

2012 Modularization of Korea's Development Experience:

National Territorial and Regional Development Policy: Focusing on Comprehensive National Territorial Plan

2013

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**National Territorial and Regional Development
Policy: Focusing on Comprehensive National
Territorial Plan**

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Ministry of Land,
Infrastructure and Transport



KRIHS Korea Research Institute for
Human Settlements



Preface

The study of Korea's economic and social transformation offers a unique opportunity to better understand the factors that drive development. Within one generation, Korea has transformed itself from a poor agrarian society to a modern industrial nation, a feat never seen before. What makes Korea's experience so unique is that its rapid economic development was relatively broad-based, meaning that the fruits of Korea's rapid growth were shared by many. The challenge of course is unlocking the secrets behind Korea's rapid and broad-based development, which can offer invaluable insights and lessons and knowledge that can be shared with the rest of the international community.

Recognizing this, the Korean Ministry of Strategy and Finance (MOSF) and the Korea Development Institute (KDI) launched the Knowledge Sharing Program (KSP) in 2004 to share Korea's development experience and to assist its developing country partners. The body of work presented in this volume is part of a greater initiative launched in 2010 to systematically research and document Korea's development experience and to deliver standardized content as case studies. The goal of this undertaking is to offer a deeper and wider understanding of Korea's development experience with the hope that Korea's past can offer lessons for developing countries in search of sustainable and broad-based development. This is a continuation of a multi-year undertaking to study and document Korea's development experience, and it builds on the 40 case studies completed in 2011. Here, we present 41 new studies that explore various development-oriented themes such as industrialization, energy, human resource development, government administration, Information and Communication Technology (ICT), agricultural development, land development, and environment.

In presenting these new studies, I would like to take this opportunity to express my gratitude to all those involved in this great undertaking. It was through their hard work and commitment that made this possible. Foremost, I would like to thank the Ministry of Strategy and Finance for their encouragement and full support of this project. I especially would like to thank the KSP Executive Committee, composed of related ministries/departments, and the various Korean research institutes, for their involvement and the invaluable role they played in bringing this project together. I would also like to thank all the former public officials and senior practitioners for lending their time, keen insights and expertise in preparation of the case studies.

Indeed, the successful completion of the case studies was made possible by the dedication of the researchers from the public sector and academia involved in conducting the studies, which I believe will go a long way in advancing knowledge on not only Korea's own development but also development in general. Lastly, I would like to express my gratitude to Professor Joon-Kyung Kim and Professor Dong-Young Kim for his stewardship of this enterprise, and to the Development Research Team for their hard work and dedication in successfully managing and completing this project.

As always, the views and opinions expressed by the authors in the body of work presented here do not necessary represent those of the KDI School of Public Policy and Management.

May 2013

Joohoon Kim

Acting President

KDI School of Public Policy and Management



Contents | LIST OF CHAPTERS

Summary.....	12
--------------	----

Chapter 1

Introduction.....	15
-------------------	----

Chapter 2

Background of the CNTP	19
1. Conditions of Territory and Policy Responses before the 1960s	20
2. Policies of Economic Development and National Territory in the 1960s	21
2.1. Economic Development Strategy in the 1960s.....	22
2.2. Territorial Policies in the 1960s.....	24
2.3. Core Projects in the 1960s: Gyeongbu Expressway	25
3. The Necessity and the Importance of the CNTP.....	26

Chapter 3

The Progress and Main Contents of CNTP	29
1. The 1 st CNTDP (1972-1981)	30
1.1. Economic & Social Conditions and Objectives of Plan	30
1.2. Contents and Strategies of Plan	32
1.3. Achievements and Limitations	36
2. The 2 nd CNTDP (1982-1991)	37
2.1. Economic & Social Conditions and Objectives of Plan	37
2.2. Contents and Strategies of Plan	39
2.3. Core Project in the 2 nd CNTDP: Seoul Metropolitan Readjustment Plan	41
2.4. Achievements and Limitations	48
2.5. The Revised 2 nd CNTDP (1987-1991)	49
3. The 3 rd CNTDP (1992-2001)	51
3.1. Economic & Social Conditions of Nation and Objectives of Plan	51
3.2. Contents and Strategies of Plan	52
3.3. Core Projects in the 3 rd CNTDP: 5 New Towns in the Capital Region	54
3.4. Achievements and Limitations	57
4. The 4 th CNTP (2000-2010)	60
4.1. The Original 4 th CNTP (2000-2010)	60
4.2. The First Revised 4 th CNTP (2006-2020)	63
4.3. The Second Revised 4 th CNTP (2011-2020)	73



Contents | LIST OF CHAPTERS

Chapter 4

Legal System and Institutionalization of CNTP.....	81
1. Hierarchy of Spatial Plans and Process of CNTP	82
2. Coordination Mechanism and Participation	84
3. Implementation, Assessment and Feedback System	86

Chapter 5

Evaluation and Implications	89
1. Korea's Success Factor of CNTP and Implications	90
1.1. Goals and Strategies Setting on Time	92
1.2. Effective Institutionalization and Systematization	92
1.3. Appropriate Planning and Implementation System	93
1.4. Continuous Efforts to Reflect Social Values	93
2. Limitation of CNTP and Future Tasks	94

References	97
------------------	----

Appendix	99
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Contents | LIST OF TABLES

Chapter 2

Table 2-1	Infrastructure Status under US Military Government	21
Table 2-2	The First and Second Five-year Economic Plan	23

Chapter 3

Table 3-1	The Population and Urbanization Status	37
Table 3-2	Major Capital Region Management Plans (1976-1988)	42
Table 3-3	Five Zones and Managerial Strategies	44
Table 3-4	Development of Seoul Metropolitan Area Readjustment Plans	46
Table 3-5	Results of the 2 nd CNTDP	49
Table 3-6	Disparities in Opportunity between Capital and Non-capital Regions	50
Table 3-7	Details of Five New Towns in the Capital Region	56
Table 3-8	Details of the 3 rd CNTDP	57
Table 3-9	Concentration Changes of Capital Region	59
Table 3-10	Changes of Main Indicators in National Territory	60
Table 3-11	Development Steps of Innovation City	67
Table 3-12	Present Status of Public Institutions to be Relocated	68
Table 3-13	Development Direction of Innovation Cities	69
Table 3-14	Location and Leading Industries of Economic Regions	76
Table 3-15	Visions and Development Directions of Supra-Economic Regions	79

Contents | LIST OF FIGURES

Chapter 2

Figure 2-1	Changes After Gyeongbu Expressway.....	26
------------	--	----

Chapter 3

Figure 3-1	The 1 st CNTDP	33
Figure 3-2	Industrial Location Plan in the 1 st CNTDP	34
Figure 3-3	Expressway Plan in the 1 st CNTDP.....	34
Figure 3-4	Spillover/Trickle-down from Core to Periphery Regions.....	35
Figure 3-5	2 nd CNTDP Framework of Regional Living Sphere	40
Figure 3-6	The 2 nd CNTDP	40
Figure 3-7	Five Zones in Seoul Metropolitan Readjustment Plan	43
Figure 3-8	The 3 rd CNTDP.....	53
Figure 3-9	Five New Towns in the Capital Region	55
Figure 3-10	Key Note of the 4 th CNTP	61
Figure 3-11	Open and Integrated National Territory in the 4 th CNTP	62
Figure 3-12	Integrated National Territory in the Revised 4 th CNTP	64
Figure 3-13	Location of Sejong City	65
Figure 3-14	Arrangement of Urban Functions in Sejong City.....	66
Figure 3-15	Innovation City, Concept and Goal.....	67
Figure 3-16	Details of Innovation Cities and Location.....	68
Figure 3-17	Enterprise City, Concept and Goal	71
Figure 3-18	Pilot Project Sites for Enterprise City	72
Figure 3-19	Structural Formation of the National Territory in the 2 nd Revised CNTP.....	74

Figure 3-20	5+2 Economic Regions and Leading Industries.....	75
Figure 3-21	163 Cities and Counties of Basic Settlements Areas	78
Figure 3-22	Classification of Basic Settlement Area by Type.....	78
Figure 3-23	Supra-economic Region and National Territorial Axis.....	80

Chapter 4

Figure 4-1	Hierarchy of the Territorial Plan in Korea.....	83
Figure 4-2	Formulation Process of CNTP.....	83
Figure 4-3	Structure of Formulation of the Second Revised 4 th CNTP	84
Figure 4-4	Procedure of CNTP Assessment.....	87

Summary

It has been 40 years since comprehensive national territorial planning was carried out in the Republic of Korea (Korea, hereafter). Korea's national territorial planning has developed together with government-led economic growth policies, and played large roles in a number of areas such as infrastructure construction, urban development, housing supply, land use, and resource management. Territorial plans such as The Comprehensive National Territorial Plan, The City-Province Masterplan, The City-County Masterplan, etc., have responded to the urban, regional and environmental issues that have appeared in the process of economic and social development. This spatial planning contributed to the well-balanced development between economic, social, and geospatial processes for the whole country by setting desirable goals and creating practical means for their implementation.

This research aims to introduce Korea's policy experience in national territorial and regional development to international organizations, such as the Multilateral Development Bank and developing countries. It presents analysis and results, which provide a core model that has applied local policies through a tried and tested framework. Korea's Comprehensive National Territorial Plan (CNTP) has a successful evaluation for several reasons: First, the plan established appropriate goals and strategies within the timeframe allowed, and achieved quantitative growth in terms of the indicators. Second, it has been effectively institutionalized and continuously evolved in accordance with changing conditions. Third, it has established appropriate plans and implementation systems, and operated effectively. Finally, the plan has been carried out continuously for the implementation of social values such as sustainability, environmentally-friendly green growth, encouraging participation, and mitigating conflicts between members of society.

In the midst of its rise, Korea's CNTP has gone through trials and tribulations, succumbing to limitations. First, the plan was not able to enhance certain factors in

territorial development. In particular, it failed to mitigate regional disparities and there was too great a focus on capital regions. Second, the Korean government has tried to establish and implement various policies, but too many trial and error situations increased the total social cost (including intergenerational) and decreased long-term efficiency. Third, while civil society and local governments matured, the power of the central government weakened. This has resulted in the rise of social conflict between regions. However, the central government cannot provide the technical solutions for the problem because its planning authority and practical ability were degraded. In fact, such failures, or trial-and-error elements, exist in conjunction with the successful elements of the plan.

Recently, Korea's CNTP had to respond effectively to a rapidly changing external reality. Its society has entered an era of low fertility and an aging population. The country's economy is faced with slow growth and developmental limitations. The social disparities between people have worsened and demands for welfare have increased. Furthermore, the government needs to tackle international concerns, such as climate change and green growth. Despite the territorial plan's sustainable development and contribution over the past 40 years, Korea's comprehensive national territorial plan has had to evolve in the face of new realities.

2012 Modularization of Korea's Development Experience
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Chapter 1

Introduction

Introduction

This research aims to establish Korea's policy experience module on national territorial and regional development. Since the field is very wide, this study narrows its scope to focus on Korea's Comprehensive National Territorial Plan (CNTP). International organizations such as the Multilateral Development Bank and developing countries may be interested in the study because it provides for a model strategy for the application of local policies through a tried and tested framework. Korea's national territorial and regional development policy has been practically incorporated with the 1st Comprehensive National Territorial Development Plan (CNTDP¹) in the 1970s. The country's policy was guided by various principles and policy measures that took into account the economic environment and social changes of the time.

In particular, the background (why), the main content (what), the methods to development (how), assessments (evaluation), and implications (benchmarking) of the CNTP are reviewed in this research. Thus, this research will introduce the Korean national territorial and regional policy experiences in detail, and highlight policy implications/suggestions for developing countries. This research comprises: (1) the background of the CNTP, (2) the progress and main components of the CNTP, (3) the establishment system and institutionalization of the CNTP, (4) the future development strategies of the CNTP, as well as (5) the evaluation and implications of the CNTP.

From the 1960s until the 1980s, the objectives of Korea's national territorial policy and plans had been to form efficient territorial structure and to provide infrastructure, such as roads, railways, industrial complex, and dams in order to support economic development. After the 1990s when the national economy was on the right track, to a certain extent, the state-centered regional development policies shifted its focus to promote the "region." In

1. CNTDP has changed the name to CNTP since the 4th plan.

particular, the local voices requiring direct and substantial regional development policies have amplified with the establishment of a local self-governing system in 1994. In the 2000s, the Korean government adopted a balanced development of the nation as the key focus of its national territorial plan and regional development policy.

During this period, the decentralization policy was developed, such as the construction of a new administrative capital and an innovation-driven regional development policy. However, those policies suffered from a lack of in-depth discussion between different social communities and the national consensus, and resulted in an increase in social conflict and a limited distribution balance. In addition, the new government in 2008 promoted a three-tiered regional development policy, a “5+2 economic region,” supra-economic region, and basic settlement areas with a competition based policy, based on the development strategy of regional specialization. However, the outline of this policy only served to push the territorial unit of national territory and regional policies away from focusing on 16 cities and provinces to 5 wide-areas. This was no different from the former policies it served to replace.

From 1972 to the present, four CNTPs were consecutively established, each one focused on planning for the next 10 to 20 years. These plans influenced the urbanization rate of Korea. In 1960, the urbanization rate was 39.1%, but it increased to 50.1% in the 1970s. In fact, by the end of 2009, this rate had increased up to 90.8%. These plans incorporated goals for the development of the national territory and contributed to economic growth and regional development in Korea. Looking at the accomplishments of the CNTPs over the past 60 years of modernization, much progress has been made in the areas of population, economy, land, city, and infrastructures.

The coordination between efficient economic/industrial policies and territorial policies is necessary for countries to achieve both economic growth and social development at the same time. The process of economic growth in many countries is focused primarily on industrialization/urbanization, and it is likely to result in regional disparities between specific growth pole regions and small/medium sized cities in local regions. In the Korean developmental experience since the 1960s, the national territorial and regional development policy was an important example of this successful coordination. Korea’s experience was not entirely smooth, and the country went through cycles of trial and error in order to find the right mix. Korea’s experience of success and failure with regard to policy pertaining to national territorial and regional development will provide invaluable lessons to other developing countries. It provides what is applicable or not applicable, taking into account each country’s own unique situations. In particular, Korea’s national territorial policies were influenced by recent global mega-trends of climate change and green growth paradigms. This will be helpful for developing countries to find the appropriate results that correspond to sustainable economic growth, national territorial management, and development related issues.

2012 Modularization of Korea's Development Experience
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Chapter 2

Background of the CNTP

1. Conditions of Territory and Policy Responses before the 1960s
2. Policies of Economic Development and National Territory in the 1960s
3. The Necessity and the Importance of the CNTP

Background of the CNTP

1. Conditions of Territory and Policy Responses before the 1960s

Korea was under Japanese colonial rule for thirty-five years (1910-1945) and fought the Korean War for three years (1950-1953). During the Japanese annexation period, the colonial rulers realigned the territory to control and exploit Korean resources. As a result of the Korean War, the remaining area was devastated. Consequently, Korea's main goal for national territorial development in the 1950s was to realign the territory developed under Japanese annexation and to reconstruct devastated areas that resulted from the Korean War.

Before the 1960s the national territorial plan was not established yet and urbanization created regional inequalities. The efforts in the 1960s were a preparatory stage that was not based on any scientific or systematic development plan. The government mainly focused on restoring the country from the damages of war. These activities included the construction of houses, roads and bridges, and boosting the industries to meet domestic demand. During the restoration period, large investment in postwar reconstruction, national defense, and military supplies caused rapid inflation. The government performed civil engineering projects through grants from the USA and promoted large investment strategies for key industries and infrastructure. In 1953, the government started to restore the country from war damage and intervened to gradually control inflation.

Table 2-1 | Infrastructure Status under US Military Government

Infrastructure	Details
Railroad	<ul style="list-style-type: none"> Total extension was 3,326km (South Korea: 2,642km, North Korea: 684km). Railroad between Jecheon and Punggi (10.3km) was constructed.
Road	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 7.1km of bank at Chungcheong, Gyeongsang, and Jeolla region was constructed. 1.5km of bank revetment was done.
Harbor facilities	<ul style="list-style-type: none"> 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

The government completed restoration except in some parts of housing and public facilities. By June of 1956, the production rate and the per capita consumption were restored to the pre-war level. This period was called a period of economic germination. However, the population growth was very high compared to the economic growth and income level during post-war recovery. The unemployment rate climbed to 24.2% in the 1960s. Furthermore, the inherent imbalance that occurred from the political change in 1961 and the unplanned process of economic growth reduced the overall economic development and thus caused inflation. This necessitated a comprehensive and systematic economic development plan by the Government.

2. Policies of Economic Development and National Territory in the 1960s

The 1960s was a preparatory stage for systematic development through establishing national development strategies. Economic growth and regional development were the main focus of this period. As industrialization in The Republic of Korea began on a full-scale in the early 1960s, the national territorial development began on a full-scale as well, which was dependent upon an economic development plan and regional plans for specific areas in order to enhance industrialization and economic growth.

The government invested intensively in the development of water resources and the SOC facilities to construct rural infrastructure and industrial foundations. This greatly developed the capital region and cities on the southeastern coast that had great growth potential and an excellent location. Thus, the government promoted an industrial policy focused on light industry in Seoul, Incheon region, and Southeast coastal region. Therefore, they constructed an industrial complex, the “Gyeongin Expressway” (Seoul-Incheon), and the “Gyeongbu Expressway” (Seoul-Busan). The national territorial plan was initiated and its associated regulations were prepared while developing the foundation for economic growth. A variety of national territorial development policies and its supporting laws and regulations were established to emerge from poverty and build a self-reliant economic base. The national territorial plan was incorporated and promoted in the general economic growth plan until 1971, as a comprehensive measure to break economic difficulties from slow growth and high unemployment.

2.1. Economic Development Strategy in the 1960s

In 1962, the first Five-year Economic Plan focused on creating conditions for growth and constructing a foundation for a self-sufficient economy. In 1967, the second Five-year Economic Plan was implemented and it focused on a quantitative growth of the economy and the modernization of industrial structures. National territorial development in the 1960s mainly focused on economic growth and regional development through the development of resources and the fostering of key industries.

The first Five-year Economic Plan (1962-1966) mainly focused on securing energy supplies, such as power and coal, and raising farmer income by increasing agricultural productivity. Also, it considered expanding key industries, building infrastructures, utilizing idle manpower, improving the balance of international payments, and promoting technology. Although private freedom and creativity were respected to construct a self-sufficient economy, the government got involved directly and indirectly in key sectors. The funds were raised from not only domestic capital, but also development loans and compensation from Japan. In addition, despite the achievements of the first Five-year Economic Plan in terms of true growth rate, permeability, and the amount of export (except 1962), the amount of import was rapidly increased and the trade balance was still in a state of deficit. Nevertheless, the first Five-year Economic Plan led Korea’s economic development, especially prominent development in the industrial production sector and export sector. Also, it expanded SOC for long-term growth and experienced remarkable increase.

The second Five-year Economic Plan (1967-1971) was established to compensate for the lack of investment goods that resulted from expanding the economy. This was done to

improve the dual structure of the economy, and to promote the modernization of industrial structures. The second plan focused on the self-sufficiency of food, forestation, and fishery development. It also aimed to advance industry, increase industrial production, and improve the international balance of payments. The real growth rate was 9.7% (the expected goal was 7.0%), the investment ratio was 26.4% (the expected goal was 19.0%), and the amount of export was \$1.1 billion in 1971 compared to \$0.3 billion in 1967. The amount of import was also rapidly increased and the trade deficit in 1971 was over \$0.1 billion. Compared to the first plan, the second plan involved more people from different backgrounds in the planning process, such as internal and external consultants, planners, and technical experts. It also established an annual implementation plan based on the basic plan and took into account the changes in domestic and international conditions. The second plan was suitable for various strategies and budget guidelines, and aimed to be out of U.S. aid in 1970 by reducing U.S. aid in the economic plan, step-by-step.

Table 2-2 | The First and Second Five-year Economic Plan

		The 1 st plan (1962-1966)	The 2 nd plan (1967-1971)
Basic Objective		<ul style="list-style-type: none"> • Correct the economic vicious circle • Build location base 	<ul style="list-style-type: none"> • Industrial structure modernization • Self-reliant economy
Basic Strategy		<ul style="list-style-type: none"> • Prepare industrialization • Establish capitalist system • Expand SOC 	<ul style="list-style-type: none"> • Develop agriculture and industry together • Food self-sufficiency • Advance industry
Economic Growth Rate (%)	Plan	7.1	7.0
	Performance	7.8	9.7
Productivity of National Territory (1975, GNP per km ²)		48.4 ('65)	100.0 ('71)
Achievement and Problems		<ul style="list-style-type: none"> • Achieve quantity growth • Poor basic industries, lack of an investment fund system, and imbalance of food self-sufficiency and income distribution 	<ul style="list-style-type: none"> • Quantifying and modeling with statistics • Multilateral reflections of domestic economic conditions and market mechanisms • Relied on overseas growth, debt increased, international balance of payments worsened • Insolvent enterprises, agriculture stagnation, inflation

Source: Economic analysis of the 1st CNTDP (1982)

2.2. Territorial Policies in the 1960s

The Act on Comprehensive Plans for Construction in the National Territory, the legal ground of comprehensive national territorial development plan, was established in 1963 along with its system maintenance. Before the 1st CNTDP established, *The National Territory Construction*, *The Grand National Development Plan* and *The Framework for National Territorial Plan* were established and implemented. These were not systematically established and implemented plans. However, the various efforts to create national territorial and regional policies in the process of promoting economic growth, became a foundation for comprehensive and organized CNTP in the 1970s.

