

Regional Development Policy in Korea with Special Reference to Population Decentralization from Seoul

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1. Introduction

This paper is intended primarily to describe the experience of regional development policy which has been implemented in the Republic of Korea since the early 1970s. Particular emphasis is given to the decentralization of people and economic activities from Seoul. By doing so, it is expected to provide some directions for a policy shift, which may be useful in preparing the 6th National Economic and Social Development Plan (1987-91).

The first part sets forth a conceptual framework for regional development policy in Korea. Some rationales for decentralizing population

from Seoul are provided, in an attempt to identify major policy fields and strategies. The second part briefly examines the programs implemented under behest of population decentralization policy, and their impact. The rest of the paper presents, in a reflective mood, what kinds of policy changes should be made for more effective implementation. Finally, concluding recommendations are made in conjunction with the recent policy issues in the regional development, i.e., regionalization of national plan.

2. Backdrop of policy-making

During the last two decades, the Republic of Korea has experienced an unprecedented

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increased in the rate of urbanization both in absolute and relative terms. The number of cities with a population of 50,000 or more has increased from 27 in 1960 to 50 in 1985, and the ensuing urbanization ratio has almost doubled.

Table 1. Urbanization Trends in Korea by percentage

Year	Urban Pop.	Year	Urban Pop.
1920	3.4	1960	35.8
1930	5.6	1970	49.8
1940	11.6	1980	66.7

Urban growth, generally speaking, can be measured in terms of its size, speed, and spatial balance. Since 1960, the magnitude of urban population has increased by 15.8 million representing more than the total national population increase over the same period. This fact implies that urban growth was accounted for by migration from rural areas.

As shown in (Table 2), the so-called urbanization speed was accelerated at a galloping rate of 6.3% *per annum* between 1966-70, which was initiated by the first Five-year Economic Development Plan (1962-66). However, rapid urbanization itself does not raise many spatial policy issues. The policy problems in Korea arise from the speed of population concentration in the capital city, Seoul, leading to a skewed

Table 2. Urbanization Speed in Terms of Annual population Growth Rate

(Unit: %)

Period	Urban Area (A)	Whole Country (B)	Speed (A-B)
1960-66	5.0	2.6	3.4
1966-70	6.3	1.9	4.4
1970-75	5.2	2.0	3.2
1975-80	4.2	1.9	2.3

Source: Economic Planning Board, *Population and Housing Census*, 1960, 1966, 1975, and 1980.

pattern of urban development. For example, Seoul's share of the national population has increased from 7.3% in 1955 to 22.3% in 1980. The recent census estimate revealed that the population of Seoul has already reached more than 9 million.

What were the underlying forces behind such a phenomenal urbanization process? Government efforts to modernize Korea via industrialization, of course, played a primary role in the remarkable economic growth since the early 1960s. Urbanization in Korea cannot be discussed without considering the rapid expansion of manufacturing sectors, which absorbed the cheap labor or rural immigrants. Historical evidence suggests that industrialization cannot be divorced from urbanization, although the latter proceeds even without the former. In Korean case, urbanization and industrialization have shown incredible correspondence in their rate of growth (Table 3).

Table 3. Urbanization and Industrialization

Year	Urbanization Ratio (A)	Industrialization Ratio (B)*	Difference (C)
1966	42.1	42.1	0.0
1970	49.8	49.6	0.2
1980	66.7	66.0	0.7
1983	72.1	70.3	1.8

Note : * Industrialization ratio means the ratio of manufacturing and service sector workers to the national total workers.

Source: Economic Planning Board, *Major Statistics of Korean Economy*, 1985.

On the other hand, simultaneous urbanization and industrialization led to a high level of concentration of population and economic activities in Seoul. The dominance of the Seoul economy over the rest of the nation has been reinforced by the process of "cumulative and circular" causations of urban growth. Put in

another words, the primate city has functioned as a "development engine" for national economic growth. Ever since 1964, however, the alleviation of population concentration in Seoul has become one of the most controversial policy issues. The national government sensed the unfavorable consequences of extreme primacy, and a myriad of strong measures have been taken as described later in Section 4.

Population decentralization policy may be justified on three primary grounds. The first is a regional disparity problem arising from the uneven distribution of population and economic activity. The distorted spatial organization, due to the Seoul's predominance over the national urban system, has undeniably contributed to interregional inequality. <Table 4> pictures vividly the Seoul's possession of the lion's share of everything, which often causes political problems as nonmetropolitan dwellers speak of the "Seoul Republic". For instance, about a quarter of manufacturing firms are located in Seoul. Even when the high density of Korea is taken into account, Koreans believe it appears undesirable to accommodate more than one-fifth of her whole population within a urban are equivalent only to 0.63% of the total national land.

The second is the real and imagined diseconomies of the primate city itself, which affects both the internal efficiency of city management and population absorptive capacity. Rapid population growth caused many serious urban problems; such as traffic congestion, land speculation, housing shortage and overcrowding, pollution, and infrastructure backlogs. Coupled with municipal financial difficulties, the provision of urban services has continued to be a critical problem.

The third, and sometimes emphasized as the most important, is a growing concern with respect to national defense from a strategical viewpoint. The location of this excessive agglomeration within range of North Korea artillery is very disadvantageous for military security. In a similar vein, spatial concentration of large groups of the low income people is thought to be vulnerable to social turbulence.

As indicated previously, control of the relentless growth of the primate city is a balancing leverage for redistributing the national population in Korea, and such a policy goal seems self-evident. The key to policy formulation for balanced regional development is how to reverse the tendency for people to concentrate in Seoul. Accordingly, the very starting point for policy making is diagnosis of such concentration phenomenon in Seoul.

A recent survey by the Korean Research Institute for Human Settlements¹⁾ shows that more than 40 percent of Seoul residents perceive the economic motives, responding to "job opportunities", as the principal factors in their migration decision (Table 5). Manufacturing activities, preferring to locate in a large city like Seoul, triggered the process of job creation. More recently, white collar jobs such as professional, managerial, and clerical workers have been growing rapidly. Tertiary industry, including informal sector, is tending to become increasingly the economic base of Seoul. High income, and the creation of new employment with the expansion of the urban economy has caused the ceaseless flow of migrants into Seoul.

