

The Korean Governance of Territorial Planning

- Changing Features and Challenges -

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Jeong Ho Moon

Korea Research Institute for Human Settlements

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II. Planning in the 1960s~1980s

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1.1 General Features and History of Korea

General Features

- 100,000 km²
- 50 Million People
- 24,000 US\$ per capita (2013)
- Single Ethnicity

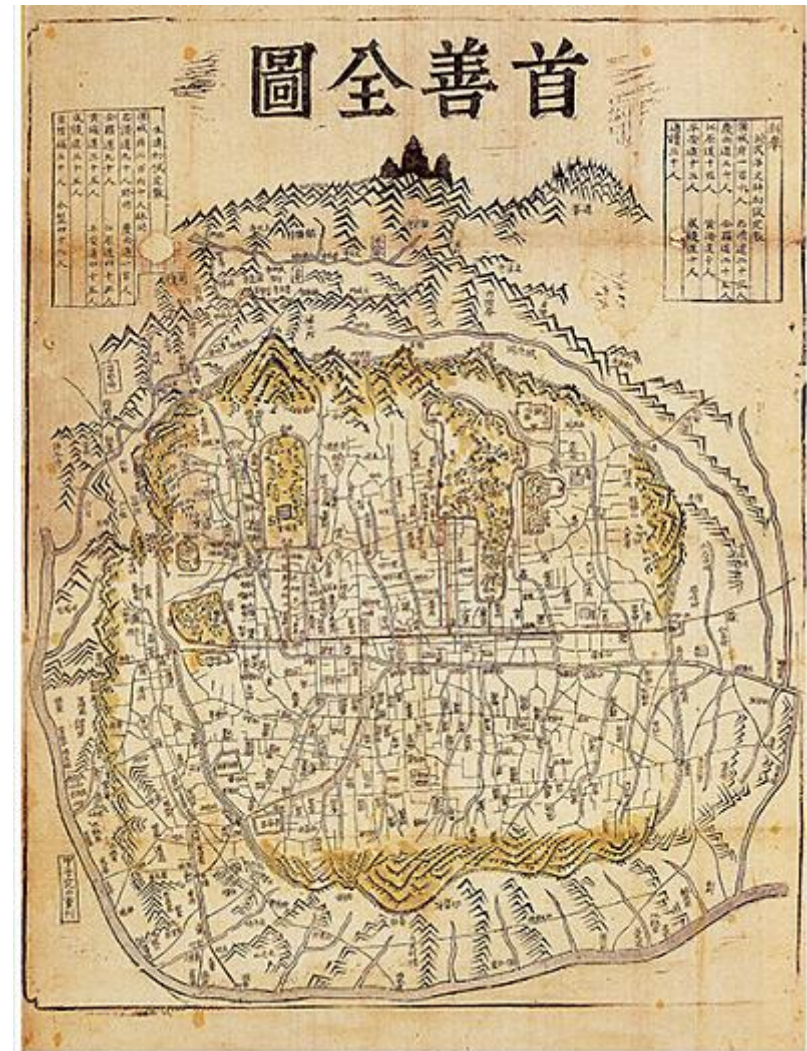
History

- BC24C Gochosun
- BC1~AD7C Three Kingdoms
- AD7~AD10C Unified Shilla/Balhae
- AD10~AD14C Koryo Dynasty
- AD14~AD19C Chosun Dynasty
- **1910~1945 Japanese Ruling**
- 1948 Independence (Republic)
 - Division ~ North/South
- **1950~1953 Korean War**
 - **Military Support from Turkey**



1.2 Socio-cultural Characteristics and Influences

- Confucian socio-political disciplines of Chosun Dynasty
 - Strong leadership of central government and hierarchical bureaucracy
 - Social classes : Scholar > Farmer > Manufacturer > Merchandize
 - The foremost value : Royalty to the King, Father and Teacher
 - Agricultural economic base and less international relations
- Territorial planning and governance
 - Very much dominated by the central government
 - Decision-making of location and architecture : the theory of divination based on topography



The old city of Seoul (Hansung)

1.3 In the 1950s (1) : The Korean War, 1950~1953



Truce and Demilitarized Zone (DMZ)



■ South Korea had suffered between 214,000 to 520,000 deaths (most estimate some 500,000). The total civilian casualties estimated as 1.5 to 3 million.

Houses 612,000

School buildings 15,427

Hospitals 1,500

Public buildings 12,100

Ports 100

Factories 43%

Power plants 41% were destroyed.



Casualties and losses	
South Korea: ^[2]	North Korea:
137,899 dead	215,000-350,000 dead ^[9]
450,742 wounded	303,000 wounded
24,495 MIA	120,000 MIA or POW ^[10]
8,343 POW	
United States: (U.S. sources): ^[2]	China: (Chinese sources): ^[11]
36,940 dead	152,000 dead
92,134 wounded	383,500 wounded
3,737 MIA	450,000 hospitalized
4,439 POW	4,000 missing
United Kingdom: ^[2]	7,110 captured
1,078 dead	14,190 defected (U.S. estimate): ^[10]
2,674 wounded	400,000+ dead
179 MIA	486,000 wounded
977 POW	21,000 POW

1.3 In the 1950s (2)

- Under the Japanese colonial rule during 1910-1945 and Korean War for three years in 1950-1953
 - Korea's main goal for national territory development was to straighten out the territories
 - and to reconstruct devastated national territory from the Korean War
- By 1956, the production rate and the per capita consumption were recovered to the pre-war level. Yet, the society still suffered from poverty and political instability
- The efforts in the 1950s were a preparatory stage that was not based on any scientific or systematic development plan
- The government performed civil engineering projects through grants from USA and promoted intensive investment strategies for key industries and infrastructures

<Infrastructure Status under US Army Military Government>

	Details
Railroad	•Total extension was 3,326km (South Korea: 2,642km, North Korea: 684km). •Railroad between Jecheon and Punggi (10.3km) was constructed.
Road	•Total extension was 25,550km (South Korea: 16,241km, North Korea: 9,309km). •Maintain the 333km of road and 85 bridges. •The local roads between Seoul-Gangneung and Seoul-Busan were repaired. •The road at Hamchang-Yeongdeok and Imjin river bridge were construct.
River	•7.1km of bank at Chungcheong, Gyeongsang, and Jeolla region was constructed. •1.5km of bank revetment was done.
Harbor facilities	•Total amount of load was 18 million ton (South Korea 10million ton , North Korea 8 million ton)

Source: National territorial and Regional planning (2001, p.87)

