areas) to non-physical space of community, and the focus has moved from the production of physical space to the reproduction of social relationships.

4. Implications and Policy Directions

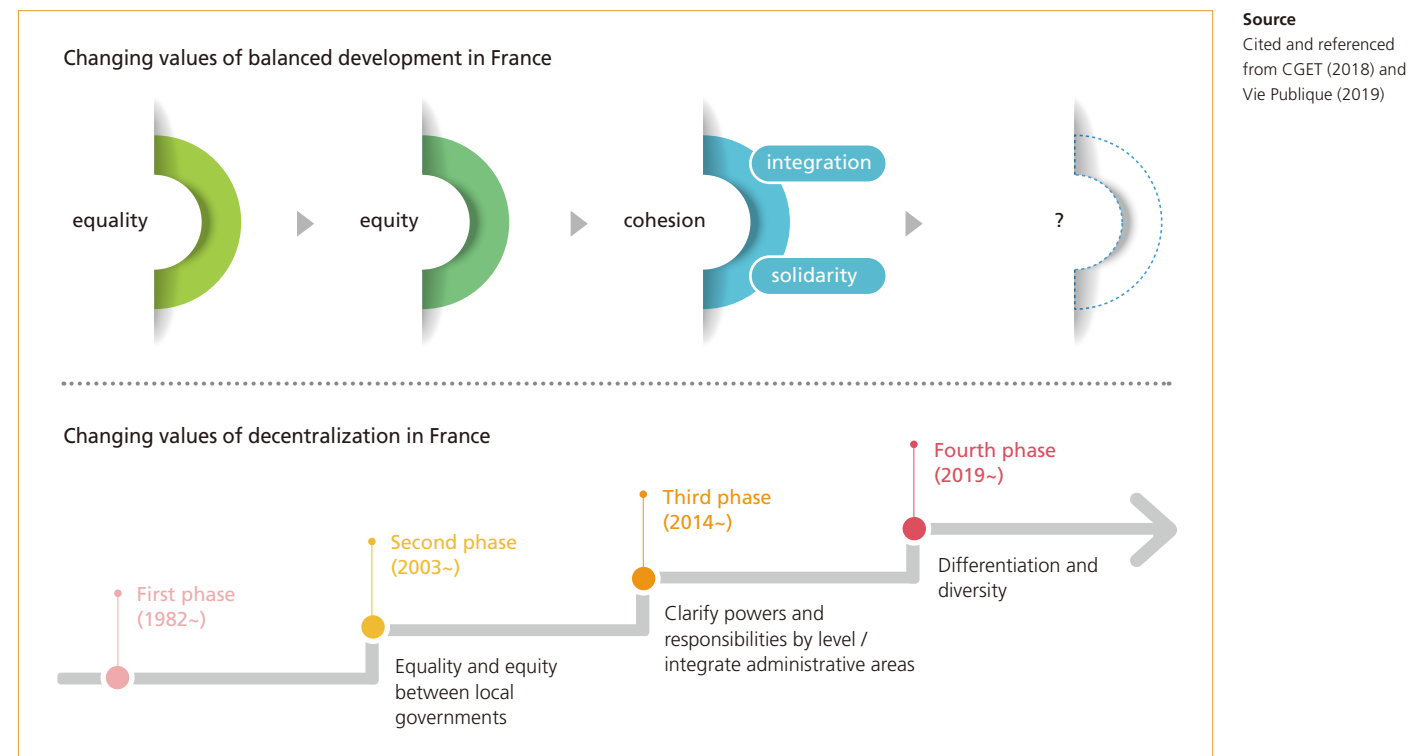
■ From interregional justice to spatial justice

In France, cohesion is often used interchangeably with administrative integration. Integration includes the concept of interregional justice, which aims to redistribute the benefits of economic development achieved from economies of scale and stronger regional competitiveness to vulnerable regions. Cohesion, however, includes not only integration (interregional justice) but also other concepts under spatial justice, such as functional solidarity and political solidarity. Therefore, the shift from integration, a value under cohesion, to solidarity implies changing values from interregional justice to spatial justice. It is a concept that highlights differences and diversity along with decentralization. It may be interpreted as an implicit declaration that the country will no longer seek consequentialism-based equality.