A considerable portion of migrants move to take advantage of socio-cultural amenities concentrated in Seoul. Among them, "educational opportunity" for household heads or

1) Korea Research Institute for Human Settlements, 1981, *A Growth Management Plan for the Capital Region*. (in Korean)

Table 4. Concentration Ratio in Seoul by per cent

Ratio *	Indicators	Year	Indicators	Year
1%	Area size (0.63)	1970	Area size (0.63)	1980
			Value added in manufacturing (18.5)	1980
20%	Total population (17.6)	1970	Employees in manufacturing (22.1)	1980
	Number of manufacturing firms (23.7)	1970	Total population (22.3)	1980
30%	National wealth (26.3)	1968	Number of manufacturing firms (24.8)	1980
	Gross Regional Product (26.5)	1970	Gross Regional Product (29.3)	1980
	Employees in manufacturing (28.2)	1970	Revenues (33.3)	1978
	Revenues (32.1)	1970	Mails transaction (33.9)	1978
	Retail and wholesale volume (32.3)	1971	National tax collection (34.2)	1980
	Construction workers (32.3)	1976	National wealth (34.5)	1977
35%	Value added in manufacturing (34.7)	1971		
40%	Mails transaction (38.1)	1970	Retail and wholesale volume (36.5)	1979
	Urban population (42.4)	1970	Telephone (37.0)	1980
	Telephone (42.9)	1970	Urban population (39.0)	1980
50%	Employment in finance and insurance (46.6)	1976	Colleges and university students (43.9)	1980
	Automobile (49.9)	1970	Employment in finance and insurance (47.7)	1979
	National tax (50.1)	1970	Construction workers (56.5)	1979
	Bank loan (54.4)	1970	Automobile (57.9)	1980
70%	Bank deposits (63.4)	1970	Bank loan (63.9)	1980
	Colleges and university students (66.6)	1971	Bank deposits (64.9)	1980
	Managerial jobs (77.0)	1975		
90%			Managerial jobs (81.0)	1979

Note : * Ratio means Seoul's Share, comparing with the national total.

Source: Kwon, W.Y., 1985, "Population Decentralization Policy and implementation: A Lesson from Seoul", in *Urban Growth in Asia*, Monograph N. 20, Planning Research Centre, Univ. of Sydney, Australia, p. 72.

children was the most frequently cited. (Table 5) shows, interestingly enough, that the desire to be educated in higher educational institutions in Seoul seems to prevail without any significant difference across the income groups. This fact reflects a strong aspiration for education since higher education is a guarantee for upward social mobility, particularly in Korea. And elderly people are induced by their grown children, who are educated and settled with jobs in Seoul. Young people are also attracted by the modern entertainment facilities and a variety of cultural events. Seoul, as a center of innovation or imitation from abroad, shows cultural apoplexy, while the local cities suffer from cultural anemia.

The Third, hidden but potentially decisive, reason originates from political and historical tradition. Seoul has been the hub of a highly centralized government ever since 1392. Living in a small provincial town was considered exile and a threat to future success. Most recent migrants may enjoy, at least psychologically, the privileges of residing in the capital city, which used to be monopolized by the ruling class only. Likewise, a Seoul-oriented value system and people's attitude to the capital city have deep roots going back almost six hundred years, and still persist strongly today.

Under the government-guided economy of the last two decades, it would be very advantage-

Table 5. Reasons for Residing in Seoul by Income

Reasons	Low-Income	Medium-Income	High-Income	Total
1. Job-related	17.4%	28.6%	24.7%	26.3%
2. Born in Seoul	17.2	23.5	33.2	23.9
3. Education of household head or children	17.8	17.9	17.8	17.9
4. Joining family	12.8	11.5	11.3	11.7
5. Job Seeking	19.9	7.0	1.9	8.2
6. Convenience for business transactions	8.7	7.6	7.8	7.8
7. Influence of friends or relatives	4.1	1.8	1.0	2.1
8. Others	2.1	2.1	2.3	2.1

Source: Korea Research Institute for Human Settlements, *Ad hoc survey on the behavior of residential location in Seoul*, 1980.

ous to locate close to the central administration. Seoul residents benefit from a relatively high level of public service provision (e.g., water supply, social, educational, and cultural facilities), compared with other local cities. For political reasons, the government cannot but place emphasis on improving Seoul's infrastructure: one explanation is that Seoul's competitive power should be reinforced so that she at least

can match other comparable international cities in Asia; another is the size of the influential voices of the various power elite residing in the capital city.

3. Policy Measures and Programs

Based on the foregoing analysis in the pre-

Table 6. Policy Fields and Goals Identification

Reasons	Policy fields	Policy goals
Economic	Industrial Location	Spatial redistribution of economic activities, i.e., jobs
Social/Cultural	Housing and Education	Spatial redistribution of people
Political/Historical	Administration	Spatial redistribution of government power

vious section, the major policy fields and related goals are succinctly identified with one-to-one correspondence to the three reasons for population concentration in Seoul (Table 6).

(Table 7) summarized a conceptual framework for translating policy goals into appropriate measures and population decentralization programs. Among the four strategic approaches²⁾, it is noteworthy that only “infrastructure measures” involves physical investment, whereas the others are related to, by and large, non-physical policy measures. At the same time, both measures need to make out legal provision so that the government is enabled to implement various programs as described below.

(1) Industrial Location

Population redistribution and migration

(hence, the patterns of urbanization) are the result of the creation of new employment opportunities via any form of industrial location. The government policy makers recognized the importance of industrial location, after the successful implementation of the First Five Year Economic Development Plan (1962-66). To curb the rapid concentration of manufacturing industries in the capital region, the Local Industrial Promotion Act (1970) was put into operation as a legal basis for the government’s assistance programs: site provision; development of such infrastructure as access roads, water and energy supply; tax exemptions and subsidies to newly rehoused industries. Along with such infrastructure and incentive measures, a “standard land price” system was adopted as an innovative policy tool for purchasing land for industrial

Table 7. A Conceptual Framework for Formulating Programs

Strategic \ Policy Approaches \ Fields	Industrial Location	Housing and Education	Administration
Infrastructure measures	XX		
Incentive measures	XX	X	
Controls and persuasion	XX	XX	X
Direct action by the government			XX

Note: XX; strong association, X; weak association

2) Sundquist, J.L., 1975, *Dispersing Population*, The Brookings Institution, Washington, D.C., p. 34.

uses. The promotion act was amended in 1973 to provide similar benefits to firms and branch factories relocated from the Seoul Region.

