

Metropolitan Development in Korea: Experiences and Policy Issues

November 2013

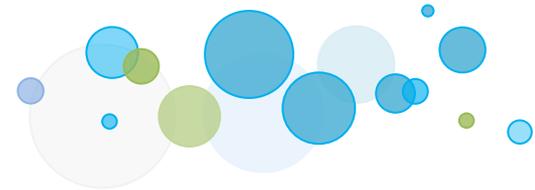
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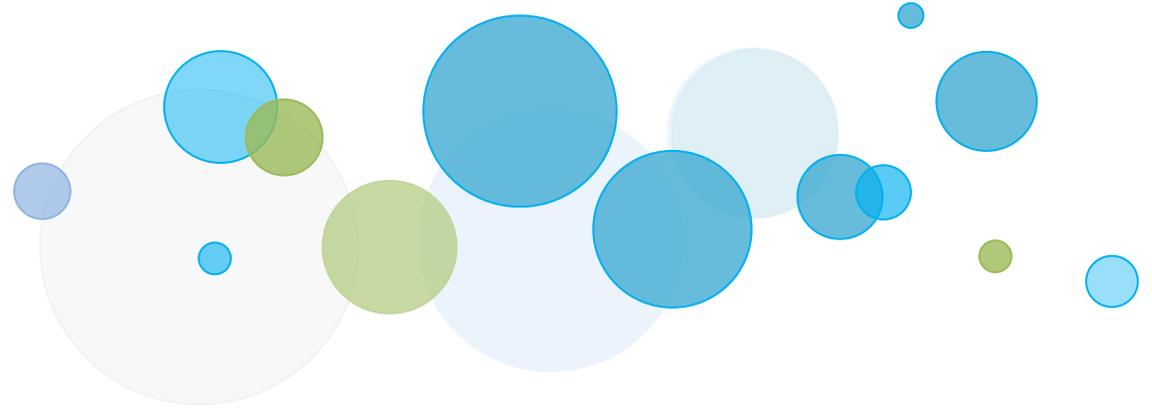
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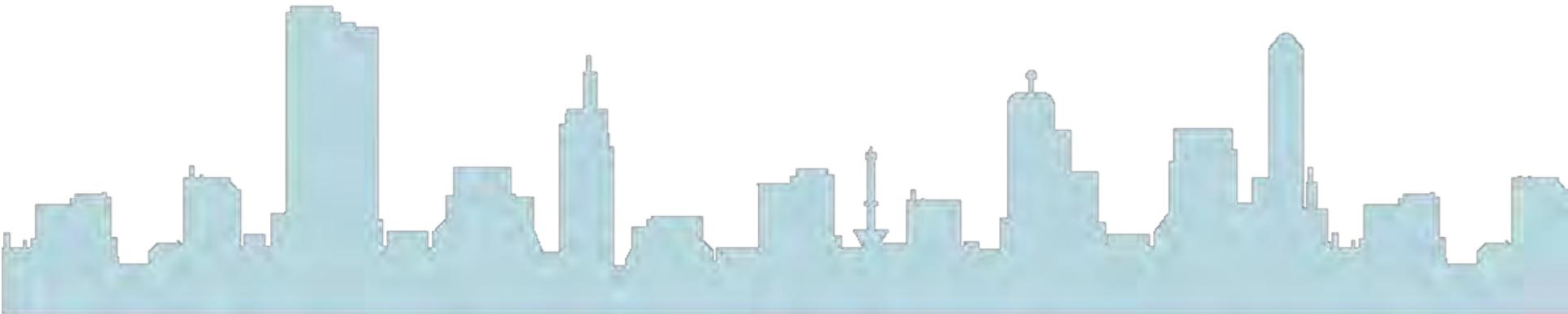
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1. Background: Why is the Metropolitan Region in Korea?

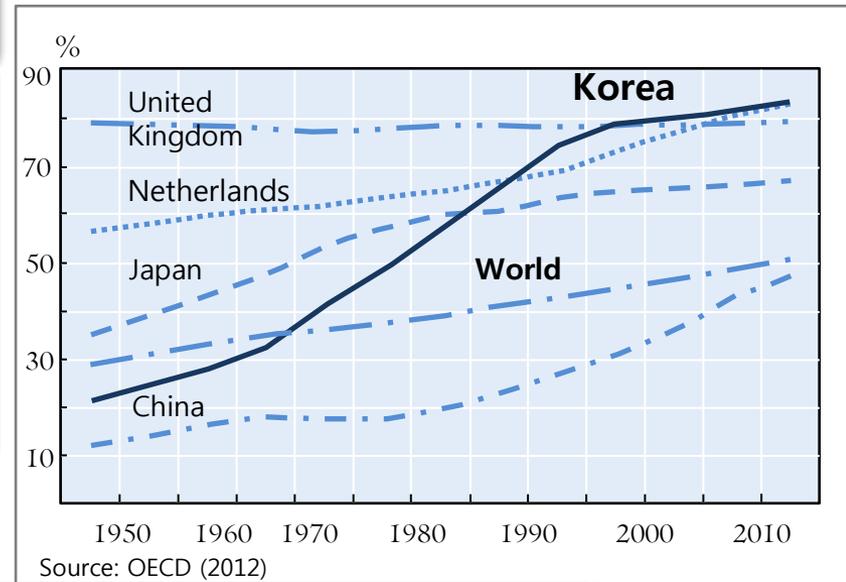


1. Background

Improve efficient service delivery through regional networking

- Spatial concentration and urban sprawl
- Diffusion of congestion and pollution
- Poor service delivery
- Mismatch between administrative boundary and functional regions

< Trend in Urbanization (1950-2010) >



Reduce regional disparities and promote regional growth hubs

- Alleviate over-concentration in the Seoul Metropolitan Area(SMA) and facilitate sustainable growth
 - * share of SMA to the nation(2011): area 11.8%(11,806km²), population 49.5% (25 million)
- Foster regional growth hubs for the balanced territorial development

1. Background

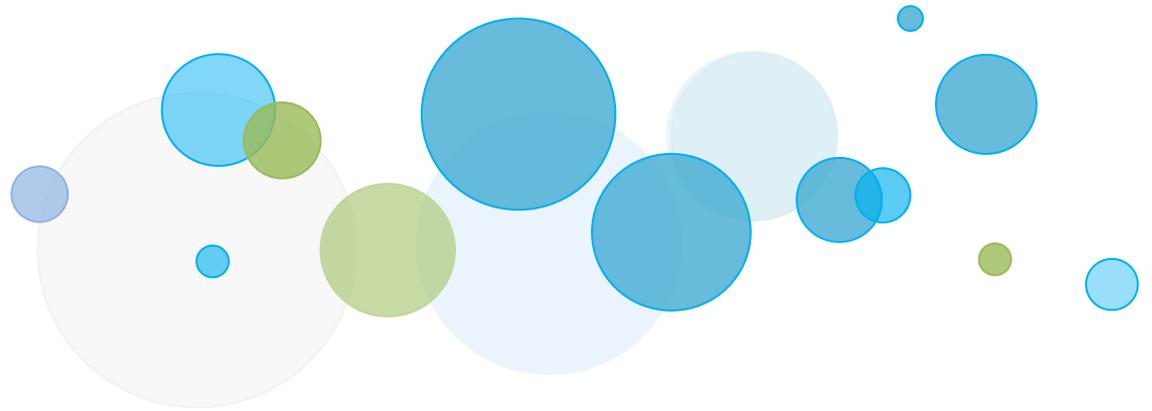
Reduce excessive competition and activate regional collaboration

- After introducing the local autonomous system in 1995, reduction of inefficiencies due to competitive development become to a challenging issue