■ From Unidirectional Decentralization to Localized Decentralization

The fourth phase of decentralization in France marks a shift from unidirectional decentralization, in which the same powers were devolved from the central government to local governments through the concept of differentiation, to local governments-led decentralization. In other words, it is interpreted as the country's commitment to transitioning into localized decentralization. France discusses and institutionalizes regional decentralization and fiscal decentralization (to secure stable local financial resources and guarantee autonomy for local governments) together in the beginning stage.

Figure 1. Changing values of decentralization and balanced development in France over time



■ Narrowing the gap or closing the disparity?

The reorganization of the local administrative system to narrow the gap between régions ended up exposing the gap within the régions, which was not visible before. In response to newly changing conditions, the central government introduced the New Place, New Relationship program to support the establishment of *third places* (as a physical space for people to be together, and a place for building a sense of community).

■ Policy Direction for Decentralized Balanced Development in Korea

It would be necessary to establish differentiated *region-led* balanced development policy depending on the phase of decentralization. First, the *localized* policy can serve as the point on which balanced development (equity) and decentralization (differentiation and diversity) converge, and it needs to be proposed as a package that can cover both values. Second,

localized policy should be premised on fiscal decentralization, and it is important to make institutional improvements, such as the system of horizontal fiscal adjustment and the expansion of comprehensive subsidies, while maintaining the three pillars of government subsidies, grant taxes, and local taxes. Finally, to effectively pursue decentralized balanced development, it is needed to consider reinforcing the role of a policy coordination body under the central government and setting up a permanent consultative body between the central and local governments. Facing changing conditions in the future, it is crucial to consider how to link existing spatial policies for balanced development with new ones, responding to emerging issues of balanced development.

Soo Jin Kim

Research Fellow
National Balanced Development Research Center
sookim@krihs.re.kr

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03

Policy directions and action plans for balanced development after the COVID-19 pandemic

Kyunghyun Park

1. Changes brought by COVID-19

■ Changes brought by pandemics

The pandemics that have had the biggest impact on the history of mankind are smallpox, Black Death, and the Spanish flu. These pandemics have all brought enormous social structural changes. Smallpox widened the gap between the rich and the poor throughout the world, the Black Death initiated commercial development and capitalism, and the Spanish flu increased interest and investment in social safety nets. While pandemics bring changes to the political, economic, and social structure overall, they also leave indelible scars in various aspects. A typical example is the aggravation of inequalities. Not only international organizations but also governments and scholars agree that the COVID-19 pandemic is exacerbating

poverty and aggravating socioeconomic inequalities (ILO, 2020; OECD, 2020; World Bank, 2020; Oxfarm, 2021). Given the experience that pandemics have aggravated income inequalities more than the financial crisis or economic recession, there are more concerns about inequalities that might increase after the COVID-19 pandemic (Furceri et al., 2021).

■ Regional inequalities after the COVID-19 pandemic

The COVID-19 pandemic is widening the vertical gap in multidimensional inequalities and triggering discussions about a new dimension of inequalities beyond education, labor, housing, and health. Economic inequality is generally expressed as spatial inequality. The digital transformation and growth of non-face-to-face industries are accelerating spatial relocation in urban areas with an excellent innovation environment.