As for control measures, the amount of land for industrial use in Seoul was reduced dramatically by rezoning in the early 1970s. The Distribution of Industry Act of 1977, in fact, empowered the government to order compulsory relocation of manufacturing in-

dustries. Its ordinances stipulate in detail the degree of spatial discrimination regarding industrial location and specifically the kinds of government measures to be enforced. As indicated in (Table 8), for instance, two non-inducement zones would be under strict restrictions on the new establishment and/or expansion of industries. Also relocation is exceptionally permitted with the case occurring within the same zone.

Table 8. Zonal Differentiation for Industrial Location Control

Zones	Strategy	Designated Area
(1) Dispersal Zone	Relocation Encouragement	Seoul, and its northern proximity
(2) Status Quo Zone	Expansion Discouragement	Busan, and its vicinity; Seoul's satellite cities
(3) Inducement Zone	Location Encouragement	The rest of the country

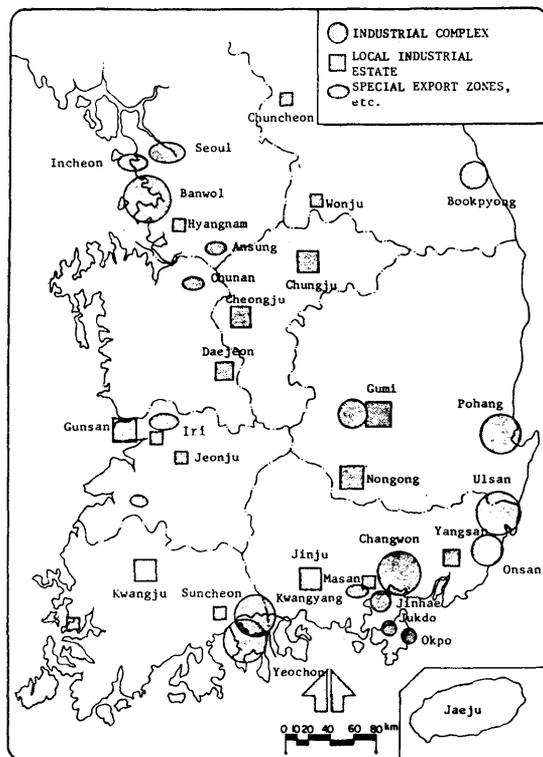


Figure 1. Location of Industrial Estates in Korea

One important implementation problem is what kind of manufacturing industries are regulated to move out from the Dispersal Zone. First, the government issued relocation orders to those establishments of non-conforming land uses in view of the city zoning ordinances. Second, a host of pollution-causing industries defined by the Environment Conservation Act (1977) were forced to move to Banwol, a new industrial town located 35Km southwest of Seoul. Third, exceptions are made for urban service-like industries such as printing and some food manufacturers producing items of daily urban consumption.

In evaluating the government's efforts to decentralize industrial locations, there is notable evidence to support their impact on population distribution. (Figure 2) illustrates the cities and counties which gained population during the intercensal period (1970-80). It is well-known that the rest of the nation lost population,

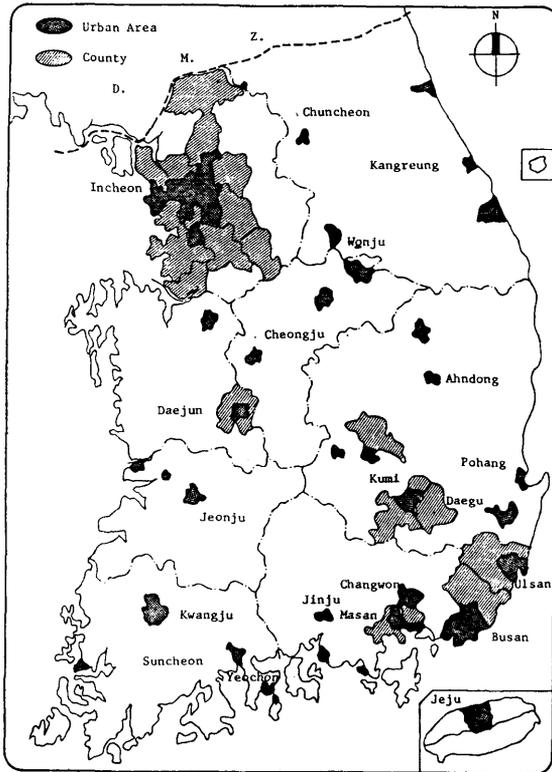


Figure 2. Population Shift by Cities and Counties (1970-80)

except for urban areas. The rapid population growth of the counties in the Gyeonggi may represent the natural tendency of industrial dispersal from Seoul and its satellite cities. Out of 20 growing counties, ten counties located outside the Seoul Region draw our attention. They can be sorted into two categories: one group of counties near to large cities such as Busan, Daegu, and Daejeon; and others territorially adjacent to new industrial towns. Due to the government's intensive export drive, those new towns (ULSAN, POHANG, CHANGWON and KUMI) were set in motion as "national growth poles", and unquestionably attracted a great number of migrants from other areas. But YEOCHON industrial town exceptionally failed to grow, and became a "pollution pole".