The SOC construction projects started to solve the economic difficulties of the 1960s by creating new jobs and securing income. The national territory construction teams were composed of servicemen, students, labors, and the unemployed. They were well organized and participated in projects for irrigation, reforestation, erosion control, water control and road construction. *The Grand National Development Plan* was a ten-year plan that operated from 1967 to 1976. It was the first nationwide plan in Korea and aimed to comprehensively develop natural resources and improve national territorial environment by expanding traffic equipment, and enhancing the nation's welfare. The strategies of plan were to complete one million housing construction projects, thoroughly develop four rivers, construct ten major harbors, and construct an expressway and railroad that connected Seoul and other growth centers. However, since *The Grand National Development Plan* was created in a rush, it did not carefully consider the condition of national territory and the direction for development. Thus, *The Framework for National Territorial Plan* was established to provide direction for a comprehensive national territorial construction plan. It also provided guidelines for development and reflected an image of the future for national territory. *The Framework for National Territorial Plan* aimed for the following: spatial organization of territory, efficient use and management of territory, resource development and conservation, proper placement of industrial locations, urban development, transportation and communication networks, and living environment improvement.

Korea achieved rapid economic growth since the 1960's, and the national territorial development focused on resource development, economic growth and regional development. The national territorial policy was to support economic development by promoting the building of efficient national territorial infrastructure, such as roads, railways, dams, and industrial complexes. This lasted into the 1980s. The government promoted industrial policy in Seoul, the Incheon region, and the Southeast coastal region, all of which had excellent growth potential and locations. Industrial complexes were constructed mainly in those two regions, and the "Gyeongin Expressway" (Seoul-Incheon) and the "Gyeongbu Expressway" (Seoul-Busan) were built to connect these sources of growth.

In the 1960s, the paradigm of regional policy in Korea was a top-down strategy and created uneven development. The policy was focused on the development of national economic growth. As urbanization was proceeding rapidly in the 1960s, the government recognized the need for special management in Seoul and capital regions, and a policy to curb the concentration of population in those regions was implemented. For this reason, several policies were enacted: the metropolitan population-focused prevention (1964), the specific area designation and satellite cities initiative (1968), the framework for national territory and metropolitan defense-oriented policy (1968), the basic guidelines for over population control in metropolitan areas (1970), and the development of the Seongnam complex, the Yeongdong Jamsil district, and the Daedeok science city. However, population in the big cities continued to increase because of new employment opportunities in economically developed urban areas. Consequently, the local suppression policy did not work and more comprehensive and systematic territorial policy was required.

2.3. Core Projects in the 1960s: Gyeongbu Expressway

The economic development strategy in the 1960s led export-oriented industrialization, and expanded production-supporting infrastructure. This was done through development of the poles along the center point of the “Gyeongbu” axis. Thus, the construction of the “Gyeongbu Expressway” in this period had a significant impact.

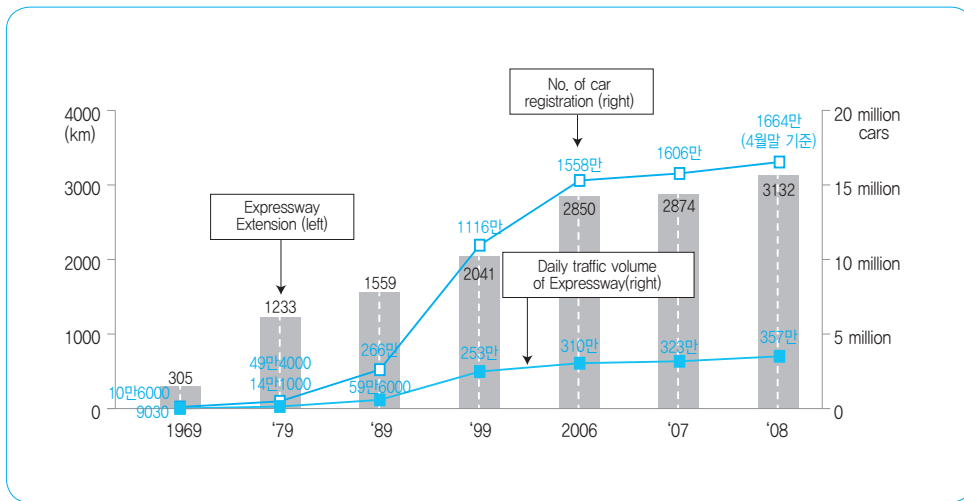
The construction began on February 1968 and was completed on July 1970. The total extent of the expressway was 428km (it is 413km now), and the width was 22.4m. It cost 42.9 billion KRW, which was 23.6% of the national budget in 1967. The “Gyeongbu Expressway” is the main artery that connects Seoul, the capital city of Korea, and Busan, the second biggest port city. The expressway connects the cities by passing through several cities: Suwon, Cheonan, Daejeon, Youngdong, Hwanggan, Gimcheon, Daegu, Gyeongju, and Eonyang. Many administrative districts were involved and the procedures were diverse and complex. The Minister of Construction supervised with special administrative measures in order to oversee each municipality chief’s responsibilities for securing land and cleaning up the environment. In addition, the private property rights of landowners, who were incorporated into an expressway, was ensured.

Despite opposition and concern over construction,² the “Gyeongbu Expressway” had a positive impact on the life of Koreans and the industrialization of Korea. The expressway made the entire nation into a “one-day life zone,” introduced an automobile culture, and converted a consumer-driven system to a producer-centric system. Various industrial

2. It was known that the IBRD was opposed to the project because they thought such a big investment at that time was very risky. Yet, the government (President Park, Jung Hee) drove very hard to implement the project and completed it in a remarkably fast three years.

complexes were constructed on the Gyeongbu axis, and it became the basis for high-speed economic growth. The “Gyeongbu Expressway” supported economic growth, but also deepened regional gaps. The total length was 457.5km and 9,000 vehicles per day used the expressway in the 1970s. The total expansion was 3,123km and an average of 3.6 million vehicles used the expressway in 2008. Since the completion of the “Gyeongbu Expressway,” more highway transportation networks have formed than ever before.

Figure 2-1 | Changes After Gyeongbu Expressway



Source: The Korea Highway Corporation, Financial News, 2008.8.17

3. The Necessity and the Importance of the CNTP

Entering the 1970s, Korea was faced with the necessity to restructure the national territory because the territory and economy were devastated during the Korean War and territorial division. Most industries were located in the North, and the South, which was an agricultural society until the Korean War, had to build an industrialized base. In addition, the government promoted economic development through industrialization that was centered on cities in the 1960s. This caused the population in rural regions to migrate to urban areas, causing various urban problems. The industrialization of cities and the concentration of the population in cities increased the disparity between urban and rural areas and wasted land resources.

As described above, a systematic national territorial and regional development policy was not established in the 1960s. The whole nation strived to concentrate on eradicating

poverty. There was ‘economic infrastructure deployment policy’ to support economic growth, but there was neither a comprehensive national territorial policy nor a plan to use and preserve the national territory for the long-term. The main goals in the 1970s were to escape from absolute poverty and to build a self-reliant economic base. The export-oriented industrialization was the main economic policy of the nation. At this time, a national level for policies and territorial planning were required to support effective deployment of economic policies. This was because industrialization led to urbanization and the need for proper management in big cities was needed. Also, when promoting various SOC facility construction projects and local development projects, the necessity for a national territorial realignment and a balanced development that could be developed under mutual cooperation was more emphasized than the individual and local policies.

For this reason, the national territorial plan that included a variety of sweeping changes was established. Korean national territorial policy included: various ideas for regional and urban development, locations for industries (factories), establishment of transportation/information infrastructure, housing and land management, sustainable development, exchange between North and South Korea, and cooperation in Northeast Asia. The implementation system was organized at the government level in order that all related departments could cooperate with each other.

The National Territorial Plan, in reference to *The Framework Act on National Territory*, stated the plan to establish a direction for development, and aimed to achieve plans for use, development and conservation of land, in accordance with future economic and social changes. Therefore, as the top-level plan on national territory, The Comprehensive National Territorial Plan (CNTP) analyzed the current conditions of the nation, examined problems of national territory, and then established long-term comprehensive policies for the use, development and conservation of national territory. The CNTP also outlined an image of the future and established long-term development strategies in response to future economic and social change. In addition, it stated policies for population reorganization, industry placement, infrastructure supply, living environment improvement, resource-management of national territory, and environmental conservation.

2012 Modularization of Korea's Development Experience
National Territorial and Regional Development Policy:
Focusing on Comprehensive National Territorial Plan

Chapter 3

The Progress and Main Contents of CNTP

1. The 1st CNTDP (1972-1981)
2. The 2nd CNTDP (1982-1991)
3. The 3rd CNTDP (1992-2001)
4. The 4th CNTP (2000-2010)

The Progress and Main Contents of CNTP

1. The 1st CNTDP (1972-1981)

1.1. Economic & Social Conditions and Objectives of Plan

1.1.1. Economic & Social Conditions in the 1970s

While economic development was in progress, and cities became industrialized in the 1970s, Korea faced several additional tasks. The social overhead capital (SOC), such as transportation, power, and communication was in short supply, and the populations of large cities were drastically increased. Thus, the expansion of industrial facilities and infrastructure, and the dispersal of the concentrated population around the capital city were in urgent need in order to continue development and solve urban problems. The national income per capita in 1970 was 437 dollars, the amount of export was expanded to 1,133 million dollars, and more than half of the population in the country moved to urban areas. As a result, the necessity to establish a new plan for these contemporary economic conditions and social changes was raised.

For this reason, the 1st Comprehensive National Territorial Development Plan (the 1st CNTDP, 1972-1981) was established. The main purpose of the plan was to expand social overhead capital (SOC). The basic objective was to efficiently utilize national territory for efficient growth of the economy. In addition, it aimed to establish the foundation for national territorial development to support economic growth, to create a solution for environmental problems that occurred from the development of large-scale industrial complexes, to use natural resources, and to improve urban issues and the living environment for modern life. To pursue those objectives, the regional development and growth pole development methods were adopted for the 1st CNTDP.

On the other hand, Korea had achieved rapid growth through industrialization and export, relying on heavy investment and increased foreign savings during the 2nd Five-year Economic Plan. For this reason, the 3rd Five-year Economic Plan (1972-1976) was established toward growth, balance, and stabilization. It aimed for self-sustaining economic structures and balanced development between regions. It planned to expand food production and self-sufficiency of staple grains, to increase income in rural area, to promote mechanization, and to expand health/cultural facilities, telephones, and road networks for rural development. The 3rd Plan aimed to improve the international balance of payments, to advance the industries centered on heavy chemical industry, to develop human resources, and increase employment. In addition, it also envisioned a balanced development of social infrastructure, effective development of national resources including four rivers, promotion of regional development from the formation of development complexes, dispersion of population and industry, and improvement of the nation's living condition, such as housing, sanitary facilities, expansion of social security and the working environment. Despite the efforts for rural development, the employment in agriculture declined and employment in mining greatly increased in the atmosphere of industrialization.

While Korea achieved industrialization and economic growth to a certain degree, the international oil crisis in the 1970s worsened the macro-economic conditions, such as slowing economic growth, increasing inflation, and deteriorating the international balance of payments. In order to prepare for those conditions, the 4th Five-year Economic Plan (1977-1981) was established. The basic principles of the plan were growth, equity and efficiency, and the basis of the policy focused on improving infrastructure. The government pursued a self-supporting economy, social development, technical innovation, and economic structural improvement. Therefore, the 4th plan aimed to reduce the deficit of the international balance of payments by lowering overseas currency dependency, and to increase revenue for the national budget by increasing overseas construction and tourism.

The government increased the domestic savings rate for financing and investment resources, and nurtured technology with attention to skilled industrial labor, which had large employment potential, such as machinery, electronics and shipbuilding (to increase the heavy-chemicals industry). In addition, income distribution, living condition improvement, housing supplies, fair competition, and widening private liberalization was accounted for. After the 4th Economic Plan, per capita income increased to \$1,607 (1981), and the amount of the heavy-chemicals industry in manufacturing was 53%, and mining was 40%. However, economic growth decreased and recorded negative growth (-6, 2%) for the first time in 1980, and the second oil crisis caused price instability. Although exports increased, the government had difficulty in repaying the large debt because it had cumulatively increased.

1.1.2. Objectives of Plan

The main purpose of the 1st CNDTP was to build the foundation for long-term economic growth. Thus, the 1st CNTDP planned to expand SOC and to adopt two methods, regional development and growth pole development. However, in the process of expanding the large industrial complexes, the development-oriented plan caused the exploitation of resources in the territory and pollution of the natural environment. The 1st CNTDP not only established the efficient utilization of national territory and development foundation for continuous economic growth, but also the plan for the natural environment and human life. Thus, the 1st CNTDP tried to conserve the natural environment and to improve the living environment by solving urban problems.

1.2. Contents and Strategies of Plan

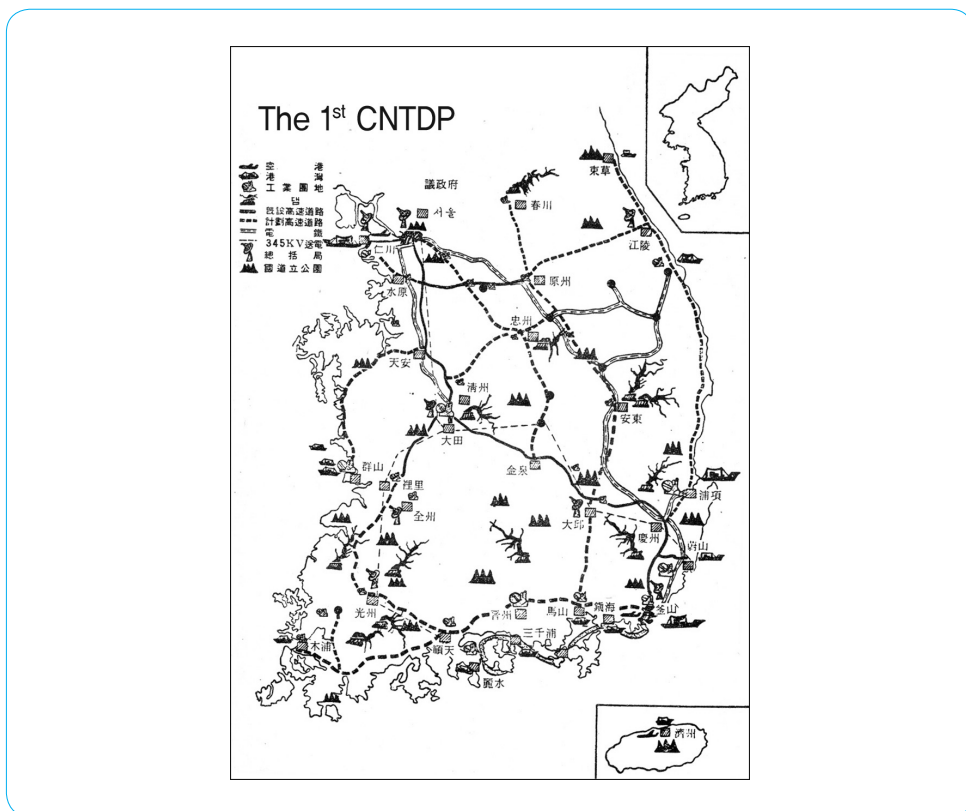
1.2.1. Contents of Plan

The 1st CNTDP was led by the nation to pursue the profit and adopted a growth pole development strategy. The government assigned Seoul, Incheon, Busan, and Ulsan as growth poles and heavily invested in those cities in order to obtain maximum profit with limited resources. In addition, the government categorized the entire country into four Great River regions (Han River, Geum River, Youngsan River, and Nakdong River), eight regional sectors (Capital region, Taebaek region, Chungcheong region, Jeonju region, Gwangju region, Jeju region, Daegu region, and Busan region), and seventeen sub-regional sectors, and applied different strategies to each region.

The plan assigned these four main areas as strategic regions to maximize development potentials and promote the industries to meet regional characteristics and build up the industrial foundation. In addition, industrial clusters were promoted by locating groups of key industries that were linked in the same region. Through the 1st CNTDP, the heavy-chemical industry belt was built in the southeast coastal area and the coastal industrial zone of “Gyeonggi” bay was heavily invested in. While promoting the industrialization of the selected regions, the agricultural basis became modernized and more advanced in order to be self-sufficient in food production and to mitigate the income gap between urban and rural areas. Transportation and communication networks were enhanced in order to connect cities and industrial complexes, and in order to reduce the information gap between urban and rural areas. Under the plan, thirteen industrial complexes were created in the early 1970s, and twenty-seven medium-sized industrial complexes were constructed in the late 1970s. As seen below, [Figure 3-3], a great number of large industrial complexes were constructed in the southeastern region, such as Ulsan and Pohang.

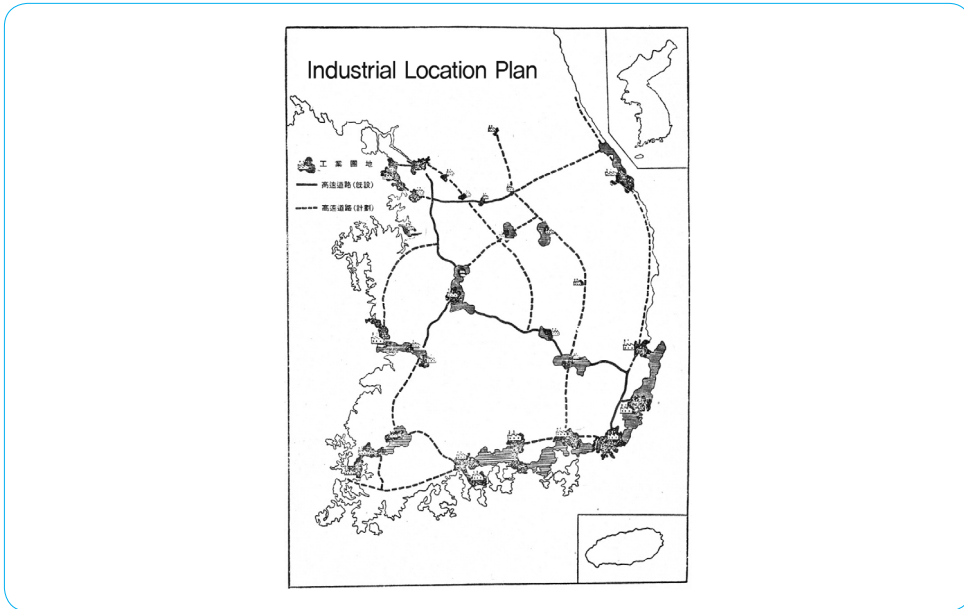
The systematic placement of the cities and the specialization of each city's function were stressed in order for development. The green belt zones were determined to stop the chaotic expansion of the city and to disperse the big city population. In addition to the improved living environment of urban areas, the 1st CNTDP planned to increase housing provisions, to manage deteriorated residential areas, to expand public transportation, and to develop water resources and facilities for a stable water supply. Water resource development, territory conservation, and cultural asset preservation were emphasized through the promotion of public plans, such as afforestation, erosion control, and flood control. Also, the government focused on enhancing the structure of agricultural production and the living environment of agricultural and fishing villages and made incessant efforts to conserve national territory. The third and fourth Five-year Economic Plans were implemented in the 1970s and The Saemaedul Movement, the new community movement that aimed to promote a modern, comfortable, and convenient rural community, was developed during this period as well.

Figure 3-1 | The 1st CNTDP



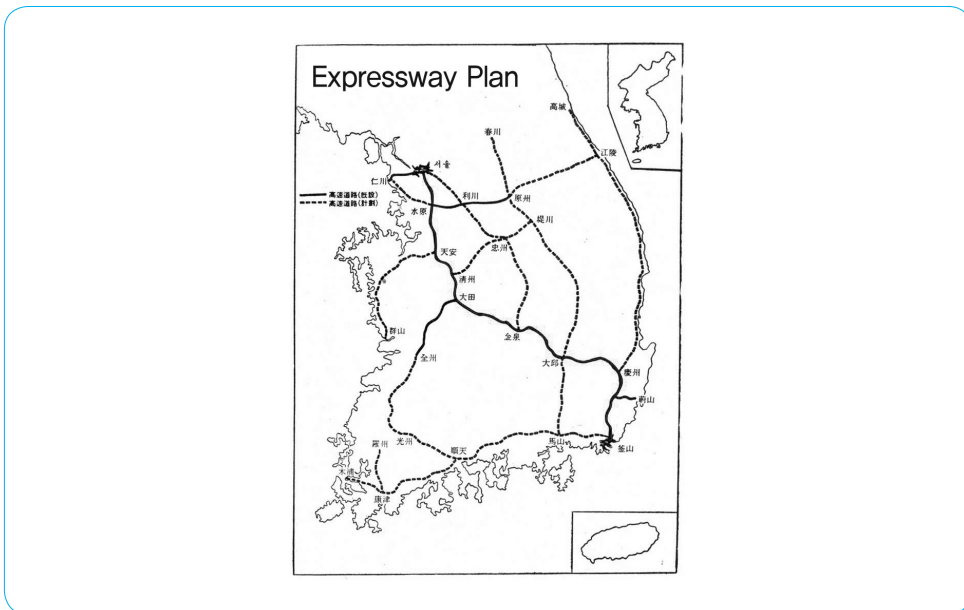
Source: The 1st CNTDP

Figure 3-2 | Industrial Location Plan in the 1st CNTDP



Source: The 1st CNTDP

Figure 3-3 | Expressway Plan in the 1st CNTDP



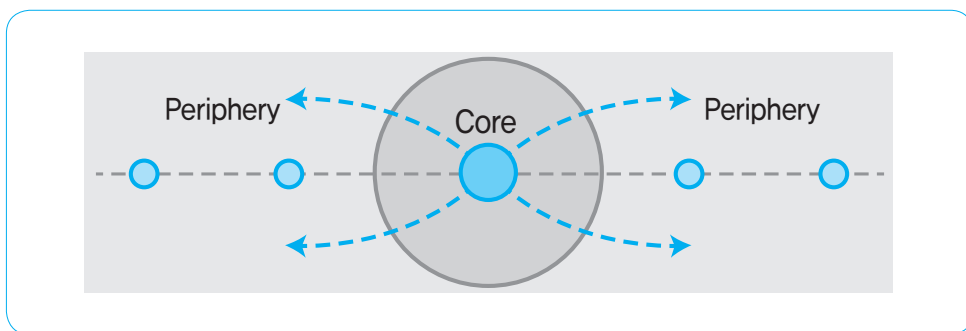
Source: The 1st CNTDP

1.2.2. Strategies of Plan

The 1st CNTDP promoted to develop large industrial complexes and enhanced the GNP (Gross National Product). Also, it expanded transportation/communication networks and energy network systems that were connected between large cities and the industrial centers for each region, in order to support underdeveloped regions. To accomplish this, the Government implemented the following strategies: First, it increased investment efficiency and attracted investment from the private sector as the basis for the comprehensive development of national territory and regional planning. Second, it promoted a growth pole strategy focusing on the “Gyeongbu” (Seoul-Busan) axis, in order to support rapid economic growth. Third, it placed a focus on maximizing investment efficiency and promoted the accumulation of profit through expanding the SOC. With these strategies, the industrial bases and complexes in Pohang, Gumi, Yecheon and Changwon, multipurpose dams (Soyanggang-dam and Andong-dam), infrastructure, and expressways (Honam expressway, which connects Daejeon and Suncheon, and Namhae southern sea expressway) were constructed during this period.