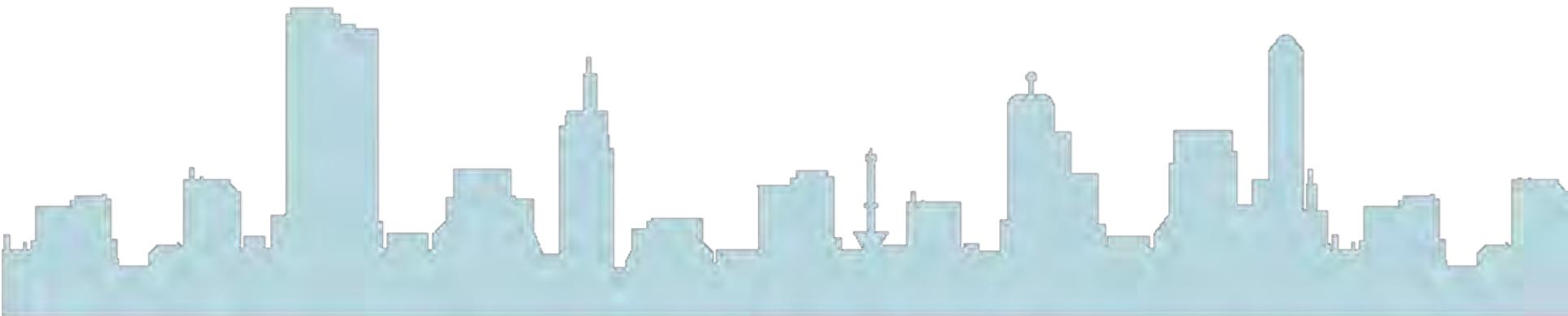


Increase the happiness of people through the city-region developments

- City-region is one of main regional strategies of the newly launched Korean government
- Need to explore ways of activating the collaborative development in the metropolitan regions



2. Local Government System and Metropolitan Regions in Korea

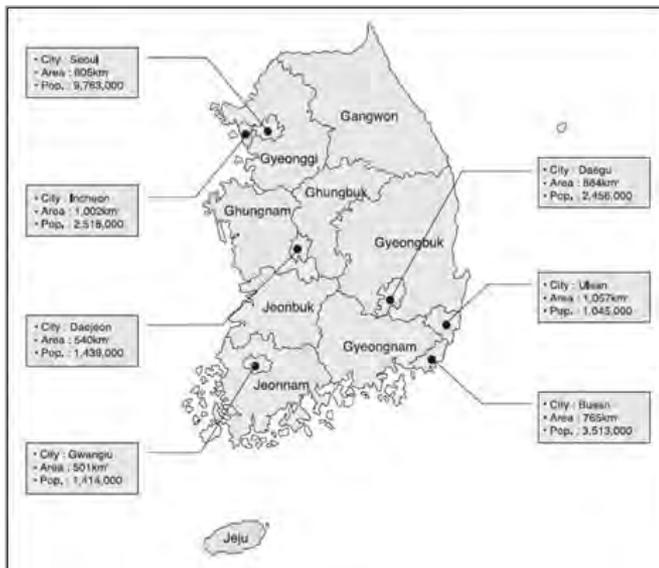


2.1 Local Government System in Korea

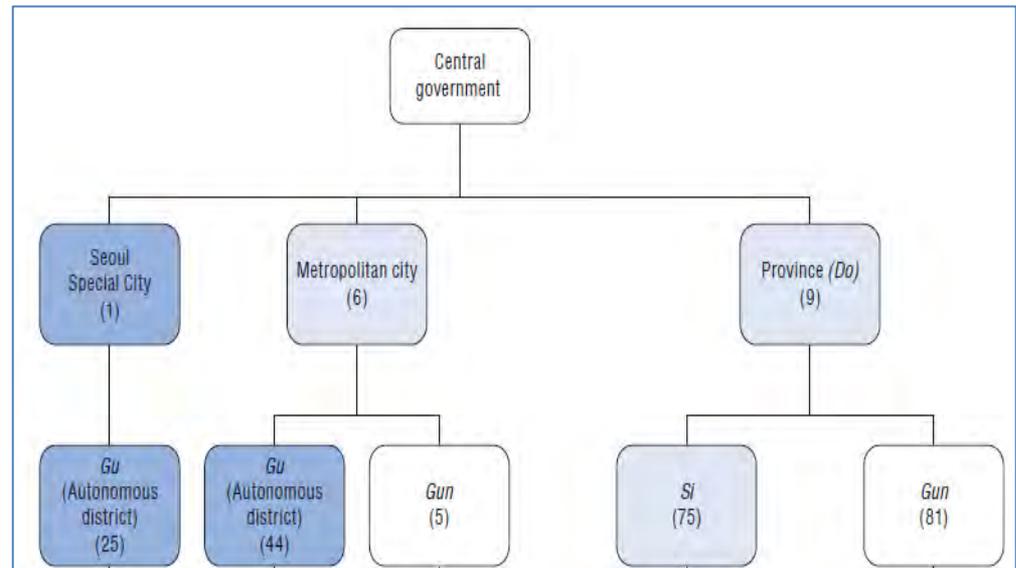
Two-tier system of local government in Korea

- The upper (or regional) tier includes Seoul Special City, six metropolitan cities, and nine provinces (*do*)
 - one Special Self-governing City, one Special Self-governing Province
- The lower (or basic local) tier is composed of 230 bodies including:
 - 75 cities (*si*), 86 counties (*gun*), 69 autonomous districts (*gu*)

< Administrative districts of Korea >



< Local government system of Korea >

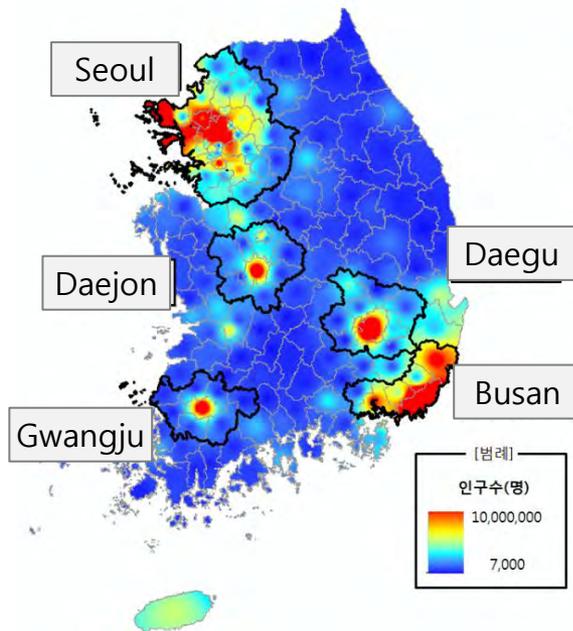


2.2 Metropolitan Regions in Korea

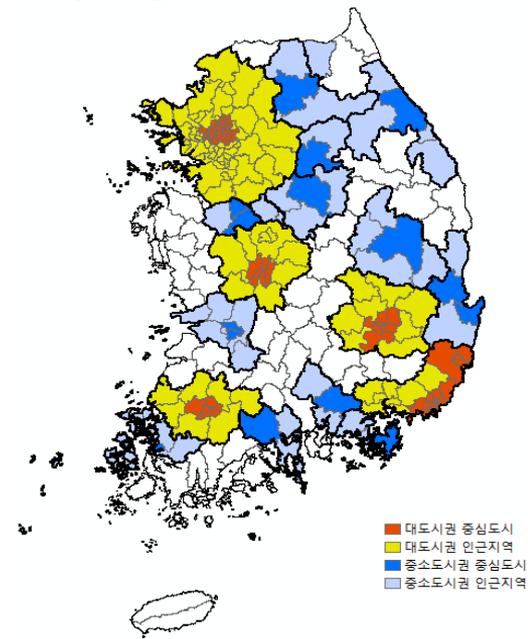
A various types of metropolitan regions in Korea

- Most metropolitan regions consist of cities and regions with special city and metropolitan cities in Korea
 - Seoul, Busan, Daegu, Gwangju, Daejeon
- City-regions with over 500 thousand people generally classified into metro regions