Secondly, government control measures prohibiting further expansion of manufacturing in Seoul have been put into effect. (Figure 3) shows eloquently that the concentration of

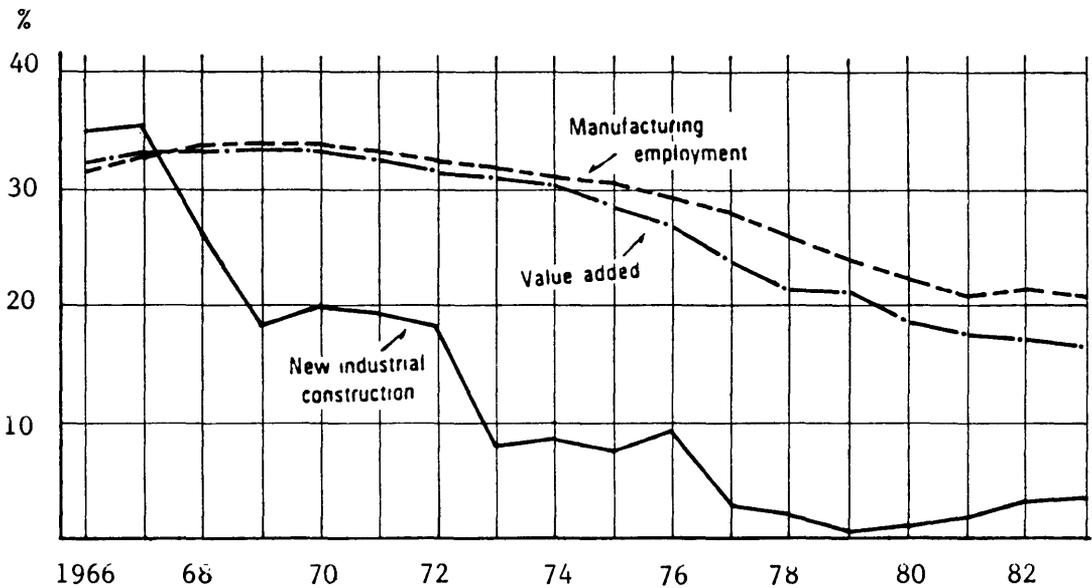


Figure 3. Percentage of Manufacturing Employment and New Concentrated in Seoul to National Total Industrial Construction

Source: Kwon, W.Y., 1981 "Seoul: A Dynamic Metropolis", in M. Honjo (ed.), *Urbanization and Regional Development*, Maruzen Asia: Singapore, p. 319.

manufacturing in terms of value-added dropped from 32 to 16 percent, following the dwindling trend of manufacturing employment.

(2) Establishment of Greenbelts

The main objectives of the greenbelt are to restrict the urban sprawl, to safeguard land for agriculture and recreation, and to preserve the individual character of settlements by preventing their coalescence. Along this line of thought, aiming to discourage the emerging speculation on the urban fringe land, the first greenbelt of 143.4 Km² was established around Seoul in 1971. Later on, 13 other major urban areas adopted this drastic planning measure of land use control. As of 1984, a total of 5,397 square kilometers was designated as greenbelts, which is tantamount to 5.4% of Korea's total land availability (Figure 4).

The greenbelt policy has been firmly and consistently administered. The land owners in

the greenbelt are prohibited by law from the construction of new buildings and the change of existing land uses for purposes other than agriculture. Approval should not be given, except in very special circumstances (e.g., national defense). To take an extreme example, even for landowners the building of their private cemeteries is not allowed.

It is a powerful tool and effective in containing physical growth (if not population growth), such as substantial encroachment upon farm land and valuable forests close to the metropolitan area. The strategic and environmental factors of the greenbelts are highly regarded. Nonetheless, the strong enforcement of a "straight-jacket" land use program had its social cost.

First and foremost, the increase in land prices accompanied by the pressure for housing development is presumably enormous. By contrast, the residents in the greenbelt were disadvantaged without any compensation for the relative decline in their property values. Sizable villages (say, 200 households and more) in the midst of the greenbelt cannot grow enough to enjoy the scale of providing urban facilities. The situation resembles "settlement desert" albeit the illusion of an oasis of greenery area.

Second, the rigid definition of "acceptable uses" of land in the greenbelt raises a serious question, and sometimes causes confusion in its implementation. One of the functions of the greenbelt is to provide the metropolitan population, especially those living in high density areas, with opportunities for country-side recreation. Recently, planners recommended the allowing of open-air recreation facilities as a way of utilizing the greenbelt.

Third, the protection of the greenbelts requires costly continual vigilance. Today aerial surveillance is a routine operation conducted by local authorities. Also, the boundaries, when initially determined, were too straight to follow

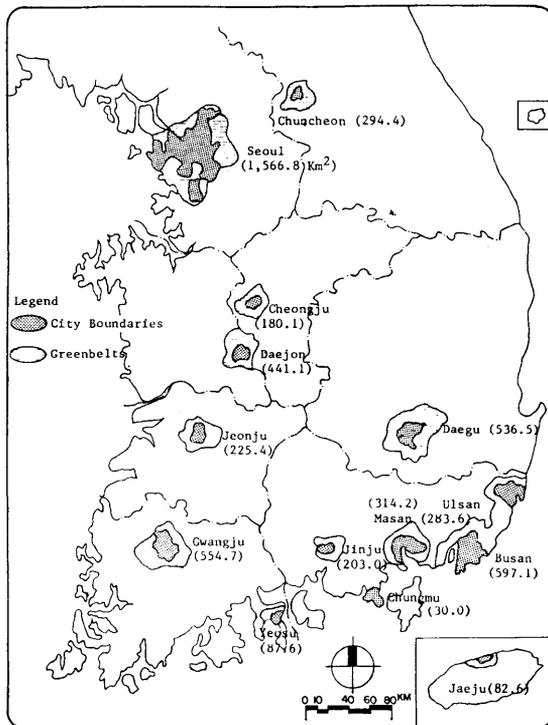


Figure 4. Establishment of Greenbelts

the contour lines and ignored the natural landscape. Some of them divided villages into half; readjustment of the greenbelt boundaries seems mandatory.

(3) Dispersal of Government Offices

In comparison with manufacturing activities, control over office and research institutions is very recent one. In 1977, the First Minister without Portfolio, who was specially assigned by the President to deal with the population redistribution problem, spelled out a package of programs to relocate the secondary government offices and the state-run corporations out of Seoul. Moreover, its policy recommendations included the establishment of a new capital city as described earlier.

So far as relocation of the government offices is concerned, no great progress was made primarily because of conflicting interests involved in its implementation. The only laudable achievement, up to now, was to construct an administrative new town, KWACHEON, just south of the administrative boundary of Seoul. In 1983, four central government offices including the Ministry of Construction reluctantly moved there. It is mainly an office park, the first in history, and will eventually accommodate most of the ministerial offices.