Various changes brought by COVID-19 are reflected in the regions, and they each accept such changes in different ways. In this process, the potential factors of regional disparities are likely to be aggravated after the pandemic. The winner-takes-all system of a megapolis maintains or strengthens the current status, thereby aggravating spatial inequalities. This is why the prospect that this system will be maintained even though some urban functions may change carries conviction (Florida et al., 2021). However, vulnerable areas are marginalized even more, and there is not much chance for small and medium-sized cities as well as incompetent rural areas to grow even after the pandemic. Due to the increasing asymmetry in the industrial structure and jobs, the regions so far away that they cannot benefit from the dynamics of a megapolis are also likely to decline after the pandemic.

2. Regional imbalance in South Korea during the COVID-19 pandemic

■ Increased income in the capital area and large cities even after the outbreak of COVID-19

The signs of regional imbalance caused by COVID-19 are observed here and there. The average monthly income as of June 2021 was 4.03 million won, showing a 6.1% increase compared to 3.8 million won in June 2020 when COVID-19 broke out. However, the debt was 52.28 million won, showing a year-on-year increase of 11.5% from 46.89 million, and the increase in debt for one year after the outbreak of COVID-19 significantly exceeded the increase in average monthly income. One thing to note is that income in the capital area has increased more than in the non-capital areas since the outbreak, and the increase rate of average monthly income in Seoul surpassed 8%, which is the highest in the nation. Contrary to our concerns that it will be affected severely by infectious diseases like COVID-19 due to high population density, the capital area, including Seoul, is still showing continuous growth, which has significant implications in terms of balanced development.

■ The recovering industries are characterized by a strong locational orientation toward certain regions

The industries that are recovering after COVID-19 break include ICT, healthcare and pharmaceuticals, precision optical instruments, and machinery and equipment. These industries have more advanced technology than those in other industries and are in cities with a variety of other industries. On the

contrary, industries such as textiles, apparel, leather and shoes, petroleum refining, plastics and rubber, non-metallic minerals, primary metals, metal processing, automobiles, and trailers are still showing poor performance. The COVID-19 pandemic has served as an opportunity to further widen the gap in growth and recovery between the capital area and non-capital areas, and large cities and the neighboring areas. This is because industries with high resilience are in a few specific regions that have the capacity for industrial development.

■ Growth of daily tourist spots at the city level

The COVID-19 pandemic has also brought changes to tourism patterns. Due to the pandemic, tourists prefer low-density areas for travel, such as places that are not crowded or outdoors. Sales in the travel industry in 2020 were KRW 1.9198 trillion, showing a decrease of KRW 9.8751 trillion (83.7%) compared to KRW 11.7949 trillion in 2019 (Korea Association of Travel Agents, 2021). The pandemic has resulted in disparities between tourism-related businesses, such as a rapid increase in visitors to golf courses and villa-style resorts. Tourists, who had been visiting regions (tourist spots), regional units (extended tourist spots), and spots for overnight stays, are now visiting daily tourist spots in the city (Kim et al., 2020:245).

3. Policy directions and implications in response to the aggravation of spatial inequalities

■ Policy directions for mitigating spatial inequalities

The top-priority policy directions for balanced development after the pandemic should be developing talent and supporting employment in the region. For Territory/Region, it is necessary to form a multipolar decentralized territory structure, expand support for depopulated areas, and support areas with poor living and residential environments in the city. For Industry/Company, it is necessary to first reorganize the structure of the manufacturing industry in the region, enhance innovation competencies of local industries, and foster specialized industries in each region. For Education/Talent, there is a need to strengthen the competitiveness of universities in the provinces and reduce the education gap between regions. For Health/Public Administration, the most important and urgent matters are to increase human resources and specialized facilities in health and medicine, establish a health and welfare system centered on the community, and increase support for areas with poor healthcare services within the city. With

the growing importance of the healthcare system since the outbreak of COVID-19, it is highly necessary to reform the healthcare system that is suitable for regional conditions. Figure 1

Therefore, it is necessary to establish a policy for balanced development that combines all of Education/Talent, Industry/Company, Health/Public Administration, and Territory/Region. Improving the educational environment to prevent the outflow of youth and working-age population in the region, improving cultural amenities for youth, and coming up with strategies to enhance the industrial structure in the region to provide good jobs are policies that must be implemented simultaneously in the same spatial scope rather than as individual policies. This is why policies related to balanced development implemented by each government department must be integrated into a package. To resolve the regional imbalance that may be aggravated after the pandemic, there is a need for central government support and regional efforts to improve industrial innovation competencies and learning conditions suitable for regional characteristics.