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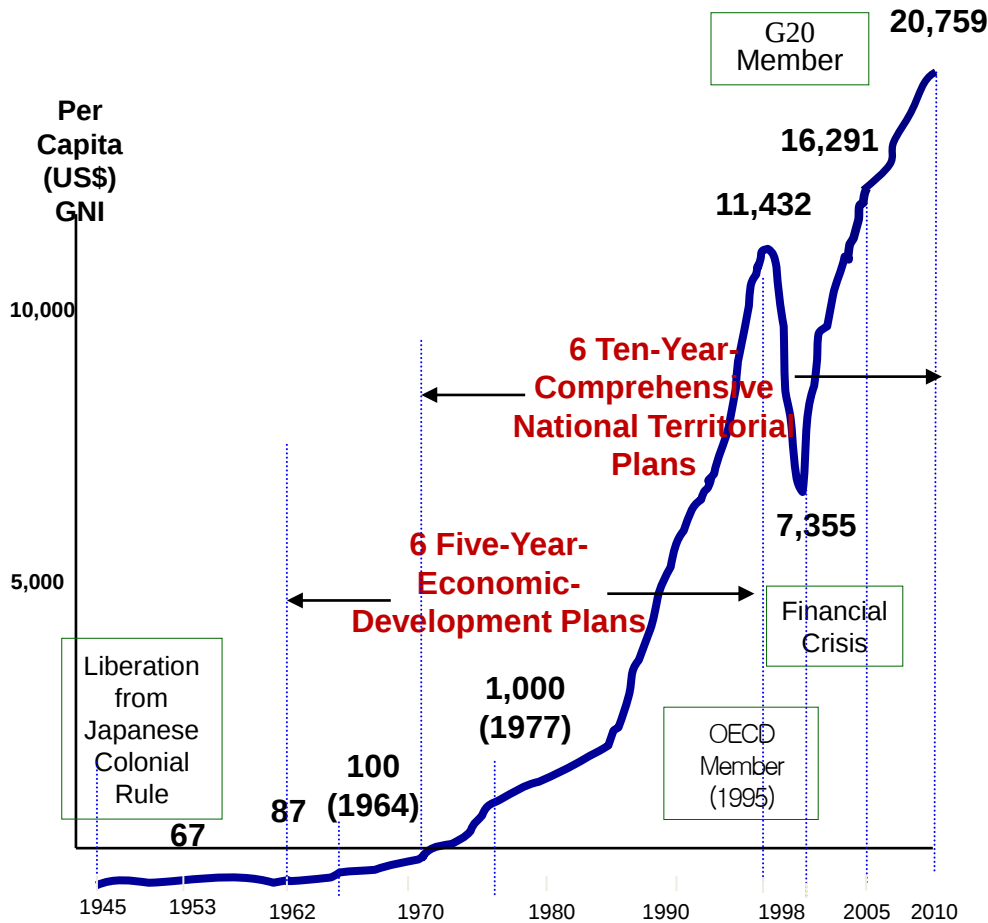
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2.1 Performance in the 1960s~1980s

■ Compressed economic growth for three decades (1960s~1980s)



Source: KDI 2005 Updated

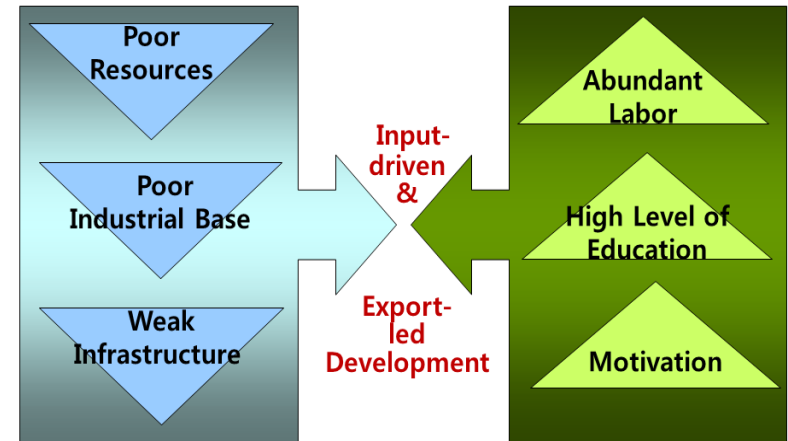
	1960 (A)	1980	2010 (B)	Ratio (B/A)
Area (km ²)	98,431	98,99	100,21	1.02
Population (thousand persons)	24,989	37,436	48,875	1.9
Per Capita Income (\$)	79	1,598	20,759	262.8
Export (100 million \$)	0.3	175	4,664	4220
Urbanization Ratio (%)	35.9	66.3	90.9	2.5
Industrial Estates (km ²)	0.0	205	1,336	1,336
Housing Supply Ratio (%)	79.5	71.2	101.9	1.3
Road Length (thousand km)	27.2	47.0	105.5	3.9

Source: Korea National Statistical Office

2.2 General Planning Context Since the 1960s

■ Since 1962, Five Year Economic Development Plans have been geared up.

- Regional plans for specific areas and SOC projects were implemented in order to enhance industrialization and economic growth
- National territorial development in the 1960s mainly focused on the economic growth and regional development through developing resources and fostering key industries



Source: KDI 2005 Updated

■ In the period(1961~1987), Korea was an "authoritarian bureaucratic state" of which Presidents came out of military elites

- National territorial planning has developed together with government-led economic growth policies
- Territorial plans such as Comprehensive National Territorial Plan, City-Province Master plan, City-County Master plan, etc. have responded to the urban, regional and environmental issues which appear in the process of economic and social development

2.3 Key Features of Planning Governance in the 1960s~1980s

■ Planning governance was dominated by the central government, local planning authority and public participation was limited

- Up to the 1980s, the decision making of those plans were pretty much monopolized by the central government
- Autonomy of local governments was very weak. (Governors and majors were appointed by the central government)
- Major regional (and city) planning and SOC investment decisions were made by central agencies such as **Ministry of Construction, Ministry of Transportation and Economic Planning Board**
- Local planning authority was restricted by the Ministry of Construction (Central Urban Planning Committee)
- Local finance was also weak and heavily dependent on Economic Planning Board and the Ministry of Finance
- In order to implement major planning decisions and SOC investments, the government established public corporations such as **Housing Corporation, Land Development Corporation, Highway Corporation, Water Resource Corporation, Industrial Complex Corporation**, etc.

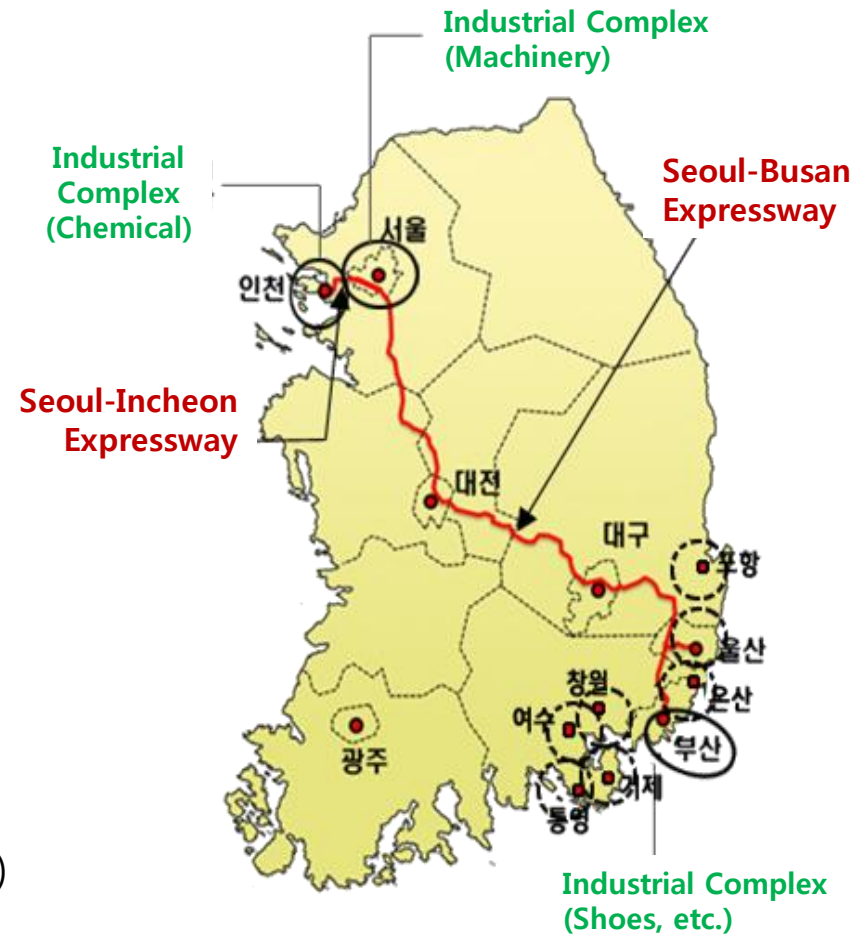
2.4 Planning Cases of the 1960s

■ New Industrial Cities in the 1960s~1970s

- Light manufacturing industries were concentrated in Seoul, Incheon and Pusan
- New cities : Pohang(steel), Ulsan(auto mobile), Changwon(machinery), etc.
- South-eastern areas were designated as the next phase industrial base
- Export-led economic growth required logistics infrastructure

■ Kyungbu(Seoul-Busan) Expressway

- Construction period: 1968-1970
- Link Seoul (the capital) to Busan (the 2nd largest port city)
- Objection of IBRD (Negative feasibility)
- Propelled by the state leadership
- Became the symbol of Korean success



Source: Son, Eui-Young(2013)

※ President or Planner?