From a decentralization policy viewpoint, the effect of such office relocation seems negligible because the white-collar city is too close to Seoul. But it could be helpful, without doubt, in relieving the congestion of the CBD in Seoul. Relocation of government and research organizations should be extended, with the help of modern telecommunications technology, to the primary induced growth centers. Of course their decision to move would be more difficult than those of the manufacturing establishments. Experience suggests that most government officials would let their families remain in Seoul,

lest their children lose educational opportunities. As an alternative, it is more desirable to relocate government functions on a massive scale in close relation to building research part DAEDUCK neighboring a sizable local city, Daejeon. If such technopolis-like new town becomes self-reliant enjoying a high level of living conditions, government officials and managerial jobs will be easily attracted.

(4) Educational Programs

Within urban areas, choice of residential location is largely influenced by the quality of school. In a similar way, one of the most important reasons why Seoul attracts local people is "education". Korea is a densely populated country (390/Km²), which implies an extremely competitive society. In the long run, higher education is the key to job opportunities. Entering reputed colleges and universities in Seoul guarantees the jobs as well as social status. This is why the government program to mitigate the wage differentials favoring collegegoers has spatial implications. Therefore, passing college examinations is a "to be or not to be" problem and competition is surprisingly tough and high.

To relieve the population concentration stemming from education, a variety of government measures have been under way since 1970. Most of all, an "equalization program" was implemented by introducing a school district system; i.e., abolishing high school entrance examinations. In addition to that, transfer of middle and high school students into Seoul was restricted, except for joining their families. Before then, high school used to be nothing but a preparatory institution for college entrance examination, and most of, what we call, the first-rated schools were located in Seoul. But the later nation-wide application of this program seems to go too far, because the existence of a prestige high school in local cities could con-

stitute a policy instrument to discourage the outmigration to Seoul.

Second, restrictions have been made not only on the number of students but also on the new establishment and expansion of colleges in Seoul. In the short run, its implementation involves socially a very thorny problem. For instance, the regional quota system for college applicants has brought about a unintended side effect. As shown in Table 9), the percentage of high school students to go on to colleges shows a decline with the passage of time. This fact explains that the applications are accumulated year by year, whereas the further expansion of higher educational facilities is being controlled in Seoul.

Third, a great deal of effort has been made to reduce the quality difference between colleges in Seoul and other regions. Allocation of scholarship and research grants has favored the local students and professors. May branch campuses of universities in Seoul were promoted, even though their locational impacts are not great as yet.

Table 9. Percentage of Students to enter Higher Schools

	1962	1966	1970	1975	1980
Middle School	86.4 (110)	84.6 (116)	87.3 (156)	90.9 (180)	93.9 (201)
High School	42.1 (109)	39.6 (116)	35.2 (127)	37.3 (148)	28.1 (164)

Note: Figures in parentheses denote the number of schools in Seoul.

Sources: *Seoul Statistical Yearbooks*

(5) Administration and Taxation

As mentioned earlier, the spatial distribution

of government power is a hidden dimension in shaping the pattern of settlement development. During the monumental period of national economic growth, decision-making was centralized toward the centralized toward the central government for the sake of political and administrative efficiency. As a result, the capital city witnessed that all policy inputs in terms of manpower, information, and financial resources were concentrated in itself.

The Provisional Act for Local Self-Government was passed in 1961 to abolish the concept of local autonomy completely. On the part of the central government, this action was justified, among others, for two reasons: (1) the population's lack of familiarity with local autonomy; and (2) the weakness of local financial resources.³⁾ Instead, the Ministry of Home Affairs took over powers previously exercised by local councils. All local officials, including provincial governors and city mayors, are appointed.

Under these circumstances, local autonomy becomes persistently a hot political issue in Korea. On the one extreme, dispersing government activities, more often than not, is called to spatial planners' attention. Some planners would blame the central "command planning" style for the undesirable spatial outcome of the national economic development. Others advocate frequently that the decentralized government system is indispensable on the grounds that it is basically instrumental to decentralizing population without "tangible" physical investment. In this respect, considerable efforts should be made to transfer the central administrative functions to local authorities. Thus far, delegation of some government service functions, such as licensing and permission, was partially attempted.

On the other hand, the "Citizen Tax" was

3) Kim, H.K., 1982, "The Framework of Regional Development Policies: The Case of Modern Korea", (mimeo.), A paper prepared for UNCRDRFS/5/12/80 Studies in Regional Planning Methodologies, p. 24.

instituted in 1973 as a control measure to prevent the inflow of people to Seoul. Such kind of poll tax was initially applied to metropolitan residents only, but its levy subsequently diffused to all other cities. It happened primarily because the Ministry of Home Affairs took it for granted as an irresistible revenue source to finance local governments. Even if there is a tax rate discriminating against Seoul, its difference is not heavy enough to affect an individual household's decision to move out.

(6) New Community Movement (Saemaul Undong)

Unintended spatial effects of the national economic growth are not limited to the primacy problem. The problem of rural-urban imbalance lies in the national development policies unwittingly biased in favor of the industrial sector at the expense of the rural sector. In this connection, the New Community Movement has begun since 1971, to upgrade the quality of life in 35,000 rural villages.

With the mottos of diligence, self-help, and cooperation, the nation-wide campaign was launched under two objectives; 1) improving the physical environment in villages; and 2) boosting the rural people's income. Under the surface, it was aimed at transforming rural people's traditional values and negative attitudes, as demonstrated successfully in implementing "birth control" programs.

At the outset, the program was addressed to improving rural infrastructure; small bridge construction, piped water supply, and straw-thatched roof replacement with cement-asbestos tiles. Later, the government initiated the "Model Rural Village Improvement" project in 1976. Housing sites were laid out in an orderly manner, and several versions of a rural

housing prototype were provided with standardized designs. About 70% of the investment funds needed to carry out the program came from the people themselves with only 30% from the government.⁴⁾ The material and technical aid for such self-help housing has greatly improved the living environment in rural areas.

In contrast with the implausible achievement of physical programs, average farm household income has not increased at a speed to reduce the gap existing with its comparable urban household. Farm income increase accruing from advanced productivity in rice-crop exhibited its limitation, because the too small land ownership is an impediment to mechanized farming. Rice pricing, which once worked favorably for farmers, becomes a great financial burden on the government in pursuing a tight money policy.

