Korea's Regional Policy
: Linking Urban and Rural

May 20, 2015

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Background

- Rural Areas in Korea are suffering from the malaises **of 1) rapidly aging population, 2) lackluster economy** and **3) sluggish creation of jobs**.
- Thus, the policy objectives of Korea's regional policy are to promote economic growth as well as enhancing quality of life.
- MOLIT is trying to promote regional development that can contribute to national wealth, and also development of urban areas that can have ripple-effects on rural areas in proximity to these investment centers.
- In addition, previous administrations were primarily concerned with expanding infrastructure in the underdeveloped regions, but the policy focus is now shifting to tackle degrading quality of life.

Background

Roh Moo-hyun Administration(2002-2007)'s "Balanced Development" created intense social conflict regarding relocation of capital city and developing new cities.

Lee Myung-bak Administration(2008-2013)'s "Supra-economic region" focused too much on industries and lacked the immediate creation of local jobs.

Park Geun-hye Administration(2013-)'s policy objective is "enhancing quality of life"

☞ **Bottom-up Approach + Collaboration of regional and local govts + 'policy packages'**

Case 1: Happy Living Zone

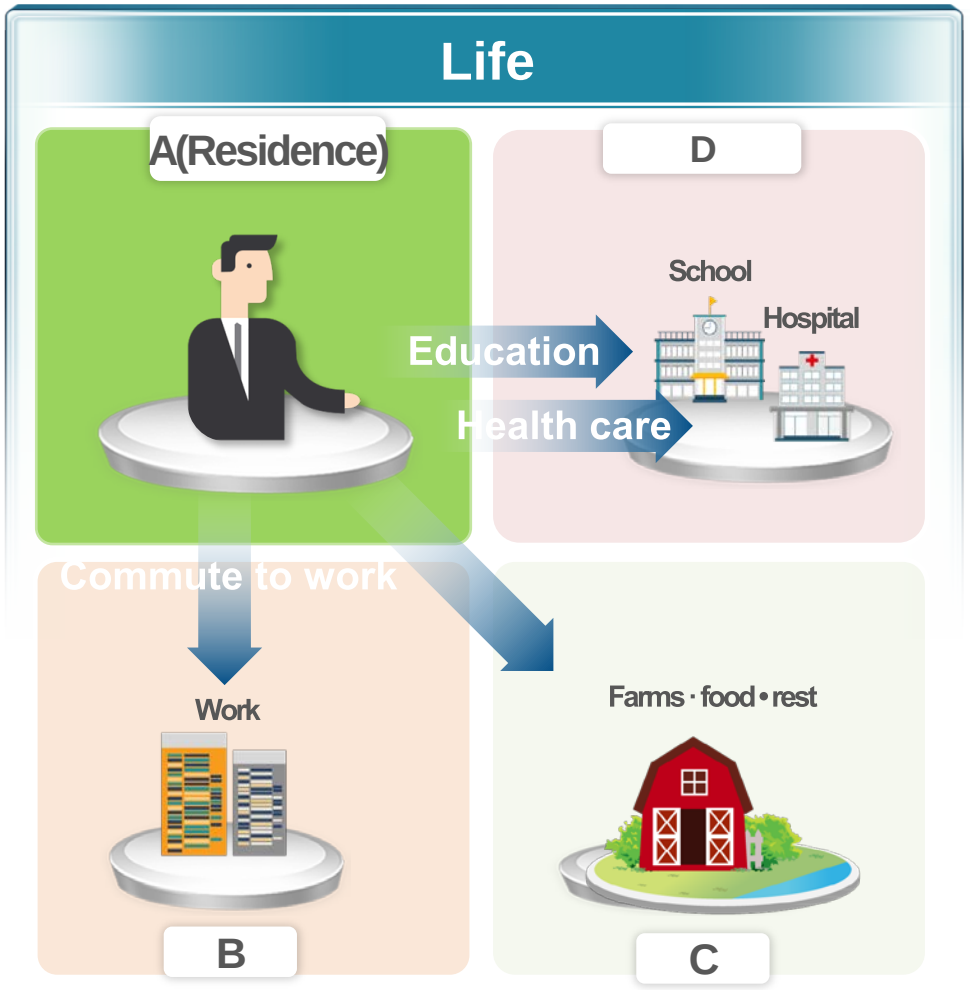
Key Principle is cooperation among local governments beyond jurisdiction

Why is it necessary?

