

UNDERSTANDING URBAN PROBLEMS IN KOREA: CONTINUITY AND CHANGE*

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This paper is prepared with two purposes. The first part of the paper describes spatial patterns of Korean urbanization and analyzes their underlying logic. Followed by the introduction of some major characteristics of Korean urbanization, the relationships between specific spatial patterns of Korean urbanization, types of industrialization and agrarian transition are explored. Also, under the rubric of "developmental bubble city", explanations for some specific urban outcomes are provided. In contrast, the second part of this paper deals with the chances of an emerging new paradigm which contradicts past tendencies of urbanization. Newly emerging tensions in Korean urbanization are explained by the criteria of urban production and collective consumption. From the production side, the metropolitanization of post-fordism through urban industrial restructuring becomes manifest, while increasing tendencies of citizen participation through the rise of urban civil society is gaining support from the collective consumption side.

INTRODUCTION

As is well documented by many urbanists, the term "urbanization" evades concrete definition. Different disciplines approach "urbanization" from differing dimensions. With good reason, geographers, economists, sociologists, and political scientists all deal with different aspects of urbanization. As is often lamented by urbanists, everything is related to urbanization but at the same time no specific social causality can be attributed to urbanization. In short, city is everywhere and nowhere. Despite the epistemological problems and the existence of 'balkanized' disciplines concerning the urban problems, it can not be denied that the understanding of Korean urban problems can not be separated from the discussion of the Korean model of development. In a sense, urbanization and the urban problems in Korea are socio-spatial reflections of the Korean development model.

Looking back upon the past academic achievements in the study of urban issues in Korea, more light has been shed on "the trees" than on "the for-

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est.” Discussions of technical solutions for urban planning, economic analysis and its concomitant bureaucratic management are not rare. With the coming of the new millenium just a few years ahead and the current economic debacle derived from the deadlock of the former Korean development model, it is now time to discuss Korean urbanization and concomitant urban problems from a grander perspective. As with other dimensions in Korean development, discussions on ‘urbanization’ in Korea are under the pressure of paradigmatic change.

With the above-mentioned problem as a background, this paper has two specific purposes. The first part describes spatial patterns of Korean urbanization and analyzes their underlying logic. Followed by the introduction of some major characteristics of Korean urbanization since the 1960’s, the relationships between specific spatial patterns of Korean urbanization, types of industrialization and agrarian transition will be explored. Also, under the rubric of “bubble city,” explanations for some specific urban outcomes will be provided. In contrast, the second part of this paper deals with the chances of an emerging new paradigm which contradicts past tendencies of urbanization. Newly emerging tensions in Korean urbanization will be explained by the criteria of urban production and collective consumption by examining to the problems of urban industrial restructuring and its ensuing socio-political outcomes, such as increasing tendencies toward citizen participation and marketization.

THE FORMATION OF URBAN SPACE: MAJOR CHARACTERISTICS

Time-compressed urbanization and the problem of urban primacy

If we have to choose the most succinct phrase that describes the urbanization process in Korea during the last forty years, it should be the experience of “unprecedentedly rapid” urbanization. In short, Korea has undergone

TABLE 1. DEGREE OF URBANIZATION COMPARED, 1950, 1975, 2000

AREA	1950	1975	2000*
Less Developed Countries	16.5	26.68	40.67
More Developed Countries	51.6	69.84	76.28
World Average	28.2	37.73	47.52
Asia	n.a.	24.62	37.68
Korea	18.4	48.04	86.22

Note: * Statistics for the year of 2000 are based on estimation.

Source: Mills and Song (1979: 9) Table 2, and Habitat (1996: 447) Table 3.

“compressed” urbanization. Even among developing societies, where the speed of urbanization has been very rapid, the process of Korean urbanization has been spectacular. As shown in Table 1, within 50 years the degree of Korean urbanization is expected to increase almost five-fold, while that of developing countries is not expected even to triple.

Aside from the foremost characteristics of Korean urbanization, the problem of urban concentration around the capital city of Seoul has been acute in the formation of urban space. In almost all fields of Korean activity, the capital city, Seoul, has played a predominant role at least since the 1394 when Yi dynasty established its capital there. Under Japanese colonial rule (1910-1945), Seoul never lost its importance, but it was not until the Korean War (in the early 1960's) that Seoul gained a massive population influx and achieved socio-political and economic dominance.

Against the widely shared argument that Seoul is too large and too dominant in many respects, some argue that the current problem of urban primacy is not as serious as it might appear (Mills and Song 1979; Kim and Mills 1988). From a comparative point of view, urban primacy in Korea is not as serious as in other developing countries and the degree of primacy is declining, they argue. The rather successful story of urban “growth poles” in some provincial areas is also mentioned (Kim 1978). Careful analysis reveals, however, that these optimistic diagnoses of urban primacy in Korea must be corrected in several ways. First, in terms of demographic concentration, if the satellite cities surrounding Seoul are included in the calculation of urban primacy, actual urban primacy has increased. Second, extra-demographic indices (social, cultural and economic) show increasing rather than decreasing urban primacy.