To overcome the slow progress in economic programs, an alternative is to generate non-farm income and employment in rural areas. Under direct government aid, the "Saemaul Plant" program was devised; initially keyed to food processing and handcraft factories using local resources, and later to the inducement of small-scale agro-industries into rural service centers. As of 1980, the total number of its designation reached 700, with two-thirds of them in operation. Contrary to our expectations, a skilled labor problem was pointed out as their chief locational disadvantage. Lack of young people, due to the selective nature of rural outmigration, is still a critical barrier to making the movement more viable.

4. Summary Evaluation

There was a severe lack of coordination

4) Hwang, M.C., 1982, "Growth and Management of Seoul Metropolitan Region", A paper presented at Conference on Urbanization and National Development, January 25-29, 1982, Honolulu, Hawaii, p. 33.

among government bodies in implementing the population decentralization policy in Korea. They agree upon the basic policy goals, but implementation is another story, due to their conflicting interests. Such divergence between policy making and implementation was mainly caused by high priorities given to the national economic growth (e.g., export drive vs. industrial relocation). In dealing with the regional development policy, there exists a considerable amount of overlap between the Ministry of Home Affairs and the Ministry of Construction. The problem of shaky institutional arrangements is always an impediment to effective policy implementation. The government agency responsible for coordinating population decentralization programs changed so frequently that it was almost impossible to maintain consistency over the planning period (Figure 5). As a consequence, policy evaluation at regular intervals and monitoring of performance were rarely made.

The second problem is that the government put too much emphasis on control measures. Thus, a “more carrot, less stick” policy is preferable. It was acknowledged that government directives and administrative orders were easily mustered simply because they do not involve any financial costs. But such compulsory measures would often distort the market mechanism, causing many unintended side

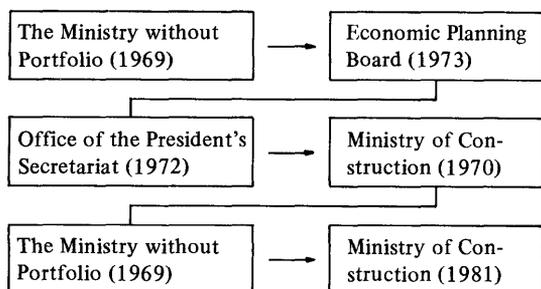


Figure 5. Changes of Government Organization Responsible for the Population Decentralization Policy

effects. Direct government intervention should be justified only when it is necessary to alleviate “market failure”.

The third problem is how to incorporate “equity” consideration into population decentralization programs. Program selection and implementation would eventually provide a benefit-cost framework for the various interest groups. This problem is directly related to the question of who must be relocated. For instance, industrial relocation and squatter housing removal admittedly discriminated against the blue collar jobs, the urban poor, and the informal sector. The government financial incentives barely arrived at the small scale manufacturing or workshop-like units. Also the government policy tends to focus mainly on moving industries themselves, without due consideration to employees and their households. It is more important to compensate the welfare loss of the relocated. In this sense, plans and programs should include the appropriate provision of social infrastructure; e.g., housing, educational, and medical facilities. Ignorance or neglect of this may jeopardize the success of population decentralization itself.

Fourth, the implementation of population decentralization policy can be effected by non-economic means. Sometimes non-monetary policy measures are of more significance. Increasing the autonomy of local government, coupled with administrative decentralization schemes, can undoubtedly influence mitigating the regional disparity problem. What they need is the ability to collect taxes and the improvement of poor local administrative capacity. And the use of regionalism, as a matter of fact, can become a policy tool for discouraging outmigration. Let's take another example. In developing countries, information is a very scarce commodity, trapped in a short-circuited flow only in the capital city. To remedy such “narrow-casting”

problems, the extension of mass communication networks seems essential in relation to implementing population decentralization policy.

Fifth, manufacturing is tending no longer to become the economic base of Seoul. The service sector, in fact, creates the jobs linked with expanding international trade, banking and insurance, and construction, etc. The occupational structure reveals that the white-collar jobs such as for professional, managerial, and clerical workers, have been growing rapidly. Even the quaternary industry, in its embryonic stage, has begun to emerge as a new source of employment. Therefore office employment, which has been responsible for the recent population growth in Seoul, should be controlled in light of dispersing the central managerial function.

Finally, a policy shift should be made from implementing big programs to small ones focusing mainly on cheap projects. Our experience showed that development of large-scale industrial new towns was more costly than utilization of existing towns as job centers. It is obvious that enormous social costs were involved in locating people to jobs. Alternatively, "job-to-people" strategy should be adopted so far as it can smoothly strengthen the population-holding capacity. The recent opening of "rural industrial parks" by the Economic Planning Board may provide a good example of this line of thought. Such interpenetration of agriculture and manufacturing sectors can promote non-farm income for rural people.

5. Recommendations: Regionalization of National Plan

As implied throughout the previous sections, population decentralization policy has been another word for regional development policy

in Korea. But regional development policy should be justified as enhancing national growth rates and as improving living conditions, with concern about environmental quality. The key issue therefore is how to achieve balanced regional development both in terms of efficiency and equity goals.

During last two decades, rapid economic growth based mainly upon efficiency distorted the national spatial organization, concentrating in Seoul the most of benefit accruing from economic development. There is few convincing evidence that primacy *per se* is detrimental to the efficiency goal of economic development. However, it must be noted that regional disparity with respect to equity is now increasingly become major obstacle to furthering the viability of the national economy.

To tackle such regional problems, the principal concern here is the so-called "regionalization of national plan". It is recommended to introduce regional consideration into the central government planning and policies, even though it increases in complexity in these activities. The government economic planners have to deal simultaneously with the choice of "where", in addition to what and when. In this hope, regionalization means not only spatial elaboration of the 6th Economic and Social Development Plan (1987-91) but also its integration with the 2nd Comprehensive National Physical Development Plan (1982-91).