- **Life beyond administrative districts**
  - Commute to work, education, health care
- **Cooperation of nearby areas to meet demand**
  - Autonomous development of living zones

Concept

- **Public services for decent living**
  - Infrastructure, jobs, education, health care, culture, welfare, etc.
- **Better quality of life → Happy citizens**



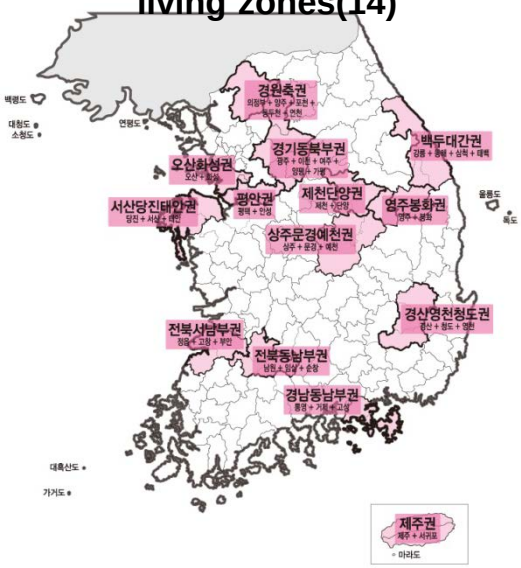
Case 1: Happy Living Zone

TYPES

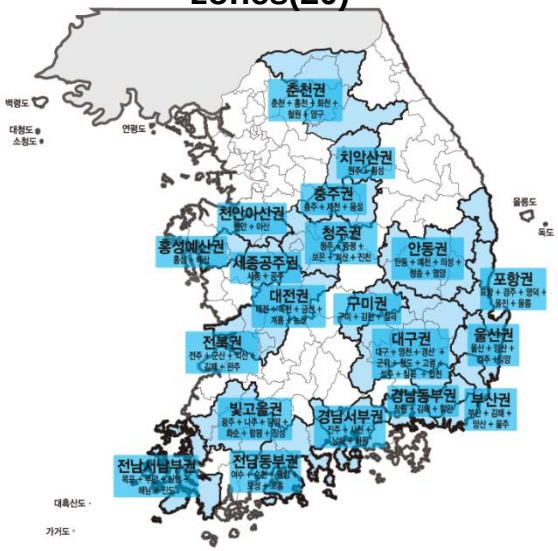
- **Rural living zone: smallest unit with total population of around 100,000.**
- **Rural-urban affiliated living zone: centered around small and medium-sized cities with population between 100,000 and 500,000.**
- **Metropolitan living zone: formed around large cities with population more than 500,000.**

Rural living zones(21)

Rural-urban affiliated living zones(14)



Metropolitan living zones(20)



