

Korea

Recent policy developments

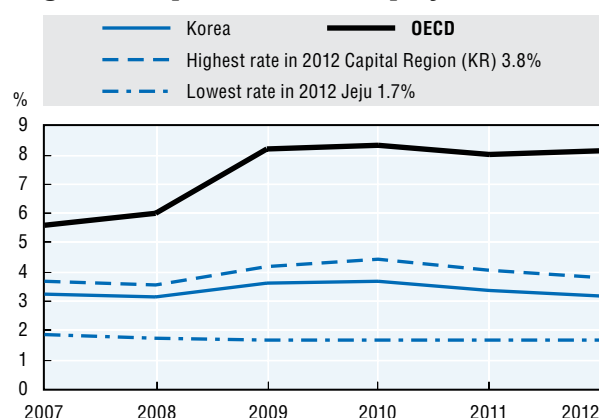
- The second revision of the Fourth Comprehensive National Territorial Plan (2011-20) proposes a new, three-layer structure for stimulating regional development potential, by dividing the country into seven “mega-regional economic zones” with priority industrial specialisations, complemented by supra-economic regions (belts) and 161 basic residential zones.
- Following several attempts to delocalise capital city functions, a “special self-governing city” called Sejong opened officially in July 2012, about 120 kilometres south of Seoul. By 2015, it is expected to host 36 government agencies and 500 000 inhabitants.
- The new administration (2013) announced stronger support for prioritising development in existing built-up areas over new towns to better connect land use and urban plans with environmental programmes. Recent initiatives attempt to redefine the direction of land policy through urban regeneration rather than by the expansion of suburbs and to support organised land planning through spatial analysis techniques.
- The central government encourages municipal mergers in the hopes of achieving economies of scale. The first example (2010) was the merger of three cities (Masan, Jinhae and Changwon).

Government structure	Municipal-level governments*	Intermediate-level governments	Regional or state-level governments
Unitary	227		17

* Existence of a structured sub-municipal-level (3 477 municipal subdivisions, called *Eup* and *Myeon* in rural areas and *Dong* in urban areas).

Regional development policy	
Lead ministry(ies) or committees	Ministry of Land, Infrastructure and Transport
Regional development framework	The Comprehensive National Territorial Plan 2000-2020, with five-year updates, establishes broad spatial planning goals. Five-year regional development plans (per the five-year Balanced National Development Plan) focus on global industrial competitiveness and improving living standards.
Urban development policy	
Lead ministry(ies) or committees	Ministry of Land, Infrastructure and Transport; Presidential Committee for Regional Development (PCRD)
Urban policy framework or strategy	The Urban Vision for 2020 (formulated in 2008) sets four main goals for urban policy: nurturing growth engines, improving urban living conditions, establishing urban identity and restoring the national environment.
Rural development policy	
Lead ministry(ies) or committees	Ministry of Agriculture, Food and Rural Affairs
Rural policy framework or strategy	The 2013-2017 Development Plan for Agriculture, Rural Areas and Food Industries published in October 2013 focuses on three strategic axes: competitiveness, income and welfare/quality of life.

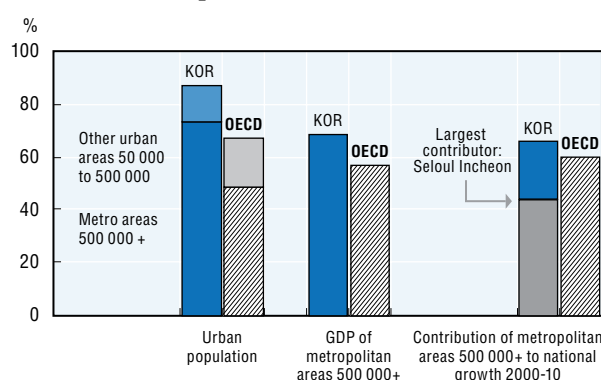
Regional disparities in unemployment trends



In 2012, Korea had the 7th lowest regional disparities in unemployment rate among OECD countries. The highest unemployment rate was in the Capital Region (3.8%) and the lowest in Jeju (1.7%).

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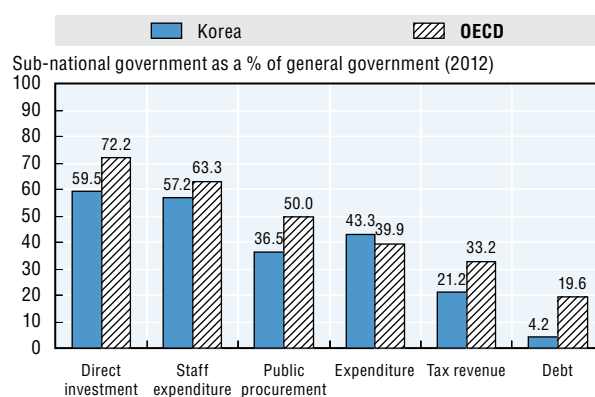
The importance of urban areas



In Korea, 87% of the population lives in cities of different sizes, the highest value among OECD countries. The share of population in metropolitan areas (urban areas with more than 500 000 inhabitants) is 73%, compared to 49% in the OECD area.

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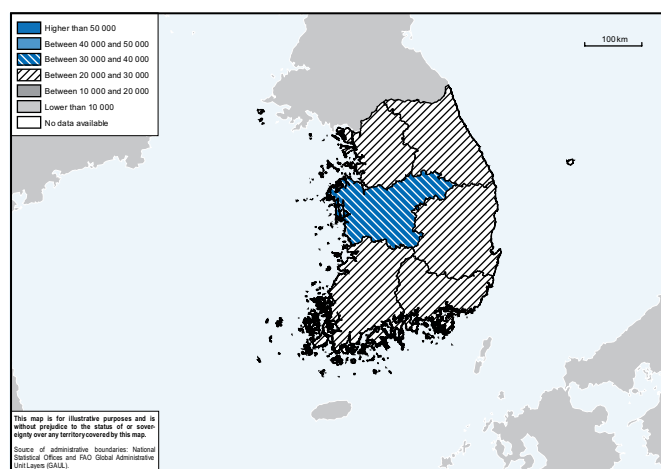
The role of sub-national governments in public finance



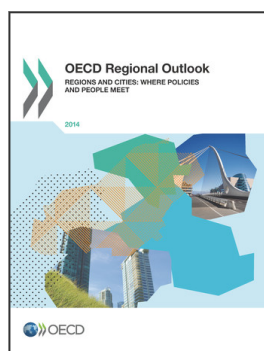
Education and economic affairs are the two largest spending items for SNGs in Korea: together they represent 48% of sub-national expenditure, compared to 40% in the OECD area.

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Regional differences in GDP per capita levels



Korea had the 3rd lowest regional disparities in GDP per capita across OECD countries. In the previous decade, regional growth varied from +5.5% annually in Chungcheong to +2.8% in Gangwon.



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