Table 2 shows some statistical dimensions of urban primacy in Korea. The degree of urban primacy calculated according to the David's Index ($P = P1/P2 + P3 + P4$, where P means Primacy Rate while P1, P2, P3, P4 means population of the first, second, third, and fourth largest city respectively) shows primacy increasing up to 1975, but declining thereafter. This index changed from 1.09 in 1960 to 1.36, 1.5, and 1.39 in 1966, 1975 and 1985, respectively. At first glance, these data seem to bear testimony to the assumptions of modernization theorists with regard to patterns of urban development. In the view during the early developmental stages (the “take-off stage”), population, investment and other economic resources are supposed to be concentrated on large cities. With further economic growth, however, the concentration should be diluted toward a more balanced urban system thereby decreasing the degree of urban primacy. In other words, “polarized development” (Meyer and Min 1987: 599) during the

TABLE 2. DEMOGRAPHIC URBAN PRIMACY IN KOREA, 1960-1990

(Population in 1,000s)

YEAR	Seoul (1)		Pusan (2)		Taegu (3)		Inchon (4)		Total		Primacy*
	Pop.	%	Pop.	%	Pop.	%	Pop.	%	Pop.	%	
1960	2,445	9.8	1,163	4.7	676	2.7	402	1.6	4,868	18.8	1.09
1966	3,805	13.0	1,430	4.9	847	2.9	529	1.8	6,616	22.6	1.36
1975	6,889	19.9	2,454	7.1	1,311	3.8	800	2.3	11,474	33.0	1.50
1975'	7,514**	21.7	2,454	7.1	1,311	3.8	800	2.3	12,099	34.9	1.64
1985	9,639	24.0	3,515	8.7	2,030	5.0	1,387	3.4	16,571	41.0	1.39
1985'	11,449***	28.3	3,515	8.7	2,030	5.0	1,387	3.4	18,380	45.4	1.65
1990	10,612	24.4	3,798	8.7	2,229	5.1	1,817	4.2	18,458	42.5	1.35
1990'	13,431****	28.3	3,798	8.7	2,229	5.1	1,817	4.2	212,756	49.0	1.71

Notes: *Primacy = $p1/p2 + p3 + p4$

**includes population of satellite cities of Seoul (Sungnam, Euijongbu, Anyang, Bucheon)

***includes population of satellite cities of Seoul (Sungnam, Euijongbu, Anyang, Bucheon, Kwangmyung, and Kwacheon)

****includes population of satellite cities of Seoul (Sungnam, Euijongbu, Anyang, Bucheon, Kwangmyung, Kwacheon, Kuri, Sihung, Kunpo, Euiwang, and Hanam)

Sources: Data for 1960, 1966, 1975 are obtained from Mills and Song (1979: 49)

Data for 1975', 1985, 1985', 1990, 1990' are from Korea Statistical Year Book, EPB

early economic growth stage is expected to be transformed into multi-polar or balanced urban development patterns.

Closer analysis shows the possibility of another interpretation. If the populations of satellite cities surrounding Seoul are included in the calculation of the degree of urban primacy increases from 1.5 to 1.64 in 1975, from 1.39 to 1.65 in 1985, and from 1.35 to 1.71 in 1990. In reality, many of Seoul's satellite cities are nothing but extensions of the capital city limits. Most of the satellite cities are within 40 km from downtown Seoul, and are connected to Seoul by subway and highway. In terms of job market, commutability and other economically related activities, these satellite cities are highly dependent on the Seoul. If Inchon, which is located only 40 km from Seoul, is considered the actual primacy rate is even higher. According to national census data, around 45 percent of the Korean population lives in the metropolitan area surrounding Seoul.

Although the rate of urban primacy in Korea is much lower than in other developing countries, Korea is not experiencing a decline in urban primacy, contrary to the predictions of modernization theorist. The problems of the capital city are not being solved, but are being diffused into the surrounding urban areas. The Natural consequences of the population concentration

TABLE 3. FINANCIAL PRIMACY IN KOREA, 1961-1990

(as a % to whole nation)

YEAR		Seoul (1)	Pusan (2)	Taegu (3)	Inchon (4)	Total	1/2+3+ 4
1961	deposit	57.0	8.2	4.8	2.3	72.3	3.78
	loan	35.4	7.0	7.0	1.4	50.7	2.48
1966	deposit	64.0	9.5	5.2	2.0	69.2	3.27
	loan	53.0	8.6	6.3	1.3	69.2	3.21
1975	deposit	65.3	10.2	4.2	1.7	81.4	4.06
	loan	66.5	9.1	4.6	1.2	81.4	4.46
1985	deposit	61.6	8.8	4.2	2.6	77.2	3.5
	loan	63.2	7.8	4.1	2.3	77.4	4.5
1990	deposit	53.3	8.4	4.9	3.4	70.0	3.2
	loan	52.1	8.5	5.2	3.3	69.1	3.1

Sources: calculated from Korean Statistical Yearbook, EPB (1969, 1971, 1975, 1992)

around Seoul have resulted in suburbanization with the massive growth of satellite cities. Mushrooming of new middle-class residential areas around Seoul after the late 1980's (such as Bundang, Ilsan, Pyungchon etc.) bear testimony to this new trend.

Problems do not stop here. The concentration of people goes hand in hand with the concentration of wealth. Without any doubt, Seoul has been the center of economic activities all throughout the 20th century. It was not until the acceleration of economic growth after the 1960's, however, that the concentration of wealth and economic activities in Seoul became overwhelming. One of the best indicators of the concentration of wealth in the capital city is the flow of financial assets. Table 3 shows the dominance of Seoul in financial markets in Korea.

When we compare financial primacy with demographic primacy (Table 2), the degree of concentration of financial resources in Seoul is easily discernable. During the last three decades, population primacy reached its peak of 1.5 (in this case, excluding satellites of Seoul), while financial primacy reached around 4.5. From 1966 to 1985 more than 60 percent of national deposits and loans were made in Seoul. Although, beginning in the 1990's, the degree of financial concentration in Seoul has been decreasing, the predominance of Seoul in the financial market is still absolute. The concentration of financial activities in Seoul has been, on the average, three times higher than the level of demographic concentration.