< Population distribution in Korea >



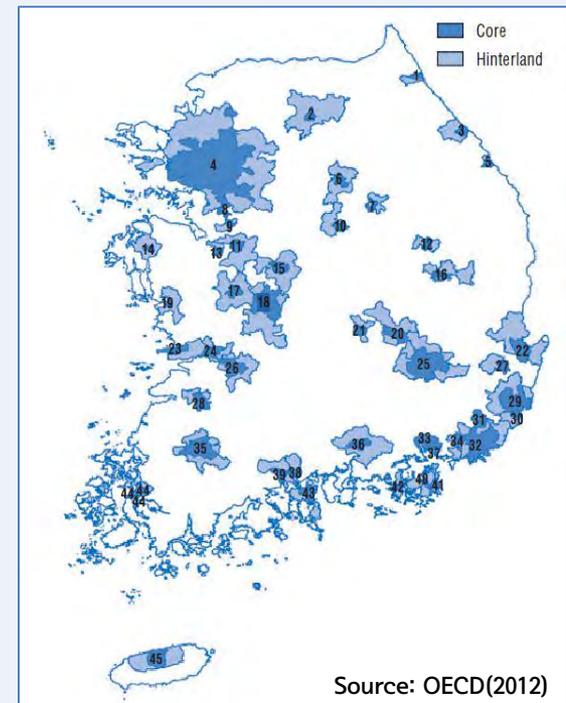
< City-regions in Korea (example) >

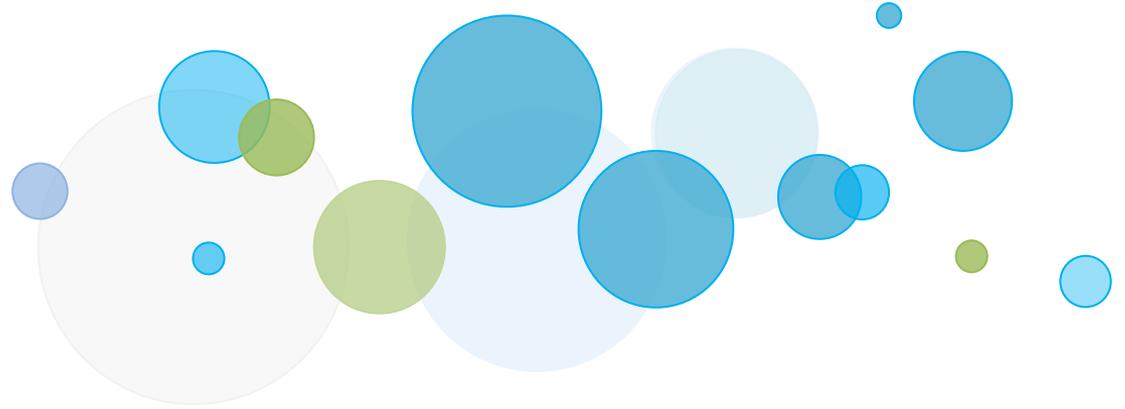


2.2 Metropolitan Regions in Korea

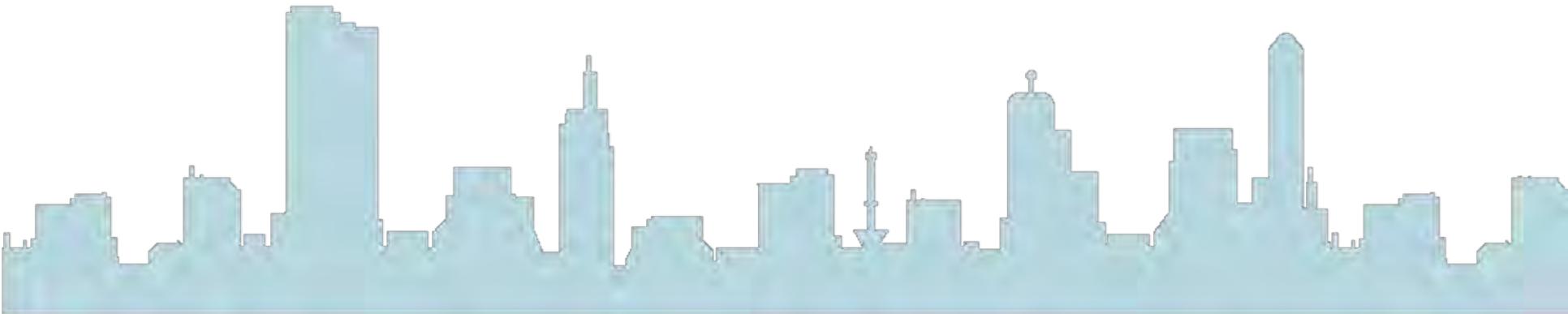
Functional Urban Areas of Korea (OECD, 2012)

- **45 functional urban areas were identified** by the census data and commuting patterns (cover 86% of the total population of Korea)
- ① **large metropolitan areas (4)** : Seoul Incheon, Daejeon, Daegu, Busan (1.5 million or higher)
- ② **metropolitan areas (7)** : Ulsan, Gwangju, Cheonan, Cheongju, Pohang, Jeonju, Changwon (500,000 and 1.5 million people)
- ③ **medium-sized urban areas (11)** : Gumi, etc. (200,000 and 500,000 people)
- ④ **small urban area (23)** : Sokcho, etc. (below 200,000 people)





3. Strategies and Governance of Metropolitan Regions

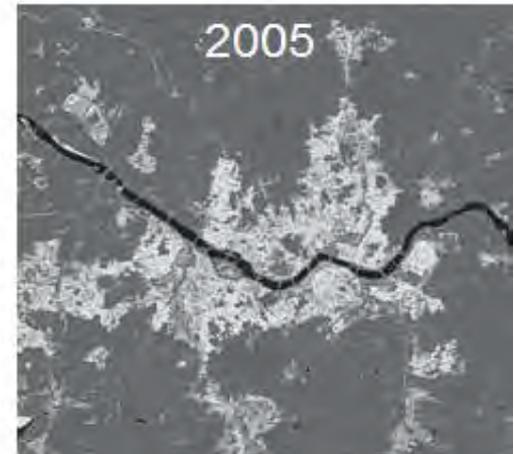
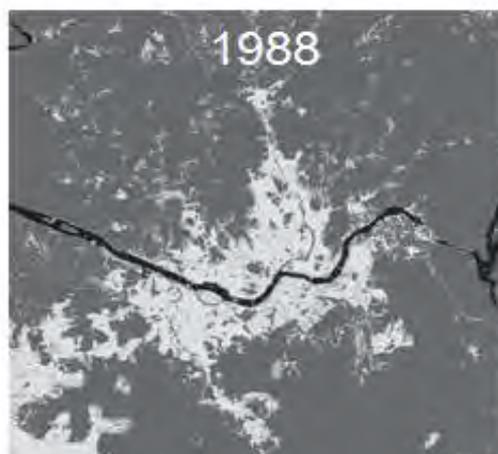
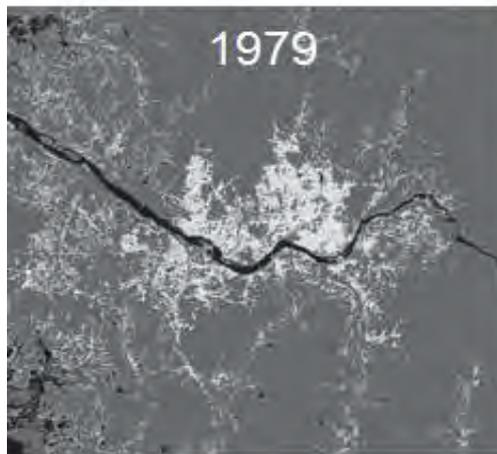


3.1 Growth Management of the SMA

Background

- **Concentration in Seoul accelerated with economic growth since the 1960s**
 - Urban sprawl to Incheon and Gyeonggi regions adjacent to Seoul
- **Growth management plan on SMA(or the Capital Region) since 1984**
 - Promote balanced development by reducing concentration in SMA
 - Achieve planned development through spatial re-structuring in SMA