The most urgent problem is to provide "control mechanism" that guarantees balanced sectoral investment over a well defined set of regions. Methodologically the regions can be drawn on the basis of economic integration around the major metropolitan centers. As shown in Figure 6, Seoul and Busan, of course, are of the significant importance within the national urban hierarchy. Other metropolitan areas, which contain the primary growth centers

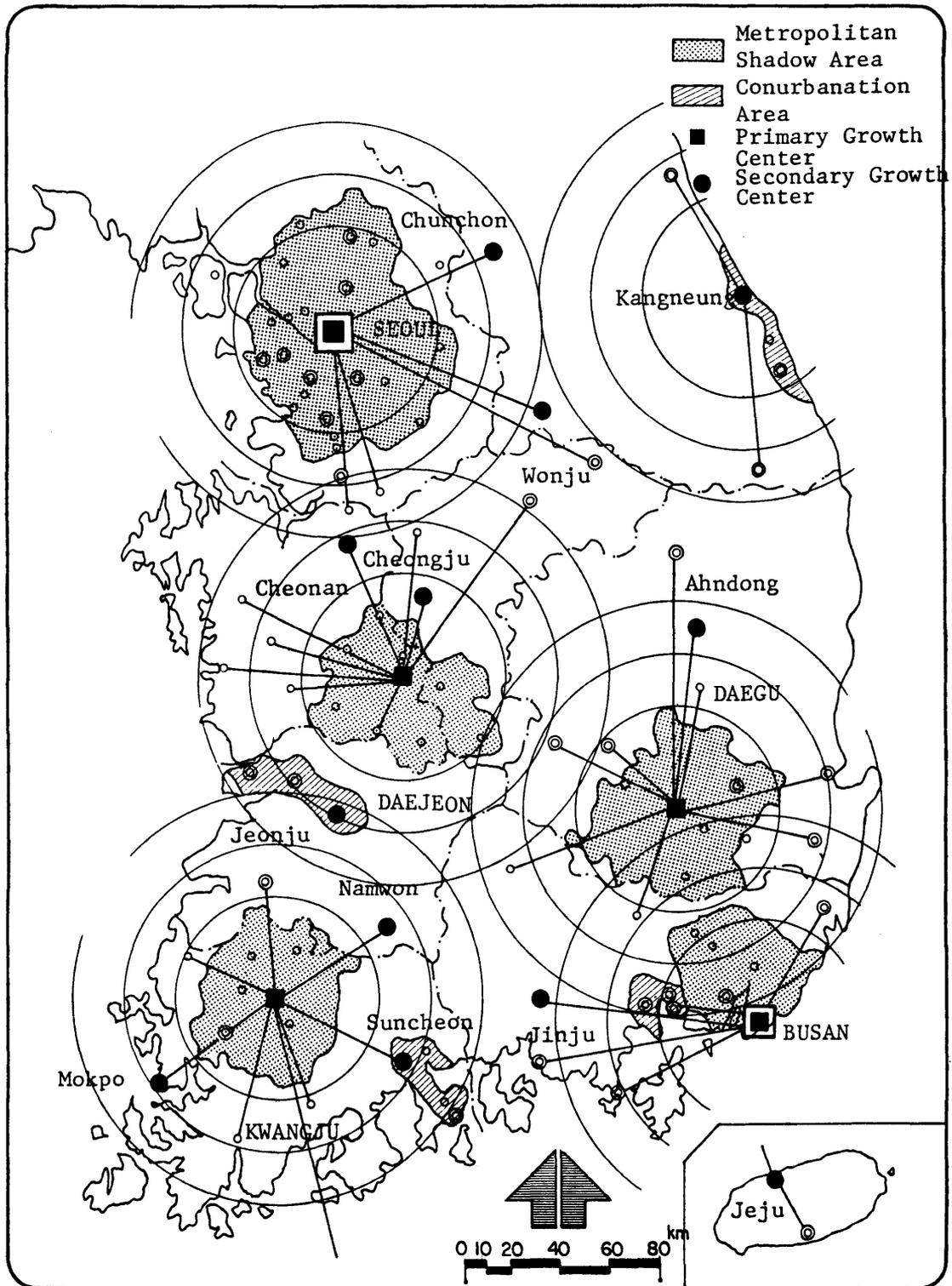


Figure 6. Regionalization by Economic Development Regions

of the Second Comprehensive National Physical Development Plan⁵⁾ (Daegu, Kwangju, and Daejeon), should be taken into account. These areas are quite appropriate for other physical planning purpose, that of adequately accommodating a considerable portion of the Central Managerial Function (CMF) from Seoul, and preparing for the future metropolitan development in Korea. The principal reason of dividing the country into five or six “economic development regions” is to optimize the allocation of industry and large scale SOC. This *efficiency-oriented regionalization* manifests itself with urban agglomeration, resting on somewhat self-contained labor market concepts in the future.

On the other hand, the degree of regionalization should be different so far as equity is concerned. It is well known that the more regions are disaggregated, the higher is the measure of regional disparity. The national plans are directed toward improving people’s living conditions all over the country. An “integrated urban-rural development” approach is employed so that even remoted rural people could enjoy the basic needs of public services; i.e., housing, water supply, road pavement, educational and medical facilities. For this purpose, there are 28 “integrated service delivery regions” as illustrated in (Figure 7). This *equity-oriented regionalization* is crucial to the evaluation of inequality since equity means the degree of being equal or fair.

Many government policies and public actions whose main thrust is not locational turn out to have spatial implications which are normally neglected. As frequently mentioned elsewhere, these are “implicit policies”. To take an example, pricing policy of public goods and services such as education, telecommunications,

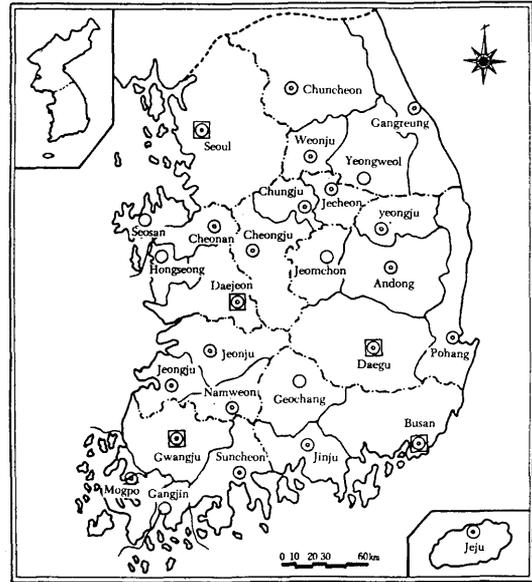


Figure 7. Division of Integrated Service Delivery Areas.