Big city stability and the selective growth of medium-sized cities.

The urban primacy identified above is not necessarily limited to Korea.

With some variations, the problem of urban primacy can be observed in almost all developing societies. But other aspects of Korean urbanization are unique. By "other aspects" of Korean urbanization, we mean the growth and industrialization of some regional centers and the remarkable stability of some major cities in the distribution of city size. In many developing societies, increasing primacy has been largely accompanied by the concomitant stagnation or underdevelopment of regional centers. Although this statement does not necessarily imply the total stagnation of regional centers (Roberts 1978; Smith 1986), the dynamics of mid-sized Korean cities entail different theoretical as well as practical implications when compared to other developing societies; particularly these in Latin America.

The size distribution of Korean cities has shown remarkable stability during the last several decades. As Mills and Song succinctly describe, "almost all Korean cities have grown rapidly, but there is no tendency for Seoul, or any other city, to become increasingly dominant" (Mills and Song 1979: 52). Of course, from our previous discussion on urban primacy, we know this statement to be somewhat exaggerated and misguided considering the socio-economic changes Seoul has experienced. If Seoul did not increase in dominance, it was due less to balanced urban growth, than to the fact that Seoul had already become dominant. At the same time, it is true that almost all Korean cities have grown rapidly. As can be seen from Table 4, the rank order, based on urban population of Korea's six largest cities during last four decades (1949-1990) has remained the same (See Figure 1).

Table 4 shows the changing rank status of Korean cities during last three decades. First of all, the rank status of Korean cities in 1960 can be seen as reflective of traditional Korean urban systems untouched by the sweeping forces of industrialization. As a consequence, by comparing and contrasting data from each decade we can perceive general urban structural changes in Korea during the last three decades. The information provided by these data can be summarized as follows.

First, even during the rapid period of urbanization/industrialization, the major cities ranked within sixth place have retained their traditional significance. Second, until 1970, traditional mid-sized cities (mostly provincial capital cities such as Chonju, Chongju, and Chunchon) retained their traditional rank status. With the beginning of the 1970's and the acceleration of industrialization, we find turbulent changes among mid-sized cities. In short, traditional regional centers began to lose their status to the newly emerging small industrial cities such as Ulsan, Pohang, Anyang. Third, the rapid growth of satellite cities surrounding Seoul is remarkable. Anyang, Sungnam, Bucheon, Kwangmyung and Hanam belong to this category.

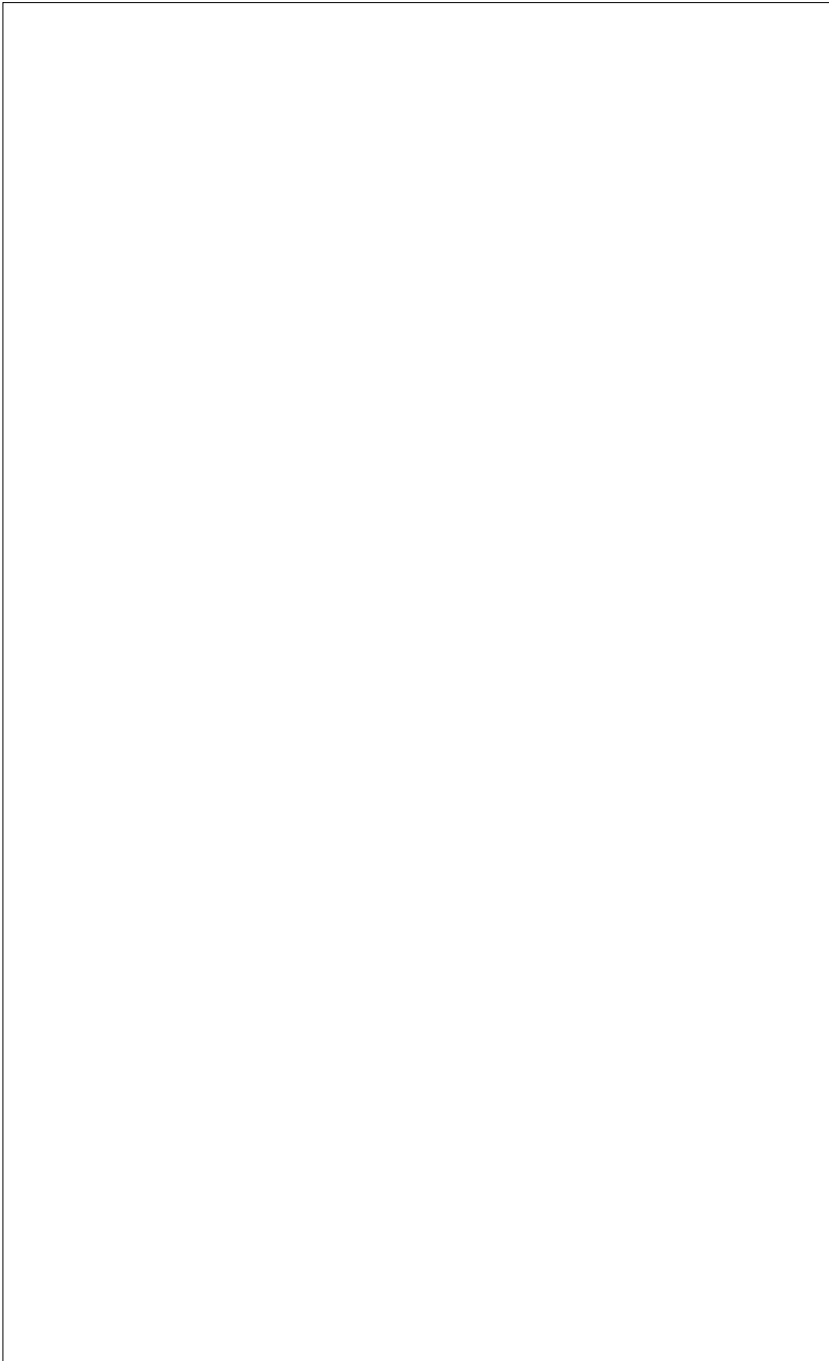


FIGURE1. KOREA'S MAJOR CITIES

TABLE 4. URBAN POPULATION AND RANK, 1960-1990

(in 1,000s)