The core rationale for this strategy was a growth pole strategy. A growth pole means a metropolitan city or large industrial estate from which spillover effects can be felt in surrounding regions. This is revealed in [Figure 3-4]. As such, the 1st CNTP selected strategic regions with development potentials and planned to provide major infrastructure, such as highways, ports, and industrial complexes.

Figure 3-4 | Spillover/Trickle-down from Core to Periphery Regions



Source: Original from unpublished material, not for citation

1.3. Achievements and Limitations

1.3.1. Achievement of Plan

Through the 1st CNTDP, the foundation for industrial development was constructed in the capital area and coastal industrial zone in the southeast area. The multipurpose dams were built to secure a stable water resource and to develop them. The “Honam” (connecting Jeonju-Suncheon), the “Namhae” (Busan-Suncheon), the “Yeongdongline” (Railroad, Saemal-Gangneung), and the “Olympic 88 Expressway” (Daegu-Gwangju) were built as the arterial road networks with a total length of 1,415km. The railways in the capital region were constructed with a focus on Seoul, and local roads were paved and expanded to 6,125km. Furthermore, various systems and policies that supported the national territorial plan were established during this period. Consequently, the Korean government had built the framework for a national territorial plan through the 1st CNTDP. While international, political, and economic conditions changed rapidly, such as the oil crisis, the outbreak of war in the Middle East, and the end of the Vietnam War in the 1970s, the government strongly promoted the construction of industrial complexes and achieved \$10 billion from exports.

1.3.2. Limitations of Plan

While contributing to rapid economic growth and building the physical foundations for the development of Korea, the national territorial plan caused some problems. The government expected that the growth pole strategy would spill over to the other regions. However, the strategy exacerbated development gaps between cities, especially those that were concentrated on the capital region and the southeast region. The Government was successful in controlling the industrial locations in big cities, but the area expanded toward surrounding cities. In the capital region, industrial complexes were concentrated within Seoul. After the plan that focused on Seoul, they concentrated on the “Gyeonggi” region. The industrial complexes in the non-capital regions were concentrated on in the “Dongnam” region, such as Ulsan and Pohang.

Furthermore, in large cities like Seoul and Busan, the population concentration levels were higher than before the plan was started. Although, the population decentralization policy helped to mitigate rapid population growth within large cities, it also caused people to move to the surrounding cities, which resulted in a rise in land price and speculation in real estate. In addition, the green belt system brought out matters regarding the violation of property rights and the inconvenience for residents within the region.

2. The 2nd CNTDP (1982-1991)

2.1. Economic & Social Conditions and Objectives of Plan

2.1.1. Economic & Social Conditions in the 1980s

The population of Korea in 1985 was 40,467,000. The rate of increase in population was 2.9% in the 1950s and became 1.5% in the 1980s. Although the rate of increase in population was in decline, Korea was a high-density country with a population density of 408 persons/km² in 1985. In addition, the majority of the population was concentrated in urban areas, which resulted from rapid economic growth and industrialization. Urbanization exceeded 70%.

Table 3-1 | The Population and Urbanization Status

	1960	1970	1980	1985
Total Population (1,000 people)	24,989	31,434	37,436	40,467
Population Density (Person/km ²)	254	320	378	408
Urban Population (1,000 people)	8,947	15,652	24,876	29,870
The Rate of Urbanization (%)	35.8	49.8	66.4	73.8

Source: Republic of Korea, 1981, ^rThe Revised 2nd CNTDP₁

Through the economic plan and national territorial plan, Korea's economy was expanded and economic infrastructure modernized in the early 1980s. However, international situations changed in the 1970s, such as the change of international monetary regions, the retreat of the free trade system, and the oil shock. This aroused the Korean government to prepare a new plan to effectively respond to the international economic changes. With this in mind, the 5th Five-year Economic Plan was established. Its title changed to the 5th Five-year Economic and Social Development Plan (1982-1986), and aimed to stabilize people's livelihood, improve the international balance of payments, increase employment opportunity and income levels, and enhance the nation's welfare under the principles of stability, efficiency, and balance.

The plan understood the early 1980s economic conditions, such as a sharp rise in the price index, the issue of balance for international payments, and economic recession. However, high economic growth and low prices lasted and the goals and strategies were

modified in 1983. Price stability, export-oriented economics, balanced development, a pleasant environment, and the satisfaction of basic needs were the main focuses of the modified plan. In particular, the 5th plan was significant because government-driven economic development had converted to privately led development and respected private creativity. During this period, international economic conditions had improved, prices were continuously stabilizing, and a current account surplus was actualized. Thus, Korea was able to build the foundation to grow on its own without foreign loans.

The 6th Five-year Economic and Social Plan (1988-1991), to a large extent, continued to emphasize the goals of the previous plan. It determined economic advancement and the nation's welfare improvement as basic principles, and aimed to construct the foundation for an advanced society. The government improved the economic and social system, restructured industrial infrastructure, pursued balanced development, and enhanced the nation's welfare. Oil prices and exchange rates changed and basic goals and strategies were modified in 1988.

Under the principle of harmonization for autonomy, stability, and welfare, the plan gave directions to improve equity in economic management and secure fairness regarding enhancements to the balanced development of economy and ordinary people's livelihoods. Also, the plan pursued economic liberalization and globalization. During this period, economic growth, GNP, and national savings were increased. Accordingly, the political and social democratization, and economic liberalization were advanced. At the same time, real estate speculation was prevalent.

2.1.2. Objectives of Plan

The basic objective of the plan was to pursue a balanced development of national territory and the promotion of national welfare. The country was divided into four regional economic zones (Capital region, Joongbu region, Seonam region, and Dongnam region) and four specific zones (lagging regions such as Jeju island, Taebaek mountain, the surroundings of the Olympic 88 expressway) and special plans for each zone were promoted.

The 2nd CNTDP planned to control the population density in Seoul and to expand employment opportunities and urban service to non-capital regions. This would hopefully induce the population to migrate toward non-capital regions. Thus, the plan was designed to distribute properly sized industries to non-capital regions and to improve the level of national welfare through the maintenance of housing, water and sewage. In addition, it planned to save national resources and to reduce the destruction of the natural environment in order to conserve national territory.

2.2. Contents and Strategies of Plan

2.2.1. Contents of Plan

The government wanted to spread the accumulation of profit to several cities throughout the entire nation. Thus, a strategy to develop the wide areas, which compromised growth pole development and balanced development, was chosen as a development method for the 2nd CNTDP. In this period, the government implemented the 5th and 6th Five-year Economic development plans, and constructed a base for economic stabilization.

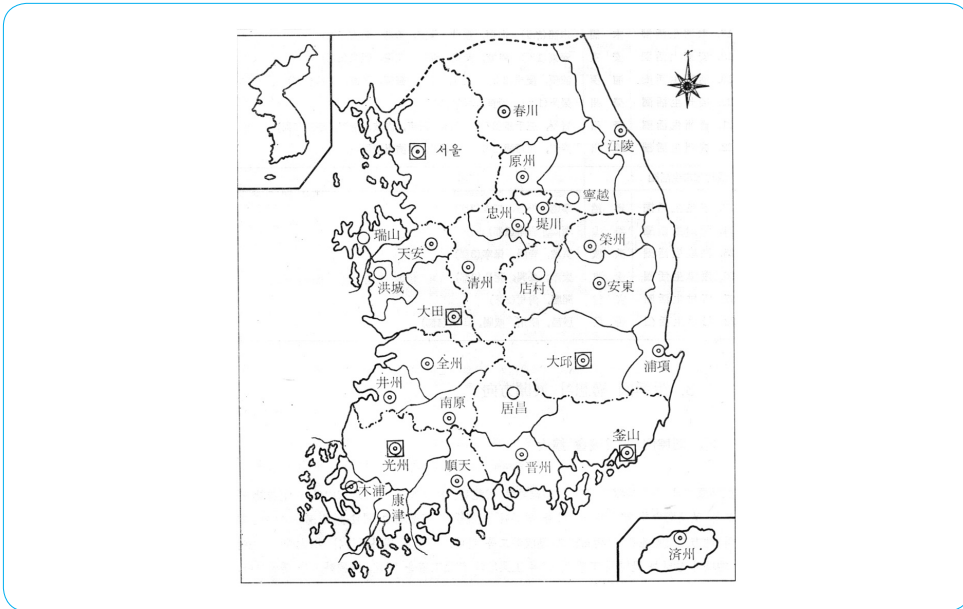
The 2nd CNTDP planned to disperse the population and to help them settle down in a non-capital region. For this, the government controlled the concentration of population in the capital region, fostered cities that had development potential, and built agricultural industrial complexes and small industrial complexes. In addition, the government designated specific regional zones, such as the capital region, Taebaek mountain region, archipelago region, and surroundings of the Olympic 88 Expressway. In addition, it established specific plans for those areas. In particular, a basic plan to improve the capital regions and implementation plans were shaped. The plan aimed to conserve national territory while developing resources. Thus, the government managed water resources since environmental pollution resulted from urbanization and industrialization, and expanded the base for agricultural production, in response to an increased need for food. The plan was to improve the national living environment.

2.2.2. Strategies of Plan

The government, as a result, promoted to supply affordable housing, to enhance housing quality, and to conserve the quality of water by expanding water and sewage facilities all over the country. The plan was to improve the foundation for development of national territory and transportation/communication network facilities. In addition, it desired properly sized industrial complexes to meet the nuances of regional characteristics. Also, the government expanded road networks, paved local roads, and built large sizes of reclaimed land. The plan was to use and manage national territory. Thus, the number of national parks was increased and conservation areas were designated on the basis of land planning. In addition, the government made efforts to improve productivity, to improve the efficiency of land use, to open the land to the public, and to build multipurpose dams, to use and manage the territory.

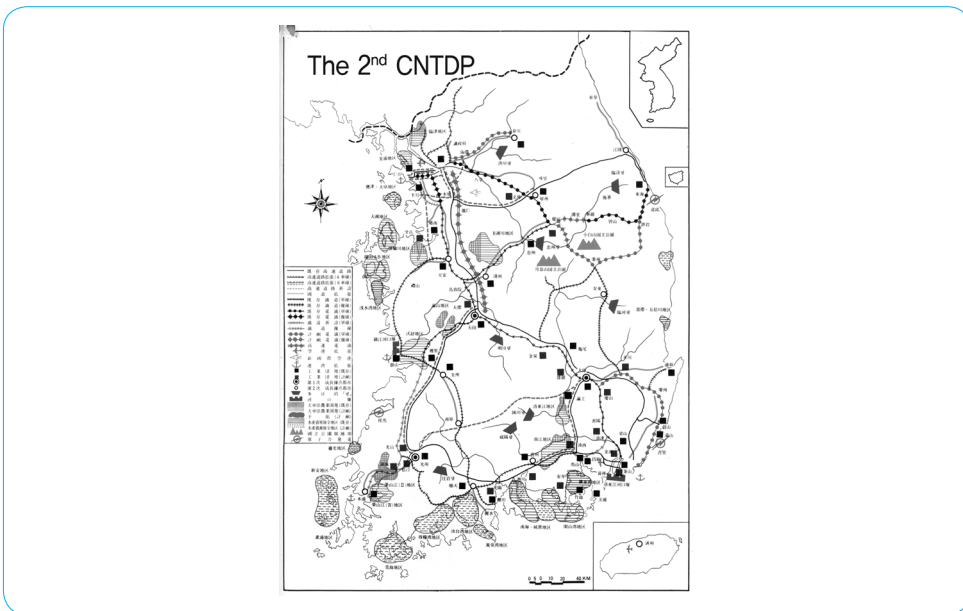
The plan grouped core local cities together that had development potentials and were chosen to be the economic and urban cores for wider surrounding territories. This was done specifically for surrounding rural areas that lagged behind. These groups were categorized into regional economic zones. The central cities and rural areas within these zones were comprehensively developed together.

Figure 3-5 | 2nd CNTDP Framework of Regional Living Sphere



Source: The 2nd CNTDP

Figure 3-6 | The 2nd CNTDP



Source: The 2nd CNTDP

2.3. Core Project in the 2nd CNTDP: Seoul Metropolitan Readjustment Plan

In the late 1980s, the population of the capital region was over 35.5% of the whole country. Population, industry, and various central functions of the nation had constantly focused on the capital region. Consequently, continuous geographical inequalities exacerbated the depression of small and medium-sized cities in non-capital regions and farming and fishing village areas. Security problems were also an issue because a large portion of the population was concentrated adjacent to the demilitarized zone. For this reason, the government stepped in and controlled the population concentration and industrial locations in the capital region. They also decided on the regional development policy as well as the balanced development of the country through the 2nd CNTDP.

The policy goals and strategies have been changed according to time and situation. In the 1960s, the plan focused on Seoul, the capital city, and tried to solve the population concentration problem because of overcrowding in the city. Since 1970, safety and wide area zones were the main issues. The 2nd CNTDP, which is an upper-level plan compared to capital region planning, emphasized the balanced development of the national territory and the capital region. These were the main focuses of the project in the 1980s. For this reason, the government summed up the previous studies, and announced the basic plan, The Seoul Metropolitan Readjustment (1982-1996) as detailed in <Table 3-2>. *The Seoul Metropolitan Area Readjustment Planning Act*, the legal basis for a core strategy, was established in 1984. The area designated as the capital region was expanded to include Seoul City, Incheon Metropolitan City, and the “Gyeonggi” area.

Table 3-2 | Major Capital Region Management Plans (1976-1988)

Year	Ministry in charge	Policy	Details
1978.1	The 1 st Minister without portfolio	Capital Region Population Rearrangement Plan	<ul style="list-style-type: none"> • Plan period: 1977-1986 • Boundary of capital region: 7 cities, 8 counties, 35 "eup/myun" • Control building/extension of factories within capital region • Create conditions for population accommodation, south of the capital region • Education policy, capital region maintenance, tax, financial support
1982.1	Ministry of construction	The 2 nd CNTDP (1982-1991)	<ul style="list-style-type: none"> • Control & manage the growth of Seoul and Busan • Foster the growth pole cities in non-capital regions • Create local life zone
1984.7	Ministry of construction	Master Plan for Seoul Metropolitan Area Readjustment	<ul style="list-style-type: none"> • Plan period: 1984-1996 • Boundary of capital region: Seoul, Incheon, and Gyeonggido • Main contents: Classify capital region into five zones and give basic directions for factories, education facilities, housing site business, urban planning in capital region, and SOC investment
1986.7	Ministry of construction	Implementation Plan for Seoul Metropolitan Area Readjustment	<ul style="list-style-type: none"> • Objective zone: development inducing zone • Designate industrial land in 14 districts • Expand SOC (transportation, communication and water supply)
1987.1	Ministry of construction	The 2 nd CNTDP revised plan (1987-1991)	<ul style="list-style-type: none"> • Continue the policy of the capital region suppression policy • Comprehensive management of metropolitan areas • Foster regional economies

Source: KRIHS, "50 Years History of National territory: Remembrance and Prospect toward the 21C", p.216

In order to control the excessive concentration of the population and industries in the capital region, and encourage a balanced development of the country, five goals were established as follows: First, the government strongly restricted the building of industrial facilities which drove a population increase in Seoul and kept only pivotal roles. Second, cities within the capital region shared Seoul's functions, and formed a wide-area zone that had a multi-core through planning. Third, the government maintained infrastructure such as

transportation and water supply, and adjusted to a regional system. Fourth, the government prevented environmental pollution in the Han River in advance and secured pleasant green space. Finally, the government recognized a vulnerability in their defense strategy and responded to the changes for national security.

Figure 3-7 | Five Zones in Seoul Metropolitan Readjustment Plan



Source: Ministry of Land, Transport, and Maritime Affairs

The Korean government classified the capital region into several zones: relocation promotion zones, limited readjustment zones, development inducing zones, national environment conservation zones, and development reserve zones, as shown in [Figure 3-7]. Each zone had different strategies and land use regulations in order to estimate the proper amount of population and industries for each zone. Refer to <Table 3-3> for details.

Table 3-3 | Five Zones and Managerial Strategies

5 zones	Strategies	Guideline by zones
Relocation Promotion Zone	Regulate Concentration	<ul style="list-style-type: none"> • Encourage population concentrating facilities to move out of this zone, regulate to build new buildings or extend facilities within this zone • City readjustment: Change one core system depending on Seoul to a multi-core [Relax the building to land ratio and floor-area ratio in Seoul, control large-scaled residential land development and housing construction, and secure public land] • Build transport networks to connect with surrounding cities to relax overcrowding in the city • Prohibit the building of new and advanced education institutions, to increase the number of students, and to control local students to enroll in local schools rather than ones in Seoul
Limited Readjustment Zone	Control Overcrowded	<ul style="list-style-type: none"> • Only accept limited extensions of existing facilities, and regulate the building of new population inducing facilities • Maintain existing urban industrial district on a smaller scale • Review urban planning to expand green space in the city • Prohibit the building of new and advanced education institutions, to increase the number of students, and to control local students to enroll in local schools rather than ones in Seoul
Development Inducing Zone	Accept	<ul style="list-style-type: none"> • Establish/implement a development plan to induce population concentrated facilities to move from relocation promotion zones and limited readjustment zones • Designate new towns that can accept population and industries from the capital region • Prohibit the building of new and advanced education institutions, to increase the number of students, and to control local students to enroll in local schools rather than ones in Seoul

5 zones	Strategies	Guideline by zones
National Environment Conservation Zone	Conserve Han River	<ul style="list-style-type: none"> • Regulate the construction of large-scaled land for housing and industry, and suppress the factories causing water pollution • Develop small-scaled garden cities centered on housing, culture and research in Icheon, Gonjiam and Yongin, and extend transportation networks which connect these cities and Seoul • Prohibit the building of new and advanced education institutions, to increase the number of students, and to control local students to enroll in local schools rather than ones in Seoul
Development Reserve Zone	Special Development	<ul style="list-style-type: none"> • Regulate land readjustment projects, residential land development projects and industrial land development projects which induce urbanization • Strengthen service functions in the Northeast region • Prohibit the building of new and advanced education institutions, to increase the number of students, and to control local students to enroll in local schools rather than ones in Seoul

Source: Ministry of Land, Transport, and Maritime Affairs

The five zones in the Seoul Metropolitan Area Readjustment Planning supported the guidelines with tax, financial support, and regulations. The government provided tax support when the facilities that induced a concentration of the population moved to local areas. In addition, there were tax exemptions for the real estate that the business used. On the other hand, a five-times-greater tax was imposed on newly built facilities that attracted a concentration of the population. The government also improved road maintenance, improved transportation networks, and extended subway lines between Seoul and cities where the relocated population could be accommodated for. Finally, the government maintained airport and port facilities, developed tourism resources, and managed tourism facilities in the capital region.

With the maintenance of facilities, the government instituted environmental conservation and management policies with strict water pollution prevention programs and the designation of special areas. In addition, government offices were encouraged to move to local areas. The government also restricted new financial companies and insurance companies in the capital region and implemented a system for human impact assessment, in order to prevent companies from attracting employees into the capital region. A total of three plans by the Seoul Metropolitan Area Readjustment Planning was developed so far, and the details are in <Table 3-4>.

