National Territorial Policy in Korea
- Focusing on Balanced Growth Strategies -

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I. Overview

II. Economic & Territorial Development Strategies

III. Background of CNTP

IV. Strategies of the CNTPs

V. Policy Issues on Territorial Development
I Overview
1. Overview

1) Geography of Korea
1. Overview

2) Economic Growth Trend of Korea (1960-2010)

Per Capita (US$) GNI

- Liberation from Japanese Colonial Rule
- 6 Five-Year-Economic Development Plans
- 6 Ten-Year-Comprehensive National Territorial Plans
- Financial Crisis
- OECD Member (1995)
- G20 Member

Source: KDI 2005 Updated
1. Overview

3) Changes in Socio-Economic Structure of Korea (1960-2010)

<table>
<thead>
<tr>
<th></th>
<th>1960 (A)</th>
<th>1980</th>
<th>2010 (B)</th>
<th>Ratio (B/A)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Area</strong> (㎢)</td>
<td>98,431</td>
<td>98,992</td>
<td>100,214</td>
<td>1.02</td>
</tr>
<tr>
<td><strong>Population</strong> (thousand persons)</td>
<td>24,989</td>
<td>37,436</td>
<td>48,875</td>
<td>1.9</td>
</tr>
<tr>
<td><strong>Per Capita Income</strong> ($)</td>
<td>79</td>
<td>1,598</td>
<td>20,759</td>
<td>262.8</td>
</tr>
<tr>
<td><strong>Export</strong> (100 million $)</td>
<td>0.3</td>
<td>175</td>
<td>4,664</td>
<td>4220</td>
</tr>
<tr>
<td><strong>Urbanization Ratio</strong> (%)</td>
<td>35.9</td>
<td>66.3</td>
<td>90.9</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>Industrial Estates</strong> (㎢)</td>
<td>0.0</td>
<td>205</td>
<td>1,336</td>
<td>1,336</td>
</tr>
<tr>
<td><strong>Housing Supply Ratio</strong> (%)</td>
<td>79.5</td>
<td>71.2</td>
<td>101.9</td>
<td>1.3</td>
</tr>
<tr>
<td><strong>Road Length</strong> (thousand km)</td>
<td>27.2</td>
<td>47.0</td>
<td>105.5</td>
<td>3.9</td>
</tr>
</tbody>
</table>

Source: Korea National Statistical Office
Economic & Territorial Development Strategies
1. Key Development Strategies (1960s-80s)

Main Strategies

(1) Adopt strategic policies for economic and territorial development

- Economic development
  Input-driven and export-led development strategy

- Territorial development
  Rearrange the spatial structure and provide infrastructure for the growth

(2) Coordinate economic growth and territorial policy

- Establish ‘the 5 year Economic Development Plan” and ‘the 10 year National Territorial Development Plan’
2. Economic Development Strategy

1) Input-driven & Export-led Development (1960s-1970s)

- Take-off from the Ashes (1960s)
  - overcome lack of resources and small domestic market

Source: KDI 2005 Updated
2. Economic Development Strategy

< Concept of Input-driven & Export-led Development Strategy >

Foreign Capital Inducement
(Economic Aids·External Debt)

Capital Good Imports
Raw Material Imports
Foreign Technology Imports

Economic Growth

Export Promotion by the President

Export Promotion

Government

Financial Support
Tax Incentives

Well-educated & Cheap Labor force

Technology Development

Manufacturing Processing

Reproduction

Source: KDI 2005 Updated
2. Economic Development Strategy

2) Promote strategic industries with economic growth

- **Development Stage**
  - Factor-Driven Stage
  - Investment-Driven Stage
  - Innovation-Driven Stage

- **Export Commodity Profile**
  - Light industry: Wig, Textile, Automobile, Semiconductor
  - Heavy & Chemical industry: Textile, Automobile, Ship-building, etc.
  - Agricultural Product: Textile
  - HCI Product: Semiconductor, Mobile Phone, DTV, Display, Automobile

- **Source:** KDI 2005 revised
2. Economic Development Strategy

2) Promote strategic industries with economic growth

- Focus on strategic industries at region level
  - Develop 1~2 specialized industries at mega regions
  - Improve R&D, concentrating on high value added and s/w-led businesses