RANK	1960		1970		1980		1990	
	City	Pop.	City	Pop.	City	Pop.	City	Pop.
1	Seoul	2,445	Seoul	5,536	Seoul	8,346	Seoul	10,613
2	Pusan	1,163	Pusan	1,881	Pusan	3,159	Pusan	3,798
3	Taegu	676	Taegu	1,083	Taegu	1,605	Taegu	2,229
4	Inchon	402	Inchon	646	Inchon	1,084	Inchon	1,818
5	Kwangju	315	Kwangju	503	Kwangju	728	Kwangju	1,139
6	Taejon	299	Taejon	415	Taejon	652	Taejon	1,050
7	Chonju	189	Chonju	236	Ulsan	418	Ulsan	682
8	Masan	158	Mokpo	191	Masan	386	Buchon	668
9	Mokpo	130	Masan	178	Sungnam	377	Suwon	645
10	Chongju	92	Suwon	159	Chonju	367	Sungnam	541
11	Suwon	91	Ulsan	159	Suwon	310	Chonju	517
12	Kunsan	90	Chongju	144	Anyang	254	Masan	494
13	Yosu	87	Chunchon	123	Chongju	253	Anyang	481
14	Chinju	87	Chinju	122	Mokpo	222	Chongju	478
15	Chunchon	83	Yosu	114	Buchon	221	Kwangmyung	329
16	Wonju	77	Kunsan	112	Chinju	203	Changwon	323
17	Kyungju	76	Wonju	112	Pohang	201	Pohang	318
18	Sunchon	69	Cheju	106	Cheju	168	Chinju	256
19	Chungju	69	Chungju	94	Kunsan	165	Ansan	252
20	Cheju	68	Kyungju	92	Yosu	161	Mokpo	243

Sources: Data for 1960 and 1970 are obtained from Mills and Song (1979: 49-50), Table 12.

Data for 1980 and 1990 are obtained from Korea Statistical Yearbook, EPB (1986, 1992).

Excepting Sungnam, most of the satellites are industrial cities and located along the corridor that connects Seoul and the fourth largest port-city, Inchon. Fourth, cities along the southeastern coastal area also have grown rapidly. Ulsan, Kumi, Pohang, Changwon belong to this category. All of these cities are newly-grown industrial cities. For example, Ulsan was nothing but a small fishing village at the beginning of the 1960's. Twenty years later it is the seventh largest city in Korea, containing Hyundai Motor Company and the oil refinery complex. Finally, in contrast, cities in agricultural regions (mostly the Cholla province located at the southwestern part of the peninsula) have experienced continuous downward stagnation. Chonju, Mokpo, Kunsan, and Yosu belong to this category. These cities have long been famous traditional regional centers with strong agricultural bases. With the industrialization of the southeastern part of the peninsula (Kyungsang provinces), these cities began to lose their traditional status.

Also cities in the mountainous regions of Kangwon and Chungchong province (such as Chunchon, Wonju, and Chungju) have also been stagnant.

From a theoretical and comparative point of view, the importance of these changes can be summarized as follows. First, the growth of mid-sized cities did not happen in traditional regional centers but in little-known small cities. In its extreme, the most dramatic growth of mid-sized cities occurred among “new-born” cities. As a consequence, industrial mid-sized cities did not grow piecemeal, exploded abruptly. Second, the growth of mid-sized cities is the direct outcome of rapid industrial growth. Some cities developed more labor-intensive industry while others were more capital-intensive. All of them, however, are industrial cities focused on manufacturing. This is in sharp contrast to other developing countries. In Latin America, mid-sized cities have not only stagnated, but few were industrial cities to begin with. Instead, these cities are more or less based on the production of petty commodities and other commercial activities. Third, the location of industrial mid-sized cities concentrates heavily in two growth-pole regions of Seoul/Kyunggi and Pusan/Kyungsang. Not a single “new” mid-sized industrial city grew out of these two regions.

Bi-polarization of urban growth and industrial restructuring

As is illustrated above, the direct spatial consequences of industrialization from the 1960's can be identified by examining the growth of two regions at the cost of the other regions. Table 5 shows that the predominant economic status of metropolitan regions (including Seoul, Inchon and Kyunggi Province) and the southeastern regions (including the second largest city Pusan and its surrounding province Kyungnam) is self-evident. According to these statistics, the metropolitan share of GRDP (Gross Regional Domestic Product) comprises 47.1 percents of the national total while that of southeastern region comprises 18.2 percent. In total, these two regions' share of GRDP comprises 65.3 percent of the national total.