Table 3-4 | Development of Seoul Metropolitan Area Readjustment Plans

	The 1 st Seoul Metropolitan Readjustment Plan	The 2 nd Seoul Metropolitan Readjustment Plan	The 3 rd Seoul Metropolitan Readjustment Plan
Period	1982-1996 (15years)	1997-2011 (15years)	2006-2020 (15years)
Key Note	Build settlement base in local region	Control concentration and maintenance of the capital region	Develop together with local region Economic hub in Northeast Asia
Objective	<ul style="list-style-type: none"> • Control industry & population in the capital region • Induce balanced development by function dispersion 	<ul style="list-style-type: none"> • Construct spatial structure base responding to globalization, localization, and reunification 	<ul style="list-style-type: none"> • Advanced quality of life to the level of developed countries • Construct a management base for sustainable capital for regional growth • Develop with non-capital regions together • Competitive capital-region as economic center at Northeast Asia
Strategy	<ul style="list-style-type: none"> • Suppression for locating population concentrating facilities in Seoul • Share urban functions between cities in the capital region and form a metropolitan area which has a multi-core • Protect environment in the Han river 	<ul style="list-style-type: none"> • Local living zone which has self-reliance • Improve functions of the capital region to prepare for globalization • Construct a base for reunification • Secure pleasant living condition and conserve the natural environment 	<ul style="list-style-type: none"> • Stabilize population in the capital region • Strengthen competitiveness in the capital region <p>Improve the quality of life in the capital region</p> <ul style="list-style-type: none"> • Improve unreasonable control on the capital region
Spatial Structure	Share functions between cities within capital region and form the wide-area living zone which has multi-cores	Maintenance by each four axis (Seoul-Incheon, Ansan-Asanman, Paju-Pocheon, Icheon-Gapyeong)	Connected multi-cores (Seoul and 10 self-reliant urban zones)

	The 1 st Seoul Metropolitan Readjustment Plan	The 2 nd Seoul Metropolitan Readjustment Plan	The 3 rd Seoul Metropolitan Readjustment Plan
Readjustment Zone	5 zones Relocation Promotion Zone, Limited Readjustment Zone, Development Inducing Zone, National Environment Conservation Zone, Development Reserve Zone	3 zones Overcrowd Control Zone, Growth Manage Zone, Natural Environment Conservation Zone	3 zones Overcrowd Control Zone, Growth Manage Zone, Natural Environment Conservation Zone
Feature	Regulations for building physical, or individual facilities and to locate them in the capital region	Regulate the economy and total quantity of construction - Impose fines for over-density and regulate the total number of factories in the capital region	<ul style="list-style-type: none"> • Regulate the economy and total quantity of construction - Impose fine for over-density and regulate total number of factories in the capital region • Improve regulations for short/long-term - For short-term, introduce 'maintenance development district' where the metropolitan area regulation is applied differently - For long-term, shift the management method of the capital region

Related legislation: Article 4 of *The Seoul Metropolitan Area Readjustment Planning Act (The Establishment of Seoul Metropolitan Area Readjustment Planning Act)*

Source: Ministry of Land, Transport and Maritime Affairs, Territorial Policy Division, Capital Region Policy Division

2.4. Achievements and Limitations

2.4.1. Achievement of Plan

While the 1st CNTDP promoted a production environment focusing on development, the 2nd CNTDP emphasized enhancing the nation's living environment. This was to nurture core issues within local areas, and to address the problems of environmental pollution and its negative effects on the land.

Policies and regulations to support the national territorial plan were established during this period. Acts on special measures concerning the specific areas to promote comprehensive development, such as *The Seoul Metropolitan Area Readjustment Planning Act*, the office of balanced regional development, and the development plan for the west coast, were established and planned. The concept of public ownership of land was applied to the planning. The facilities for an industrial base were expanded for continuous development and the nation's living environment was regarded as an important factor in economic growth. Thus, environmental protection laws and laws related to the public ownership of land were established. Each province establish a comprehensive development plan in 1981 and 1982. Plans for local level development became possible.

Investment continued to be concentrated on large cities like Seoul and Busan. The wide disparity in economic opportunities between cities was not mitigated. In particular, the government eased the existing measures that prohibited a concentration on the capital region because of The Olympic Games in 1988, and this resulted in exacerbating regional disparities. In addition, the lack of resources and pollution of the natural environment in national territory consistently occurred.

The government recognized the dangers of environmental pollution from industrialization, and forced construction companies to follow environmental impact assessments when they determined their industrial location. This would prevent excessive damage to the natural environment and strengthen the measures for managing polluted resources. The government also induced factories, which were improperly located in large cities, to move out to the suburbs. The government also promoted the construction of a raw material stock facility for the stable supply of raw materials.

Table 3-5 | Results of the 2nd CNTDP

	1981	1991 Plan (A)	1985 Implementation (B)	The performance rate (B/A)
Industrial Site (km ²)	332	468	373	79.7
Length of Expressway (km)	1,245	1,715	1,415	82.5
The Rate of Pavement of Local Road (%)	55.3	92	73.7	80.1
Railroad Electrification (km)	428.1	1,286.5	431.7	33.3
Numbers of Telephone Service (1,000 lines)	3,263	13,312	6,517	49.0
Water Supply by Multipurpose Dam (million m ³ / year)	4,272	13,100	7,652	58.4
Housing (1,000 ea)	5,581	7,539	6,107	81.0
Water Utility (1,000 m ³ / day)	7,508	16,224	10,214	63.0

Source: Republic of Korea, 1981, 「the revised 2nd CNTDP」

2.5. The Revised 2nd CNTDP (1987-1991)

During the development process, population, industry, and various central functions of the nation had constantly focused on the capital region. Consequently, continuous geographical inequalities exacerbated the depression of small and medium-sized cities in non-capital regions and farming and fishing village areas. For this reason, the revised national territorial plan was established in 1987, taking into account the economic, environmental, and international conditions of that time, such as wide regional localization and liberalization. A strategy for balanced development was adopted instead of developmental strategies for regional living zones and growth poles that promoted specific city regions. The balanced development strategy adopted regional economies as development units and divided the national territory into four regional economic zones: the capital region, Joongbu (middle) region, Dongnam (southeast) region, and Seonam (southwest) region. In addition to these city regions, specific areas were designated to support lagging areas though they had developmental potential for even development.

2.5.1. Objectives and Strategies of the revised 2nd CNTDP

The basic objectives of the revised plan were the same as the original plan, but there were changes in development strategies and policies. The revised 2nd CNTDP planned to form multi-core structures of national territory for balanced development. It also developed and managed central cities in the local areas (or non-capital region) by grouping big cities and their surrounding rural areas.

The revised 2nd CNTDP allocated proper public facilities to regions and promoted the development of underdeveloped regions. The local governments also gained autonomy for their regions. Resident participation was expanded and each region developed different regulations since local self-governing systems had been implemented.

2.5.2. Achievements and Limitations of the revised 2nd CNTDP

The revised 2nd CNTDP planned to distribute concentrated urban functions nationwide, such as administration, finance and education in the capital region, by forming regional economic zones corresponding to the capital region. To some degree, this policy worked to control population in the capital region and the disparity between capital and non-capital regions in sectors, such as work, income, and living environment, had decreased compared to that of the 1980s. However, the capital region still had more opportunities in all sectors than non-capital regions.

Table 3-6 | Disparities in Opportunity between Capital and Non-capital Regions

(The nationwide standard =100)

Sector	Indicator	1980		1988	
		Capital region	Non-capital region	Capital region	Non-capital region
Work	Number of employees in manufacturing per 1,000 people	129.2	84.0	120.3	86.4
	Number of employees in service per 1,000 people	144.0	75.3	124.2	84.1
	Number of employees in specialized job per 1,000 people	145.3	75.0	137.6	76.0
Income	Percentage of family who owned car	-	-	165.0	60.0
	The amount of deposit per capita	199.6	45.2	166.6	53.8
	Numbers of livelihood program recipient per 1,000 people	55.3	124.6	39.7	142.1
Research & Development	Number of researchers in institutions of natural science and engineering per 10,000 people	-	-	159.3	59.3
	Number of institutions affiliated with companies	203.7	42.9	170.0	51.4
Living Environment	Number of prestigious universities per 10,000 people (ranked 25 th)	-	-	195.2	54.4
	Number of doctors per 10,000 people	149.2	74.6	129.6	79.0

Source: KRIHS, 1991, 『Draft Proposal of the 3rd CNTDP (1992-2001)』

3. The 3rd CNTDP (1992-2001)

3.1. Economic & Social Conditions of Nation and Objectives of Plan

3.1.1. Economic & Social Conditions in the 1990s

The population and the economy continued to be concentrated in the capital region in the 1980s. This resulted in a disparity in development, infrastructure, and income, which caused a rise in land value and environmental pollution. Moreover, the competition in the global market was growing fierce and globalization, internationalization and localization intensified worldwide. In particular, a local self-governing system was implemented in the 1990s and it was expected that the local governments' roles in the development of national territory would increase and competition between local governments would intensify.

In the 1990s, not only economic conditions, but also social and political conditions were significantly changed. The authority shifted from the central government to the local government and liberal ideology affected the Five-year Economic and Social Development Plan. The 7th Five-year Economic and Social Development Plan (1992-1996) was established with an emphasis on the private sector's role in planning and implementation, instead of government-led development. The government and industry worked together to build high-technology facilities in seven provincial cities to balance the industry's geographic distribution throughout the country. It aimed for economic and social advance, globalization, liberalization, and the reunification of Korea.

The new government, launched in February 1992, stopped the 7th plan and announced the Five-year Economic Plan for the New Economy in 1993. This plan outlined an increase of affordable housing supply and expanded social security and welfare systems. It aimed to construct a new economy based on the participation of all citizens. Its goals were to build an economic base for reunification and promote a system of reforms in finance and administration. In addition, the administration would redefine economic ethics and professional pride. For this, the government introduced special taxes and traffic taxes for farming and fishing village, expanded infrastructure, improved infrastructure of rural areas, and supported small and medium-sized business. There was also a reform of financial policies. Administrative regulations were reduced and many policies were developed to respect the private sector's freedom. The civilian administration actively got involved in economic management, making systems fit into internationalization, and the formation of international trade orders. Accordingly, the government expanded their export market, activated cooperation between North and South Korea, and joined the OECD in 1996. This

last Five-year Economic Plan lasted for 30 years. While the private sector was emphasized in the atmosphere of economic growth achievement, globalization, and liberalization, the 3rd CNTDP was established.

3.1.2. Objectives of the 3rd CNTDP

The 3rd CNTDP pursued to achieve the following: the balanced development of national territory through fostering local regions, the establishment of new systems for national territory to meet the change in global standards (focusing on exchange, cooperation and environmental soundness), and the preparation for reunification. First, the 3rd CNTDP aimed to build a balanced frame for national territory and to decentralize authority. Second, it aimed to efficiently structure conservational national territory. It organized the proper infrastructure system for national territory and supported it to correspond to the changes of international and domestic conditions. Third, it aimed to enhance national welfare and conserve the natural environment. Therefore, the plan improved the living environment of the nation and satisfied the basic needs for citizens. Finally, the plan aimed to organize national territory for reunification. The plan tried to gradually reduce the territorial differences between the North and the South and to build up the foundations for reunification.

3.2. Contents and Strategies of Plan

3.2.1. Contents of Plan

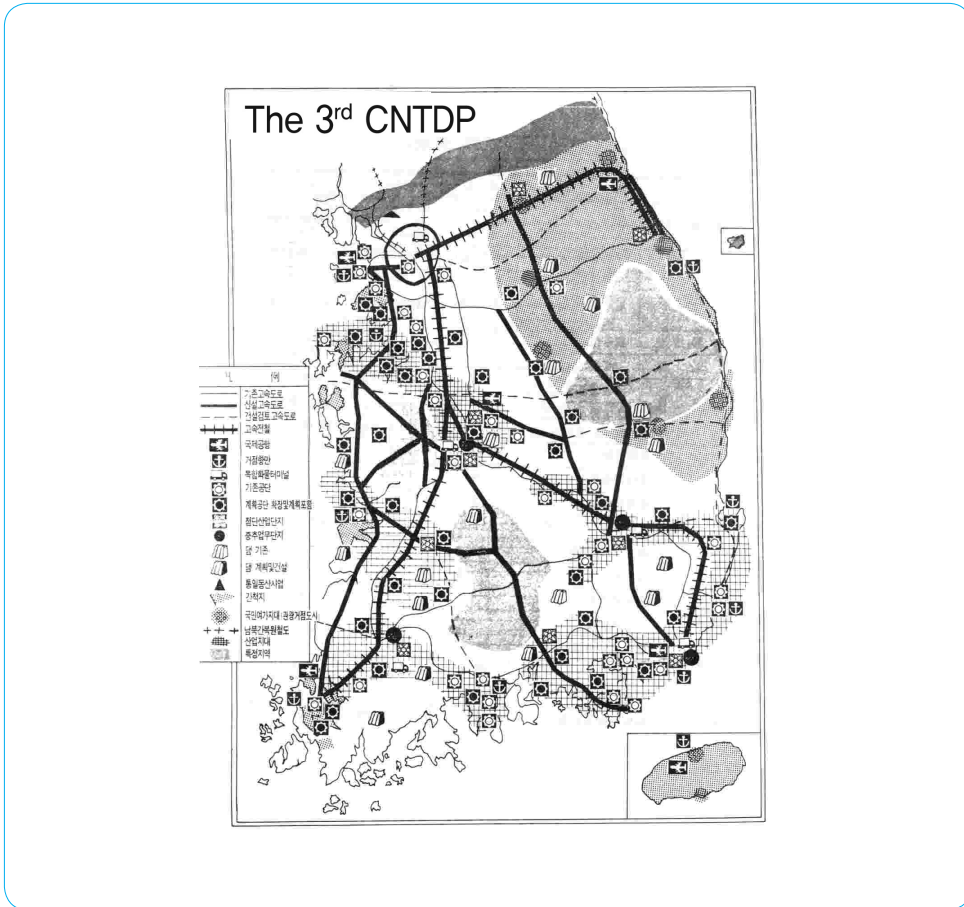
a. Build Multi-cores

The government selected several cities as “cores,” which are the centers for the development of the region. The purpose of multi-cores was to redistribute population and industries to support social, economic and cultural resources in local regions and to establish balance in the nation.

b. Regional Economic Zone

The government integrated the central city, which was the center of administration, business, information, and research, with its surrounding regions, and built territorial units. Afterwards, it established regional economic zones centered on cities that had economic and development potential.

Figure 3-8 | The 3rd CNTDP



Source: The 3rd CNTDP

3.2.2. Strategies of Plan

The 3rd CNTDP planned to foster non-capital regions and control the capital region. Thus, the government promoted the development of a proper policy and provided facilities to meet the conditions of each non-capital region. It attracted people and industries to settle down in local regions. The plan was designed to construct new industrial complexes in mid-west and southwest regions and promoted industries to upgrade to the high-tech market. The plan then continued to construct a link between high-tech industrial complexes and research and educational complexes to reinforce international competitiveness.

The 3rd CNTDP also planned to build integrated high-speed network systems. The high-speed transport networks connected large cities and new industrial complex zones

and supported the smooth flow of domestic and foreign goods. The connecting system between facilities was organized in order to improve the efficiency of distribution. The 3rd CNTDP emphasized investments for enhancing the nation's standard of living and natural environment. For this, the investments for housing, water, sewage and environment were increased. Policies for utilizing national territory and conserving the natural environment and a management system were established. The plan took the development of interacting districts between the North and the South into account to prepare for reunification. The government improved the living environment of residents who lived within the civilian control line, constructed a place for mutual exchange between the North and the South, restored transport networks connecting the North and the South, and promoted cooperative development businesses.

3.3. Core Projects in the 3rd CNTDP: 5 New Towns in the Capital Region

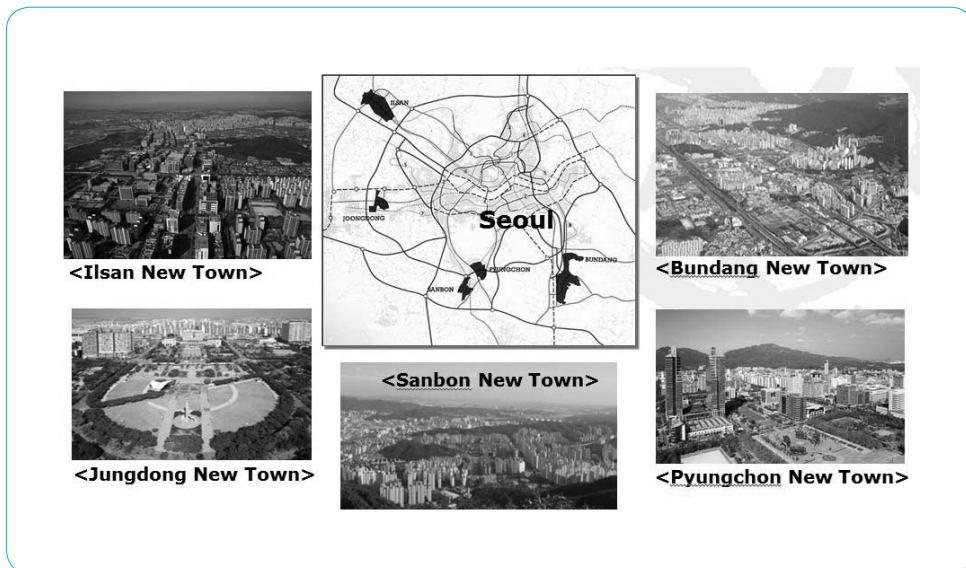
Korea started to develop new towns in the 1960s to develop cities around industrial complexes. Industrial complexes and new towns were separated at first, and gradually combined together in the direction of new industrial cities. Ulsan (1962) and Seongnam (1968) represent new towns in the 1960s, and Pohang, Changwon, Yecheon, and Gumi were constructed in the 1970s. Banwol was a new town constructed to move small and medium-sized factories in Seoul. Daedeok science city was constructed in the late 1970s to disperse the main functions of Seoul. Gwacheon was a new town constructed to disperse administrative functions from Seoul to suburbs. In particular, a second integrated government complex was moved to Gwacheon and it was not considered an industrial city, but a garden city.

In the late 1980s, housing supply was not able to catch up with increasing demands. Real estate speculation, therefore, was intensified and housing prices soared. The government decided to initiate a construction plan that would create two million housing units. Inside the big city, large-scale land was not available, and that encouraged the government to extend the scope of development to surrounding cities, outside of limited development districts. Five large-scale new towns, such as Bundang, Ilsan, Pyeongchon, Sanbon, and Joongdong, were planned and developed in the early 1990s, and provided about 300,000 new housing units by the mid-1990s.

Five new towns in the capital region, called the 1st new town, was not only located at a similar distance from the center of Seoul, around 20-25km from Seoul, but also was similar in planning information, time, subjects, and periods as shown in [Figure 3-9]. Environment levels, indicators, and urban spatial configurations were also similar. However, the size

and targeted population were different. For example, Bundang was 1,964 “ha” in size with a population of 390,000. Ilsan was 1,574 “ha” and 276,000, Pyeongchon was 511 and 168,000, Sanbon was 420 ha and 166,000, and Joongdong was 545 ha and 170,000 (Refer the <Table 3-7> for details of each new town). In five new towns, the rate of commercial and residential use was estimated to be very low. In addition, roads were planned with great attention and detail compared to other cities. These new towns tried to secure land for public facilities to improve their urban environment. Land use for industrial purpose was not planned, except several apartment style factories. These new town cities contributed to the stabilization of quantitative housing supply for the short-term. Only the supply side of housing, however, was highlighted and it failed to satisfy other urban functions. Thus, plans for recently built towns focused on multifunctional administration and enterprise, introducing multi-functional cities.

Figure 3-9 | Five New Towns in the Capital Region



Source: Original from unpublished material, not for citation

Table 3-7 | Details of Five New Towns in the Capital Region

	Bundang	Insan	Pyeongchon	Sanbon	Joongdong
Objective and features of development	Central business of capital region, Commercial region, Self-reliant city	Garden city where art & culture are fully equipped, Central city of west part of capital region, Advanced base for reunification	New central business area in Anyang	New central business area in Gunpo, Garden city with beautiful environment	New central business area in Bucheon, Suburb dwellings centered on industrial region between Seoul/ Incheon
Location	25km southeast from Seoul Gyeonggi-do Seongnam-si	20km northwest from Seoul Gyeonggi-do Goyang-si	20km south from Seoul Gyeonggi-do Anyang-si	25km south from Seoul Gyeonggi-do Gunpo-si	20km west from Seoul Gyeonggi-do Bucheon-si
Area	19.6km ²	15.7km ²	5.1km ²	4.20km ²	5.5km ²
Population capacity (families)	390,320 persons (90,7580 families)	276,000 persons (6,9000 families)	168,188 persons (42,047 families)	165,588 persons (41,397 families)	170,000 persons (42,500 families)
Development operator	Korea Land Corporation	Korea Land Corporation	Korea Land Corporation	Korea Housing Corporatoin	Korea Land Corporation Korea Housing Corporatoin Bucheon city
Development period	1989.8-1996.12	1990.3-1995.12	1989.8-1995.12	1989.8-1994.12	1990.2-1994.12

Source: Korea Land Corporation, 1997, Development History of Bundang New Town

3.4. Achievements and Limitations

3.4.1. Achievements of Plan

The 3rd CNTDP investigated the former plans, 1st and 2nd CNTDP, and aimed to solve the problems that emerged from them. Thus, it was a nationwide and systemic plan and designed to build a territorial base for reunification. Specific region plans, such as *The Seoul Metropolitan Area Readjustment Plan*, *The Farming & Fishing Village Development Promotion Act*, *The Framework Act on Environment Policy*, *the new Seoul Metropolitan Airport Construction Promotion Act*, the 7th Five-year Economic Plan, *The Balanced-Development Act* and *The Small & Medium Business in Local Areas Promotion Act* were established and modified to support the 3rd CNTDP. During this period, the west coast highway that connected Seoul and Mokpo and new industrial complexes were constructed in order to promote development of the west coast. In addition, the integrated city, urban and rural regions combined, had emerged in order to foster local cities and rural areas.

Table 3-8 | Details of the 3rd CNTDP

	Plans for the project		
	1990	1996	2001
The area of farmland (km ²)	21,088	-	19,030
Population in urban area (1,000 people)	34,634	-	40,643
The rate of urbanization (%)	79.6	-	86.2
Number of housing (1,000 ea)	7,324	-	12,088
The rate of housing supply (%)	72.1	-	92.8
The facility of water supply (1,000ton/day)	16,585	21,745	26,761
Penetration rate of water supply (%)	79.0	85.0	90.0
The facility of sewerage (km)	5,393	11,382	12,619
Penetration rate of sewerage (%)	31.0	65	70

Source: Republic of Korea, 1992, "The 3rd CNTDP,"

The 3rd CNTDP was evaluated as a reasonable plan that followed standard procedures. From the beginning, when planning was established, related departments participated, such as the Ministry of Construction and Transportation, and twelve research institutions. The 3rd CNTDP included North Korea in their planning objectives for the first time and made a blueprint of a reunified Korea. It also paid close attention to international concerns, such as the natural environment.