< Urban sprawl in the Seoul Metropolitan Area (SMA) >



3.1 Growth Management of the SMA

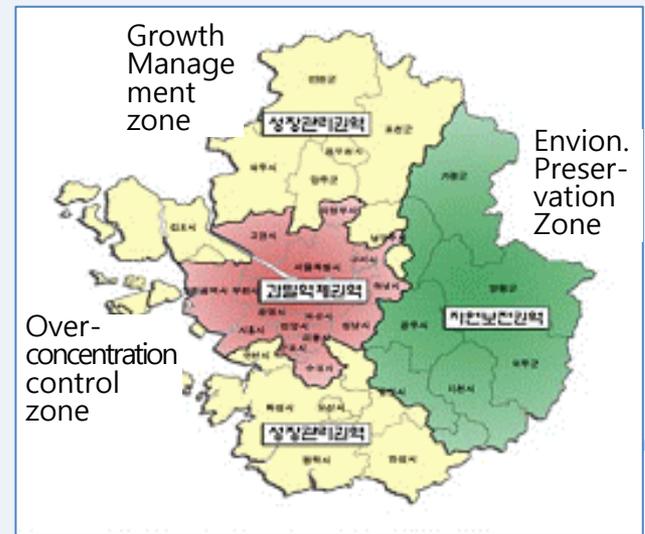
Strategies and Management System

- Classify the SMA into three zones and apply relevant strategies

	Over-concentration Control Zone	Growth Management Zone	Environment Preservation Zone
Area(km ²)	2,020 (17%)	5,955 (50.4%)	3,831 (32.4%)
Local gov't	16 cities (Seoul, etc.)	12 cities and 3 counties	5 cities and 3 counties
Objectives	prevention of over-concentration	Enhancement of self-sufficiency	preservation of the natural environment

- Regulatory tools for each zone
 - congestion tax on large sized office buildings
 - quota system on factory construction
- 「Committee on Growth Management of SMA」 under the central government (MOLIT)
 - Deliberate the plan and policies on SMA
 - Since 1960s, balanced territorial development has been the national agenda in Korea

< Growth Management Zones of the SMA >

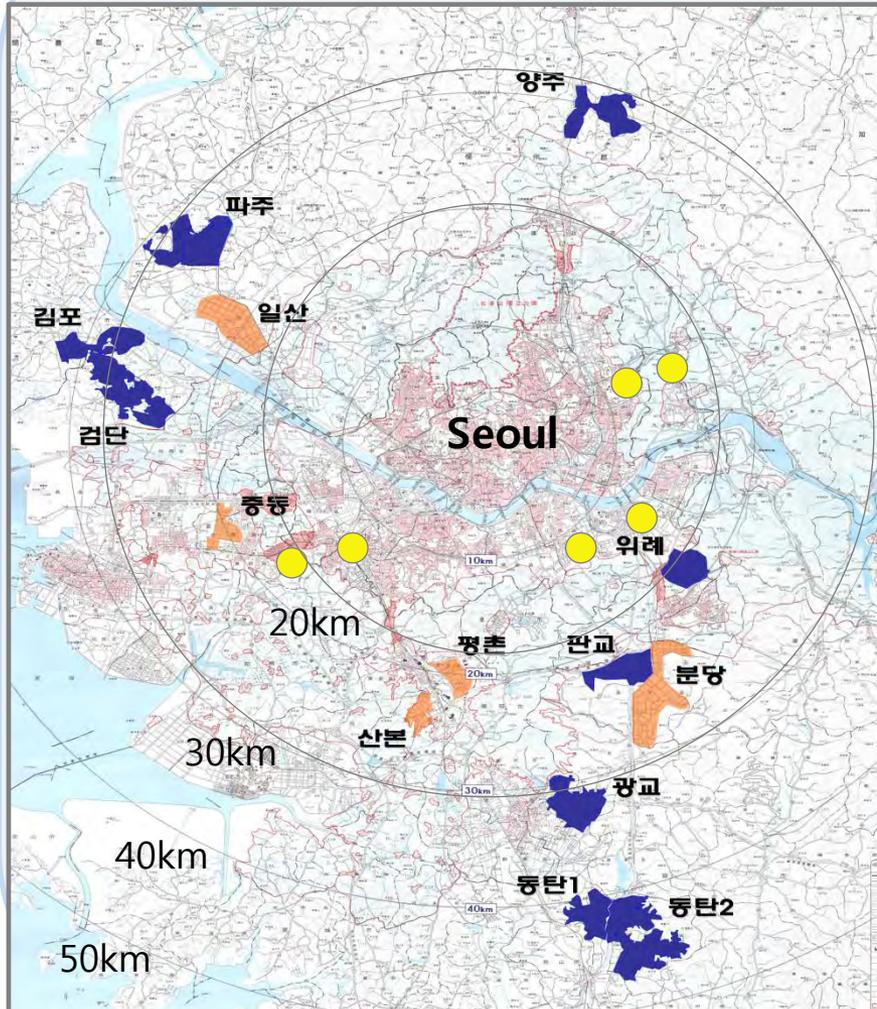


* MOLIT= Ministry of Land, Infrastructure and Transport

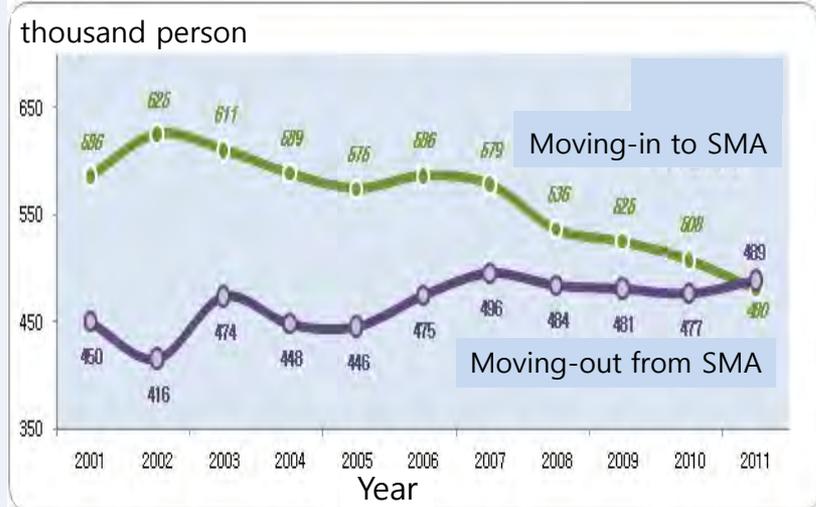
3.1 Growth Management of the SMA

Strategies and Management System

< New towns in the SMA >



< Population trend of moving-in to and moving-out from SMA >



Source: Statistics Korea

- 1st stage New town (1988-)
- 2nd stage New town (2001-)
- Large residential areas (2008-)