Close examination of the data also reveals two important facts with regard to the relationship between urbanization patterns and production structures. First, in the two booming regions, an engine of growth can be found in the manufacturing sector. For example, in Inchon, Kyunggi and Kyungnam provinces, the manufacturing sector share of GRDP is close to 50 percent while the share in other parts of the country is only below 30 percent in most cases. Second, with the partial exception of Inchon, the production structure of most big cities is heavily concentrated in the service sector. This means that manufacturing facilities are moving out of big cities due to

TABLE 5. GROSS REGIONAL DOMESTIC PRODUCT AND PRODUCTION STRUCTURE, 1994
 (*at constant price in billion won)

	GRDP* (%)		Production Structure				Total
			Agriculture	Manufacturing	Electronic construction	Service & other	
Seoul	59071.5	(25)	0.5	11.5	9.5	78.5	100
Pusan	16,131.8	(6.8)	2.5	23.0	14.2	60.3	100
Taegu	9,166.3	(3.9)	0.5	23.2	16.0	60.3	100
Inchon	11,653.4	(4.9)	1.0	47.6	14.6	36.7	100
Kwangju	5,242.6	(2.2)	3.0	26.8	15.6	54.6	100
Taejon	5,328.5	(2.2)	1.0	23.3	15.7	60.0	100
Kyunggi	40,846.0	(17.2)	5.0	46.1	17.4	31.6	100
Kangwon	6,114.3	(2.6)	12.4	19.8	19.8	48.0	100
Chungbuk	7,525.6	(3.2)	12.3	38.3	15.3	34.1	100
Chungnam	9,040.6	(3.8)	20.9	24.9	22.3	31.9	100
Chonbuk	8,254.1	(3.5)	18.6	24.4	15.3	41.7	100
Chonnam	13,023.2	(5.5)	23.0	28.0	16.5	32.5	100
Kyungbuk	16,394.2	(6.9)	15.3	37.6	16.7	30.3	100
Kyungnam	27,071.7	(11.4)	7.5	53.6	14.5	24.4	100
Cheju	2,223.6	(0.9)	29.6	4.2	14.3	52.0	100
total	237,087.7	(100)					

Source: National Statistical Office. 1995. *Gross Regional Domestic Product*.

increasing land prices and the restructuring process of Korean industry. In short, in most big cities (especially Seoul), the engine of growth tends to change from fordist mass production systems to information and knowledge-oriented “post-fordist” flexible production systems (Cho 1997). Despite the continuing debate on the applicability of the post-fordist production model to the case of Seoul, the emerging importance of the production-related services there, such as finance, insurance, real estate, research and development, design and marketing is a good testimony to the changing characteristics of metropolitan production system in Korea.

Rural-Urban Imbalances

The other side of the story of the increasing disparities between regions is that of urban/rural imbalances. In most cases, economically disfavored regions during period of rapid economic growth overlap with agricultural regions. Rapid industrialization brought about a significant decline in the economic position of farming households. Since industrial growth has

occurred in the two growth-pole areas, it has also led to increased regional disparity. In short, the phenomenon of urban/rural disparity in Korea means disparity between agricultural/non-agricultural regions.

As can be seen from Table 6, the declining share of total employment in rural areas is easily discernable. In 1960, 78 percent of total employment could be found in rural areas. Thirty years later, only 19.5 percent of employment could be found in rural areas. This is a clear indication of the rural-to-urban exodus of the economically active population. By now, it is no exaggeration to say that Korean rural areas became silver-towns. Among those remaining in rural areas, the ratio of persons employed in agricultural activity is still dominant. Although declining somewhat, 84 percent of rural employed persons are still employed in jobs related to agriculture.

In contrast, the number of persons employed in manufacturing activities in rural areas is becoming almost negligible. In 1960, rural areas comprised 41 percent of total employment in manufacturing. After 30 years, it dropped to the almost negligible share of 4.1 percent. The overall picture provided by data is one of the increasing importance of manufacturing and the decreasing importance of agriculture in the national as well as the rural job market. Simply stated, these data show the importance of agriculture as a source of employment due to the underdevelopment of industrial activity in rural areas. In turn, these data implicitly show the regional concentration of industrial facilities outside rural areas.

Reflecting upon the declining importance of agriculture, we see that rural areas have experienced a heavy loss of population and the labor power. During the 1970's and the 1980's, the average annual population increase was 1.7 percent while agricultural areas experienced sizable population losses annually (-2.8 percent). Some major agricultural areas (Cholla province) have experienced even absolute population declines, which is rare even in rapidly urbanizing developing societies. The spatial consequence of the depopulation of rural areas can be found in the low degree of urbanization in rural areas. For example, the share of urban population in major agricultural regions (Cholla province) to the whole urban population declined from 13.5 percent in 1960 to 9.2 percent in 1985. In contrast, the share of the urban population in the two growth-pole areas has increased from 70 percent in 1970 to 81 percent in 1985. As we have already discussed, mid-sized cities are heavily concentrated around the two major growth-poles of Seoul and Pusan, and the traditional regional centers in agricultural areas have been stagnant.

TABLE 7. EMPLOYED PERSONS IN RURAL AREAS BY SELECTED INDUSTRY

INDUSTRY	1960		1975		1990	
	Dis't by sector	Rural share of total %	Dis't by sector	Rural share of total %	Dis't by sector	Rural share of total %
Total rural employment	5,502 100.0	78.0	7,553 100.0	59.0	3,516 100.0	19.5
Agriculture	80.9	96.0	77.5	94.0	84.0	90.0
Manufacturing	3.5	41.0	6.2	21.0	5.7	4.1

Note: Rural areas includes every residential areas, populations of which are less than 50,000.

Source: Data for 1960, 1975 are obtained from Samuel Ho (1982: 976), Table 1, and Data for 1990 are calculated from *Korean Statistical Yearbook*, EPB (1992).

EXPLANATION AND URBAN OUTCOMES

Industrialization, Agrarian Transition and Spatial Change

Having discussed the major characteristics of Korean urban space formation, we must now develop explanation for the specific patterns of spatial change in Korea. Two factors are of preeminent importance. One is the type of industrialization and the other is the mode of agrarian transition in Korea during the last several decades.