11/8. 京釜高速道路建設
軸線選定の原則

1. 京仁平二重圏外、畿南工業圏外を
直交する二重圏外を、一日经济圈
圏に近づける
2. 5大都市（仁川、大邱、大田、釜山、光州）
を主要の二重圏外を、一日经济圈
圏に近づける（10哩=16.09km）
3. 京釜軸線に隣接する地方
群小都市に、可及的に近い、影響
圏内に入る可及的考慮を
4. 京釜軸線外連絡線、各重要交
差点、可及的連絡に配慮を
5. 工業地帯、輕便鐵道、可及的
工業地帯、輕便鐵道、可及的
工業地帯、輕便鐵道、可及的

1. 京釜高速道路 同時に工事を
可能にする 優先順位を

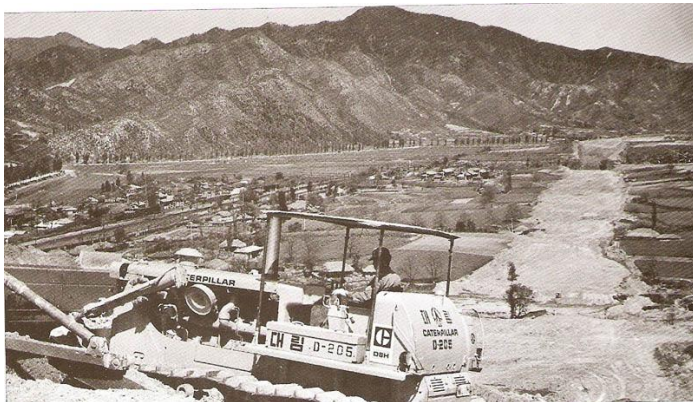
다음과 같이 결정함

優先순위 1. 仁川 - 大田間
優先순위 2. 釜山 - 大邱間
優先순위 3. 大田 - 大邱間





The First Concept Note of Seoul-Busan Expressway by President Park, in 1967 (Source: Sang Keon Lee (KRIHS))



2.5 CNTP in the 1970s and 1980s (1)

■ Comprehensive National Territorial (Development) Plan since the 1970s

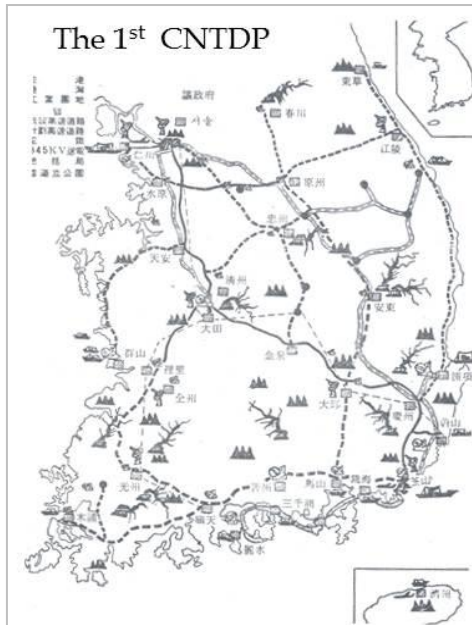
- National territorial plan that includes various comprehensive topics was required because ...
- Most industries were located in the North, and the South which was an agricultural society
- Industrialization centered on cities in 1960s, rapid urbanization and various urban problems
- Disparity between urban and rural areas and wasted land resource
- Also, for economic growth, a fine territorial plan should be coordinated with economic policies



■ CNTP by the central government controlled Provincial/Metropolitan and City(County) Level Planning

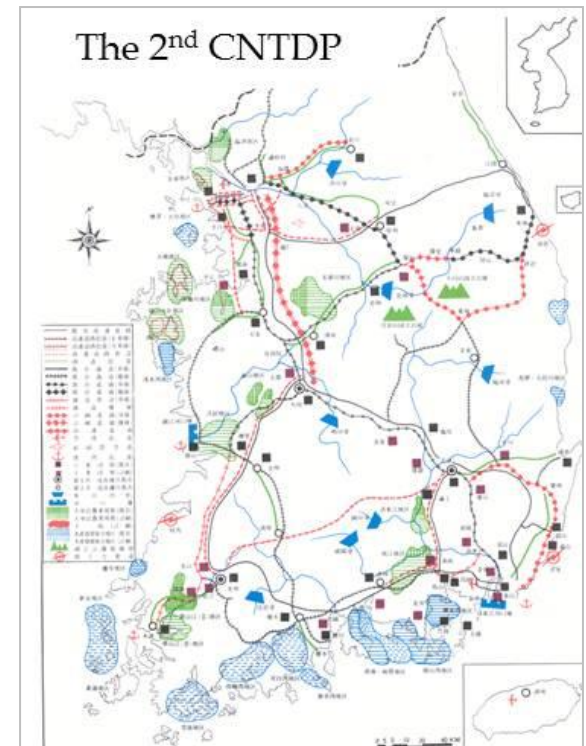
- Local planning decisions were very limited
- Planning decisions were most likely made by central government bureaucrats and major development projects were implemented by public corporations

2.5 CNTP in the 1970s and 1980s (2)



■ The 1st CNTP (1970s) : Maximization of growth potential with limited resources

- Developing large industrial estates and metropolitan regions (Southeastern coastal industrial belts, Seoul Metropolitan Area)
- Investment in high priority Infrastructure (expressways, ports) and link to major industrial estates



■ The 2nd CNTP: Spreading the growth effect across the nation

- Suppress over-concentration in Seoul Metropolitan Area (Capital Region)
- Development of multiple growth poles in the nation
- Expansion of development potential to reduce regional disparity
- Began to consider environmental aspects on territorial development