3.4.2. Limitations of Plan

Although the 3rd CNTDP planned to reduce the development gap in the nation, national territory still remained in serious imbalance because most people only had development-oriented thoughts and neglected unplanned development. Although the concentration of the population in the capital region decreased, it was still very high; around 45% of the total population of the country resided in the capital region. Also, the infrastructure for production was mainly located in the capital region and Dongnam (southeast) region, and the other regions were relatively underdeveloped.

The world economic climate changed rapidly and the social, economic and cultural conditions of Korea also changed. The 3rd CNTDP was not successful in analysing condition changes and failed to make long-term blueprints for the development of national territory. Consequently, national territorial strategies were not enough to handle the unexpected situation of limitless competition in the years to come.

Table 3-9 | Concentration Changes of Capital Region

		1990		1994	
		Whole country	Capital region (%)	Whole country	Capital region (%)
Area & Population	The area of territory (km ²)	99,274	11,695 (11.8)	99,394	11,724 (11.8)
	Population (1,000 people)	43,520	18,600 (42.7)	45,512	20,445 (44.9)
Economy	Number of total business (ea)	128,668	74,011 (57.5)	153,554*	89,249* (58.1)
	Number of employees (1,000 people)	5,366	2,819 (52.5)	5,733*	3,091* (53.9)
	The amount of local taxes (million dollar)	6,367	3,405 (53.5)	11,018*	5,866* (53.2)
	The amount of deposit (million dollar)	84,054	55,078 (65.5)	107,351	69,817 (65.0)
	The amount of loans (million dollars)	74,029	46,557 (62.9)	135,850	82,315 (60.6)
	Numbers of total branches of banks (ea)	3,951	2,121 (53.7)	5,246*	2,839* (54.1)
Education & Culture	Numbers of universities (ea)	235	89 (27.9)	266*	99* (37.2)
	Numbers of university students (1,000 people)	1,467	607 (41.4)	1,565*	612* (39.1)
	Number of doctors (person)	40,359	21,329 (52.8)	51,904*	26,477* (51.0)
	Number of sickbed (ea)	134,176	56,353 (42.0)	164,588*	68,386* (41.5)
	The area of urban park (km ²)	127	65 (52.8)	189*	90* (47.6)
	Number of members for telephone service (1,000 people)	13,276	6,212 (46.8)	19,717*	9,219* (46.8)
	The amount of water supply (1,000 ton/day)	12,421	6,889 (55.5)	14,394*	7,898* (54.9)

Source: KRIHS, 1995, 『Achievement evaluation of The 3rd CNTDP』

* marked number is the statistics in 1993

4. The 4th CNTP (2000-2010)

4.1. The Original 4th CNTP (2000-2010)

4.1.1. Economic & Social Conditions and Objectives of Plan

a. Economic & Social Condition in the 2000s

While the average annual population growth rate in Korea had been on the decline since the 1960s, the rate of urbanization was continuously increasing and exceeded 86% in 1997. The current number of economically active people in 1995 was 31.7 million which is 71% of the total population, and the GDP of 1998 was around 32,130 million dollars.

Table 3-10 | Changes of Main Indicators in National Territory

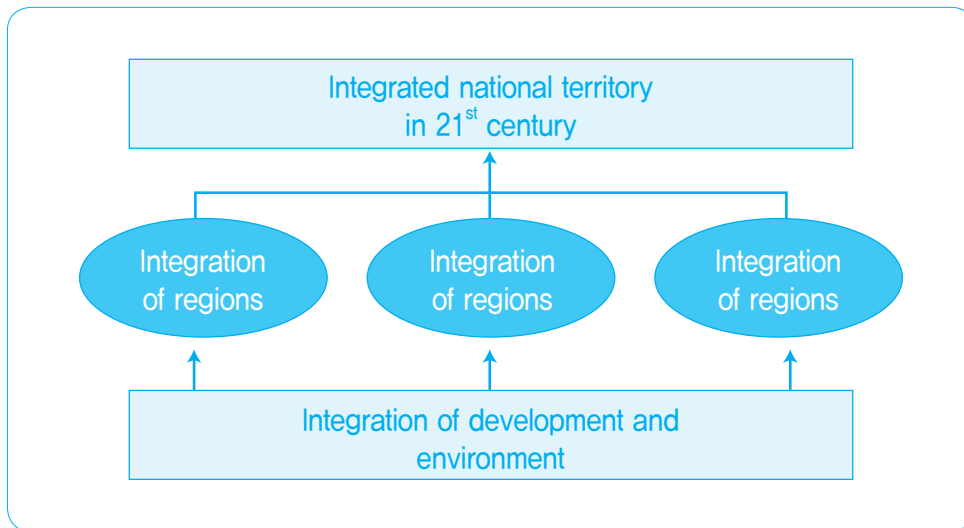
Indicator	1960	1970	1980	1990	1998
The area of national territory (km ²)	98,477	98,222	98,992	99,274	99,373
Number of population (10,000 people)	2,499	3,143	3,744	4,352	4,688
GDP (1,000 trillion KRW)	0.2	2.8	38.0	179.5	449.5
The rate of urbanization (%)	35.8	49.8	66.4	79.6	85.9('97)

Source: KRIHS, 1999, "The Draft Proposal of the 4th CNTP (2000-2020)"

b. Objectives of Plan

Balance and conservation were emphasized during this period. The nation became more interested in the quality of life and the environment than in economic growth. In addition, conservation of national territory and sustainable development were more emphasized than development. Under the "Key Note" shown in [Figure 3-10], "The realization of integrated national territory in the 21st century," four main goals are listed: balanced national territory, green national territory, opened national territory, and unified national territory.

Figure 3-10 | Key Note of the 4th CNTP



Source: The 4th Comprehensive National Territorial Plan

4.1.2. Contents and Strategies of Plan

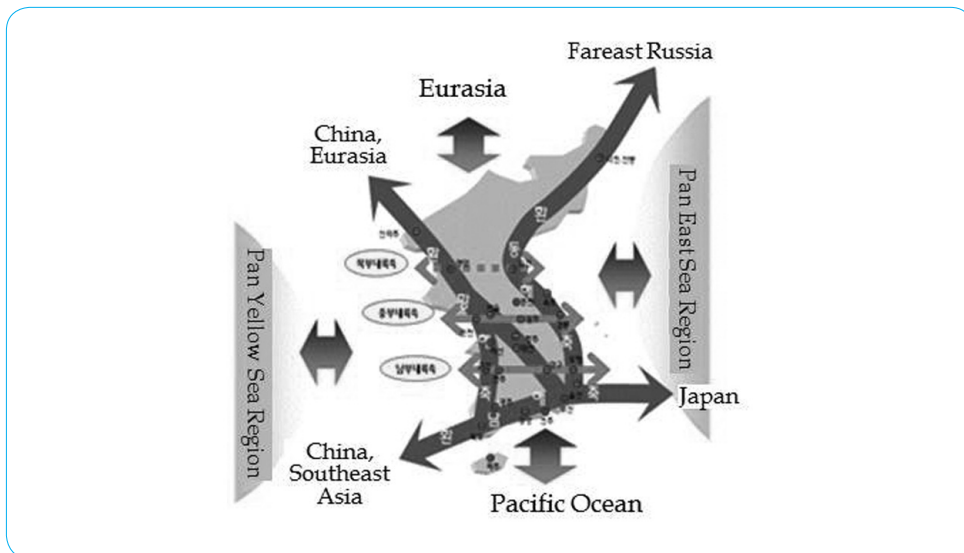
a. Contents of Plan

The basic direction for shaping the national territorial structure was to construct an open-development axis that was based on supra-economic regions, and nurture the city-regions based on economic regions. The structure needed to strengthen the exchange and links between economic regions, and complete an “open green national territory” to cooperate and compete with countries in the Eurasia-Pacific region.

The “open axis” was to interact with the world. The 4th CNTP was designed to form a territorial structure that was open to the world. It would be more ocean-oriented by building a “cooperative belt” in the supra-economic regions in three coastal areas, which were the internal and external contact points and the North Korean boarder region. It also consisted of building a new development axis that linked economic regions and created a connection between a coastal open axis and parts that were inland.

“Green national territory” was to link wide-areas. The 4th CNTP planned to foster City-Regions as growth-poles for human resource and capital, and to intensify the link between gateways and central cities of the region to help each city-region develop independently. The plan also sought to improve transportation networks in order to actively spread the development of central cities to their surroundings, within city-regions, and restructure national territory with soft network systems.

Figure 3-11 | Open and Integrated National Territory in the 4th CNTP



Source: The 4th CNTP

b. Strategies of Plan

The major strategies involved many ideas. The first was to build an integrated national territorial axis that was open to the world. The government planned to build coastal territorial axes in coastal areas and new inland axes connecting the east and the west, in order to improve the exchange center of Northeast Asia, and to help achieve a balanced development for national territory. Coastal territorial axes planned to take advantage of the Korean peninsula and to strengthen the nation's global role as a strategic center in the Pacific Rim. There are three coastal territorial axes along each coastal area, the south coast, the east coast, and the west coast. Each takes a different role. The South Sea rim-axis is considered as a district for international distribution, tourism and industry specialization. The East Sea rim-axis is built to enhance international tourism and key industries in the East Sea rim district, and the West Sea rim-axis is to be built as a new industrial belt to compete with the growth of China. Inland axes, connecting east and west, are planned to promote balanced development of inland areas and to connect east and west sea rim regions through it. The Joongbu (middle) inland axis was created to disperse the functions of the capital region and to stimulate tourism by linking mountain and coastal areas. The Nambu (south area) inland axis was created to connect the Youngnam and Honam provinces for balanced development of southern areas of the country. The Bukbu inland axis was created to support the development of the North Korean region and have balanced development of North and

South Korea in preparation for reunification. Finally, the Seoul-Busan axis was created to improve the restructuring of industrial facilities.

The second strategy was to enhance the competitiveness of the regions. The plan was to create development strategies for wide-area regions, and to nurture specialized local cities as industrial capitals. They would utilize their local nuances and resources to enhance their competitiveness in non-capital regions. The government moved some functions of the capital region to non-capital regions in order to promote regional development and enhance regional cooperation.

The third strategy was to build up a healthy and pleasant environment in national territory. The government established an omnidirectional management system for the environment in order to establish the foundation for environment management. The development would have to be done by harmoniously integrating into the natural environment. Also, international cooperation for environmental conservation would be strengthened.

The fourth strategy was to build up high-speed transportation and information networks. For this, the government constructed key national traffic networks to connect the entire nation as one living zone and organize an integrated traffic system. Also, it built international transportation infrastructure and high-speed communication networks. Lastly, the government built the foundation for exchange and cooperation between North and South Korea.

4.2. The First Revised 4th CNTP (2006-2020)

4.2.1. Economic & Social Conditions and Objectives of Plan

The first revised 4th CNTP (2006-2020) was established to reflect a participatory administration and a new government paradigm on national territorial planning and to respond to internal and external condition changes. The first revised 4th CNTP set up as the following goals: a cooperative and balanced national territory, competitive national territory that was open to the world, livable-welfare national territory, sustainable-green national territory and prosperous-united national territory.

4.2.2. Contents and Strategies of Plan

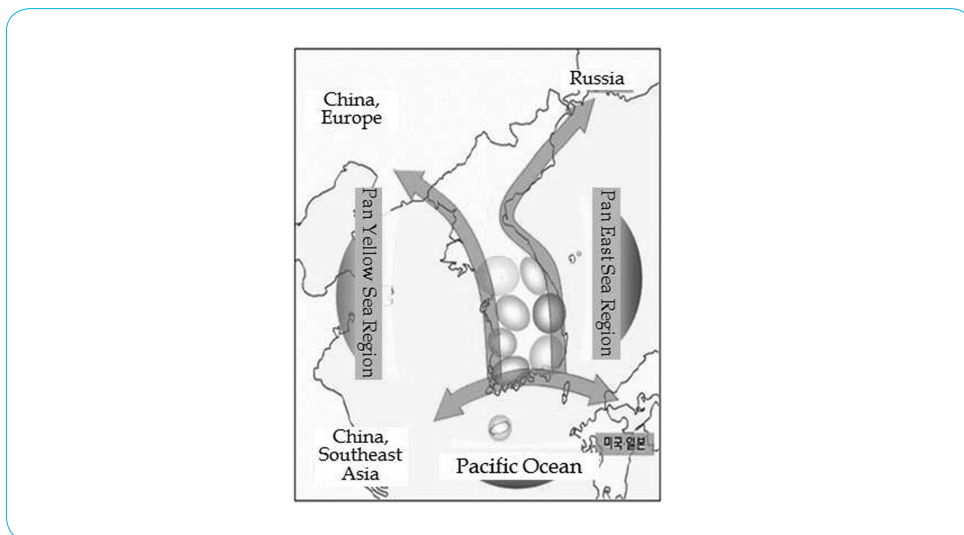
The first revised 4th CNTP designed the structure of the territory to be divided into three types of national territorial axes that were open to the world, and eight wide economic regions, which were the basic units for global competition. It combined three π -shaped open-type national territorial axes for the Eurasian continent and the Pacific Rim. The eight wide economic regions were established to help local governments become financially independent and cooperate with each other.

The first revised 4th CNTP established six strategies. The first strategy was to distribute the administrative, financial and cultural functions of the capital region to non-capital regions. In order to build up a local foundation for self-reliance, government planned to build regional points in non-capital regions by building multifunctional administrative cities, innovation cities, and enterprise cities. Public agencies would then, eventually, be migrated to non-capital regions.

The second strategy was to expand infrastructure and the cooperation body for development. The government designated exchange/cooperation districts in border regions and constructed integrated infrastructure for cooperation between North and South Korea. This would help to build up competitive national territory in Northeast Asia. Also, the plan would construct the foundation for reunification and peaceful settlement in the Korean peninsula.

The third strategy was to expand safe and environment-friendly national traffic networks and construct integrated infrastructure in order to enhance accessibility from anywhere in the nation. The fourth strategy was to build a comfortable human settlement environment in order to achieve balanced development in the nation and a livable urban environment. The fifth strategy was to build healthy and pleasant green national territory, manage water resources efficiently, and construct integrated national disaster management systems in order to have sustainable development. Finally, the strategy was to strengthen administrative decentralization and build an implementation governance system by establishing the foundation for local residents to participate in all facets of national territorial development projects.

Figure 3-12 | Integrated National Territory in the Revised 4th CNTP



Source: The First Revised 4th CNTP

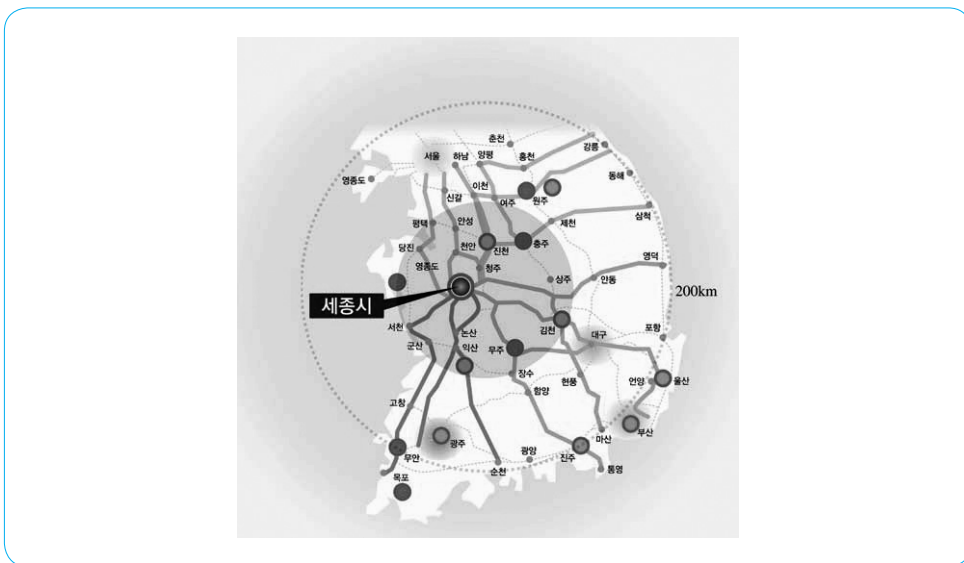
a. Core Projects of the 4th CNTP

In The Constitution, Article 123 stipulates that the nation has an obligation to foster local economies for the balance development of regions. Article 120 and 122 also emphasize the government’s obligation and restriction for balanced development. The Roh administration (2003-2008) was responsible for suggesting the creation of multifunctional administrative cities. The administrative functions in the capital region were to move to local cities to achieve balanced development. Plans for innovation cities, which planned to move government offices to other local cities and enterprise cities, led by companies, were established in order to relocate the concentrated administrative and major functions of the capital region to local cities.

a) Multifunctional Administrative City

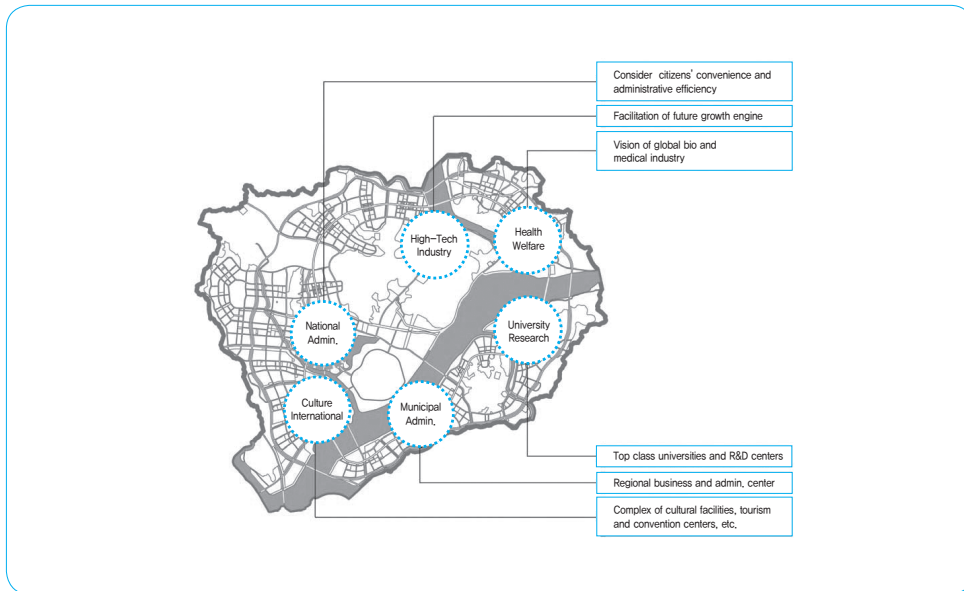
The multifunctional administrative city (later in 2012, this city was regally entitled, “Sejong City”) is to be built by 2030 in the new, self-contained city in Yeongi County, which is 120km south from Seoul in South Chungcheong Province. The targeted population is 0.5 million and the land area is 72.9km² (main city), and 223.8 km² in surrounding areas. All the necessary infrastructure and facilities have been planned for the wide-area scale. The government held a competition for the new multifunctional administrative city in 2005 and selected five plans for complete development: the metropolitan sphere, the public sphere, and urban transportation.

Figure 3-13 | Location of Sejong City



Source: Office of Multifunctional Administrative City Development

Figure 3-14 | Arrangement of Urban Functions in Sejong City



Source: Office of Multifunctional Administrative City Development

The main challenge for the multifunctional city was compensation because the construction is on a large scale and would take a long time to complete. The government emphasized resident participation and cooperation, and tried to directly involve the residents in the process of implementation by following the domestic and international paradigm shift. Since 2005, the government in charge of the multifunctional administrative city has continuously consulted with residents and received their feedback and opinions.

The multifunctional administrative city aims to build infrastructure for high-tech industries, to instill world-class education, to promote culture and welfare for self-sufficiency, and to invoke a high standard of living in conjunction with the living environment. Also, the plan was designed to make it an environment-friendly green city that will reduce CO₂ emissions by more than 70%. Welfare facilities were planned for construction and regulations on the surrounding areas were relaxed.

b) Innovation City

Innovation city is one alternative for relieving the capital region of the concentration of human resources and industry and thereby activating local economies that have fallen behind over the years. The government planned to relocate government offices in the capital region to local cities and construct innovation cities in 11 metropolitan cities and 10 provinces in the country. The estimated population for these cities is 20-50 thousand and

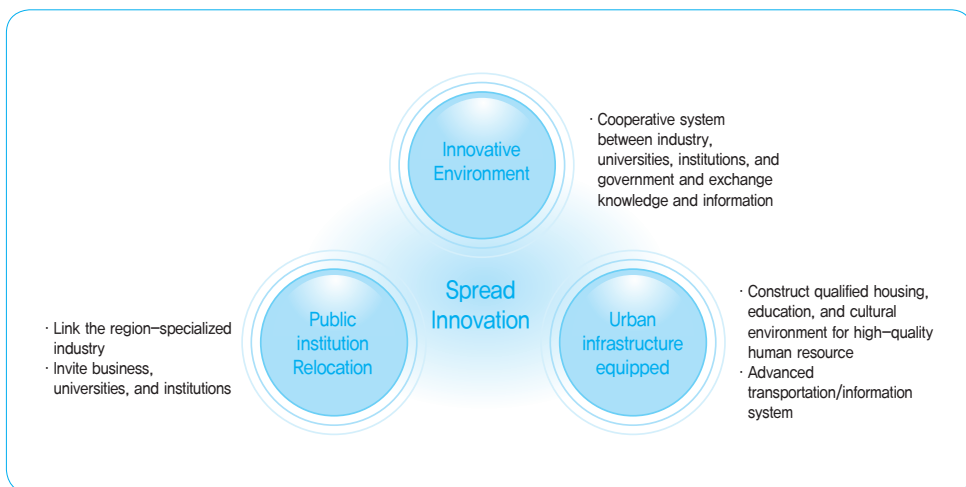
promotes development, step-by-step. Environmental aspects such as the preservation of the natural landscape and pleasant living conditions were taken into account. The population density is set to low or medium, about 250-350 people/“ha.”