### Leading Industries of Mega Regions

<table>
<thead>
<tr>
<th>Region</th>
<th>Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital ER</td>
<td>Global Business Hub, Information Technology Industry</td>
</tr>
<tr>
<td>Chungcheong ER</td>
<td>Silicon Valley of Korea, Center of Science Technology and High-Tech Industry, Medical Bioindustry, New IT Industry</td>
</tr>
<tr>
<td>Honam ER</td>
<td>Creative Region for Culture &amp; Arts and Green Industry, New Renewable Energy, Photonics Industry</td>
</tr>
<tr>
<td>Gangwon ER</td>
<td>Frontier of Tourism, Resort, Well-being Industry, Expansive Medical Industry, Healthcare Industry</td>
</tr>
<tr>
<td>Daegyeong ER</td>
<td>New Growth region of Traditional Culture and High-Tech Industry, IT Convergence Industry, Green Energy Industry</td>
</tr>
<tr>
<td>Dongnam ER</td>
<td>Center for Key Industries and Logistics, Automobile Industry, Components Industry</td>
</tr>
<tr>
<td>Jeju ER</td>
<td>Leading Free International City of the Asian Region, Water Industry, Tourism and Leisure Industry</td>
</tr>
</tbody>
</table>
3. Regional Development Strategy

1) ‘Growth Pole Strategy’ for development efficiency (1960s-90s)

- Promote selected strategic regions with development potentials
  - Expect spill-over from the growth poles to other regions
    ※ growth poles: metropolitan cities and large industrial estates
  - Provide infrastructures for the growth poles (highways, ports)

< Spill-over/ trickling-down from core to periphery regions >
2) Decentralized and balanced national territorial development (1980s-2000s)

- **Area-Wide Development Program**
  - to develop major cities and surrounding areas, industrial complexes and hinterlands
  - 10 areas were designated except the capital region from 1994 to 2005

- **Drive for Balanced National Development**
  - A five-year balanced national development plan was implemented according to the Special Act for Balanced National development (2004)
  - to relocate national administrations and public agencies away from the capital
Background of CNTP
1. Hierarchy of the Territorial Plan in Korea

- The CNTP works as the basis of the Provincial Plan
- Regional and sector plans need to be consistent with CNTP
2. Roles of the CNTP

- Legal Basis of the CNTP is the Framework Act on National Territory (2000)
  ※ formerly, the Act on the Comprehensive National Territory Construction & Planning

< Roles of CNTP >

- **Supreme territorial plan**
  - Takes precedence over other plans regarding territorial development

- **Long term plan**
  - Sets directions for the long term development of the national territory

- **Comprehensive plan**
  - Presents policy directions on territorial issues: Infrastructure, housing, land, water, etc
3. Main Contents of the CNTP

- Current status of national land and the prospect of changes;
- Basic ideas and future images of the national land;
- Rearrangement of the spatial structures of the national land;
- Policies for balanced development of the national land and fostering of the regional industries;
- Utilization and management of land resources such as water etc.;
- Establishment and improvement of qualities of life;
- Prevention of disasters such as flood and wind damages.
4. Formulation Process of the CNTP

For the 4th National Territorial Plan formulation, 210 experts from 98 organizations (Central Governments, Local Governments, Research Institutes) participated.
Strategies of the CNTPs
Maximize the growth potential with limited resources

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

2. Invest in high priority Infrastructure (expressways, ports) and link to major industrial estates

3. Revitalize the depressed regions
   - Saemaul Undong (New Community Movement)
1. The 1st CNTP (1972-1981)

< Major Projects in 1970’s >

1) Construct Kyungbu Expressway
   ► Construction period: 1968-1970
   ► Link Seoul (the capital) to Busan (the 2nd largest port city)
   ► First national highway in Korea
   ► Reduce logistics costs

2) Saemaul Undong (New Community Movement)
   ► Start in 1972 (per capita GDP: 318 US$)
   ► Goals: promoting a modern, comfortable, and convenient rural community
   ► Strategies
     - Invest productive infrastructure (farming machinery, land, etc)
     - Increase incomes from agriculture, fisheries and factories
     - Improve living environments (road, house, water, etc)
     - Reform peoples’ attitude through education and training
   ► Government-initiated and voluntary participation

- Spread the growth effect across the nation
  1. Suppress over-concentration in Seoul Metropolitan Area (Capital Region)
  2. Develop multiple growth poles in the nation
     - Forster metropolitan regions as growth engines
  3. Consider environmental aspects on territorial development

- Per capita GNP in 1982: $1,824

< Major Projects in 1980’s >

1) **Apply special policies for reduction of over-concentration in the capital region**
   - The Capital Region Readjustment Planning Act (1982) were implemented to lessen the concentration of population and industry into the capital region
   - the First Capital Region Readjustment Plan (1982-1996) was implemented

