

# Regional Outlook 2019 KOREA

## Regional Development Policy in Korea

### General policy approach

The current administration, inaugurated in May 2017, sets “well-balanced development across every region” as one of the five goals of its Five-year Plan for the Administration of State Affairs. In addition, the administration selected “promoting autonomy and decentralisation as well as balanced development” as one of the four key tasks that need comprehensive and innovative approaches. In tackling current trends and challenges such as low growth, polarisation, low fertility, population ageing and localisation, the government is pursuing sustainable and balanced national development with a special focus on decentralisation, inclusiveness and innovation. In this process, regions should be the main actors and all citizens should have a decent living standard across the country.



### Recent policy changes

- In 2019, Korea has established the fourth Five-year Plan for Balanced National Development, incorporating three key values of balanced national development policy: decentralisation, inclusiveness and innovation.
- Korea is considering introducing a system called “regional development investment agreements”. Under this system, when local governments come up with multi-year, multi-ministry project plans for their regions, they may sign an agreement with the central government to receive the necessary budget on a stable basis during the project period. The system is on a trial run in 2019. Furthermore, fiscal decentralisation is scheduled to be carried out to some extent.
- Korea is devising national minimum standards for access to day-to-day infrastructure such as kindergartens and libraries, to minimise travel time to these facilities for all modes of transport. It is also planning to create regional innovative hubs in more than 250 old downtowns nationwide in an effort to revitalise cities.
- For the sustainable development of regions, in 2018 Korea made it mandatory for public institutions that were relocated from the Seoul Metropolitan Area to hire local talent in ten innovative cities nationwide.
- Along with balanced regional development, Korea is speeding up the development of smart cities by implementing policies according to the growth phase of a city (i.e. existing cities, new cities, old downtowns). Specifically, Korea selected two pilot cities (Busan and Sejong) to transform them into smart city examples, by applying Industry 4.0 technologies, e.g. related to data and artificial intelligence, and civic technologies/services to mobility services, healthcare and renewable energy.

## Institutional arrangements to prepare for global megatrends

At the national level, Korea's Comprehensive National Territorial Plan (CNTP) is a 20-year plan that presents long-term development directions for national land use, future blueprints, readjustments of spatial structures and divisions of functions among regions. The fourth CNTP, the recent plan that was revised in 2011, applies from 2000 to 2020. It aims to achieve a balanced national territory, green national territory, opened national territory and unified national territory.

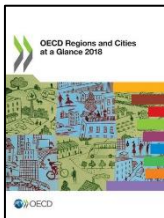
At the regional level, comprehensive *Do* (provinces) and *Si-Gun* (cities and counties) plans are established. They are based on the Comprehensive National Territorial Plan and consistency between plans is taken into account when each plan is developed. Furthermore, regional development plans are established for the comprehensive and systematic development of underdeveloped areas with growth potential. Such plans include the key directions of development of the corresponding regions, linked development plans between different regions and the development of various resources in those regions.

Other institutional arrangements include the four key strategies to respond to the fourth industrial revolution. Such strategies aim to closely connect technologies, industries and social policies with a vision of Industry 4.0 where all citizens can participate and share the benefits.

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Consult the full publication and the other country profiles on line: <https://oe.cd/pub/2vq>.