In most cases, with good reason, the process of urbanization has been explained in terms of industrial development. Industrialization requires a large number of workers within a confined area. Industrial goods require a concentrated market for consumption. As a consequence, the degree of urbanization cannot be separated from the degree of industrialization. For the purpose of explaining the pattern as well as degree of urbanization, the simple correlational explanation between industrialization and urbanization should be corrected in certain ways (Kang 1989). In the case of Korea, not only rapid industrialization but also the specific type of industrialization heavily affected the pattern of urbanization.

As is well known, Korea has embarked upon industrial production mainly for the overseas market through labor-intensive industrialization. This pattern of industrialization stands in sharp contrast to that of Latin America before the 1980's. In Latin American countries, as is well explained by major dependency theorists, industrialization began mainly for the purpose of substituting imported goods (mainly capital intensive consumer goods) from core countries for the domestic market. (Furtado 1970) According to Bryan

Roberts (1978), the spatial outcomes of import substitution industrialization in Latin America is the concentration of population and manufacturing facilities around the capital city, thereby increasing the rate of urban primacy. Populist military regimes of Latin America during the import substitution industrialization period was politically supported by a well organized urban working class. In return for the political support, authoritarian regimes collaborated with national capitalists and the urban working class by protecting national industry from foreign capital invasion. The spatial consequence of this corporatistic collaboration was the concentration of manufacturing facilities around the capital city, mainly because effective demand for the produced goods — in this case, the urban middle class composed of organized urban working class — could be found in that area.

In contrast, the formation of industrial urban space in Korea was the direct result of industrial production whose consumer market was destined to be found in the foreign sector. In pursuit of export promotion industrialization since the early 1960's, favorable changes in the climate of the international economy was of great help. As documented by many works (Frobel et al. 1981; Barnett and Muller 1974; Shoenberger 1989), the globalization of the production system through the New International Division of Labor (NIDL) and the introduction of new production-related telecommunications technology provided ample chances for the peripheral industrialization in Korea. In this favorable international economic environment, the military regime in Korea fully utilized the well-educated, disciplined, and cheap labor for the purpose of labor-intensive and export-oriented industrialization.

The spatial outcome of this industrialization strategy was the concentration of manufacturing facilities into two parts of the peninsula: the capital city area and the southeastern coastal region. As Mills and Song correctly write, "it is that part of the country closest to sources of raw materials, most of which are imported, and to Japan and other foreign buyers of export" (Mills and Song 1979: 53). As is described above, mid-sized industrial cities such as Ulsan and Pohang began to emerge as corporate cities. Also, along with the southeastern coastal area, Seoul also attracted population due to her historical legacy as the long-time national capital and as a center of political power and economic dominance. Since the beginning of export promotion industrialization, the share of the two growth regions in the employment of the manufacturing sector has comprised around 80 percent of the national total (Park 1986). Already designated as growth centers of the peninsula, cumulative investment on social overhead capital projects such as port facilities and the construction of highways further intensified

the economic growth in these regions.

If the relationship between patterns of urbanization and the type of industrialization can be summarized as above, what of the relationship between agrarian transition and urbanization? How can we explain the almost total stagnation of urban development in agricultural regions in the peninsula? Conventional wisdom regarding the role of the agricultural sector in the process of urban-based industrialization is bifurcated. With the rapid expansion of urban-based industrialization, rural areas were forced to become the supplier of the industrial reserve army and of cheap food for the urban working class, and the source of economic surplus exploitation for industrial capital accumulation. The first part of this model is about "cheap food and cheap labor" for urban based industrial production, while the second part is about "capitalization of agricultural sector" to make seed money for the urban based industrialization.

During the early period of industrialization, as seen in the English Enclosure Movement in the 19th century, peasants were forced to move into the urban industrial areas to form an urban working class while the countryside was forced to be transformed into wool-producing pasture land. In Latin America, the "functional dualism" described by de Janvry characterized the agrarian transition (de Janvry 1981). According to de Janvry, agricultural production in Latin America has been oriented toward export and a small number of urban elite on the other hand, the domestic market for basic staples has been consigned to the traditional peasant sector. In this situation, the traditional agricultural sector in Latin America provided the cheap food and cheap labor for urban-based import-substitution industrialization, while the capitalist agricultural sector provided a part of the financial resources required to import capital-intensive manufacturing facilities for industrial products. The spatial implication of this agrarian transition could be found in the stagnation of urban growth in traditional agricultural areas and the growth of regional urban centers in commercial agricultural areas.

As was the case in Latin America, the agricultural sector in Korea had to be sacrificed for rapid urban-based industrialization through the provision of cheap labor and cheap food. The underlying logic and mechanisms of agricultural exploitation were different from these seen in Latin America. The Korean agrarian transition can be characterized as the total control of independent small land holders (created by successful land reforms) by the state for the purpose of rapid export-oriented industrialization. The state monopoly on grain purchases through its own agencies at prices below-market prices, the selection of grain seeds for compulsory planting, and the

monopoly of fertilizer production are some of the most important policy options employed by the state to control the agricultural sector. With its successful experiment in export-promotion industrialization, Korea did not have to rely on the agricultural sector to accumulate capital. Rather than being a source of capital accumulation, excessive investment in agriculture was regarded as comparatively wasteful. The spatial implication of this type of agrarian transition in Korea is the overall stagnation of regional urban centers in agricultural areas and the massive migration of the peasantry into the two industrializing urban centers of capital city metropolitan area and southeastern coastal area.