Source: The Second Comprehensive National Physical Development Plan (1982-91)

electricity, etc. has tremendous influence on inter-regional disparity. By regionalization is meant increasing awareness of the policy-makers of the geographic consequence of actions. However, sectoral strategies and policies are not primarily territorial in intent; i.e., provision of credit, financial incentives, taxation, manpower training, minimum wage, and dissemination of technical information. One method of introducing regional concerns into these nonspatial policies is to draft “regional implication statements”. At least, it can hopefully make non-spatial policy-makers to prepare the plan with deliberation.

Regionalization is also necessary for promoting the local economy outside of the Seoul Region. Most of all, regional breakdown of national economic indicators can reveal the

5) Government of the Republic of Korea, 1982, *The Second Comprehensive National Physical Development Plan (1982-91)*, Seoul.

localized problems (e.g., unemployment rate) and articulate clearly the needs of each region. At the same time, regional economic indicators are serviceable as good criteria for evaluating alternative regional distributions of public investments. According to the regionalization scheme, large enterprises could be guided by the government in making such important investment decisions as branch-plant locations. Likewise, inducement of industries could bring about "bottom-up" rather than "top-down" approach, because of keen competition among regions. Recent development by the Economic Planning Board in this way is quite successful to set up "Council of Regional Economy Promotion" at the provincial level.

The authoritative role of the central government still remain intact in Korea, despite envisaged local autonomy in 1987. Very poor access and few channels are provided for people's participation. Regionalization of national plan, in effect, make it possible to encourage the local government's leadership. Along with local initiatives, redistribution of the decision-making power should be made to solve their own

regional problems. Substantial parts of development permits, orders, and approval rights regarding economic activities can be delegated to local governments. For instance, there are too much constraints imposed on land use by the Ministries in Seoul. Due to overlaped zoning, the complicated procedure of application often cause the delay of industrial location, and so on.

Regionalization of national plan is by no means a "methodological messiah" to solve regional problems. In this preliminary attempt, more groundwork is needed in establishing Regional Information System (RIS). The poor quality of regional data as well as its scarcity would represent the nakedness of regional statistics. Backwardness in RIS in a nation is synonymous with underdevelopment. The creation of a government agency which deals with regional information, without doubt, is an urgent necessity. In a longer run, computerized RIS should be located in each region functioning as "regional development observatory". The observatory could become a built-in "administrative infrastructure" for regionalization of national plan.

韓國의 地域開發政策 : 서울人口分散을 中心으로

權 源 庸*

국문요약 :

本 論文은 우리나라 地域開發政策을 서울人口分散의 視角에서 概觀하고, 各政策手段의 問題點을 導出, 評價하여 尙后 政策樹立의 再定立 方向을 提示하는데 主眼을 두고 있다. 왜냐하면 우리나라의 地域開發政策은 사실상 서울 人口分散政策이라 해도 過言이 아니었기 때문이다.

첫 부분에서는 政策立案의 背景을 설명하기 위하여 서울 獨占型都市體制形成과 같은 우리나라 都市化의 特徵을 살펴보고, 서울 人口分散政策의 當爲性을 ① 國土空間利用의 偏重, ② 서울 市自體의 過密에 의한 集積의 非經濟, ③ 國防上의 脆弱性에서 찾고 있다.

둘째 부분에서는 서울人口集中의 要因을 ① 풍부한 就業機會, ② 大學 등 高等教育機關의 偏在, ③ 中央集權의 統治構造로 보고 이에 대한 各各의 政策手段의 動員과 그 實効性에 대한 評價를 간략하게 덧붙이고 있다. 특히 執行된 施策內容을 選別的으로 소개하고 있는데 이를 部門別로 보면, 1) 工業立地 2) 「그린벨트」의 設定, 3) 政府行政機關의 移轉, 4) 大學校 地方分散 등 教育施策, 5) 住民稅 新設 등 行財政制度, 6) 새마을운동이 포함되어 있다.

세째 부분에서는 政策의 執行上 야기되었던

문제점을 제기하고 이에 대한 解決方案을 論하고 있다. 즉, ① 政府部處間의 人口分散에 대한 “總論合意, 各論不一致”문제, 主管機關의 變更改에 따른 一貫性의 不足, 統制기능의 微弱으로 相衡되는 政策手段의 남발이 있다. ② 정부에서 지나치게 規制위주의 施策을 벌여 工場立地 등에 있어서 소위 市場機構에 의한 自律能力을 喪失시키고 社會費用을 증대시키는 바, 앞으로는 誘引策을 보다 強化하여야 할 것이다. ③ 移轉對象工場의 選定에 있어서 “衡平性”이 고려되지 못하고 있다. 예컨대 大企業 보다는 零細企業이 「화이트 칼라」보다는 「블루 칼라」 職種이 差別을 받고 있으며 企業主 보다는 從業員의 福祉對策이 未洽하다고 본다. ④ 서울人口分散 目標은 地方分權과 情報受惠의 平準化와 같은 制度改善으로 달성될 수 있다. 또한 地域의 自律權을 擴大시켜 工場相互 競爭을 誘發하여야 한다. ⑤ 서울人口分散은 工場 등 製造業體만 내모는 方式이 止揚되어야 한다. 産業構造가 高度化됨에 따라 3·4 차 산업과 같은 「서서비스」 業種에 의한 人口增加가 많아지는 까닭에, 앞으로는 中樞管理機能의 分散이 더욱 중요해질 것이다.

끝으로, 地域開發政策을 보다 效率적으로 推

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進하기 위해서는 經濟社會發展計劃과 連繫시킬 필요가 있으므로 “全國計劃의 地域化”에 대한 努力이 必要해진다. 우선 經濟圈, 生活圈 등의 地域區分을 明確히 하여 地域間 公共投資의 適

正配分政策을 밑고 나가야 할 것이다. 물론 政府의 各種施策에 대한 “地域影響評價”를 실시하고 地域經濟의 活性化 次元에서 行政的·制度的 뒷받침이 요망된다.