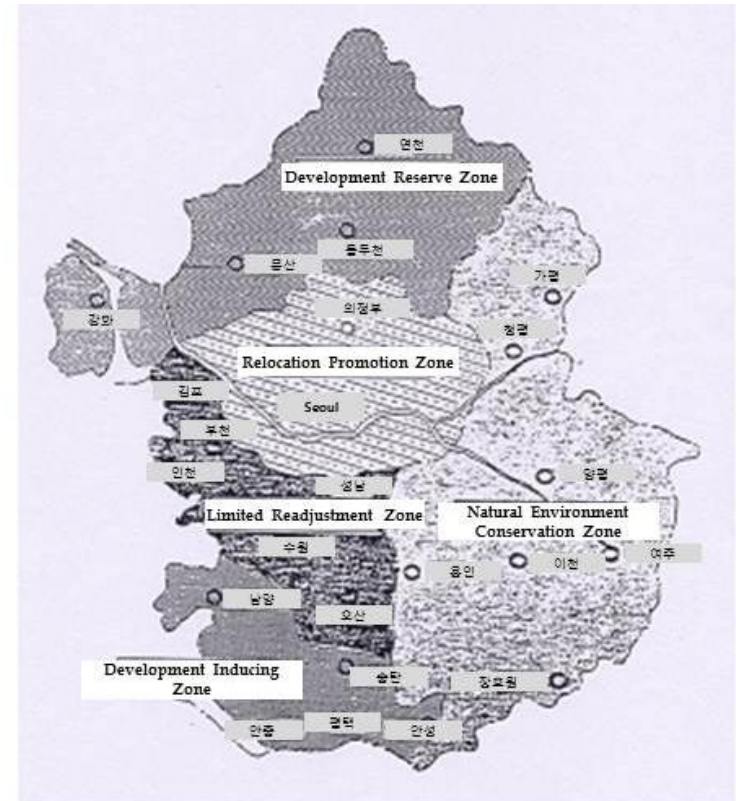
2.6 Growth Control of Seoul in the 1980s

■ 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
- Classified the capital region into **relocation promotion zone**, **limited readjustment zone**, **development inducing zone**, **national environment conservation zone**, and **development reserve zone**

■ The administrative entities include **Seoul City and Gyeonggi Province**

■ Yet, major planning decisions were made by central government



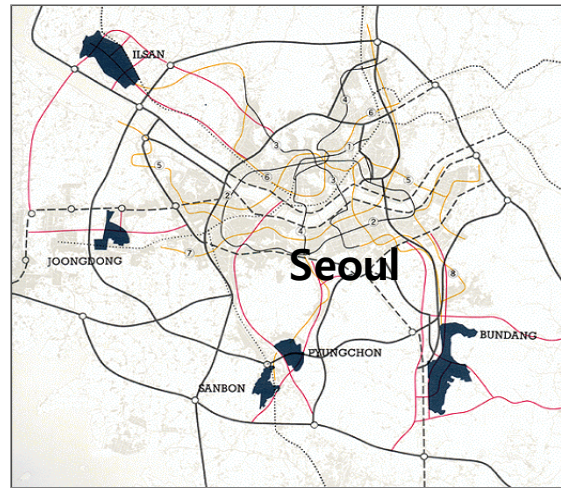
Five zones in Seoul Metropolitan Readjustment Plan

2.7 New Towns in Capital Region in the late 1980s

- In spite of the growth control of Seoul, drastic increase of housing price resulted in a massive housing supply in the Capital Region
- “Contradictory” Newtown Development
 - To meet housing shortages in Seoul Metropolitan Area, 2 million housing construction project was proceeded ('89-'93)



<Ilsan New Town>



<Bundang New Town>



<Jungdong New Town>



<Sanbon New Town>



<Pyungchon New Town>

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3.1 Socio-political changes in the late 1980s

- In the late 1980s : Economy was good and society was generally stable
 - "Democratization" in 1987 meant that authoritarian bureaucratic state retreated and the President would be elected by "general and direct election"
 - As **88 Olympic Game** host, Korea was recognized as one of the **4 dragons in Asia**, a splendid story of exodus from poverty



- Yet from the planning standpoint,
 - SOC stock was not enough, over-concentration in Seoul Metropolitan (Capital) Region would be problematic,
 - And local city planning should reflect local demands better

3.2 State Retreat and Restoration of Municipal System (1990s)

■ Restoration of municipal system in 1994 brought more autonomy to local planning agencies

- In the 1990s, the state-centered regional development policies shifted its focus to promote the "region"
- Local voices requiring direct and substantial regional development policies have amplified with the establishment of the local self-governing entities
- Also public participation in planning was also enhanced

■ Yet, local planning authority was still incomplete and incapable

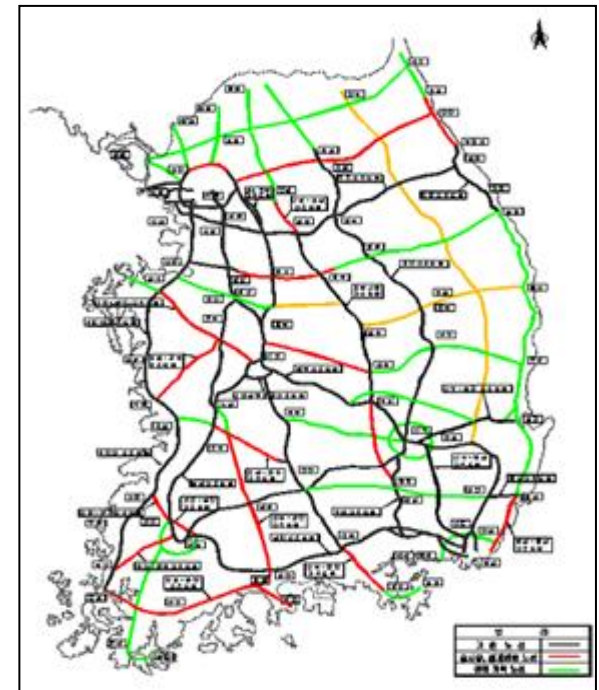
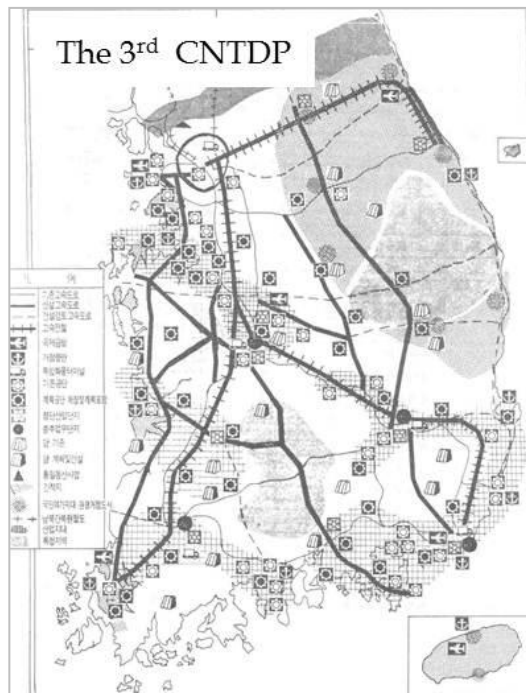
- Local finance was still heavily dependent on the central government
- Every regions demanded some "development and infrastructure" without careful consideration of feasibility and sustainability
- In turn, the central government had to distribute the national resources "evenly," in order to confine the local political pressure
- This tendency seemed to result in overall "over development" especially in the population decreasing agricultural areas

(Urbanization rate was 39.1% in 1960, 50.1% in 1970, and 90.9% in 2010)

3.3 The 3rd CNTP (1992~1999)

■ The 3rd CNTP: establishment of “multi-centered” territorial structure

- Focusing on decentralized national development : development of the west coast industrial sites and local cities
- Development of a comprehensive transportation network (7x9 arterial road network)
- Expanding South-North Exchanges and began to prepare for the unified Korea