Developmental Ideology and the growth of 'Bubble City'

With the coming of the age of rapid industrial urbanization, socio-political and economic contradictions within the city intensified. For the authoritarian military government in Korea, urban development was a means to the end of economic growth. The growth-first (at any cost!) policy at the national level was duplicated almost exactly at the urban level, especially in metropolitan urban centers such as Seoul and Pusan. The "developmentalist metropolis" described by Cho typically reflected the pattern of economic growth during the last thirty years (Cho 1998). In the developmentalist metropolis, government urban policy was mostly focused on the construction of urban infrastructure for the purpose of industrial production and economic growth, instead of on collective consumption for the general welfare of urbanites. As a natural consequence, the well-being of the urban population in terms of collective consumption of items such as housing, land development and transportation came to be subject to an unbridled market mechanism, at times in collaboration with, and at other times strongly regulated by the government.

A succinct presentation at the effects of growth ideology upon the urban setting is provided in Kim's description of the "bubble city" (Kim 1996). Within the city, the goal of economic growth converted the urban land for capital accumulation. Relentless economic growth during the heyday of the Korean "economic miracle" produced among the people unjustified expectations about the future gain in the value of urban land properties. In contrast to the United States, where the local growth coalition was led mainly by land-based entrepreneurs called the "urban growth machine" (Logan and Molotch 1987), the two most prominent actors in the game of urban land speculation in Korea were the central government and the big conglomerates (Han 1993).

At one time, bureaucrats in the Economic Planning Board drew "the big picture" under the banner of "Economic Development." The Ministry of construction later elaborated this big picture by providing more concrete urban planning regulations. The Ministry of Home Affairs implemented this planning through its control of local governments. As part of this process, quasi-governmental organizations such as the Korea Land Development Corporation, Korea National Housing Corporation, and the Korea Housing Bank collaborated with big construction firms (mostly affiliated with big conglomerates) to carry out the tasks of land development and housing construction through monopolistic financial provisions (Ha 1989).

In this process of government-led urban development, the role of local governments and professional planning groups were largely confined to managerial and technical activities. Within the highly centralized bureaucratic system, local autonomy was severely curtailed through the central control of local governments through the tax system, inter-governmental transfers, personnel and so forth. The fact that the mayor of each city was nominated by the central government was a great obstacle to autonomous city-wide urban development. Unlike the experience of many western countries, urban planning groups in Korea amounted to little more than minor partners to bureaucrats and big construction companies, whose role was largely confined to technical activities and the justification for the physical and architectural planning set by the bureaucrats (Kim, Ki-Ho 1996).

Also noteworthy was the lack of citizen participation in the policy-making aspects of urban development. Despite some legal provisions for citizen participation, the actual impact of citizen participation in the process of policy-making for urban development was almost negligible. Formal public hearings, community meetings sponsored and manipulated by local governments called "Bansangwhoi", and many other formal citizen commissions were nothing but window dressing in the urban policy process.

Because the wealthy urban upper class were the major beneficiaries of government-led urban development through land speculation, they had reason neither to complain nor to participate in the democratic process. The urban middle class were also minor partners in garnering the benefits of urban land speculation. Intoxicated by upward economic mobility, the urban middle class continued to ride on the bubble by skimming the cream off the top. In contrast, the urban lower class, typified by the presence of urban slum dwellers, formed tenants' groups which were periodically mobilized to seek housing rights in the face of forced eradication which was part of the process of urban renewal (Kim, Soo Hyun 1996). When the government failed to co-opt the urban poor, they were mercilessly forced to

move out into the barren fields on the outskirts of the city, as was well illustrated in the creation of City of Sungnam. In short, urban civil society was much too fragmented to act effectively against the tremendous power of government-conglomerate collaborations in urban development. Partly riding on the bubble and partly repressed by the government, urban civil society fell into the trap of apolitical immobility.

The above-mentioned urban development process resulted in actual income transfer from the urban poor to the urban upper class through the mechanism of urban land speculation and the rising cost of urban housing. In this process, government also continued to ride on the bubble in the provision of urban infrastructure. Sky-rocketing urban land prices provided the government with ample tax bases (property transfer tax, urban development tax and so on). By selling city-owned public land at a bubble price governments could finance the construction of urban infrastructure. The spatial outcome of this process was inter-class residential segregation and a lack of public land for social amenities such as public parks and social facilities. According to Hong, in Seoul, the process of residential segregation deepened the gap between residential classes. This gap in turn heightened the possibility of residential segregation (Hong 1992).

TENSIONS IN DEVELOPMENTAL URBAN PARADIGM

State Restructuring and Urban Change

By the late 1980's, tensions resulting from the growth-first developmental urban policy became manifest. By this time, Korea became almost a city-state with the degree of urbanization in excess of 80 percent. No more meaningful migratory stream from the countryside to the urban area could be found. Incessant governmental policies to curb the flow of population into the two metropolitan areas of Seoul and Pusan had almost failed. Realizing the impotence of governmental policy, governments cautiously began to turn the direction of urban policy away from bureaucratic regulation and toward market orientation. Change also came from many other directions. Most of all, the changing face of urban economy based on industrial restructuring had a tremendous impact in the formation of urban policy and urban spatial configurations. Political change toward democratization at the national level introduced autonomy into the local system, and awakened the dormant urban civil society to more citizen participation in the formation and implementation of urban policy. If the changing face of urban economy is related to the problem of urban production, then the rise of urban

civil society and the introduction of local autonomy is related to the problem of urban collective consumption.