■ Action plans for policy directions

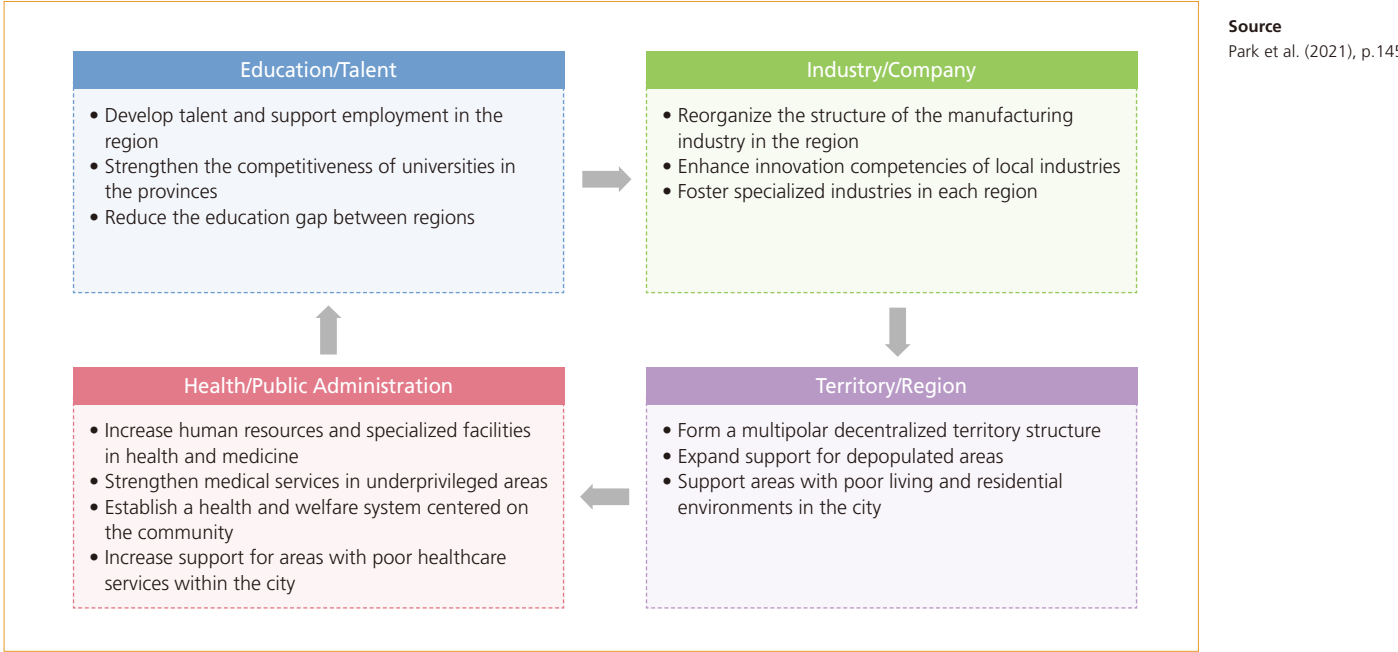
To resolve the issue of regional inequalities caused by the COVID-19 pandemic, it is indispensable to establish a new regional development model and take a comprehensive, step-by-step approach to inclusive recovery in the long run. There must be more opportunities for residents, such as jobs,

healthcare, and culture, to improve the quality of life in regions facing a greater crisis since the pandemic began, and there is also a need to find a way to increase opportunities with the resources that the regions currently have. Simultaneously, there must be strategies to improve the educational environment as well as cultural amenities for the youth and to enhance the industrial structure in the region to provide good jobs in order to prevent the outflow of youth and working-age population in non-capital areas. In sum, the action plans for balanced development policies are as follows.