*** There are also 8 capital region model zones.**

Example – Metropolitan living zone

Cheongju-*si* and 5 nearby *gun*s: the single living zone

1 **HUB Center for job creation**

2 **Urban regeneration**

3 **Local food**

4 **Bus Information System**

Example – Rural-urban affiliated living zone

Yeongju-*si* · Bonghwa-*gun* : sharing Sobaek Mountain and commuting routes

1. Joint establishment of cremation facility

2. Co-operation of maternity clinic

3. Railway station in the mountains as a tourist attraction

4. Establishment of small library

Example – Rural living zone

Muju·Jinan·Jangsu : sharing Baekdudaegan mountain and highland sports & leisure

1 Water supply in remote villages

2 Culture and community center

3 Health functional food development

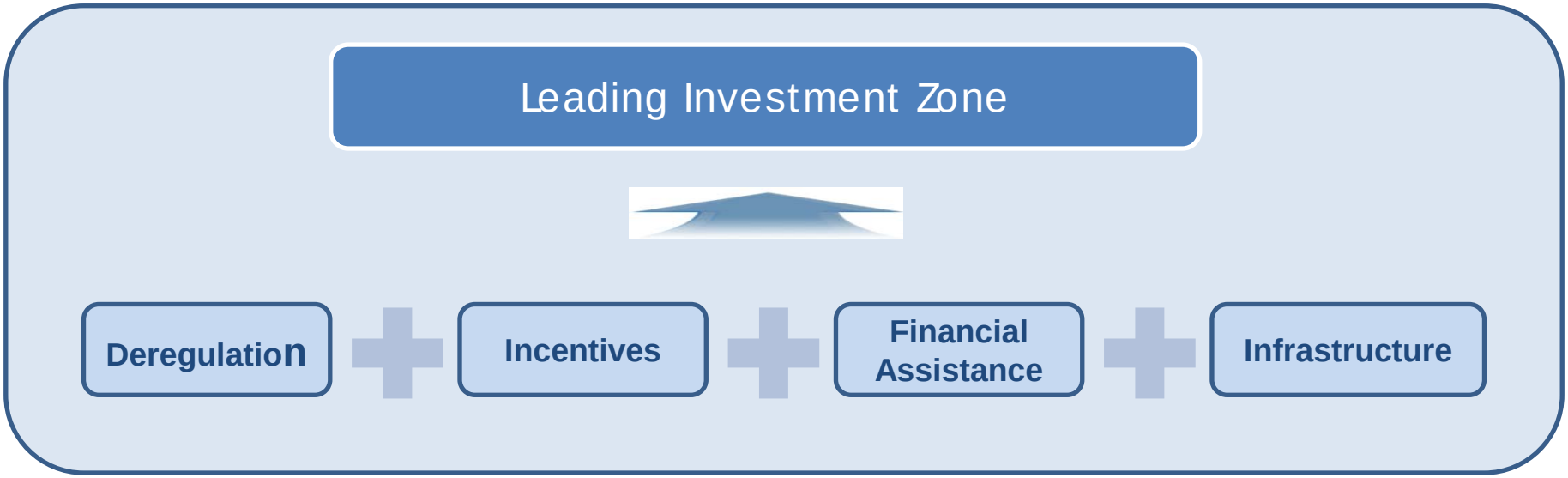
4 Slate roof demolition and improvement

Case 2: Leading Investment Zones

• From 2015, MOLIT is going to **designate 3-5 Regional Development Projects as "Leading Investment Zones(LIZ)"** and provide "Policy Packages".

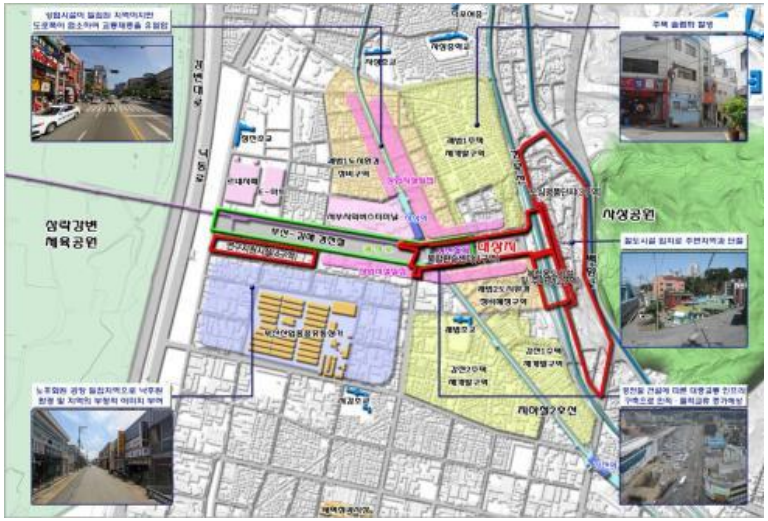
• The objective of LIZ is **to promote private investment and to establish a strong regional post** with distinct characteristics.

• We hope to **spread the fruits of development projects to underdeveloped areas in proximity to these investment centers**.