3.4 Entering the 2000s

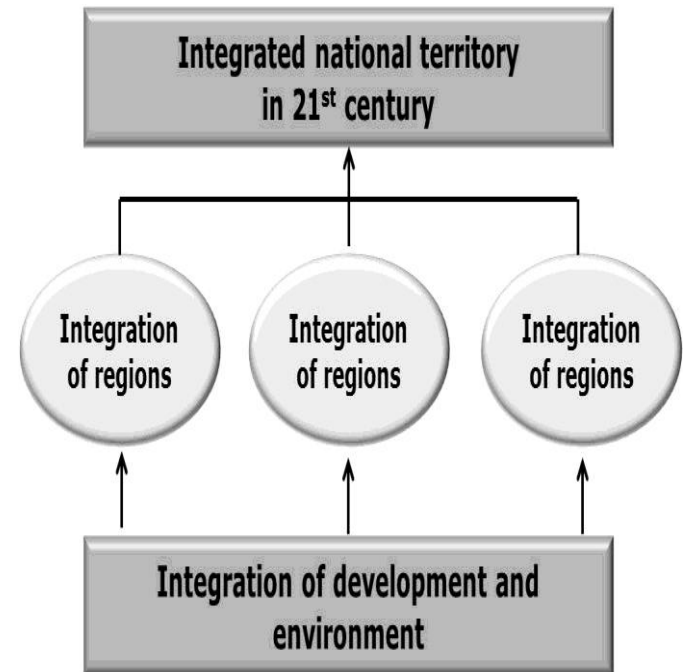
■ Entering the 21stC, CNPT targeted **longer time span : 20 year plan**

- Matured economy (joined OECD)
- End of "compressed growth"
- Retreat of the state
- Revival of municipal system
- Environmental considerations

■ Institutional setting renewed

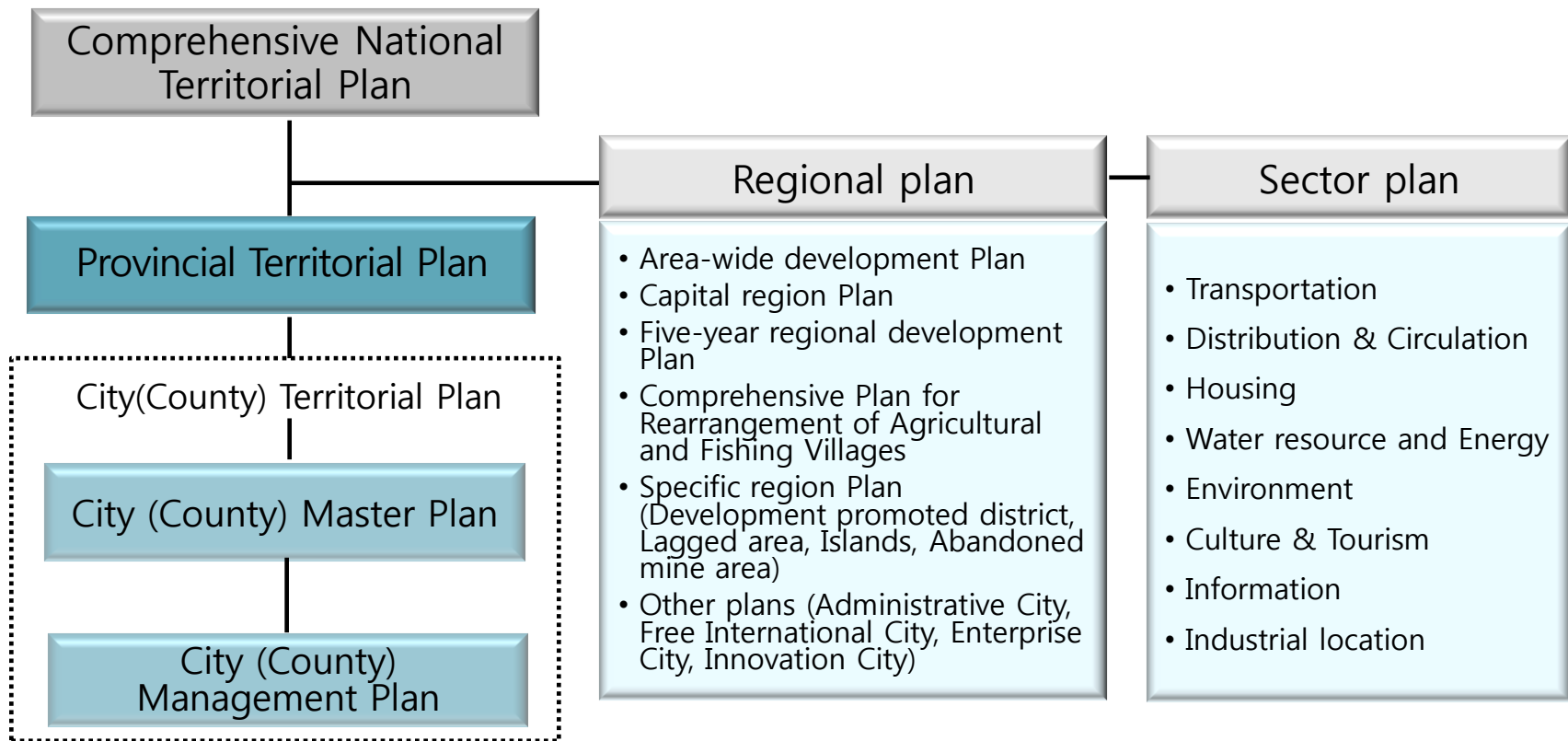
- Framework Act on National Territory (2002)
- Public participation enforced
- More democratized political arena

■ In the early 2000s, the Korean government adopted a **balanced development of nation** as a key focus of its national territorial plan and regional development policy



3.5 Current Territorial Planning System and Governance (1)

- **Hierarchy of Territorial Planning** : The CNTP works as the basis of the Provincial Plan Regional and Sector Plans need to be consistent with CNTP

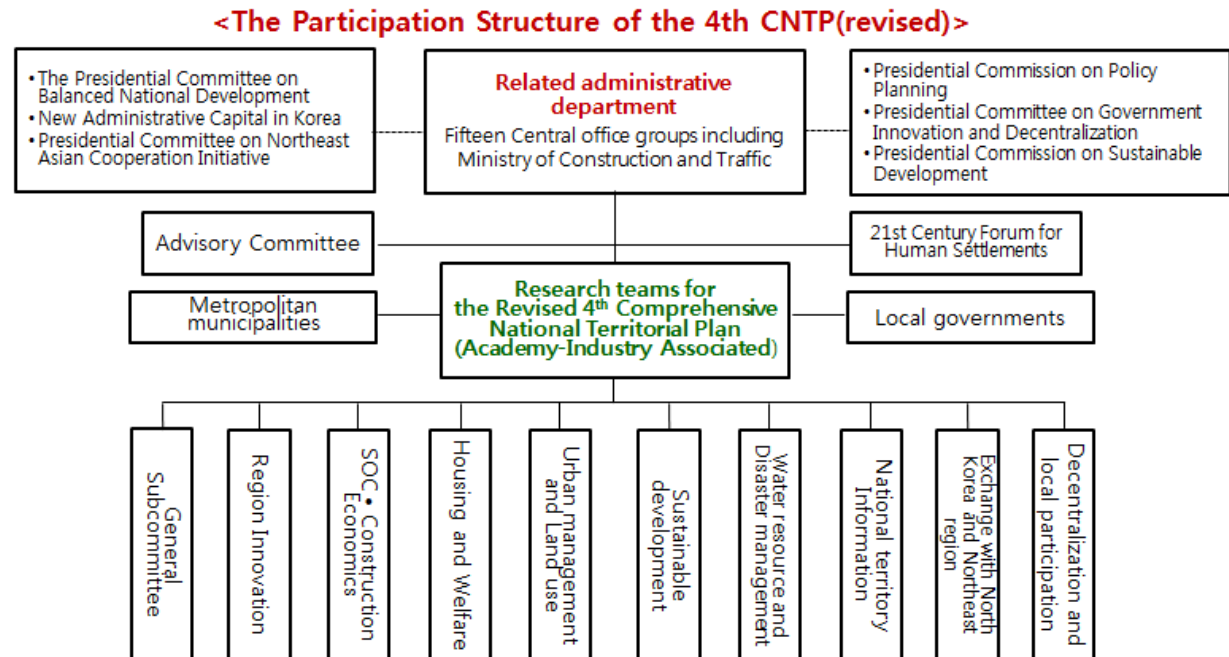


- **Provincial and City(County) level planning is supposed to be autonomous**
Yet, too much interference from central government with too many plans

