

Growth and spatial structure of cities: Memo 2

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Understanding the formation of Korea's spatial economy in the 70s

Introduction

Following Japanese strategy of concentrating resources on limited land to organize and manage industrial activities in space constrained Korea, the omnipresent Korean government has created industrial clusters mostly in the outskirts of Seoul and the southeastern provinces in the 70s. This regional policy was critical, not only for achieving a more balanced pattern of regional development, but also for accelerating national economic growth by focusing on those regions with the highest potential to foster industries in an export-oriented economy. The policy included national and international transportation infrastructure, such as highways and port development. A modern expressway and transportation corridor was constructed, linking Seoul to Pusan via Taejon and Taegu. This set the tone for spatial development pattern, anchoring on each end Seoul, the capital, and Pusan, the gateway port city to Japan and the Pacific.

It is quite striking to see how this regional development pattern and process in Korea analytically resemble the system and agencies that played part in the shaping of US and European cities in different time frames. Differing ideas are used to explain these cities, and similarly, sometimes contrasting explanations of various authors can be applied to better probe and understand the case of Korea's formation of spatial economy. In this memo, I propose to explain the regional development of Korea through briefly understanding its

beginning and its development process, drawing ideas from Harvey, Mollenkopf, and Fogelson.

The beginning

During the Rhee regime in the 1950s, the Korean economy was oriented towards import substitution and consumer goods, which resulted in expansive growth of Seoul. Large migration from rural areas to Seoul caused deplete conditions both in Seoul and rural regions, resulting in military coup d'etat. The strong central military government focused on export-oriented economic growth, strategizing through spatial industrial clustering.

Harvey would refer to this process as an unavoidable process of capitalism. While describing the development of Paris, he stated how it was inevitable to absorb the surpluses of capital and labor power for the Empire to survive. He therefore argued that it was the structure of capitalism, rather than the central autonomous planning, which led to the external infrastructure development as well as the internal planning of Paris. Similarly, the Korean case could be seen through Harvey's point of view. The over-concentration of capital in very few Seoul aristocrats and the oversupply of cheap labor looking for work led to the breakdown of the Rhee regime, and the consequential military state thought to absorb this labor surplus and to redistribute concentrated capital through regional planning. In other words, as Harvey diminished the role of Haussmann under the structure of capitalism, the role of General Park could be diminished as well by arguing that his choice to designate industrial clusters fostering export-oriented industries in non-capital regions was a process led by the structure of capitalism, where the absorption of labor and the redistribute capital was necessary in order for the regime to sustain itself.

Contrast to Harvey, Mollenkopf emphasized the role of autonomous political agencies in the development. Referring to the New Deal, he demonstrated how the increased poverty and the hardships among private sector helped the Democratic Party to strengthen its power, and to control urban policy. He argued that such politicians' leading and guiding the growth process resulted from active political entrepreneurs seeking for coalition building. Through his view, the start of the Korean spatial regional development policy could be interpreted as a consequence of active coalition building of the new military regime. Realizing the large portion of rural farmers and poverty-driven labor force seeking for work, whose conditions were exacerbated by the concentration of import-substitute industry in Seoul during Rhee regime, General Park sought the opposite strategy, which was to scatter clusters of export-oriented industries, seeking for alleviation of national poverty as well as regional balance. General Park thus formed strong national coalition for his military government, in contrast to the Rhee's regime which had very little national coalition and was largely dependent on international support,

Spatial regional development process

As mentioned in introduction, the clustering of industries in Korea was organized through the development corridor linking Seoul and Pusan, a city located at the tip of southeast Korea. This led to the bipolar growth of heavy industrial clusters in the southeast region countering the concentration in Seoul metropolitan area. There are two main explanations for such spatial regional development that can be drawn from the readings. Though these explanations are not mutually exclusive but rather complement each other to give fuller understanding of the process, they tend to provide two distinct major reasons for

such spatiality in the development.

The first explanation relies heavily on the Mollenkopf's argument of the role of political parties and their coalition building in growth policies. As the US politics was largely divided into the Democrats of the north and the Republicans of the south, Korean politics have also been divided into two main parties, each based on the east and the west parts of the country. However, Korean politics are more strongly regionally grounded in that the conflict between the governments coming from the southeast and the southwest historically originates from the Chosun dynasty, 500 years ago. Furthermore, unlike the changes in the constituencies and therefore shifts in regional support in the US politics throughout different times, Korean politics maintained very strict southeast and southwest division, placing the regionalism in the forefront, even before the party's ideologies.

Considering that the military government was from the southeast part of Korea, it is no political coincidence that the Seoul-southeast corridor was planned, instead of the Seoul-southwest corridor. Besides the fact that politicians would want to develop their hometowns, there was also political coalition building at stake. Throughout his regime, General Park had to suppress opponents emerging from the southwest area. With a very strong coalition in the southwest area for the opponent political party, the military government thought it better to strengthen its coalition in the southeast by focusing development in that region, rather than spending resources in the southwest area with uncertain political outcomes. Furthermore, concentration of development in the southeast region would attract migrations from other areas that are not politically bound, which potentially increased its constituencies. Thus, the spatial layout of export-oriented industrial clusters was heavily politically influenced.

The second explanation builds on the arguments based on the infrastructure development and the influence of the external environment. Two large metropolitan cities in Korea were Seoul and Pusan even before the economic development. Seoul was the capital, while Pusan was actively developed during the Japanese colonization era because of its position as a port city facing Japan. The two cities were already connected by the major rail lines built during the Japanese colonization that was used to transfer goods to and from Japan using Pusan port. Therefore it was reasonable for Korea to build its first motor vehicle expressway linking its then most developed Seoul and Pusan in the early 70s. However, this resulted in the development of transport corridor, leading to the development corridor itself. Also, the Seoul-southeast development corridor was externally imposed in that the lagging Korean economy had to rely strongly on the neighboring Japan for rapid economic development. General Park's policy to cooperate with Japan resulted in numerous trades with her, leading to industrial clusters in the southeast area around Pusan, instead of the southwest area facing China.

Contrast to the first argument, the second one diminished the role of politics in the spatial development. As in Harvey, here the state was merely facilitating the process. However, I would like to refer to Fogelson and not Harvey, because of his emphasis on the impact of context in growth.

Fogelson, while describing development of many different US cities, has brought out the theme that the growth and spatial development are not natural processes, but depend largely on the context of time and space, leading to different growth. This is why for example some US cities were able to develop subways while others couldn't. In other words, rather than arguing for either natural growth of cities or structural view of

unavoidable pattern of growth, Fogelson showed how different factors in specific time and space could lead to different outcomes of growth. Similarly in the Korean case, the development of the Seoul-southeast corridor very much depended on the chronological and historical factor of having recently experienced Japanese colonization, and the external spatial factor of continuing economic trade with Japan. The recent development along the southwest shores with the increasing importance of Chinese economy provides a glimpse of how these specific conditions were crucial in such spatial development in the 70s. In other words, through Fogelson's point of view, it is highly likely that the different conditional factors then would have resulted in other spatial growth patterns than the Seoul-southeast corridor.

Summary

Looking at the initiation and more specifically on the spatial corridor formation of regional development policy of Korea, through different points of views from the readings, I hoped to better understand the reasons and mechanisms behind the policy. For the initiation of the development policy, I contrasted two possible explanations drawn from arguments of Harvey and Mollenkopf. For the spatial development corridor process, I borrowed arguments from Fogelson and again Mollenkopf to describe two different explanations that are complementary.