Table 3-11 | Development Steps of Innovation City

Period	Step	Details
Step 1 (2007-2014)	Settle down and adjust government office	Workers at government offices and related companies: around 2,500-4,000 people, arising population: around 15,000-25,000 people
Step 2 (2015-2020)	Settle down and adjust industry, university, and institution	Workers at private companies, universities, and institutions invited to Innovation city, around 4,000-8,000 people, arising population 25,000-50,000 people
Step 3 (2021-2030)	Spread innovation	Numbers of jobs and population induced by an innovation cluster are different by region and size

Source: Land and Housing Corporation webpage www.lh.co.kr

Figure 3-15 | Innovation City, Concept and Goal

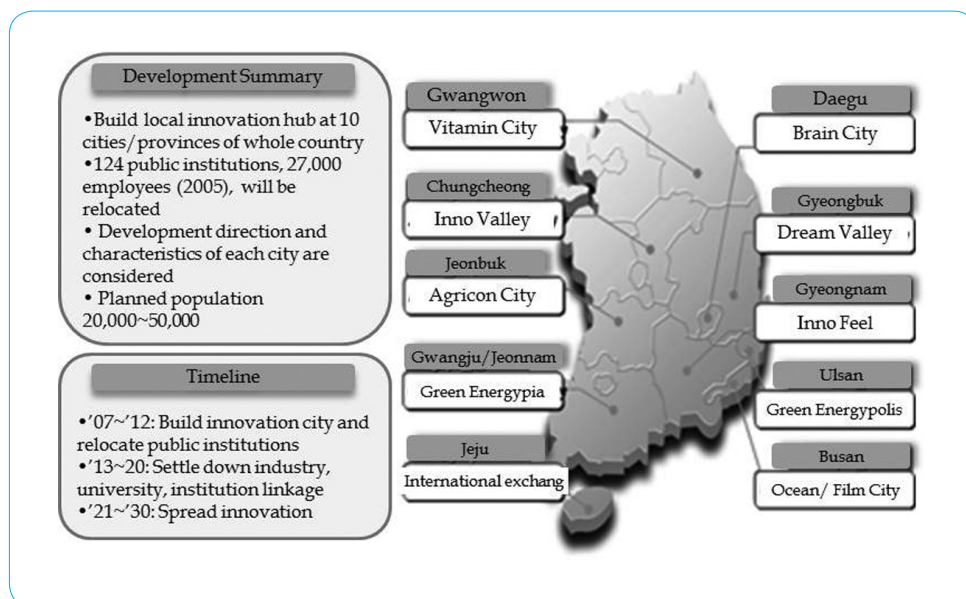


Source: Land and Housing Corporation webpage www.lh.co.kr

Unlike existing new towns that have a focus on residential development, government offices, industries, universities, and institutions closely cooperated with each other to produce a settlement environment that is equipped with a full-scale of housing, education, and culture. Support facilities for cooperation and networking were planned, such as space for housing,

education, culture, and leisure. Innovation city aims to build a local hub for an innovation-led economy, a reduced imbalance between capital and non-capital regions, and a unique development of local areas. The government classified groups of cities by development method and location and encouraged cities to use existing land within wide areas, on a small scale. A “New town in suburb” would be developed on a medium or large scale.

Figure 3-16 | Details of Innovation Cities and Location



Source: Ministry of Construction and Transportation, 2007.7. 『Public Institution Relocation and Innovation City』

Table 3-12 | Present Status of Public Institutions to be Relocated

Institution which will be relocated (Total)	Move to non-capital region			
	Innovation city	Individual relocation	Sejong city	
			Government-funded (by special law for innovation city)	Government institutions (by special law for innovation city)
180	124	16	17	23

Source: Ministry of Land, Transport, and Maritime Affairs/Public Institution Relocation Bureau (before restructuring organizations)

The government announced the guidelines for the selection of the location of innovation cities in 2005. To select appropriate cities, the committees in each city/province prepared their evaluation submissions by following the directions and details of standards. A total of 10 locations were selected for innovation cities and a total of 180 organizations would move to those cities. The government planned the framework for innovation cities, and each local government designed a plan that fit into each local city's conditions (Refer to <Table 3-13> for each local government's direction for innovation city development). In the process of planning, related experts, project operators, unions, and public offices moved themselves and all their necessary resources with the full support of the government.

Table 3-13 | Development Direction of Innovation Cities

Region (Project operator)	Area (1,000m ²)	Population (10,000 people)	Strategy for Regional Development	Development Direction
Busan (Busan Metropolitan Corporation)	935	0.7	Center for Ocean, Film and Finance	Ocean Capital in 21 century , Era of Northeast Asia
Daegu (Land & Housing Corporation)	4,216	2.7	Center for Education Industry and Industrial Cluster in Dongnam Region	Knowledge Creation Innovation city: Brain City
Gwangju/Jeonnam (Land & Housing Corporation, Gwangju Metropolitan Corporation, Jeonnam Development Corporation)	7,315	5.0	United Advanced Future Industrial Cluster	New Regeneration Energy, Agriculture, and Bio Industry City Green-Energypia
Ulsan (Land & Housing Corporation)	2,984	2.0	Hub for Advanced Environmentally Friendly Energy	Landscape-Centered Energy-polis
Gwangwon (Land & Housing Corporation)	3,603	3.1	Capital of Health Industry	A vibrant city with health, life, and tourism Vitamin City
Cheongbuk (Land & Housing Corporation)	6,891	4.2	Techno-polis for IT.BT Industries	Education and Culture Inno-Valley

Region (Project operator)	Area (1,000m ²)	Population (10,000 people)	Strategy for Regional Development	Development Direction
Jeonbuk(Land & Housing Corporation, Jeonbuk development corporation)	10,145	2.9	Agricultural Life Hub connecting tradition and future	Hub for Agricultural Life Agricon-City
Gyeongbuk (Land & Housing Corporation, Gyeongbuk development Corporation)	3,829	2.5	Hub for Advanced Development and Transportation	The city where KTX and water flows Dream-Valley
Gyeongnam (Land & Housing Corporation, Gyeongnam development Corporation, Jinju city)	4,028	3.8	Central hub for south coast industrial belt	Industrial support/ advanced housing leading city Inno Hub City
Jeju (Land & Housing Corporation)	1,151	0.5	International Exchange, Education City	International Exchange-polis

Source: Ministry of Land, Transport, and Maritime Affairs/Public Institution Relocation Bureau

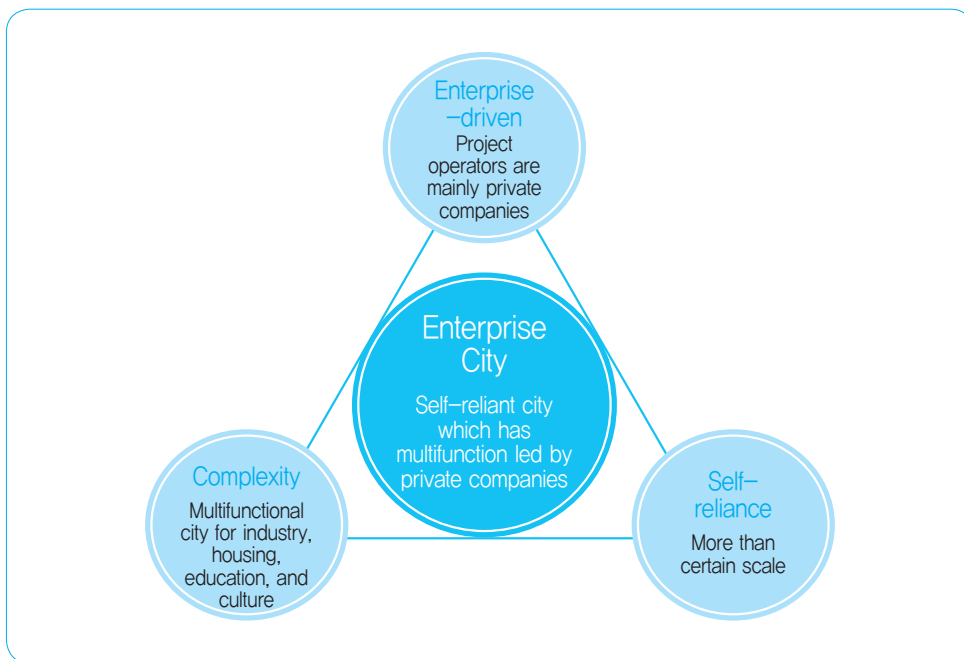
c) Enterprise City

The Federation of Korean Institute (FKI) submitted a plan for the development of an enterprise city to the government in 2003 to inspire investment and create jobs. The government accepted this suggestion in order to expand domestic investment through urban development with private capital, and to promote regional development by activating local economies. This project became a part of the revised 4th CNTP.

An enterprise city is supposed to be a city where companies develop the land that they need for an industrial location and economic activities, and maximize the connection between related industries, such as production and research. Also, it has a self-contained multifunction, such as housing, education and medical facilities, which are required for settlement. An enterprise city is different from a new town. A new town satisfies housing demands, while an enterprise city provides industrial complexes. In particular, companies who have plans to move to a city can directly develop the land.

Enterprise cities are classified as industry-trade types (manufacturing and trade), knowledge based types (research and development), and tourism and leisure types (tourism, leisure, and culture, depending on the main functions). The minimum size and land use are determined by type. To prevent a concentration of investments on private companies and encourage regional development, 25-85% of development profit, the rate is dependent on the degree of lag, would be reinvested into the region. While there are many regulations, companies are able to receive tax support and subsidies from the government. A legal basis was established and 6 regions were selected as model projects to cement each local government's interest and attract investment.

Figure 3-17 | Enterprise City, Concept and Goal



Source: Ministry of construction and Transportation, Enterprise city development

Figure 3-18 | Pilot Project Sites for Enterprise City



Source: Ministry of construction and Transportation, Enterprise city development explanation material

4.2.3. Achievements and Limitations

The first revised 4th CNTP planned to develop ten wide-area regions comprehensively and to develop non-capital regions. This would reflect future goals and utilize an open-plan for national territorial structure. However, it was ineffective in response to changing conditions. Therefore, the second revised 4th CNTP (2011-2020) was established as an alternative plan to the first revised 4th CNTP (2006-2020).

4.3. The Second Revised 4th CNTP (2011-2020)

4.3.1. Economic & Social Conditions and Objectives of Plan

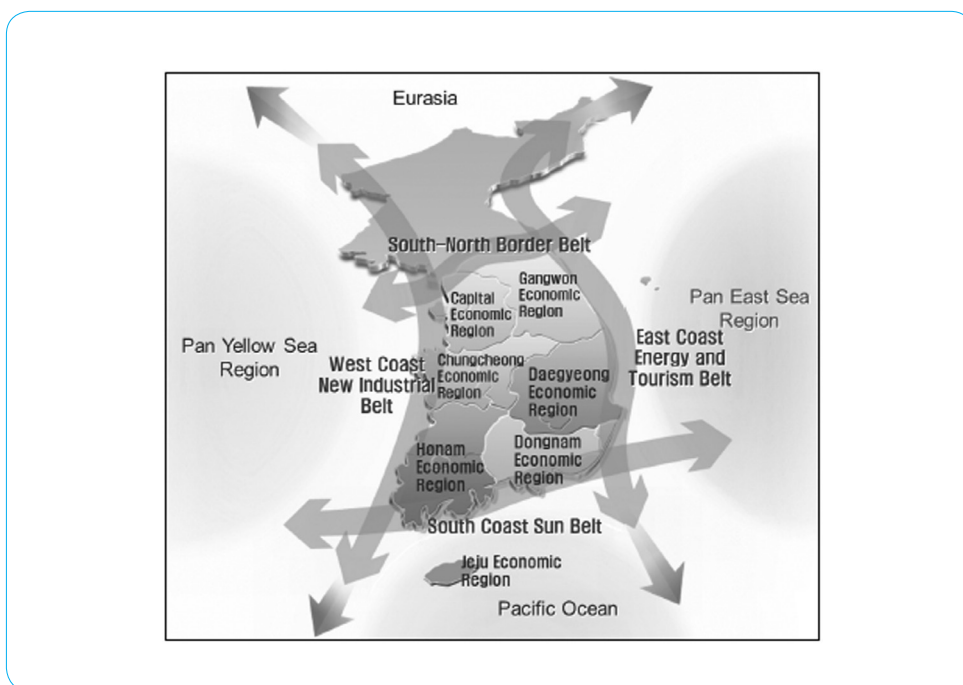
The population of South Korea in 2009 was 49,770,000. The rate of population growth decreased because of a decline in birth rate and the subsequent aging of the population, making South Korea an aging society. The urbanization rate continuously increased to 90.8%, which is three times greater than the rate of 50.1% in 1970. In 2009, the GDP was around 833 billion dollars, FDI in 2009 was 15.1 billion dollars, and the current account is around 42.7 billion dollars.

4.3.2. Contents and Strategies of Plan

The second revised 4th CNTP designed to build an open-type territorial axis centered on supra-economic regions and city-regions, centered on “5+2 economic regions” for inter-regional exchange and cooperation. The Korean peninsula, located in the middle of Eurasia and the Pacific region, is a gateway of a major economic zone in East Asia.

The second revised 4th CNTP established six strategies. First, a three-tiered regional development strategy (Supra-Economic Regions, Economic Regions, and Basic Residential Areas) was designed for regional specialization and Inter-regional cooperation to improve the competitiveness of national territory. The Economic Region, a basic unit to improve global competitiveness of the country, was established as a “5+2 mega-regional economic zone,” which considered population, industrial connection, and historical and cultural homogeneity for each region. Local governments will lead the development of regional specializations that are appropriate for local conditions. In addition, the central government will support them to invigorate local investment conditions by expanding subsidies for new investments in leading industries and relocating companies from the capital region to provincial areas. The plan will also develop new growth poles that lead the national economy. Designs will promote Free Economic Zones, National Industrial Complexes, the International Science Business Belt (ISBB), the High-tech Medical Cluster-city, and Innovation and Enterprise cities as new growth poles in economic regions. It will expand transportation infrastructures such as road, railways, international airports and harbors in order to improve accessibility and integrate economic regions.

Figure 3-19 | Structural Formation of the National Territory in the 2nd Revised CNTP



Source: The Second Revised 4th CNTP

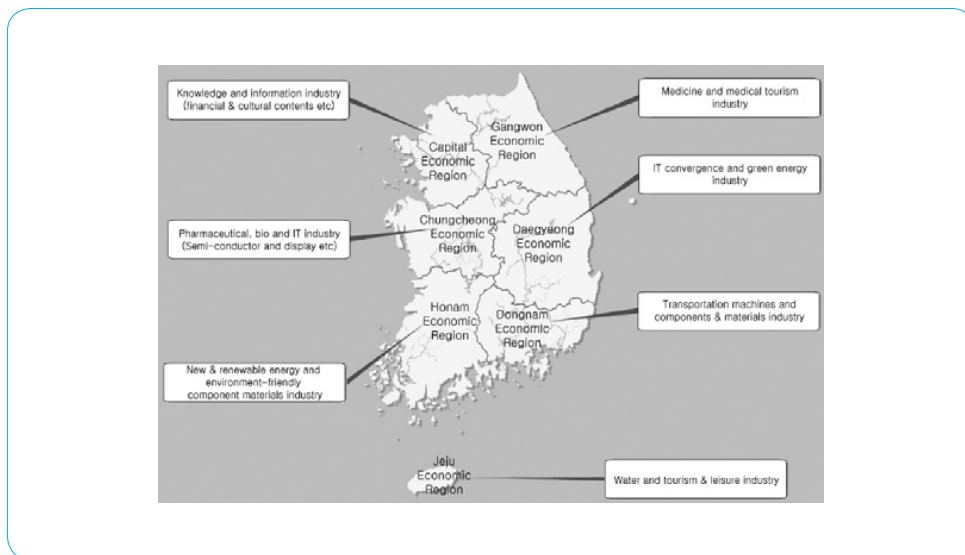
Second, the plan focused on building sustainable and safe living space in the territory. Third, it would build a pleasant and cultural urban environment and residential environment by improving urban competitiveness and pursuing a cultural city with urban regeneration. Fourth, it aimed to decrease carbon emissions, establish energy-saving and environment-friendly transportation policies, and build a global distribution of goods and infrastructure. This would result in green transportation and integrated networks for territorial information.

Fifth, revisions aimed to strengthen international cooperation and competitiveness by integrating the management of ocean resources and the construction of ocean business networks. This would help to establish a foundation for new growth in the ocean that belonged to national territory and was open to the world. Finally, it was planned to manage border regions in order to build a foundation for super-international border management and improve the global capacity of national territory, preparing an increased exchange and cooperation with North Korea.

a. 5+2 Economic Region Strategy

The “5+2 economic regions” were designated according to population, industrial connection, and the historical and cultural homogeneity of each region and 30 leading industries. This was promoted in each region to carry out the development mission. The five economic regions are: The Capital Region, The Chungcheong Region, The Honam Region, The Daegyeong Region, and The Dongnam Region. The population of each economic region is more than five million. The two special economic regions are The Gangwon Region and The Jeju Region and their populations are around one million each. The government created a standing regional agency to make regional economic development plans and to promote inter-regional cooperation.

Figure 3-20 | 5+2 Economic Regions and Leading Industries



Source: The Second Revised 4th CNTP

The three key elements of the economic regions are: (1) giving priority to 30 projects dealing with infrastructure and facilities, (2) selectively investing in two propulsive industries for each economic region as shown in [Figure 2-2], and (3) designating hub universities to gear up for the propulsive industries. In the early phase, the central government will lead regional development with pilot projects so as to provide development momentum for each economic region. Each economic region, after close consultation with the central government, will draw its own vision for development.

Table 3-14 | Location and Leading Industries of Economic Regions

Administrative Region	Vision	Leading Project	Leading Industry	
Capital Region	Seoul Metropolis, Incheon Metropolitan City, Gyeonggi Province	Development of country, Global Business Hub leading the National Economy	The 2 nd Outer Ring Road, Double Tracked Railroad Network for wide-areas, Incheon subway 2 nd line	Knowledge and Information Industry
Cheong chung Region	Daejeon Metropolitan City, Cheongcheong Province	NEW HEART of Koreas Advanced Technology	Multifunctional Administrative City, New Transportation Network, Double-Tract Network in west coast, East-west 4 layers highway	NEW IT, Medical Bio
Honam Region	Gwangju Metropolitan City, Jeolla Province	Creative Region for art/culture and Environment Friendly Green Industry	Saemangeum Development, Yeosu Expo, Suspension Bridge between south and west coast, High-speed Railway, Outer Ring Road in Gwangju	New Energy, Eco-Friendly Components and Material
Dongnam Region	Busan Metropolitan City, Ulsan Metropolitan City, Gyeongsang namdo	Center for Key Industry and Distribution in Pacific Rim Period	Gyeongjeon Line Double-Track, East-west 8 th Axis Expressway, the 2 nd Hub Airport in Northeast Asia, Marine Tourism, Suspension Bridge, Busan Outer Ring Road	Transportation Equipment, Convergence Components and Materials
Daegyong Region	Daegu Metropolitan City, Gyeongsang bukdo	Green Growth Era based on Tradition and Advanced Information Industry	East-west 5 th Axis Expressway, East-west 6 th axis expressway, North-south 7 th Expressway, the 2 nd Yeongdong Expressway	IT, Convergence Green Energy

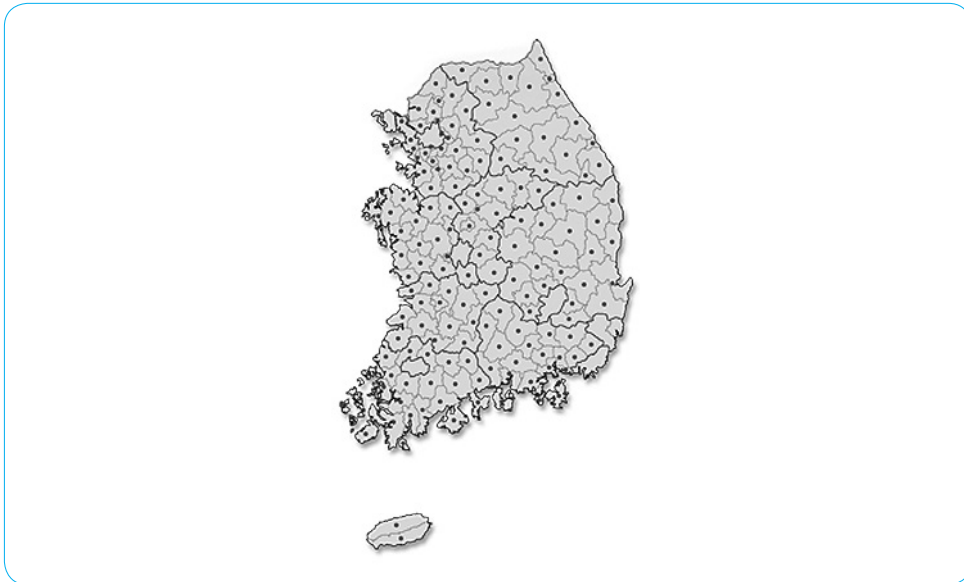
Administrative Region		Vision	Leading Project	Leading Industry
Gangwon Region	Gwangwon Province	New Development Zone for Green Growth in Northeast Asia - focus on life/health	East-west 2 nd Axis Expressway, Double-Tracked Subway	Medical tourism
Jeju Region	Jeju Special Self-Governing Province	Asia's Best International Free City	Expand Marine Tourism Base, Demand Creation Tourist Facilities, Construct Base for International Free City	Water Industry, Tourism and Leisure

Source: KRIHS, 『Korea's National Territorial Policy』, p.36

b. Basic Settlement Areas Strategy

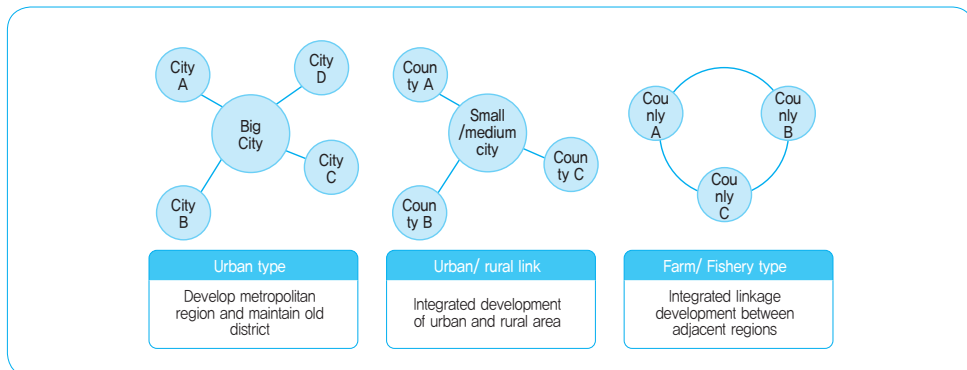
The basic settlement areas strategy aims to provide local communities, which are in the shadow of major-developed metropolitan regions of the country, with stable jobs and basic services. Four components are involved in this strategy. First, different development plans are tailored for three different types of basic settlement areas, urban, urban-rural, and rural areas. This is based on population, income level, and service provisions. Second, not only the physical infrastructure, but also job opportunities and services for a better quality of life are expanded in these areas. Third, underdeveloped areas are specifically targeted for development and to satisfy residents' basic needs in the region. For example, the living environment in rural areas and rural centers will be improved to meet national minimum standards and special support will be imparted to underdeveloped areas. Finally, the government will try to induce a synergistic effect through the cooperation of basic settlement areas, such as jointly developing tourism, welfare, and medical facilities.