3.5 Current Territorial Planning System and Governance (2)

- The Revision of the 4th Comprehensive National Territorial Plan, as the **“national participatory plan”**
 - Advisory council, forums
 - Cooperative research group made of private, industry, academy, institution, and government

- Presidential Commission on Policy Planning, Presidential Committee on Balanced National Development, advisory council by sectors, and 21st Century Forum for Human Settlements

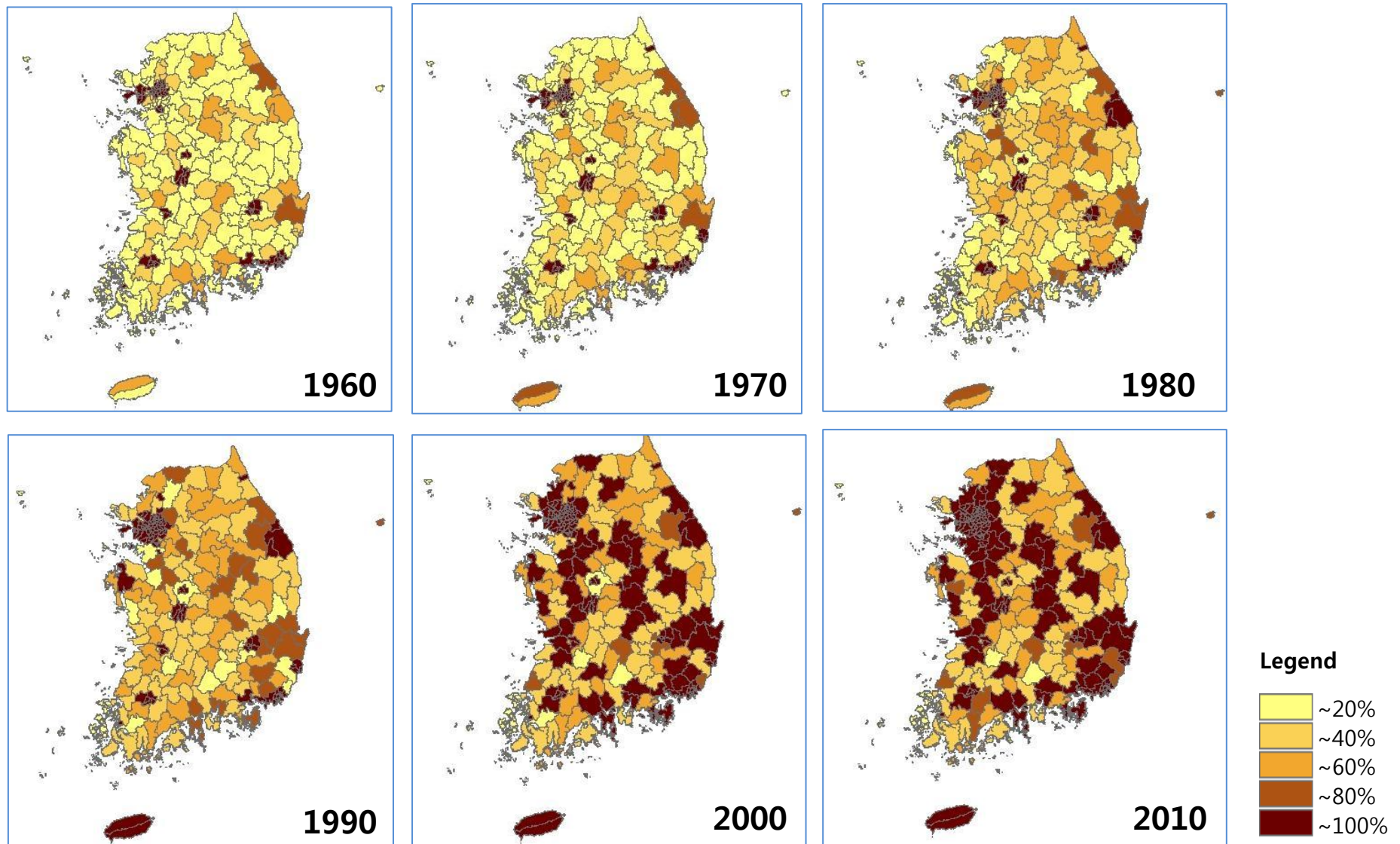


- **Provincial and City(County) level planning employs similar governance structure, only in a smaller scale**

3.6 Changes in City Planning Decision Making Process

- **Provincial(Metropolitan) planning and City(County) planning are autonomously formulated in general**
 - Local governments can utilize various public and private planning agencies such as public research institutes (central government funded KRIHS and 14 Provincial level institutes) and private engineering companies
 - The contractors prepared a draft, and the local government wraps up and approves
 - In the planning process, private experts and citizens are participating through advisory committee, public hearing, etc.
- **However, major investment (public finance) decisions could be in vein, if the central agency (Ministry of Strategy and Finance) does not approve the plans**
 - The central government reviews local plans (in accordance with the related planning laws)
 - The most significant reviewers include Ministry of National Territory and Transport, Ministry of Environment, and Ministry of Strategy and Finance
 - Local city planning looks very much autonomous, but environmental regulations and financial supports tend to be disputable in many cases

✂ Expansion of Urban Areas



※ Urban Policies and Legislative Evolution

■ Urban policies and land management have evolved along the urbanization

- In the incipient urbanization stage (up to mid-1970s), land management systems aimed to facilitate urban development projects
- In the intermediate urbanization stages (up to the late 1980s), a wide range of urban planning and land management institutions were established. And floor area ratio regulations, land conversion permits, long-term planning system, land acquisition by complete purchase, land readjustment
- In the advanced urbanization stage, various urban development institutions and land use regulations began to be integrated. Inter-jurisdictional coordination is emphasized

■ Institutional system and legislative scheme enforced

- In the late 1990s, a movement of integrating and reorganizing urban planning acts emerged
- The Urban Development Act (2000) : to integrate downtown development programs in 'the Urban Planning Act' and land readjustment projects in 'the Land Readjustment Act'
- The Urban and Residential Environment Improvement Act (2002) : to integrate urban and residential environment improvement projects and residential reconstruction projects under the Housing Construction Promotion Act

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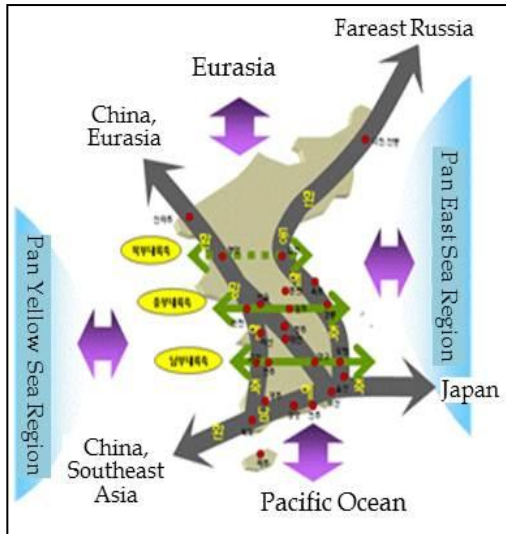
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4.1 Decentralization Movement(?) in the 2000s