Case 2: Leading Investment Zones

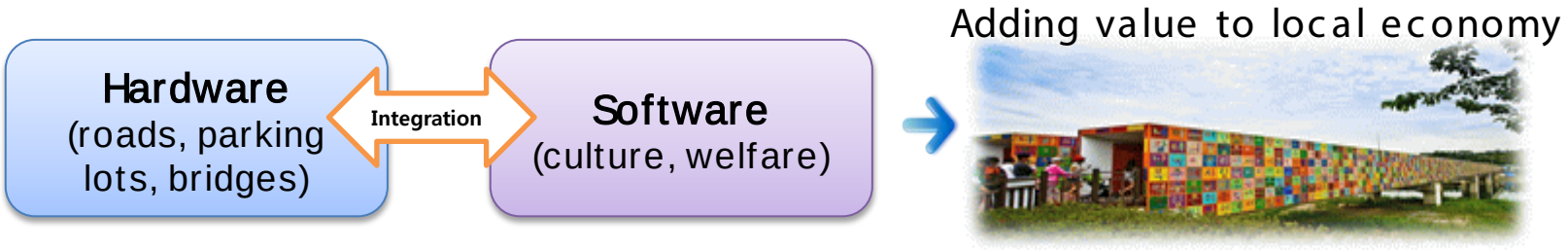
❖ Examples of proposed projects



These projects include residential area+railway station+industrial complex+tourist attractions etc

Case 3: Demand-Driven, Customized Assistance(DDCA)

- Korean government annually provides **subsidies to underdeveloped area(Growth Promotion Area:GPA)s.**
- However, its top-down approach caused problems such as tendency to prefer large scale SOC projects to projects that improve quality of life.
- **Local governments, in consultation with various stakeholders, proposed 75 DDCA projects**, MOLIT chose to support **26 projects that fits its policy objective.**

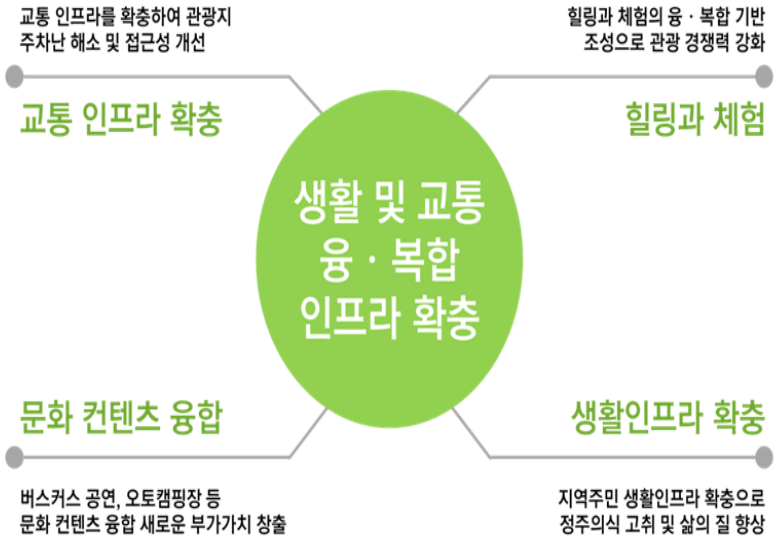


Case 3: Demand-Driven, Customized Assistance(DDCA)

❖ Examples of proposed projects

Multi-functional transport infrastructure project in Naksan-sa Temple, Yangyang

- Build **parking lots and camp site** to meet the increasing demand of visitors and operate **drive-in theater, experience facilities and performance space** to make the area as **a tourist attraction**



Case 3: Demand-Driven, Customized Assistance(DDCA)

❖ Examples of proposed projects

On-demand mobility service for seniors in backcountry

➢ (Background) ① **Provide necessary transportation welfare** : Metropolitan -oriented transport policies left welfare blind spots

② **Vulnerable to public transport services** : Aging of the rural population decreased passengers

➢ (Purpose) **Enhancing seniors' mobility rights :** accessing market, hospital service, cultural activities etc

Conclusion

- Policy objectives for regional policy in Korea **are 1) enhancing quality of life, and 2) promoting economic growth.**
- The Korean government is trying to make more pleasant living ‘places’ in non-urban areas as well as raising the global competitiveness of urban areas.
- It also seeks to raise the standard of living **by local capacity building and the “learning by doing” processes** of Happy Living Zones, LIZs and DDCA.
- In addition, its top-down approach has also evolved into **bottom-up approach**, and **“policy packages”** of deregulation, financial, administrative and legal support are put in place for the underdeveloped regions.

Thank You!