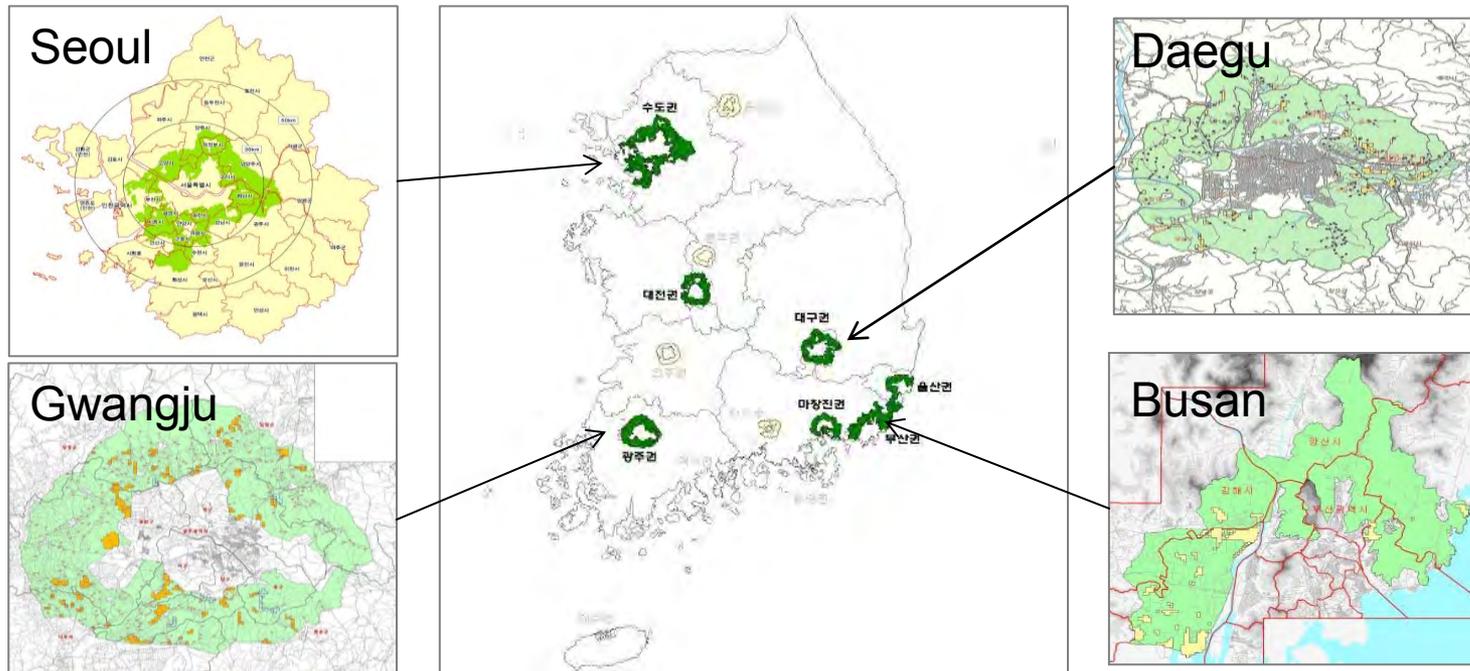
3.2 Metropolitan Region Development

1) Area-wide Urban Planning of Five Metropolitan Regions (2000)

Background

- Designate five metropolitan regions for the planned area-wide development through establishment of the metropolitan plans in 2000
- Establish long-term development directions and strategies
 - Including the management of the Green Belt (Development Restricted Zone)

< Metropolitan Regions with Green Belts >



3.2 Metropolitan Region Development

1) Area-wide Urban Planning of Five Metropolitan Regions (2000)

Strategies and governance

- Include comprehensive development and management on spatial structure and land use, transportation, culture, and environmental preservation
- 「Committee on the Area-wide Urban Planning」 at the ministry level
 - coordination and consultation on the Plan
- 「Local Advisory Committee」 at the regional level: advise on the plan

Policy Implications

- Overcome the limitation of individual urban planning system
 - urban plan is required to reflect the directions of Area-wide Urban Planning
- Weak implementation system
 - plans and projects not linked with budget system
 - committee under the central gov't is in charge of advisory & consulting functions

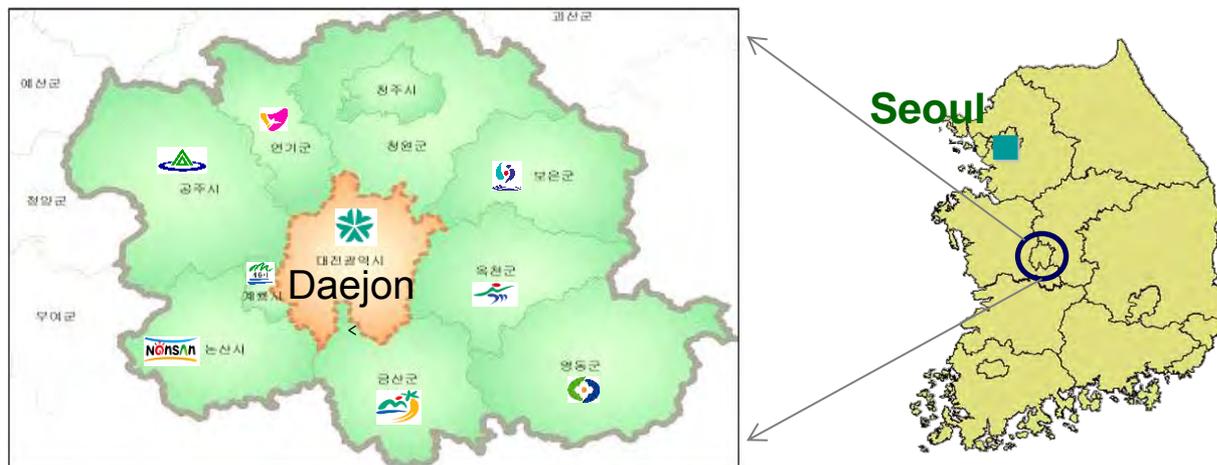
3.2 Metropolitan Region Development

2) Metropolitan Development by Voluntary Participation: The case of G9 (2007)

Background

- Since 2007, the Group 9 (G9) has been established for the mutual prosperity of Daejeon Metropolitan Area on a voluntary basis
- G9 consists of Daejeon city and eight local governments (3 cities, 5 counties)
 - Total population: 2,050 thousand (Daejeon 1,480 thousand)
 - Total area: 5,000Km² (Daejeon 540Km²)

< The Group 9: Daejeon Metropolitan Area >



3.2 Metropolitan Region Development

2) Metropolitan Development by Voluntary Participation: The case of G9 (2007)

Strategies and governance

- Identify and implement the cooperative projects in G9
 - public transportation, tourism, agro-products transaction, urban-rural exchanges, etc.
- Sign MOU(memorandum of understanding) among local governments
- Hold meetings of working groups and head of local governments regularly

Policy implications

- Consensus on mutual prosperity and implementation of selected cooperative projects
 - culture events, tourist attractions, agricultural products sales, etc.
- Vulnerable institutional basis
 - weak legal foundation for policy implementation (based on MOU)
 - insufficient funds to practice the cooperative projects
 - lack of active cooperation such as joint installation of public facilities and services

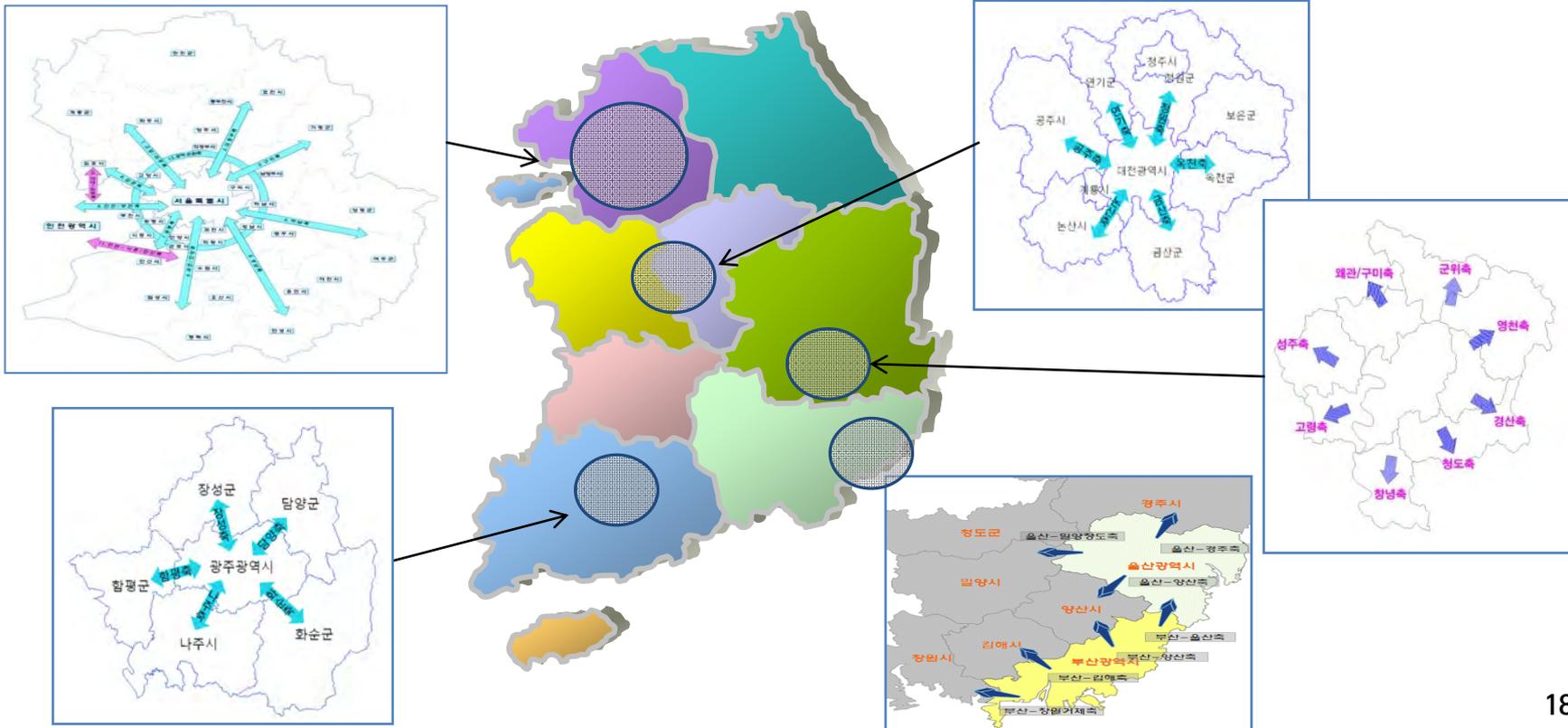
3.3 Sector(or project) based Metropolitan Development