- **The notion of “Localization era” in the 1990s resulted in the shift from state-led to region-led national development**
 - Korea also emphasized the importance of local regions and the role of local governments in the national territory development
 - The vertical system between central and local governments and private sector has been shifted to horizontal network system
 - To encourage local governments' role and responsibility on nation's balanced development, three special acts on balanced national development were established
- **Local governments were encouraged to ensure the fairness and transparency of the autonomous administration and planning system**
 - Local governments provide regional level of support on international logistics and business, build global base to induce foreign investment, and strengthen local economic base through the maintenance of private investment
 - Other local actors (local NGOs, universities, companies and local government) actively participate -- build network and strengthening partnership between stakeholders, encourage to residents' participation in the policy making process
 - Cooperation between central and local governments in the process of territorial planning was improved

4.2 The 4th CNTP(2000~2020) and Its Revisions



■ The 4th (2000) : Balanced regional development and open & integrated national territory

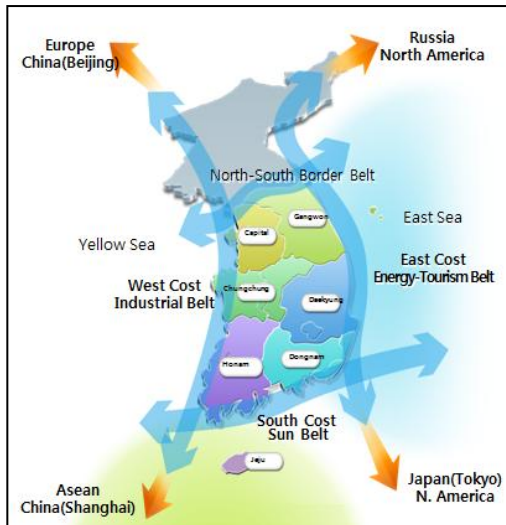
- Building π- shaped territorial axis to serve as "strategic gateway"
- Promoting regional competitiveness - industrial clusters, regional innovation system(RIS)
- Building high-speed transport network

■ Decentralization and deconcentration policies are reflected in territorial planning (2003~2007)

■ Enhancing regional competitiveness is more emphasized in 2008~2012 period

■ The Revision (2011) : Global-Green National Territory

- Integrated Territory with competitiveness
- Sustainable Territory with eco-friendly development
- Attractive Territory with high quality of living
- Open Territory to the global market



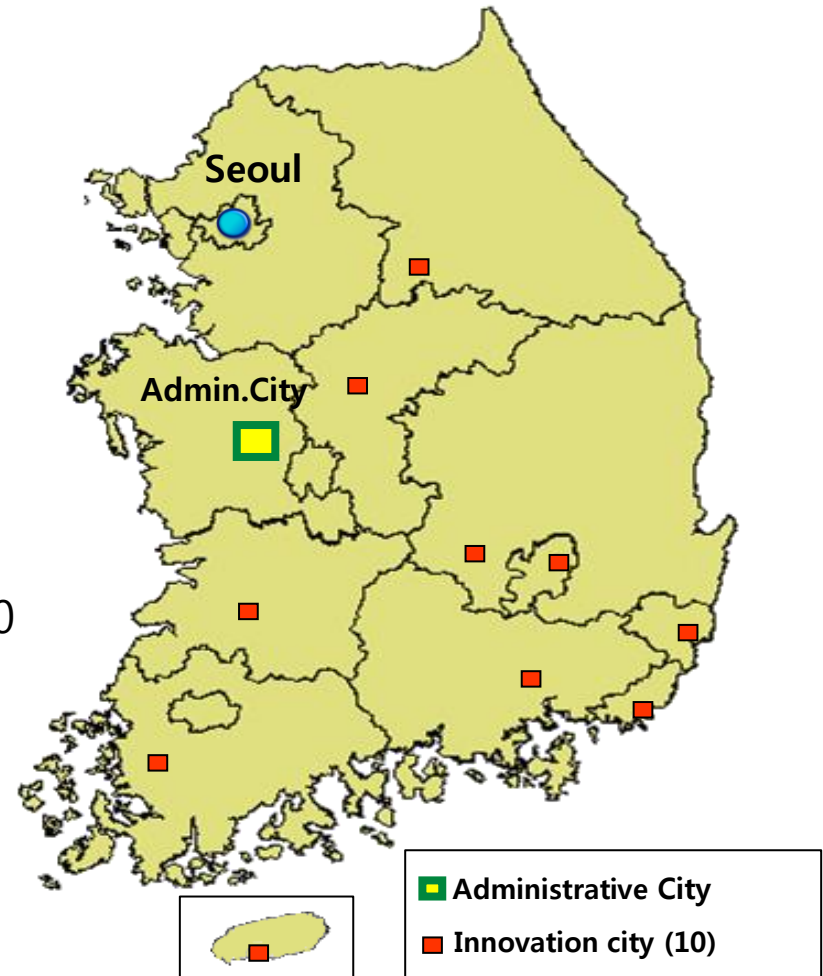
4.3 Cases of Deconcentration Policy

■ Multifunctional Administrative City

- 9 ministries (of 15), 2 major government agencies, 2 administrations
- 2012-2014 relocation : 2030 completion
Planned Population: 500 thousand

■ Relocation of public agencies and 10 Innovation Cities

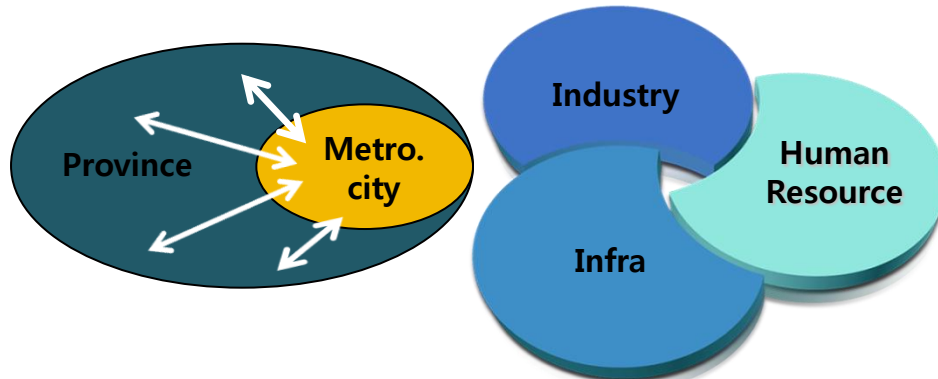
- Relocate 157 public agencies with 32,000 employees to non-capital regions
- Create clusters linking public agencies, enterprises, and universities in each Innovation City



- Those are on-going projects, still a lot of dispute concerning the benefit expected

4.4 Case of Regional Competitiveness Enhancement Policy

- Establish 'economic regions' to enforce global competitiveness
 - To overcome the limitation of administrative boundaries
 - Enhancing Inter-regional cooperation and collaborative development
- Regroup 7 metropolitan cities & 9 provinces into **7 Economic Regions (2008)**



<5+2 Economic Regions>



Source: Presidential Committee on Regional Development

- As new government has geared up in 2013, this frame of regional development policy is about to be discarded

4.5 How Much Decentralized So Far?

■ Local finance is still weak and local public debt is increasing

- Financial self-sufficiency of municipalities drops from 53.9% in 2008 to 51.9% in 2011
- Local public debt jumps from 17.45 Trillion Won (16 Billion US\$) in 2005 to 28.16 Trillion Won in 2011

