

Book Review

Chang-Hee Christine Bae and Harry W. Richardson. *Regional and Urban Policy and Planning on the Korean Peninsula*. Edward Elgar: Northampton, MA. 288 pages. \$150.00 (hardcover). ISBN 9781849802840.

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The focus of the book is on spatial planning on the Korean peninsula, in both North and South Korea. This is a challenging effort, due to the contrast in political culture and economic systems between the two countries. Still, both countries have a common culture, language, and history. The book is divided into four parts: (1) Issues and Trends, (2) Regional Policies in South Korea, (3) North Korea, and (4) Reunification.

In Part 1, Issues and Trends, Introduction provides an overview of the planning and unification issues on the Korean Peninsula. The future of the Korean peninsula is difficult to predict. The South Koreans have made a number of efforts to invest in the North and work toward a lowering of tensions. There are four reasons for the South to continue to engage and invest in North Korea. First, the South has a surplus of capital, while the North has a surplus of labor. As wages in South Korea have risen, South Korean companies have invested in factories in China and Southeast Asia. It would be a greater advantage for these companies to invest in North Korea because of a common language, culture, and lower transportation costs. Second, South Korea would like to gradually build

up the economy of North Korea, so that when unification does occur, the economic differences between the two nations will not be as great as they currently are. There is concern in South Korea that with unification, there will be a mass migration of people from the North to the South. This would have a detrimental impact on the North and South. Third, investment will benefit the workers in the North by providing them with employment in modern factories at a wage rate that is above their current earnings. Fourth, investment in the North, could help increase the economic integration of Northeast Asia. Re-inventing Korea (Chapter 2) discusses four developments shaping forces for South Korea. These include (1) market values that “manifest themselves through commodity exchange”, (2) cultural values that are “held in common within society”, (3) history that provides a common identity through time and a common heritage, and (4) geography that gives people a shared identity through living in a common space (Page 8). Demography and Urbanization (Chapter 3) discusses South Korean women’s low fertility rate, which is far below the replacement rate. Thus, the country is facing a significant population decline and a growing elderly population. This trend is due to the high rate of urbanization, delayed marriages, and family planning. This negative rate of population growth has resulted in the need for immigration of foreign labor to work in Korean industry. Urban Issues in the Capital Region and South Korea (Chapter 4) addresses three major urban problems in South Korea: spatial transformation and regional disparities;

housing; and congestion and mobile emissions.

Part II, Regional Policies in South Korea, begins with a discussion of the impacts of the Greenbelt Policy (Chapter 7) on population distribution and commuting patterns. The Greenbelt Policy was implemented in Seoul by President Park Chung-hee starting in 1972. It is a 10 km wide area that surrounds the city of Seoul, with its inner boundary approximately 15 km from the Seoul City Hall. Similar Greenbelts were implemented around 33 other cities in South Korea. The main objectives of the Greenbelts are to prevent sprawl and counterurbanization; reduce air and water pollution; protect the natural environment; provide for recreational areas; and preserve national security (Page 76). Balanced National Development (Chapter 8) argues that the dominance of Seoul in the South Korean economy and the persistence of unbalanced spatial growth can be explained by the principles of the New Economic Geography; the goal of balanced national development is difficult if not impossible, and may not even be desirable; preserving and building upon the Seoul Capital Region's role is critically important; and a government office dispersal strategy is an overly simplistic solution to the complexities of regional and urban policies (Page 91). Presidential Committee on Regional Development and the New Regional Policy (Chapter 9) provides a critical overview of President Lee Myung-bak's Pan-Korea Grand Waterway and Four Rivers Restoration Projects. President Lee is a former Hyundai Construction CEO whose nickname is the "Bulldozer". Both are major construction efforts that were planned from the top down and in the end

suffered major setbacks due to the cost to the taxpayers, a lack of coordination with the public, a perceived lack of need, major environment damage, and the detrimental impact on rural farming.

Part III, North Korea, begins with a review of DPRK Statistics. This is an excellent discussion of sources of economic and demographic statistics from the North Korean government. Since the mid 1990s, more statistics have become available because of the requirements by donor agencies and governments. The Role of Markets in North Korea (Chapter 11) discusses the move toward a market economy in North Korea. The famines in North Korea in the mid 1990s caused a change in the centrally planned agricultural economy. The state could not supply the population with the food they needed. Local markets sprang up to sell goods grown by local farmers, clothing, and consumer goods. There are an estimated 200 of these markets throughout North Korea. Lifting the North Korean Economy (Chapter 12) proposes a gradual move toward a market economy and opening North Korea to foreign investment. A first step would be the establishment of special economic zones for foreign investment and the building or improving of highway and rail transportation infrastructure linking these zones with South Korea and China. A number of issues must be resolved before such a plan can be implemented. Most importantly, the North Korean government must agree to open the economy to foreign investment and market oriented economic reforms. A Global Business Strategy for North Korea (Chapter 13) proposes that global businesses, backed by the support of interested national governments and international financial institutions (World

Bank, Asian Development Bank) would be able to help move North Korea toward a more modern market economy through a program of foreign direct investment. There are a number of advantages to a strategy of modernizing the economy of North Korea, especially for South Korea. North Korea has the advantage of proximity, language, low wages, surplus labor, and the quality of the labor force. South Korea has the capital, technology, and management skills that can help modernize the North. Other countries, especially China, Japan, and the US would also need to be a part of this investment process.

Part IV (Reunification) starts with Economic Integration Strategies for Korean Unification: Lessons from Recent History (Chapter 14). The two Koreas agreed on a National Community Unification Formula at the inter-Korean summit meeting that was held in 2000. This formula involves three stages (1) reconciliation and cooperation, (2) confederation, and (3) unification. Some historic cases of national reunification (Germany, Yemen, Vietnam, and Hong Kong,) and their potential lessons for Korean unification are reviewed. A Spatial Strategy for Korean Reunification discusses two alternative strategies for unification: (1) the sudden reunification based on the collapse of the North Korean government and (2) a transition phased approach taking several years, while the North Korean economy is bolstered with private sector and infrastructure investment from South Korea and other countries. One of the problems of the second strategy is that investment in North Korea under the current regime is risky due to the “whims of a mercurial, perhaps even paranoid, regime” (219). Still, the transition option is by far the

preferred path. Options for the Capital of a Reunified Korea (Chapter 16) considers four alternatives for the capital of a unified Korea. Seoul is offered as the most logical alternative because of its size, transportation infrastructure, access to a major airport at Incheon, and its status as a world city.

This book provides an excellent overview of urban planning, population, economic development, and unification issues on the Korean peninsula. More details are provided on South Korea because it is a more open society and information on planning and the economy are readily available. There are a number of examples of development projects that have been initiated mainly under Lee Myung-bak that were planned from the top down. The unification strategy options and the initial moves of South Korea to make investments in the economy of North Korea, especially with the Kaesong Industrial Complex, the Mount Kumgang Tourist Zone, and improvements in transportation infrastructure that connect these locations to South Korea are discussed. The book also points out the many difficulties of dealing with the inconsistencies of North Korean government’s policies toward economic investment and eventual unification. The section on changes in the North Korean economy with the growth of private markets is of great value, since there is a very limited amount of information published on changes in the North Korean economy. The text is supported by a large number of tables, graphs, and maps.

This book should be required reading for anyone who are interested in Korean unification, urban and regional planning, economic development, and the future of Korean peninsula. It would be an

excellent text for use in an East Asia Geography class as well. It would also be of potential use in urban and regional planning courses to provide real world example of the difficulties of planning in

different cultures and under conditions of political uncertainty.