1) Metropolitan Transport Plan (1997)

Background

- Meet the transportation needs of area-wide expansion and reduce congestions in metropolitan regions
 - five metro regions: SMA, Busan-Ulsan, Daegu, Gwangju, Daejeon

< Five Metropolitan Transport Planning Regions >



3.3 Sector(or project) based Metropolitan Development

1) Metropolitan Transport Plan (1997)

Strategies

- Establish the Metropolitan Transport Plan
 - 20 year basic plan and 5 year implementation plan
- Include the investment and management of metropolitan transport facilities
 - inter-regional roads and railroads, transfer facilities, etc.

Policy implications

- Increase in the share of public transport
 - contribute to the reduction of congestion cost and greenhouse gas exhaustion
- Establishment of plan by the Ministry of Construction and Transportation
 - projects implementation by local governments
- Vulnerable implementing system in budgets and governance

3.3 Sector(or project) based Metropolitan Development

2) Metropolitan Transportation Authority (2005)

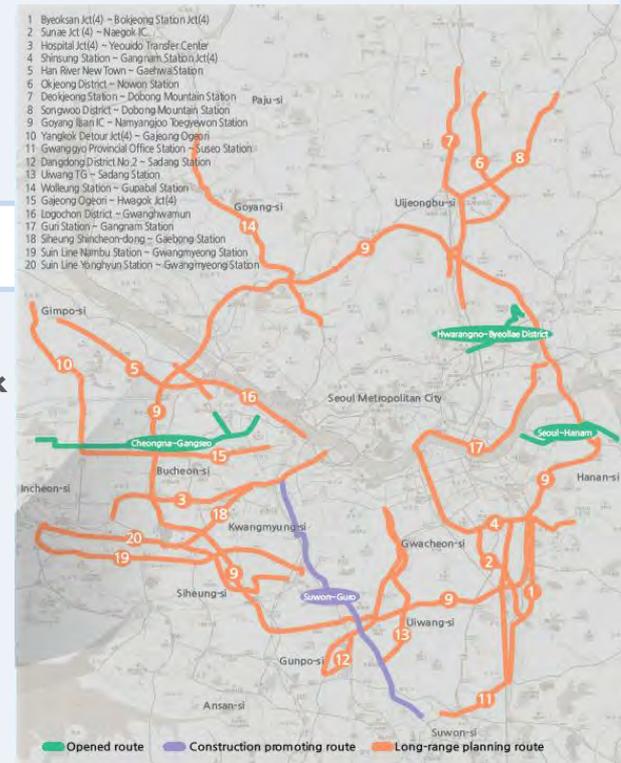
Background & Strategies

- Established for the administration of metropolitan transportation policies and projects
 - develop metropolitan public transportation plans
 - establishment of build metropolitan Bus Rapid Transit (BRT) and transfer facilities
 - consultation & adjustment of inter-regional projects

Policy Implications

- Authority composed of 3 metropolitan cities & provinces including Seoul, Incheon, & Gyeonggi
 - joint investment, dispatch staff
- Operational limitation
 - weak policy coordination authority
 - ambiguously devolved work assignment
 - limited budgets for project implementation

< Seoul Metropolitan BRT Route (Plan) >



source: Metropolitan Transportation Authority(2013)

3.3 Sector(or project) based Metropolitan Development

3) Free Economic Zone Authority (2003)

Background & Strategies

- Establish to improve business and the living environments of Free Economic Zone (FEZ)
- Operate eight FEZ Authorities (5 for inter-provincial)

< Busan-Jinhae FEZ >



Policy implications

- FEZ Authorities contribute to the deregulation, licensing support, and attracting foreign investment
- FEZ planning by the Committee (under Ministry) and implementation by Authority
 - Mayor and governor designate the director of FEZ Authority and dispatch staff

3.3 Sector(or project) based Metropolitan Development

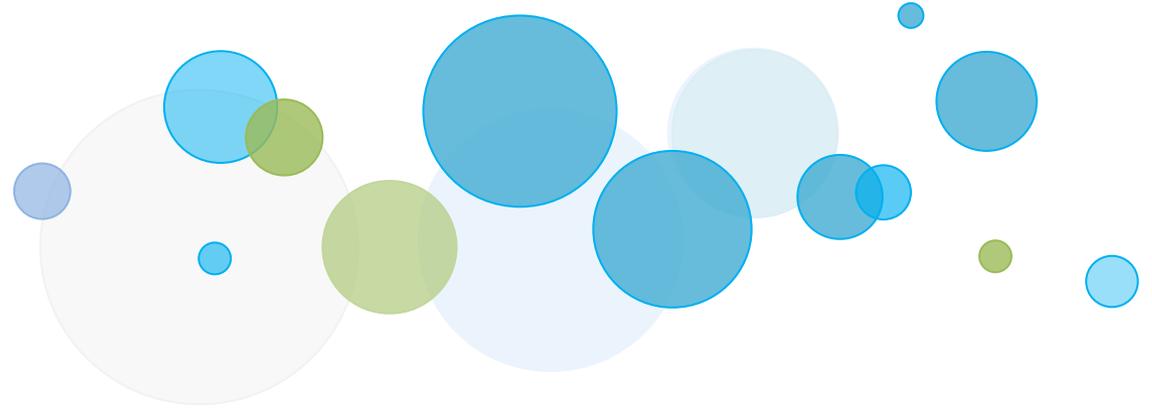
4) Inter-regional Cooperative Projects (2010)

Activating cooperative local development projects

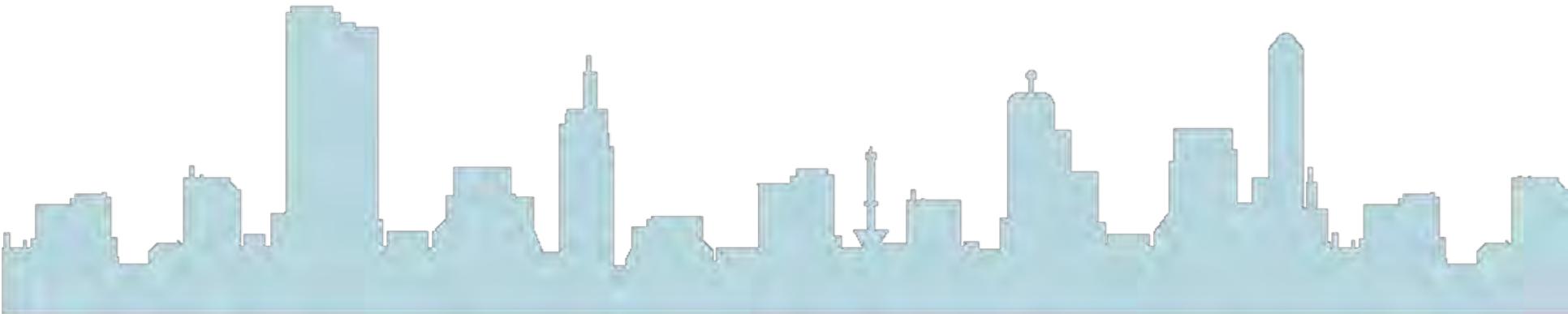
- Since 2010, the Korean government has supported inter-local projects for vitalizing co-prosperity of regions
 - culture, tourism, environment, NIMBY facilities
- Select and finance the projects annually
 - incentive of 10% subsidy rate