Figure 3-21 | 163 Cities and Counties of Basic Settlements Areas



Source: PCRDR, Regional Policy in Lee, Myung-bak Administration, 2009

Figure 3-22 | Classification of Basic Settlement Area by Type



Source: PCRDR webpage, www.region.go.kr

c. Supra-Economic Regions Strategy

The supra-economic regions strategy has two purposes. The first goal is to deal with the global dimension of regional development as a peninsula country in Northeast Asia. The other is to promote coordinated development among economic regions, is the strategy is envisioned as three littoral belts (East Coast Energy-Tourism Belt, West Coast Industrial

Belt, South Coast Sun Belt), one border belt (North South Border Belt along the DMZ), and an additional Inland Belt. The strategy aims to facilitate interconnected development of the economic regions domestically as well as internationally. Each supra-economic region will enrich growth potential through cooperation with other regions in Korea and abroad.

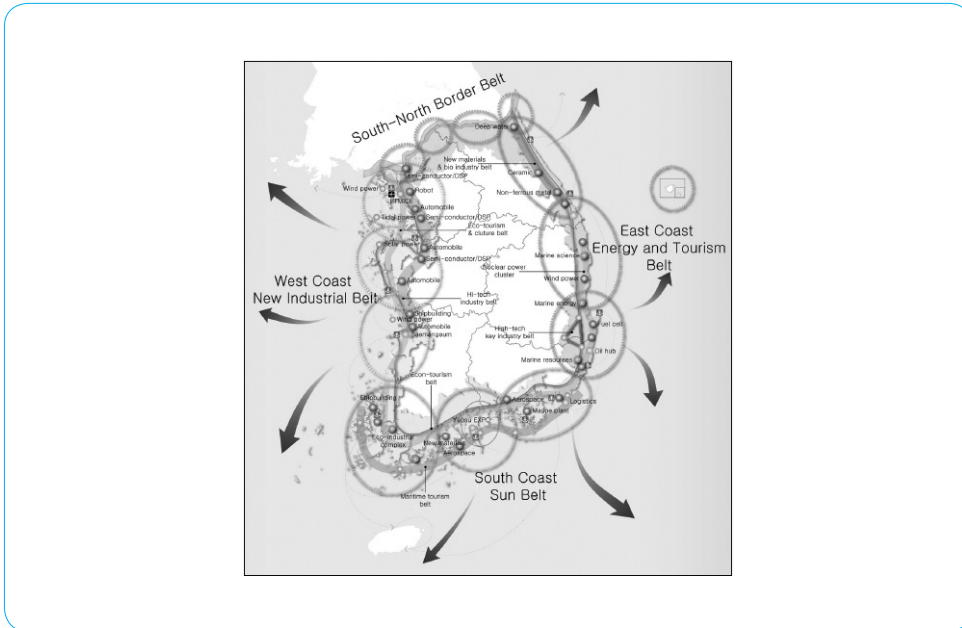
The government intends to build supra-regional infrastructure, such as transport networks and industrial clusters, to facilitate both interregional and international connectivity of the economic regions. Regional assets and resources available in each supra-economic region will be utilized to cultivate new growth potential that reaches beyond national borders and into China and Japan.

Table 3-15 | Visions and Development Directions of Supra-Economic Regions

Region	Vision	Development direction
South Coast Sun Belt	Hub for Northeast Asia's new economy, distribution, and resort corresponding capital region	<ul style="list-style-type: none"> • Establishing an international business hub and pan-east coast cooperative system • Building a top-notch high-tech industry belt • Creating a global marine ecosystem and culture tourism belt • Building intra-regional and inter-regional infrastructure
East Coast Supra-Economic Region	Energy and tourism Belt which leads green growth	<ul style="list-style-type: none"> • Building an energy industry belt • Enhancing key industries through stronger connections among industries • Creating a foundation for an international tourism hub and promoting creative industries • Expanding infrastructure and enhancing exchange and cooperation within the pan-east coast region
West Coast Supra-Economic Region	New Industrial Belt leading pan-west economy	<ul style="list-style-type: none"> • Establishing an international business hub and pan-east coast cooperative system • Building a top-notch high-tech industry belt • Creating a global marine ecosystem and culture tourism belt • Building intra-regional and inter-regional infrastructure
South-North Border Belt	Border Area Eco-Belt centered on Korean peninsula	<ul style="list-style-type: none"> • Creating an Inter-Korean exchange and cooperation hub • Preserving ecological resources in the DMZ and fostering green tourism • Promoting the development of the border area in preparation for unification and revitalization of regional economies

Source: second revised the 4th CNTP (2011-2020)

Figure 3-23 | Supra-economic Region and National Territorial Axis



Source: The Second Revised 4th CNTP (2011-2020)

4.3.3. Achievements and Limitations

The second revised 4th CNTP reflects a new national government paradigm that involves a participation-based administration for national territorial plans. Consequently, it planned for many major functions for the nation to be relocated to non-capital regions for balanced development, and reflected structural changes in national territory by RIS (Regional Innovation System) construction. The second revised 4th CNTP prepares the measures for enhancing the nation's quality of life. The plan sought for a forty-hour workweek system and high-speed information and communication networks. In addition, it outlines the measures needed to integrate and cooperate between regions and between classes in response to regional conflict and social segmentation.

2012 Modularization of Korea's Development Experience
National Territorial and Regional Development Policy:
Focusing on Comprehensive National Territorial Plan

Chapter 4

Legal System and Institutionalization of CNTP

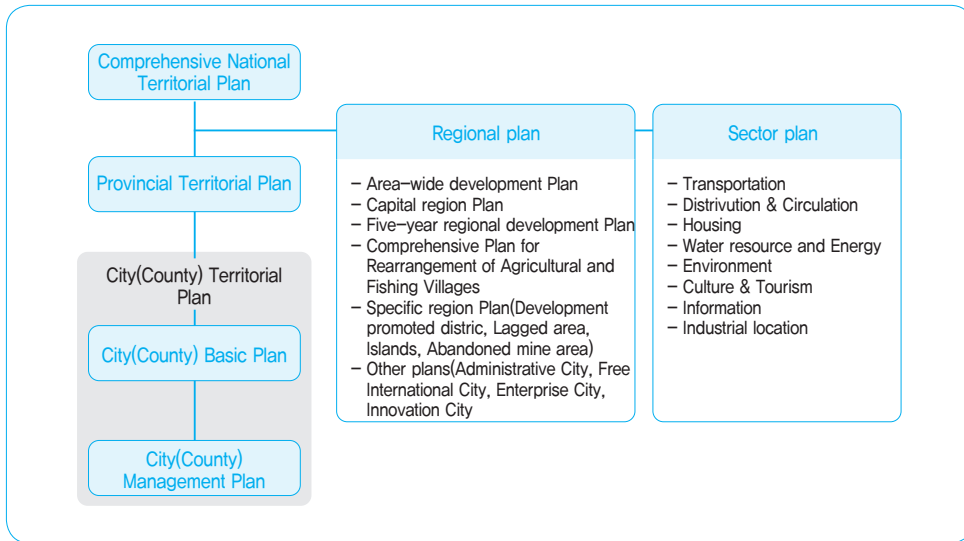
1. Hierarchy of Spatial Plans and Process of CNTP
2. Coordination Mechanism and Participation
3. Implementation, Assessment and Feedback System

Legal System and Institutionalization of CNTP

1. Hierarchy of Spatial Plans and Process of CNTP

The Comprehensive National Territory Plan is a top-level plan regarding national territory that works in accordance with *The Framework Act on National Territory*. According to *The Framework Act on National Territory*, the national territory plan is classified into *The Comprehensive Territorial Plan*, *The County Comprehensive Plan*, *The City and County Comprehensive Plan*, and regional and sector plans. Sector and regional plans need to be in harmony with *The Comprehensive National Territorial Plan*. National territorial plans are established under *The Framework Act on National Territory* in accordance with court processes. Planning and implementing of specific plans are stipulated and operated by following normal legal procedures as shown below.

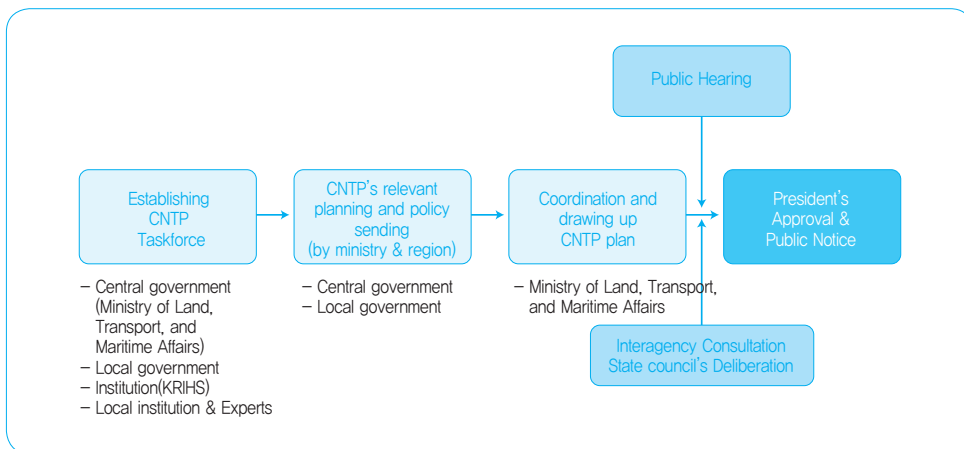
Figure 4-1 | Hierarchy of the Territorial Plan in Korea



Source: The 4th CNTP

Central government agencies and the heads of metropolitan councils submit proposals upon the request of The Minister of Construction and Transportation. The Minister of Construction and Transportation revises and oversees the submitted proposals according to jurisdiction and prepares *The Comprehensive National Territorial Plan*. The proposal is released to the public following the deliberation procedure, which includes a review by the national territory policy committee, cabinet meetings, and the president’s approval.

Figure 4-2 | Formulation Process of CNTP

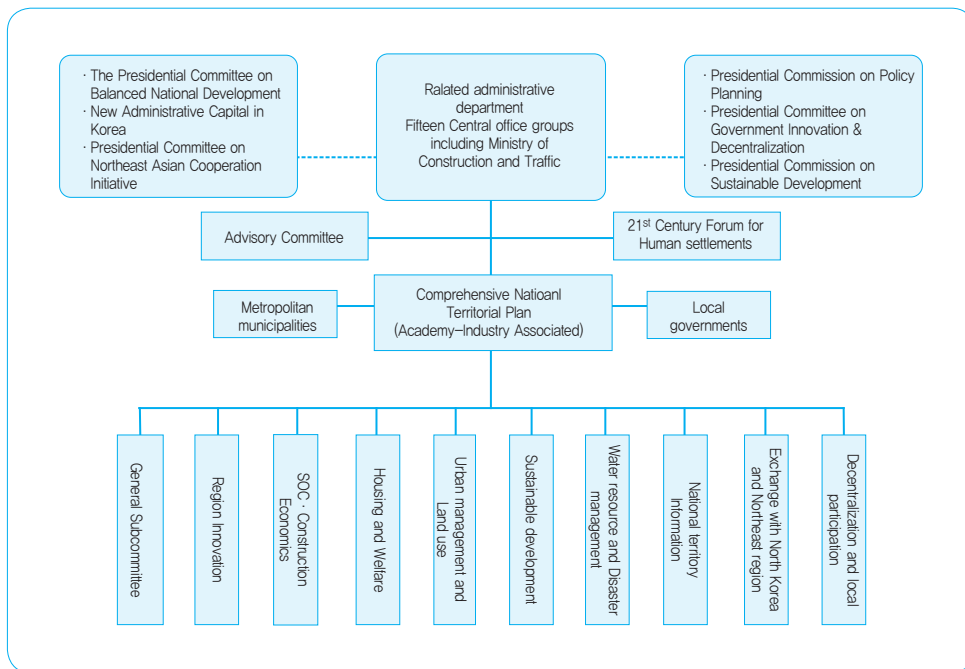


2. Coordination Mechanism and Participation

Korea's national territorial plan was planned and promoted by public officials and experts. Recently, the participation of local governments and civic groups has increased. In particular, large research teams were organized, and many advisory council and forums were held in the process of establishing the Revision of the 4th Comprehensive National Territorial Plan. This was done in order to collect various opinions from experts and civic groups. This reaffirms the importance of participation, which increased in the process of national territorial planning in Korea.

In the process of establishing the second revision of the 4th CNTP, the government established the nature of the plans as a “national participatory plan,” thereby opening up opportunities to various participants. This also led to the establishment of a cooperative research group made up people from many sectors: private, industry, academy, institution, and government. The planning system was built from exchange and cooperation between committees for national tasks, such as The Presidential Commission on Policy Planning, The Presidential Committee on Balanced National Development, advisory councils by sector, and The 21st Century Forum for Human Settlements.

Figure 4-3 | Structure of Formulation of the Second Revised 4th CNTP



Source: The Revised Fourth Comprehensive National Territorial Plan (2005)

As the nation faced a period of localization in the 1990s, resulting from a global paradigm shift from state-led to region-led national development, Korea emphasized the importance of local regions and the role of local governments in national territory development. The vertical system between central and local governments and the private sector shifted to a horizontal network system. This encouraged each citizen to compete and cooperate through active participation and suggestion.

To encourage local governments and their roles and responsibilities for the nation's balanced development, three special acts were established. The government also constructed a new administrative capital and relocated government offices to local areas. In addition, a high-speed railroad was opened and a five-day workweek was introduced. A new national territorial plan emphasizing regional specializations was required. Thus, local governments were supported and an emphasis was placed on ensuring that their administrations were fair and transparent. Also, community-based development projects were put into effect with consideration for local nuances and opinions by expanding local finances and improving the capacity for local autonomy.

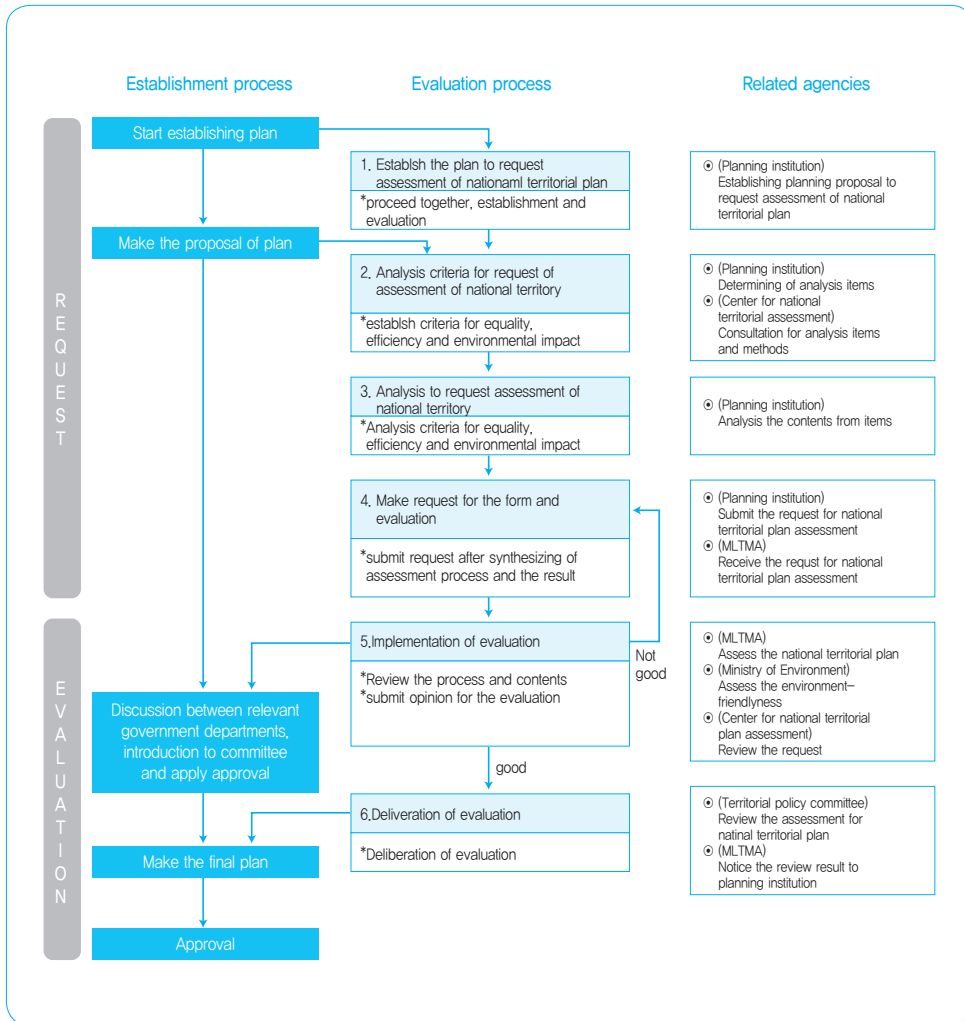
To actualize these goals, local governments were provided with regional-level support for international logistics and business processes. The government also built a global base to attract foreign investment and strengthen the local economic base through the management of private investment. Not only local governments participated in enhancing local environments, but also other local factors, such as local NGOs, universities, and companies. Local governments networked and strengthened partnerships between stakeholders, and encouraged resident participation in the policy making process. As cooperation between central and local governments improved in the process of national territorial planning, the establishment of this cooperative system emerged as an important issue. Thus, local governments identified that cooperation-based projects had a positive effect on a number of wide-areas and local governments. They began to take full advantage of the first support provisions for relevant institutions, such as *The Special Act on Balanced National Development*. This led to efficient implementation of joint development projects and cooperation-based projects between municipalities.

3. Implementation, Assessment and Feedback System

In *The Framework Act on the National Territory*, Article 18 of chapter 3 stipulates for the establishment and evaluation of action plans. The heads of the central government agencies, mayors, and governors should establish policies and plans that reflect the contents of the comprehensive national territorial plan. They should also establish specific action plans to implement the comprehensive national territorial plan, and submit them to the Minister of Land, Transport and Maritime Affairs. The 4th CNTP indicated the objectives and strategies for the national territorial plan, but failed in terms of linking and creating a feedback system between plans and strategies. There was no evaluation system to tell whether the strategies and objectives were adequately achieved. The advisory council of related experts, public hearings, and mayors and governors needed to bear authority with an evaluation system with a legal assessment process. Therefore, an evaluation system was introduced with an amendment to *The Framework Act on the National Territory*, and the targets, standards, and processes of evaluation were prepared for implementation.

The assessment system for national territorial plans were created under the authority of a person who would establish plans and verify whether it reflected the basic ideology of the national territory management in advance. In this fashion, it would be linked with the comprehensive national territorial plan on the top-level. The system was introduced with an amendment to *The Framework Act on the National Territory* on May 30, 2011, and implemented from May 31, 2012. This process would ensure for consistency and verify that a link existed between plans. The assessment system was established based on the second clause of Article 19 in *The Framework Act on the National Territory*, and states, “the plan that is developed for a medium and longer term and that gives guidelines should be evaluated whether the plan contributes to balanced development, enhancing competitiveness, and sustainable development (the plan is “assessment of national territory” from here).” The results from assessment would be confirmed after the territorial policy committee’s deliberation (the prime minister is the chairman). In addition, the committee would give feedback to the person who established the plan in order to check for inconsistencies and further enhance the plan (refer to the assessment of national territory’s process details in [Figure 4-4]).