2) **Establish the 7x9 national arterial highway Plan**
   - 7 south-north and 9 east-west expressways corresponding to increasing transport demand and balanced development

❖ Main Strategies

► Per capita GNP in 1992: $ 7,007

- Establish multi-centered national territorial structure

1. Focus on decentralized national development
   - develop the west coast industrial sites and local cities

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

3. Expand South-North Exchanges and prepare for the unified Korea
< Major Projects in 1990’s >

Newtown development in Seoul Metropolitan Area
- To meet housing shortages in Seoul Metropolitan Area, 2 million housing construction project were proceeded (’89-’93)

< 5 New Towns in Seoul Metropolitan Area>

< Ilsan New Town >

< Bundang New Town >

< Jungdong New Town >

< Pyungchon New Town >

< Sanbon New Town >

Main Strategies

- Per capita GNI in 2000: $10,841

Balanced regional development and open & integrated national territory

1. Build π-shaped territorial axis to serve as “strategic gateway”

2. Promote regional competitiveness - industrial clusters, regional innovation system (RIS)

3. Build high-speed transport network

4. Provide territorial bases for cooperation

- China & Eurasia
- Continent
- Russia
- Pan-East Sea Region
- West Coastal Axis
- East Coastal Axis
- South Coastal Axis
- Pan-Yellow Sea Region
- Pan-Pacific Ocean
1) Develop a Multifunctional Administrative City
   - 9 ministries (of 15), 2 major government agencies, 2 administrations
   - 2012-2014 relocation; 2030 completion
   - Planned Population: 500 thousand

2) Relocate public agencies and construct 10 innovative Cities
   - Move 157 public agencies with 32,000 employees to non-capital regions
   - Create clusters linking public agencies, enterprises, and universities in each innovative city
5. The Revised 4th CNTP (2011-2020)

Main Strategies

- Per capita GNI in 2010: $20,759

- **Global-Green National Territory**
  1. **Integrated Territory** with competitiveness
  2. **Sustainable Territory** with eco-friendly development
  3. **Attractive Territory** with high quality of living
  4. **Open Territory** to the global market

- The Revised 4th CNTP (2011-2020)
  - Main Strategies
Establish ‘mega economic regions’ to enforce global competitiveness

- Overcome the limitation of administrative boundaries
- Inter-regional cooperation and collaborative development

Regroup 7 metropolitan cities & 9 provinces into 7 mega economic regions
1. Paradigm of Regional Development Policy

< Paradigm Shift of Regional Development Policy >

1960s-1970s: Growth pole development and industrialization

1980s-1990s: Control of over-concentration in the capital region and promotion of provincial regions

2000s: Balanced national development and decentralization of public agencies

2010s: Regional competitiveness and green territorial development
2. Growth Poles Strategies and Unbalanced Regional Development

- **Growth pole strategy** contributed to the national territorial development
- **Backwash effects** from periphery to core regions were found instead of spill-over
3. High-Speed Transportation System and Territory Restructuring

- The high speed train has reduced economic distance among regions, and affected regional development patterns and territorial structures.
- Straw effects of regional development are in debate.

Travel time from Seoul to Busan
- Year 2010: 2 hour (300km/h)
- Year 2020: 1 hour 40 min (430km/h)
4. From Quantity-based to Quality-based Regional Development

- With the industrialization, urban population of Korea increased to 90 percent of national population.
- As people’s income is continuing to increased, the quality of Infrastructure and public services is becoming more important.

<Early Stage of Urbanization>  <Mature Stage of Urbanization>

**Quantity-based Urban Facilities Supply**
- meet the needs of urban services (e.g. 2 million housing project, 1988)
- transportation facilities
- water & sewerage supply

**Quality-based Urban Growth**
- human capitals
- quality of life, creative cities
- IT-based public services
- U-city, Smart city
To overcome administrative boundary of each region, effective cooperative system among regions are required

Metropolitan city and surrounding areas need to be a city-region with appropriate governance system
6. Changes in Socio-Economic Conditions and Regional Development

- Korea is now experiencing the population decrease and rapid aging society
- Compact and sustainable development become more important
  - new town development → urban regeneration
- Coordinate and integrate the overlapped and excessive regional development plans and projects

< Population Forecasts of Korea >

![Graph showing population forecasts](image-url)
7. Green Growth in Regional Development

- Climate change and reduction of greenhouse gas become the global & national agenda
- Green growth can further enhance the sustainable growth and competitiveness of the cities and regions
7. Green Growth in Regional Development

- **Through the green growth,** Korea hopes a different development path for the next growth cycle.
thank you very much

çok teşekkürler

고맙습니다

thank you very much