< Examples of inter-regional cooperative projects >

Type	Facilities or services
Transport facilities	· area-wide road, area-wide railroad, urban railway, transfer parking
Regional development	· industrial complex, logistics center, regeneration
Water, environment	· water quality management, air quality improvement
Public facilities	· park, culture & welfare facilities
Culture · tourism	· tourism development, local product sales, cultural heritage management
NIMBY facilities	· landfill, sewage treatment plant, facilities for the handicapped



4. Metropolitan Region Development of the Newly Launched Korean Government

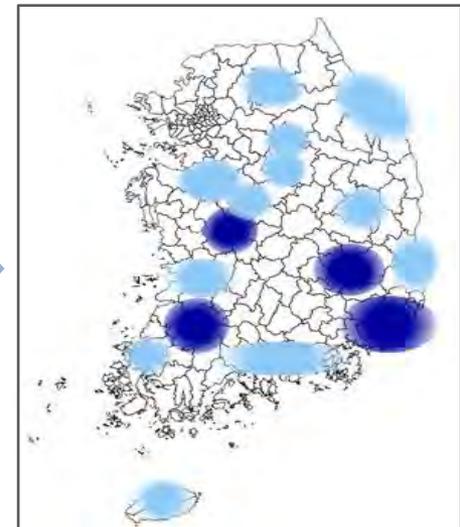
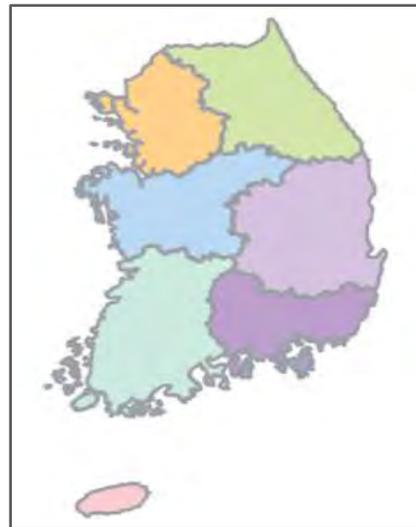


4.1 Background and Strategies

Background

- In 2013, a new direction on the regional development is set to achieve 'hope and happiness of the people'
- Formulate city-regions with 2 or more cities and counties with functional linkages
- Expand area-wide facilities and service related to people's life
 - job creation, education, culture, welfare, environment, etc.

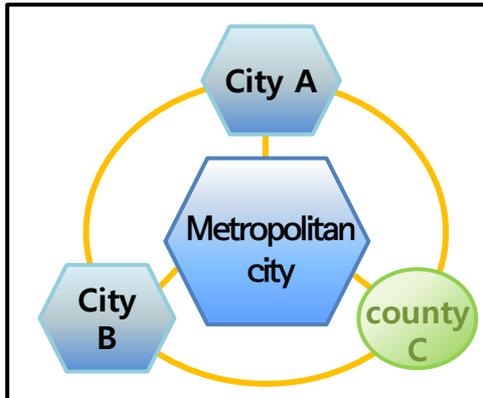
< Metro city & province (03-07) > < Economic regions (08-12) > < City-regions (example) (13-) >



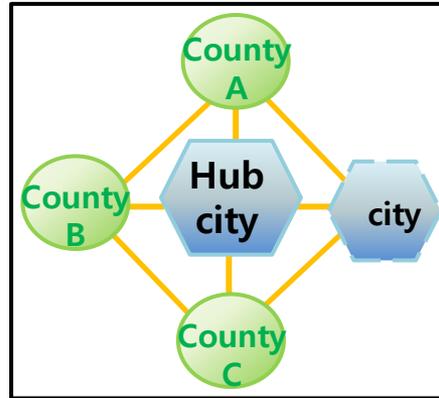
4.2 Types and Governance System

Types of city-region

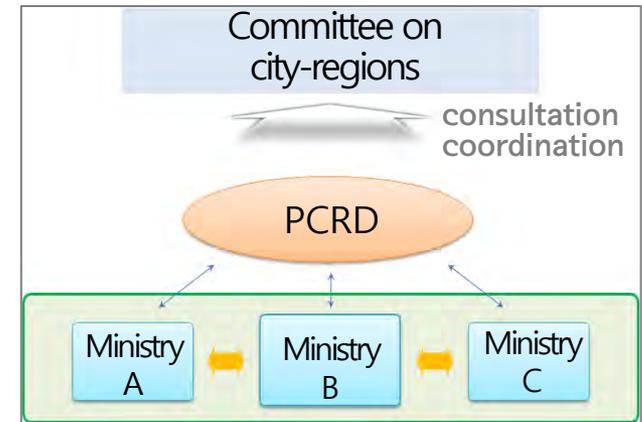
< Metropolitan type >



< urban-rural linkage type >

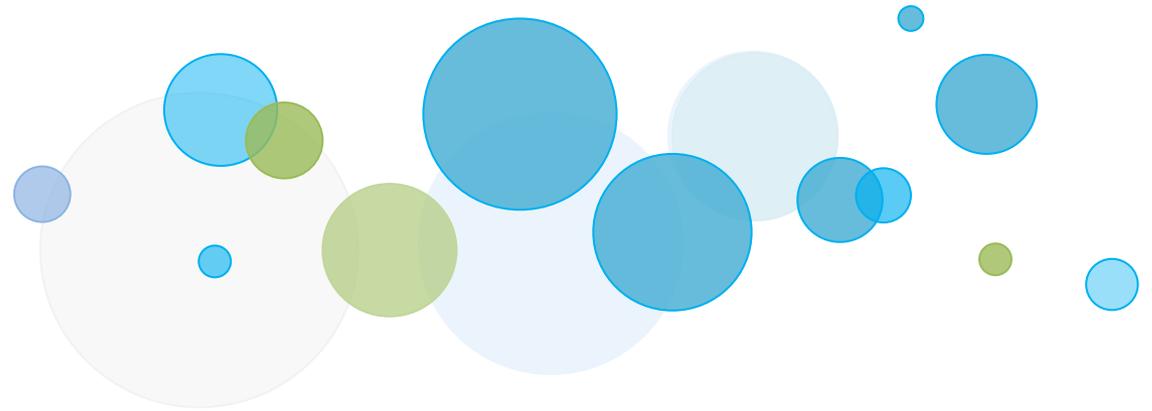


< supporting system for city-regions >

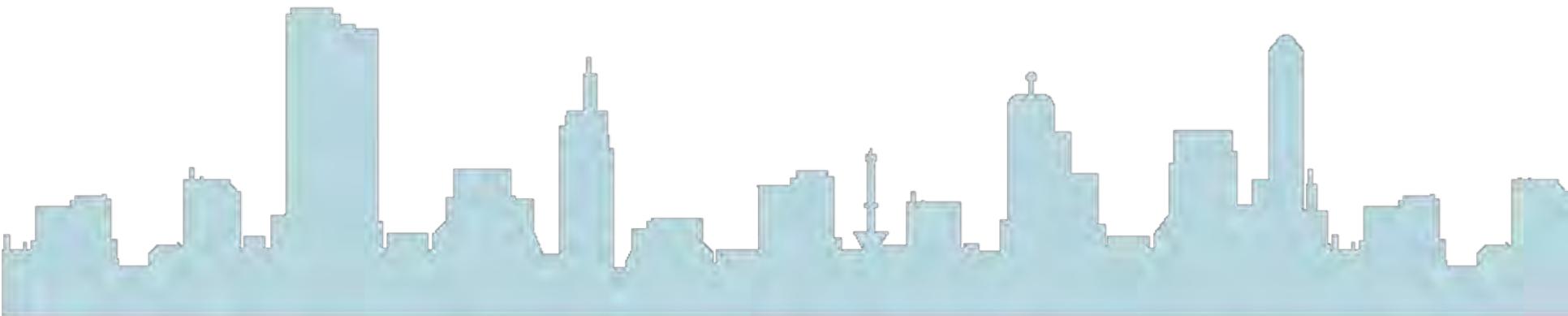


Governance system

- Organize “Committee on area-wide development” at local and provincial levels
 - participated by mayors, provincial governors, relevant experts
 - consultation and coordination on the formulation and plans for area-wide development
- Provide integrated supports and coordination by relevant ministries and Presidential Committee (PCRD)
 - package support through the collaboration of relevant ministries