① Standardizing regional competencies to deal with infectious disease

First, the paradigm for regional development must be shifted to prepare for digital transformation. It is necessary to switch the direction for regional development projects so that they seek safety and comfort in order to deal with infectious diseases that may break out again at any time. Regions must promote population inflow and economic revitalization by seeking regional development in response to infectious diseases by creating a so-called Workation Village to keep up with the changing travel patterns and trends due to the COVID-19 pandemic. Second, it is necessary to find underprivileged areas and strengthen the support for them. Crisis management and public health crisis response in these underprivileged areas must be inspected to reduce the regional disparities after the

Figure 1. Top-priority policy directions for balanced development after the COVID-19 pandemic



pandemic. It is also necessary to increase support for areas with poor healthcare, urban life, and residential environment, and strengthen crisis management and public health crisis response in these areas. Third, there must be stronger networks and cooperation between regions to deal with crises. The COVID-19 pandemic has reconfirmed the opportunity for co-prosperity of regions through cooperation between local governments. It is necessary to increase support for win-win systems between regions, such as carrying out collaborative projects between local governments or establishing win-win regional development strategies, and to build a regional cooperative system to rationally share and distribute human and material resources in times of crisis.

② Expanding policy space for balanced development

The policy space for balanced development, which is currently fragmented and segmented, must be expanded to promote differentiated spatial strategies for each region. Hence, the so-called megaregion development strategy must be established so that large cities, small and medium-sized cities, and agricultural, mountain, and fishing villages can grow together. In addition, large cities in non-capital areas must be developed into the hubs of 21st-century megaregions by spatially integrating various competencies that are scattered in the existing regional economy. For small and medium-sized cities and agricultural, mountain, and fishing villages, it is necessary to expand the scope of public healthcare services to deal with infectious diseases and support their liaison with hub cities. Moreover, a platform must be established for innovation spaces in each base to create jobs for youth. For large cities, various competencies scattered in the existing regional economy must be spatially integrated to strengthen the functions as a base for regional economic development. It is also necessary to implement a policy to strengthen self-sustainability by creating a high-quality living environment that can satisfy talented young individuals as well as spaces for culture and consumption that can be enjoyed by them.

③ Creating an innovation ecosystem for each region in response to digital transformation

To overcome the situation in which the gap in industrial development and recovery is differentiated by region after the pandemic, there must be active support to establish industries related to the 4th Industrial Revolution, such as knowledge-based industries within the region. Therefore, it is necessary to implement policies to link regional universities and industries

and develop them into bases for regional innovative growth. In addition, there is a need to rebuild manufacturing businesses in the regional economy to deal with a non-face-to-face economy. Support is needed to establish an innovation ecosystem for regional growth after the pandemic, such as restoring the startup ecosystem, reducing and exempting taxes and supporting wages for workers to promote employment, and fostering strategic industries that are suitable for the regional growth path.

④ Reinforcing integrated governance for balanced national development

There is a need to integrate policies for balanced development, which are currently segmented and separately carried out by different government departments, into a package at the level of expanded policy space. The central government must be consistent in carrying out effective policies to mitigate the regional imbalance that will be aggravated after the pandemic, in which case it is essential to integrate the policy directions for balanced development that are carried out individually by each department into a package at the level of expanded policy space. Policy directions for balanced development are not completed by a single government department, but must be implemented through mutual coordination and cooperation of multiple departments. Thus, it is necessary to strengthen the system that can integrate and oversee policy directions for balanced development, by reinforcing the function of the Presidential Committee for Balanced National Development or installing a special inter-department organization.

Kyunghyun Park

Research Fellow
National Balanced Development Research Center
khpark@krihs.re.kr

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