< Financial self-sufficiency of municipalities in 2011 >

	National Avg.	Seoul (1)	Metro-polis (6)	Province (9)	City	County	Municipal District
Avg.	51.9%	88.8%	53.8%	33.0%	38.0%	17.0%	36.6%
Highest			65.8% (Inchon)	60.1% (Gyeonggi)	69.4%	47.5%	82.8%
Lowest			42.0% (Gwangju)	13.5% (Jeonnam)	9.6%	7.6%	14.0%

■ Other features of local finance

- National Tax 78.6% vs. Local Tax 21.4% (2011)
- National Budget 62.7% vs. Local Budget 37.3%
- Central government's administrative functions vs. Local functions :
75:25 (1994) → 73.27 (2002) → 71:29 (2009) → 68:32 (2010) → **69:31 (2011)**

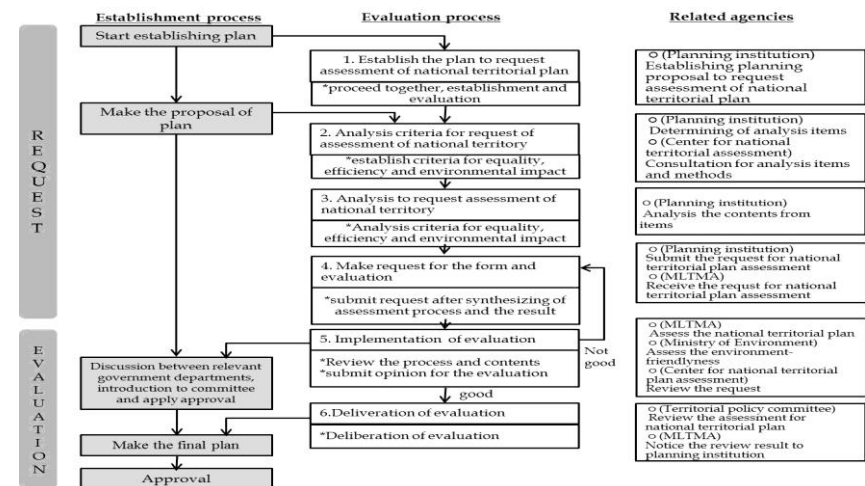
4.6 The Question : Does Decentralization Good?

■ Competition among regions : The resources are limited, and every regions demands more

- The environment and land should be preserved, and every regions want development for regional economic growth
- Regional disparity in Korea has been deepening ever since the 1960s. Agricultural areas have lost their population, only Seoul(Capital Region) and few metropolitan cities seem to sustain their competitiveness potentials
- "Balanced regional development" was a popular political slogan in the last two decades, but nobody says that it's developed in a balanced manner

■ Local government's planning capacity is in doubt

- Amendment of the Framework Act on the National Territory in 2011
- Plan Assessment and Feedback System
- The major medium and longer term plans should be evaluated whether the plan contributes to balanced development, enhancing competitiveness, and sustainable development



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5.1 Officially Speaking ...

- In general, Korea's development strategy seems to be proper and efficient to the changing environment and drew a successful story
- The Korean planning has been coordinated in the overall state development policy framework and contributed to accomplishment of the society
- **Planning governance was fairly successful : central government played leading role, local governments and other actors correspond well**

State Leadership & Institutionalization

- Authoritarian state vision and leadership
- Confucian tradition and highly organized government
- Well-established rules and institutionalized planning system
- Motivation & less corruption

National
Consensus
Based Goal

Proper
Reaction to
Challenges

Solid
Institutions &
System

High Quality Planning Profession

- Scientific, pragmatic and strategic planning
- High technical level
- Skilled planner
- Specialized research institute on spatial planning
- Abundant pool of experts

5.2 Shortcomings of planning and governance

■ The Korean territorial planning has not been fully capable

- Failed to mitigate regional disparities, which might raise total social cost (including intergenerational), and decrease long-term efficiency
- The crippled operation of the housing and real estate market led to the housing instability experienced by the poor, small cities and rural villages lack infrastructure, and the vitality
- Disorganization of community from indiscriminate redevelopment/reconstruction, and destruction of environment from overexploitation

■ The Korean planning governance is in crisis

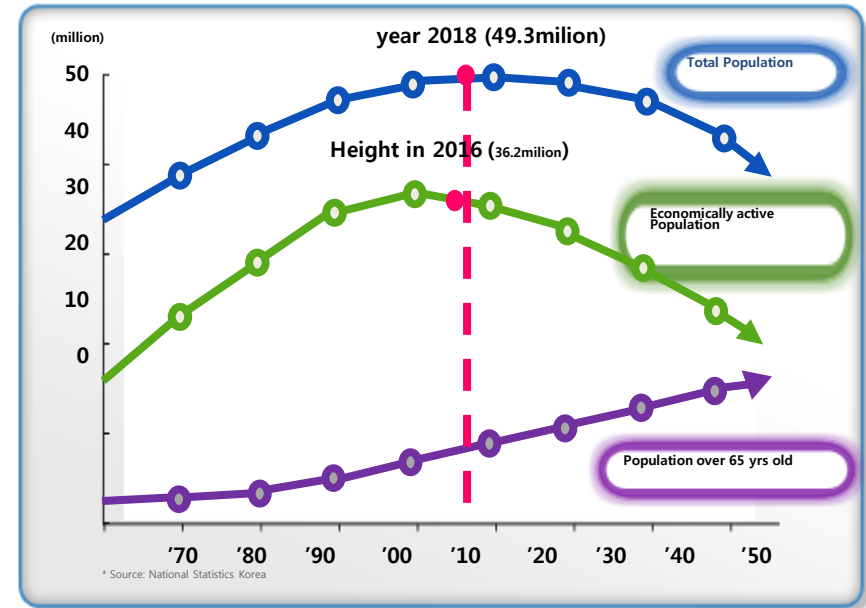
- As civil society and local government matured, the authority of central government has decreased, and local capability is still weak
- In turn, planning authority and practical ability has begun to decline, and the central government cannot solve problems of increasing regional / social conflicts
- Regions come into conflict with national projects and resource for regional development
- Many talk about the side effect of "too much open society,"
Yet, also many talk about more communication and collaboration

5.3 Changes and Challenges Never Stop

■ Facing turbulent time and world scale changes

- Aging society and decrease of population
- Slow economic growth and less employment (New Normal)
- End of "Over-development" era
- Accelerated globalization and world's financial crisis
- FTAs and cross-border cooperation
- Bi-polarization of economic classes and growing demand for welfare
- Progressive IT and SNS, active civil society and nomadism
- Climate change and deepening environmental issues

< Population Forecast in Korea >



■ Planning is a public response against such challenges !!!

5.4 Normatively Directives of Planning Governance

■ The Korean territorial planning : New Normative

- From the efficient-oriented to "equity-standpoint,"
- From the physical infrastructure to "soft" and "culture-oriented,"
- From the administrative management to "autonomy and variety,"
- From immediate consumption to "conservation" for next generation

■ Decentralization should progress toward practical decentralization

- Territorial planning governance should (more) ensure open communication and participation of both individuals and social groups,
- With a need to adhere to the norms of procedural legitimacy based on "collaboratism" to seek social consensus
- Good governance in nature is "politically correct" decision-making, where short-term efficiency and technical rationality might not be significant
- It is still important to continuously import social values (such as regional balance, environment-friendly green growth, encouraging civil participation, etc.), even though they look in vein
- **Most importantly, actors in a planning governance should have practical and real means and power (institutional authority, finance, etc.)**



çok teşekkürler

대단히 감사합니다

Thank you very much