5. Policy Issues on Metropolitan Region Development in Korea



5.1 Policy Issues

On the formulation of metropolitan regions

- Concerns about the exclusion from the metropolitan regions
 - missing the opportunities of regional development
- Disadvantages of surrounding rural regions within the metropolitan regions
 - concerns about the location of NIMBY facilities

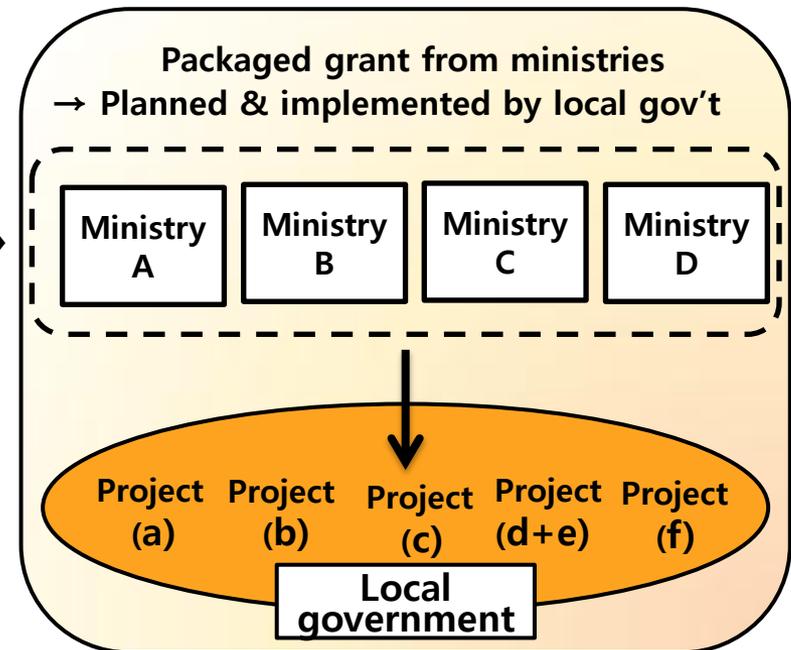
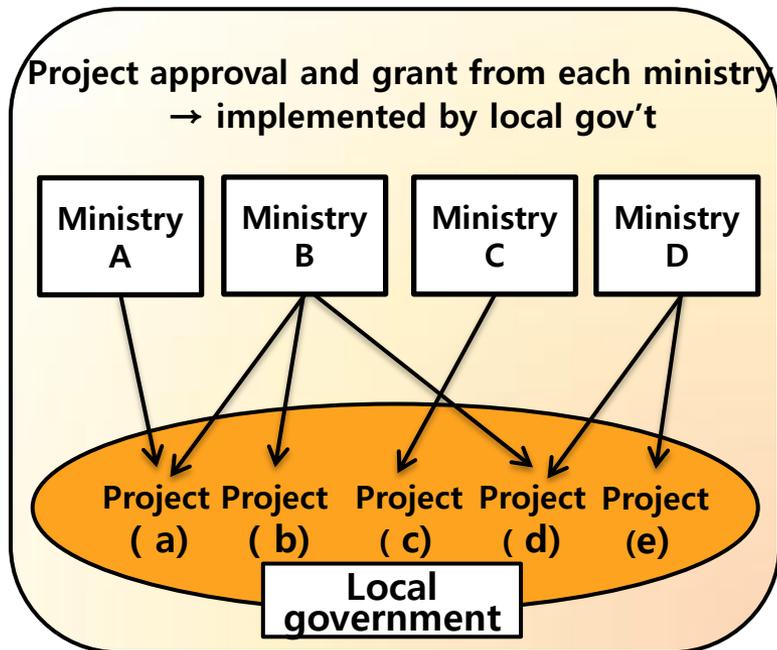
On the cooperation among municipalities

- Passive participation as a member of metropolitan regions
 - mind a small disadvantage conscious about local government elections
 - administration and budgetary system by each local government
 - weak needs of cooperation, especially for the large cities with sufficient services
- Difference in the levels of local governments under two-tier system
 - basic local gov't vs. provincial gov't
 - need formal contracts, instead of MOU, for securing the cooperation

5.1 Policy Issues

On the financial supports for the cooperative development

- Incentives for inter-regional cooperation
 - increases in the amount of budget for cooperative projects
 - priority budget allocation in cooperative works
- Apply a 'block grant' for the area-wide developments
 - avoid inefficiencies due to the project-based budget allocation from each ministry



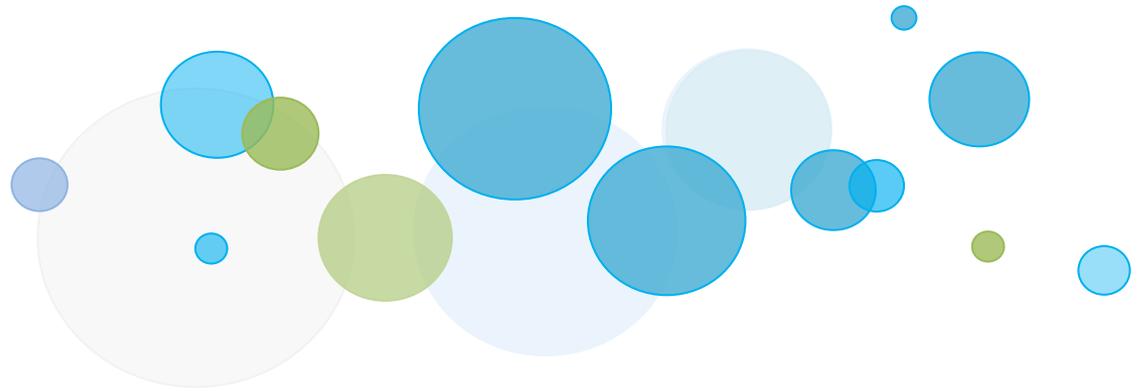
5.1 Policy Issues

On the Implementation organization

- Committee or association types
 - main tasks: plan establishment, consultation, evaluation
 - policies mostly initiated by the central gov't or their affiliated committees
- Give more power and budget authority to the local government or the association
 - increase the roles of planning, coordination, and implementation

< Selected Implementation Body for Metropolitan Region Development >

Type		Title	Year	Tasks	Affiliation
Committee/ Association	Central government	Committee on Growth Management of SMA	1984	Policy deliberation	Ministry of Land, Infra, Transport (MOLIT)
		Committee on Area-wide Urban Planning	2000	Advise on growth management of Metro regions	Ministry of Land, Infra, Transport (MOLIT)
	Local government	Economic Region Development Committee (ERDC)	2008	Strategy establishment, dealing with development issues	Metropolitan government, province
		Committee on Inter-local Development	2013	Deliberation & consultation on regional cooperation	Metropolitan government, province
Authority		Metropolitan Transport Authority	2005	Plan establishment, coordination, consultation	Metropolitan government, province
		Free Economic Zone Authority	2003	Investment attraction	Metropolitan government, province



Thank you for your attention !