Figure 4-4 | Procedure of CNTP Assessment



Source: National Territorial Plan Assessment Guideline, MLTM, 2012

2012 Modularization of Korea's Development Experience
National Territorial and Regional Development Policy:
Focusing on Comprehensive National Territorial Plan

Chapter 5

Evaluation and Implications

1. Korea's Success Factor of CNTP and Implications
2. Limitation of CNTP and Future Tasks

Evaluation and Implications

1. Korea's Success Factor of CNTP and Implications

The successful outcomes of Korea's national development since the 1960s have resulted in it being viewed as a case study for developing countries. One of the most important factors of the country's success is the implementation of its national territorial and regional policies through its comprehensive national territorial plan. The 1st CNTDP was established in 40 years and the national territorial plan in Korea has played a role of paramount significance. This was seen in terms of the construction of infrastructure, urban development, housing supply, land use, and resource management; this corresponds to rapid industrialization and urbanization from government-led economic growth policies. The national territorial policies in Korea have responded to various issues that appeared in the economic and social development process. It highlighted appropriate goals and practical means of implementation for national territorial and regional development. Thus, the CNTP contributed to achieving economic, social, and national territorial balanced development.

The success of the CNTP can be broadly divided into two major factors. First, the central government played a leading role and the institutional framework was successfully institutionalized in the process of planning and implementation. In ancient times, there was a clear hierarchical relationship between central and local governments and the political and administrative system was well equipped in Korea. Korea's current administrative districts, cities/provinces, and towns/counties, do not stray far from the basic framework of the Joseon Dynasty before modernization (1392-2010). This means the tradition of a strong central government still exists in Korea. This tradition could be seen in its political and social foundations for the establishment of a strong authoritarian government in the 1960s.

The state-led and well-organized system promoted economic and national territorial policies in Korea smoothly. For this reason, the processes for the national territorial policy division ran steadily, similar to those of other sectors. When the new system was introduced, state-led policies had been established and implemented, and both local governments and the private sector were able to implement these policies successfully. The central government in Korea could easily increase the level of institutionalization by enacting and revising laws, and establishing a research institution. In addition, local governments were under the control of the central government, thus the formulation and enforcement of the national territorial plan were carried out effectively to a certain degree until the mid-1990s, when the self-governing system was introduced and local governments were elected by popular vote. From the late 1990s, the local self-government system and private sector participation increased, and the authority of the central government in the process of CNTP implementation was reduced when compared to the 1970s and the 1980s.

Second, effective scientific planning, coupled with a technically-professional support staff, was another successful factor of national territorial planning in Korea. Objective analysis of the current situation, proper goal planning, and an effective means of mobilization were the basic goals for a successful national plan or policies. As mentioned above, Korea's history of comprehensive national territorial planning sought to come up with the best development strategy by taking into account the specific conditions of each period. The methodological framework of the national territorial planning and its institutional level were insufficient in the 1960s. However, systematic and strategic planning and execution, which responded to economic growth, became possible in the 1970s.

In order for effective planning to be carried out, experts in their respective fields such as economics, urban planning, regional development, construction, civil engineering, transportation, environment, administration, and geography needed to be involved. In the case of Korea, since the mid-1950s, the entire society focused on education as an important component of development. This resulted in an abundance of educated professionals who could form highly educated organizations and offer technical expertise at the highest level. As a result, planning became more scientific and thorough in regards to solving real problems. In particular, the Korean Research Institution for Human Settlements (KRIHS), the national research institute specializing in the areas of national territory, regions, cities, lands, and housing sectors, was established in 1978 to support the implementation of the CNTP. Further systematic planning was done through the support of national experts and their application systems.

The key learning points for developing countries can be summarized as follows: (1) setting appropriate goals and strategies within a suitable timeframe, (2) having a set of indicators to measure the achievement of growth quantitatively, (3) effective institutionalization/

systematization that is sensitive and responds to changing conditions, (4) the establishment of appropriate plans and implementation systems, and their effective operation, and (5) the continuous imparting of social values, such as sustainability, environment-friendly green growth, and the encouragement of participation through the implementation of the country's national and territorial plan.

1.1. Goals and Strategies Setting on Time

Korea's CNTP is not simply the planning of the supply of physical infrastructure. It reflects the overall economic and social conditions of a certain period, and has been established and implemented in synchronization with other policy areas, such as economic policy. In the early stages of industrialization and urbanization, a national territorial development plan should be considered as no lower than the second most important economic policy on the priority list. Fortunately, since the 1960s, the Korean government recognized the need to utilize both the national territorial policies and national economic policies at the same time in the course of its modernization and development. It has established a systematic planning system for its national territorial policies since the 1970s.

Accordingly, national territorial policies were designed to achieve a synergistic effect with other sectors, while corresponding to the country's overall policy. As a result, it was possible to establish appropriate goals and strategies. For example, the Korean government instituted a growth pole strategy in terms of national territorial plans, in order to promote an export-oriented economic growth strategy in the 1960s and the 1970s. In the late 1990s, the Korean government adopted a balanced development strategy because the social needs changed from economic growth to regional and environmental balance. After the 2000s, the long-term strategies moved in the direction of enhancing "openness" of national territory as Korea became more global and connected with the international community. Not all the goals and strategies, however, have been achieved and implemented without problems. Nonetheless, to a large extent, the national territorial plans in Korea have achieved most of its targeted goals, according to related economic and social indicators. Indicators to measure success were employed, such as a precise analysis of the situation, an evaluation system, feasible goal setting, and selection of effective policy methods,

1.2. Effective Institutionalization and Systematization

It is important to have systematic and efficient institutionalization and administrative systems in place, to ensure the smooth operation of national territorial planning, including its enforcement system. Since Korea's independence from Japan in 1948, the Korean government has developed institutionalization for all sectors and complemented the CNTP and its related planning sectors, such as land and construction, across the board. For

example, *The Framework Act on the National Land* was enacted in the 2000s to redefine the phases of the CNTP, to improve the establishment system in order to strengthen procedural democracy, and to introduce the assessment system for national territory in order to assess other plans and improving effectiveness, as explained previously in Chapter 4. Nevertheless, despite its successes, the institutionalization and systematization of the CNTP remains a work in progress.

1.3. Appropriate Planning and Implementation System

The leading role of the central government in Korea is traditionally very strong and this has allowed for efficient functioning of the administrative enforcement system between the central and local government. In addition, the national expert-support system, such as the KRIHS, has been established and utilized since the 1970s. In the sectors in which national investment is required, such as land development (Korea Land Development Corporation), housing construction (Korea Housing Corporation), road construction (Korea Highway Corporation), water resource management (Korea Water Resources Corporation), and rural development (Korea Agricultural and Rural Infrastructure Corporation), the Korean government established and operated public corporations. They also established a system of “development investment-management” which combines the advantages of the public and private sectors. These public corporations contributed to the enforcement and realization of effective policies and planning, depending on the strategic direction of the CNTP by economic development stage and time.

1.4. Continuous Efforts to Reflect Social Values

In the planning stage, The Korean government has organized the appropriate strategies, and institutionalization and systematization according to time, in regards to the CNTPs. They have continuously made efforts to implement plans by adapting to changing social values. For example, environmental conservation issues raised in the 1980s were continuously pursued, and have become a key focus area for sustainable national territorial development in the 1990s, and green growth in the 2000s. In addition, concerns about balanced development of the country that were raised after the 1980s, and the capital region’s mitigation policy and regional balanced development policy have been ongoing affairs. It is hard to say if these policies were successful, but the Korean government has at least tried to solve the problems and develop relevant policies. The fact that social participation has increased and been institutionalized as a part of the process of the CNTP, since the local self-governing system matured in mid-1990s, is proof of the government’s efforts to implement social values.

Korea's efforts were not completed voluntarily, or executed by the central government alone, but were the resultant outcomes of social development. However, it is necessary to emphasize that a political decision-making system, which reflects the changes of social values, is an important component to include in basic national plans and policies, as demonstrated by the CNTP presented.

2. Limitation of CNTP and Future Tasks

Korea's CNTP is viewed as a success story by many. Developing countries have tried to learn and benefit from them. However, success does not mean there are no problems. Rather, benchmarking a successful foreign case and examining it in conjunction with other existing factors of that country are necessary. For example, countries should not adopt the methods and results without first understanding why they were successful, or why they failed. They should also analyze the side effects and problems that arose. Korea's CNTP was a successful case as a result of a combination of factors, as mentioned above, but at the same time, the plans were implemented through a series of trial and error. Despite its successes, it did not solve all the problems that had accumulated from the past and continues to have to deal with new problems as a result of the changing times.

There are several limitations of Korea's CNTP. First, it failed to mitigate regional disparities that appeared. Second, failures of various policies raised the total social cost (including intergenerational) and decreased long-term efficiency. Third, as civil society and local government matured, the authority of the central government decreased. As a result, planning authority and practical ability began to decline, and the central government could not solve problems of increasing regional and social conflict. These trial-and-error failures can be viewed as the flipside of the successes that were achieved.

The national territory in Korea has been continuously developed for forty years since the 1st CNTDP, but many problems continue to exist. The crippled operation of the housing and real estate market led to the housing instability experienced by the poor in small cities. In addition, rural villages lack infrastructure and vitality. Regions have come into conflict with national projects and resources for regional development. Moreover, community disorganization from indiscriminate redevelopment and reconstruction, and the destruction of the environment from overexploitation, continue to exist. The important thing, however, is how the CNTP can overcome these problems, which appear as social and economic conditions change, and to look further into the future with a better design. The course of action and policy methods can vary with the situation at any given time. For example, in the past, the lack of infrastructure was a problem that needed to be solved to improve the quality of life. However, in the 1960s and the 1970s, economic growth was considered the most

important concern and the issue of “quality of life” was lower on the priority list. On the other hand, it was the first priority in 2010, given that the national income per capita is now over US \$20,000. It is important, therefore, to identify the current criteria needed based on the actual social conditions, in order to make the proper decisions for policy planning.

Since the 2000s, Koreans have placed more emphasis on the value of the quality of life and happiness, than growth and ownership. The country’s rhetoric follows in the footsteps of these changes: From efficient-oriented to “equity,” from physical infrastructure development to “soft” and “cultural content-oriented,” from administration and management to “autonomy,” and “variety,” and from immediate consumption to “conservation” for the sustainability of the next generation.

Given the narrow perspective of the policy making process in the field of national territory and regions, the value of a fair society is symbiotic development that can be understood in similar terms with communicative and collaborative planning. When choosing a particular policy direction or method, in the process of social discussion about specific policy, it should not only include the procedures and processes that lead to the decision, but also include the conflicts that occurred during the process of discussion as a result of policies and laws that were formulated. This is the limitation, or dilemma of state-led policy discussion; even though it is the most effective way to strengthen communication and collaboration, and draw a universal social consensus amongst key stakeholders in the process of policy making.

When rapid economic growth was emphasized, national territorial planning was established and implemented on the basis of “technical rationality” by bureaucrats and expert groups, with little social and political discussion with the private sector. These technical and professional decision-making processes and national territorial plans often resulted in political, social, regional, and class conflicts. However, since the 1990s, areas pertaining to participation and negotiations on public plans, especially in the areas of public policy and planning, have taken into account the social and political context; instead of adopting a scientific positivistic approach and rational choice model, characteristic of “technical rationality.” Thus, future CNTP should ensure open communication and participation of both individuals and social groups, with a focus on adhering to the norms of procedural legitimacy, based on participation or collaboration, to seek social consensus.

With these principles, Korea’s CNTP needs to effectively respond to the rapidly changing external reality. Korean society is experiencing low birthrate, an aging society, low growth, and overdevelopment. In addition they face serious polarization and demand of welfare, climate change, environmental issues, and green growth. However, Korea’s national territorial and regional policies in the recent decade, have not responded effectively

to domestic and international environmental changes, and continues to employ certain ineffective practices and policies from the past. In particular, the government has been criticized for not responding effectively to problems, such as the focus on the capital region, balanced regional development, and the improvement of the quality of life. Despite continuous development and contribution towards growth for the past 40 years, Korea's CNTP is still faced with many challenges for the future.

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Summary of CNTPs

Table 1 | Changes of National Territorial Policy by Time Phase

Time	Features of Period	Economic/ social situation of Period	National Territorial Plan	Directing Point of Plan
1950s	Confused Stage	<ul style="list-style-type: none"> • Land was devastated from colonialism and the Korean war • Regional unbalance began 	<ul style="list-style-type: none"> • Land policy was discussed in the late 1950s 	
1960s	Economic Germination	<ul style="list-style-type: none"> • Many problems accumulated from the 1950s were scattered all over the country, and the economy was still unstable 	<ul style="list-style-type: none"> • Comprehensive National Territorial Development Plan Law • The 1st & 2nd Five-year Economic Plans 	<ul style="list-style-type: none"> • Modernization of Industrial structure
1970s	Economic Revival	<ul style="list-style-type: none"> • The 1960s promoted to change industrial structure, increased economic efficiency, and social disparities as well 	<ul style="list-style-type: none"> • The 1st CNTDP • The 3rd & 4th Five-year Economic Plans 	<ul style="list-style-type: none"> • Efficient use of national territory • Environment conservation • Control population concentration in large cities
1980s	Economic Matured	<ul style="list-style-type: none"> • Economic growth was achieved • Population was concentrated in large cities • Thoughtless development, real estate speculation 	<ul style="list-style-type: none"> • The 2nd CNTDP • The 5th & 6th Five-year Economic Plans 	<ul style="list-style-type: none"> • Expanding development possibility • Dispersing population to non-capital regions • Natural environment conservation

Time	Features of Period	Economic/ social situation of Period	National Territorial Plan	Directing Point of Plan
1990s	Economic Stabilized	<ul style="list-style-type: none"> • Imbalance of national territory worsened • Land value was raised • Environment was polluted • Lack of infrastructure 	<ul style="list-style-type: none"> • The 3rd CNTDP • The 7th Five-year Economic Plan 	<ul style="list-style-type: none"> • Suppressing the capital region • Reducing regional disparities • Environmental conservation • Advancing national competitiveness • Expanding national territorial base facilities
2000s	Overall Convergence	<ul style="list-style-type: none"> • Era of diversity • Era of advanced scientific technology and knowledge/ information • Era of global competitiveness • Localization • Global issues, environment, energy/resource crisis 	<ul style="list-style-type: none"> • The 4th CNTP • The 1st Five-year Balanced National Development plan • Five-year Regional Development Plan ·Economic Region, Supra-Economic Region development promoted • Low carbon for green growth promoted 	<ul style="list-style-type: none"> • Responding to globalization and Northeast Asia's growth • Localization and knowledge/ information • Economic cooperation & national territory integration between North/ South Korea • Sustainable national territory

Source: 2011 Annual Report on National Territorial Plan and Use

Table 2 | The Changes of CNTP

	The 1 st CNTDP (1972~1981)	The 2 nd CNTDP (1982~1991)	The 3 rd CNTDP (1992~1999)	The 4 th CNTP (2000~2020)
GNP per capita	\$319 (1972)	\$1,824 (1982)	\$7,007 (1992)	\$10,841 (2000, GNI)
Background	<ul style="list-style-type: none"> Planned to enhance national power and promote industrialization 	<ul style="list-style-type: none"> Planned to improve the nation's living condition and relax overcrowding in the capital region 	<ul style="list-style-type: none"> Infrastructure was not well-equipped, and nation's competitiveness was low Regional development was unbalanced 	<ul style="list-style-type: none"> Planned to respond actively to condition changes in 21st century Planned to build new national territorial vision and strategy
Method	Growth Pole Development	Area-wide Development	Balanced Development	Balanced National Territory
Regional Plan	4 Great Rivers Regions	4 Economic Zones, Specific Zones	7 metropolitan regions	10 metropolitan region
Goal	<ul style="list-style-type: none"> Manage national territory for effective use Construct key infrastructure Resource development & natural environment conservation Improving living environment 	<ul style="list-style-type: none"> Inducing population to settle down in local areas Expanding development possibility to whole country Improving nation's welfare Environmental conservation 	<ul style="list-style-type: none"> Building a frame for balanced development Constructing productive/resources saving system of territory Improving welfare and environment conservation Building base for reunification 	<ul style="list-style-type: none"> Key note Comprehensive National Territory for 21 C <hr/> <ul style="list-style-type: none"> Goal Balance, green, open and unified national territory

	The 1 st CNTDP (1972~1981)	The 2 nd CNTDP (1982~1991)	The 3 rd CNTDP (1992~1999)	The 4 th CNTDP (2000~2020)
Development Strategy	<ul style="list-style-type: none"> • Constructing large-scaled industrial base • Transport/communication, water resource, and energy network maintenance • Strengthening regional function to develop lagged area 	<ul style="list-style-type: none"> • Developing multi-core structure of nation, and regional living zones • Controlling growth of Seoul and Busan • Expanding infrastructure to strengthen regional function • Promoting development of lagged area 	<ul style="list-style-type: none"> • Fostering local region and controlling the capital region • Constructing new industrial area and advancing industrial structure • Constructing comprehensive high-speed network • Increasing investment in nation's living and environment • Managing exchange area between North and South Korea 	<ul style="list-style-type: none"> • Forming Integrated National Territorial Axis open to the world • Enhancing regional competitiveness • Building healthy and pleasant national territorial environment • Constructing high-speed transportation and information network • Building exchange cooperation base of Korea
Features & Problems	<ul style="list-style-type: none"> • Development focused on capital region and Southeast seaside industrial belt • Growth pole development • Focusing population and industry on Gyeongbu axis (Seoul-Busan), resulted in regional disparities 	<ul style="list-style-type: none"> • Pursuing balanced development by controlling two major cities and fostering other growth poles in local regions • Lack of specific implementation method continued • Imbalanced development and environment problems 	<ul style="list-style-type: none"> • Fostering new industrial zone in west coast and foster local cities • Development-oriented thinking, thoughtless development continued • Lack of reflection about global conditions such as globalization, liberalization, and localization 	<ul style="list-style-type: none"> • Forming integrated national territory: coastal axis + east-west inland axis • Promoting balanced development of regions • Promoting harmonization between development and environment

Source: Ministry of Construction and Transportation, 2007, Handbook of National Territory

Table 3 | The 4th CNTP and Revisions

	The 4 th CNTP (2000~2020)	The first revised 4 th CNTP (2006~2020)	The second revised 4 th CNTP (2011~2020)
Spatial Structure	<ul style="list-style-type: none"> • Integrated national territorial axes open to the world: Coastal axis + East-west inland axis 	<ul style="list-style-type: none"> • Opened national territorial axis + multi-core linkage structure II-shaped, (7+1) structure 	<ul style="list-style-type: none"> • Opened national territorial development axis + (5+2) economic region
Key note	<ul style="list-style-type: none"> • Comprehensive National Territory for 21st century 	<ul style="list-style-type: none"> • Dynamic Integrated National Territory 	<ul style="list-style-type: none"> • Global Green National Territory
Goals	<ul style="list-style-type: none"> • Balanced, Green, Open and Unified National Territory 	<ul style="list-style-type: none"> • Balanced, Green, Open, Unified and Welfare Territory 	<ul style="list-style-type: none"> • Competitive and Integrated Territory • Sustainable and Eco-Friendly Territory • Attractive and Global Territory
Development Strategy and Policy	<p>5 strategies</p> <ul style="list-style-type: none"> • Forming the integrated national territorial axis open to the world • Advancing region's competitiveness • Building healthy and pleasant territory • Constructing high-speed and information network • Constructing exchange cooperation base of Koreas 	<p>6 strategies</p> <ul style="list-style-type: none"> • Constructing self-reliant regional development base • Building national territorial management principles and reunification base of Northeast Asia • Constructing infrastructure network • Pleasant and human living condition • Sustainable management of national territory and resource • Constructing decentralized system for planning and implementation 	<p>6 strategies</p> <ul style="list-style-type: none"> • Strengthening regional specialization and area-wide cooperation to improve national territorial competitiveness • Constructing eco-friendly and safe national territory • Constructing pleasant and cultural urban environment • Constructing integrated green transport / information network • Constructing global national territorial axis open to the global ocean • Constructing national territory management base over the border

	The 4 th CNTF (2000~2020)	The first revised 4 th CNTF (2006~2020)	The second revised 4 th CNTF (2011~2020)
Regional Development	<ul style="list-style-type: none"> • Comprehensive Development of 10 Area-wide regions 	<ul style="list-style-type: none"> • Constructing multifunctional administrative city, relocating public office to non-capital regions, and promoting innovation city and enterprise city 	<ul style="list-style-type: none"> • Forming economic region and specializing individual region with its own feature • Strengthening global competitiveness • Fostering strategic growth pole considering regional features
Transportation	<ul style="list-style-type: none"> • Constructing integrated transport network system which binds whole country as one-day zone • Constructing international transport network for taking roles as gateway of Northeast Asia 	<ul style="list-style-type: none"> • Promoting 7x9 main road network • Strengthening link between multifunction administrative city and each region • Constructing transport network connecting North/South Korea and countries in Northeast Asia 	<ul style="list-style-type: none"> • Constructing green transportation system centered on railroad • Efficient operation of existing facilities • Extending infrastructure connecting economic region and supra-economic region
Implementation	<ul style="list-style-type: none"> • Emphasizing local government's authority based on decentralization and cooperative system between regions • Constructing organization, law, finance base 	<ul style="list-style-type: none"> • Constructing decentralization and balancing act system • Diversifying investment in finance, and efficiency in operation 	<ul style="list-style-type: none"> • Constructing efficient regional development system to prevent over-development • Diversifying resourcing method and establishing principles for sharing finance

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