These changes did not happen in vacuum. Behind these profound changes, were changes in the role and capacity of the Korean state. Almost a leviathan during the last thirty or more years of rapid economic growth and political authoritarianism, the Korean state now had to face challenges from within as well as from outside. Challenge from within came with the uprising of the urban middle class against the military regime in the late June of 1987. Labelled as "6. 29 Declaration," the urban middle class uprising initiated a march toward democratization. As a solution to the political stalemate, the military regime promised to introduce local autonomy as a means to expand democratic participation (Kang 1993). Challenge from outside came from the dramatic changes in the milieu of international political economy. The old, state-centered model for development which was based on fordist mass production and export-promotion industrialization had proven ineffective to compete in the world market. From within and from outside the Korean state faced mounting challenges for restructuring.

The response of the Korean state to these challenges can be summed up in the vertical and horizontal restructuring of the Korean state (Kang 1995). The Korean state spatially dispersed the highly centralized power between levels of government vertically through the introduction of decentralization policies. As will be discussed below, the transfer of state power to the local level (albeit in a piecemeal manner) planted seeds for the rise of urban civil society and heightened the possibility for the consolidation of democracy. The relationship between the state and the market changed horizontally as the state's predominant role in the execution of the Korean development model came to be shared with market forces. The increasing role of market forces in the management of state affairs had a profound impact in the provision of collective consumption in urban settings.

In Europe, the horizontal restructuring of the state began with the privatization of state welfare functions—termed by Jessop as the "Schmpeterian workfare state" (Jessop 1994). In Korea, however, the major emphasis of privatization was put on the deregulation agenda, thereby expanding the room for the enterprise to maneuver. Even the state tried to emulate the managerial skills of enterprise. The rise of "entrepreneurial government" at the local level bears testimony to this new trend.

Urban Industrial Restructuring and the Rise of Urban Civil Society

With the advent of the mature stage of urbanization in the late 1980's, one

of the biggest problems in Korean urban development was manifested in the management of metropolitanization. With the near failure of state urban policies designed to curb the rapid expansion of metropolitan areas through spatial regulation, the direction of new urban policies naturally turned toward finding a method for the smooth management of metropolitanization. Behind the shift in urban policy from spatial regulation to managerialism can be found in the changing characteristics of urban industrial settings. During the growth stages of urbanization, urban base economy was largely concentrated in the manufacturing and service sectors. The threshold in the formation of the urban economy became manifest by the late 1980's and early 1990's. The restructuring of the urban industrial configuration is well illustrated by the remarkable rise of the producer-service industry in large metropolitan areas. By the early 1990's, the percentage of producer-service sector employment in the six largest urban areas (Seoul, Pusan, Taegu, Incheon, Kwangju, and Taejon) accounted for around 65 percent of total employment in this sector (Park 1998).

In the process of urban industrial restructuring, what Cho termed "the metropolitanization of post-Fordism" (Cho 1997), in Seoul, resulted in the activation of three industrial sectors. (1) traditional craft-based industries such as apparel, fashion and printing, recently equipped with flexible production method of CAD (Computer Aided Design), and FA (Factory Automation) (2) technology and information-intensive industries such as microelectronics and machinery (3) producer services and commerce (Cho 1997: 126). Major characteristics of the industrial restructuring can be found in interfirm networking, flexible modes of employment, and the bi-polarization of manufacturing activities through subcontracting between high-tech industry and labor-intensive industry.

The spatial outcome of metropolitan post-Fordist industrial restructuring can be found in the gentrification of urban slums and urban renewal for the construction of office building. Also due to the bi-polarization of manufacturing activities through subcontracting and the increasing importance of interfirm networking, the sub-metropolitan production clusters expands around the outside of metropolitan areas. Suburbanization of metropolitan manufacturing activities attracts people to job sites (people to job movement), and in turn, suburbanization attracts jobs to the outskirts of metropolitan areas (job to people movement) (Park 1998). Through this circular process of mutual interaction, metropolitanization of urban space intensified in Korea in the 1990's.

The activation of urban civil society in connection with urban collective consumption complicated urban problem-solving after the 1990's. During

the past years of the military regime, the activation of urban civil society was largely confined to the political arena in support of democratization. With the gradual transition toward democracy in the 1990's, the major focus of the urban civil movement under the leadership of several NGO's has shifted in the direction of "life politics." Although several different ideological spectrums can be found within the movements, the political stance of these middle-class targetted social movements can be identified as progressive along the continuum of long-standing traditions of struggles against undemocratic political systems. The basic tenent common to this movement is the consolidation or deepening of democracy through increased citizen participation.

According to the proponents of this movement, the almighty forces of the state and market can be checked and balanced by the activation of civil society. At the same time, the fact that Korean civil society has been underdeveloped under pressure from an "overdeveloped state" makes proponents of this movement uncomfortable. With the presence of regionalistic antagonism, the strong traditions of family orientation, the strong repressive state, the division of the state into North and South, and the blind desire for economic growth, civil society in Korea has long been fragmented. With the coming of the age of democratization and the introduction of local autonomy in the 1990's, the civil movement found momentum for activation in urban settings.

Changes in the aforementioned urban production environments and metropolitanization provided the ideal conditions for mobilizing the urban middle class in the arena of urban collective consumption, such as housing, environment, transportation and urban land development. With the formation of local governments through the election of governors, mayors and local councillors beginning in 1993, urban social movements have been equipped even with political leverage. Despite the increasing voice of urban social movements in the past few years, it seems too early yet to predict the formation of what Castells argues to be inter-class alliances around the problem of urban collective consumption (Castells 1983). At the same time, we can not deny the fact that even the possibility of the rise of urban civil society around the topic of urban problem-solving is a great leap forward toward the formation of new structures for urban governance in the years to come.

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