

## Uncovering the Truth Behind South Korea's Regional Regeneration

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Why has the South Korean government spent over \$215 billion over the past 15 years to improve the fertility rate? What does the 0.78% birth rate in 2022 really mean, and how might this affect other aspects of South Korea?

Recently, South Korea has been battling with the significant issue of plummeting birth rates. South Korea's new identity as the country with the lowest birth rate in the world has caused its government to look for solutions and causes of this new alarming title. Additionally, the government is focused on remedying the effects of the low birth rate. One of the most significant effects is regional extinction- a recently coined term describing the phenomenon of a region going 'extinct' due to a lack of citizens (Johnson and Lichter 2019).

Different countries think of unique ways to remedy the effects of regional extinction: an idea called regional regeneration. So, this paper will inquire into the question of what is regional regeneration in South Korea? What does regional regeneration mean and what is its main goal? How do communities work to promote regional regeneration? This paper will initially identify the presence of regional extinction as a problem. Then, I will be exploring what regional regeneration truly means through the analysis of case studies from 2 different countries experiencing regional extinction: Japan and India. Through case study analysis, I hope to investigate the impact culture has on regional regeneration methods. In other words, how different communities approach regional extinction.

### What is Regional Regeneration in South Korea?

South Korea's economy has grown immensely starting the 1960s (Santacreu and Zhu 2018). This was primarily due to trading and industrialization. In specific, South Korea's immense presence as an exporter (Santacreu and Zhu 2018). According to Santacreu and Zhu, "South Korea is now one of the top 10 exporters in the world, and its exports as a percentage of GDP increased from 25.9 percent in 1995 to 56.3 percent in 2012" (2018). South Korea's innovative approach to developing its economy seems like a positive change for the country. However, in reality, this growth exacerbated the economic gap between the rich and poor among South Korean citizens (Ha 2007: 116). This phenomenon is called economic inequality.

Korea's economy is unique in the sense that it is heavily dependent on "chaebols." According to the Merriam-Webster dictionary, "chaebols" refers to "a family-controlled industrial conglomerate in South Korea" (2023). They are essentially a social class of people whose wealth comes from their generational family businesses. As "chaebols" get increasingly wealthy, the difference between them and lower-class citizens increases. This is a trend still happening in South Korea today. According to the Ministry of Employment and Labor in South Korea, "the average monthly income of those who work in chaebols is about 60% higher than that of workers in SMEs (small and medium-sized enterprises)" (2019). This wide gap triggers issues such as rural migration.

One of the reasons South Korea's economy was able to flourish was due to its focus on innovation and development (Santacreu and Zhu 2018). A large trend of development was through the redevelopment of housing. Essentially, older houses would be "advanced" by improving them (Ha 2007: 119). This is related to the idea of gentrification- a neighborhood gets developed through citizens of higher class (economic, social, etc) moving into a neighborhood with lower classes (Urban Displacement Project 2018). The primary purpose of gentrification is to improve the situation of land. If higher classes- higher paying tenants- move in, the land value will increase. In other words, the land will be seen as an investment or a property that creates

profit. Gentrification allows the new houses to sell at higher prices thus providing higher profit for house builders. On the surface level, this redevelopment seemed to help South Korea's economy. It seemed like a positive change and solution. However, in reality, the "success" of the projects must be determined by how much of the original population is still able to live there (Ha 2007: 123). Most times, it is nearly impossible for members of the original population to afford to live in the same area post-development. So, in the social aspect, such housing projects are in fact "failures."

South Korea's rapid economic growth coupled with its plummeting birth rate has caused South Korea to experience population loss in many regions. This is because lower-income residents are forced to leave their now-expensive homes and no new citizens are being born. The consequences of South Korea's economic history and its plummeting birth rates has caused South Korea to experience population loss in many regions. Ultimately, this led to regional extinction being a pertinent problem within South Korea.

### **What is Regional Extinction?**

Regional extinction is essentially the concept of a region losing its citizens (Johnson and Lichter 2019). It is also commonly called "depopulation." This is a fairly common global phenomenon as "More than 80 percent of all rural farm counties are depopulating, compared to just 15 percent of nonmetropolitan recreational counties and 13 percent of retirement counties" (Johnson and Lichter 2019). As shown through the quote, one of the factors of regional extinction is how "urban" or "developed" a community is. So, distance from cities or more heavily populated areas can affect whether a region experiences depopulation. Another major factor affecting depopulation is birth rate. Many rural communities experience more deaths than births- the definition of a low birth rate- which therefore causes rural communities to experience more depopulation as aforementioned. Moreover, depopulation often occurs due to net migration (Cromartie 2017). According to the United Nations, the net migration rate can be calculated by "the number of immigrants minus the number of emigrants over a period, divided by the person-years lived by the population of the receiving country over that period" (2023). Migration happens more frequently in rural areas as citizens migrate away from poverty (FAO 2016). For instance, a farmer may migrate because the impacted economy impacts his/her agriculture preventing him from making sufficient profit. Migrating into more developed areas allows them to find jobs and thus improve their financial situation (FAO 2016). Urban areas often serve as a symbol of better jobs, health, and education than those in rural areas (FAO 2016).

### **What is Regional Regeneration?**

As the aggravating problem of regional extinction persists, many governments have begun to think about possible solutions for regional regeneration. Regional regeneration is the concept of redeveloping an area/community (Ha 2007: 119).

This "redevelopment" could be of the actual physical regions or the social/economic aspects of citizens' lives (Ha 2007: 117). According to Ha, physical redevelopment may mean rebuilding houses (2007). The idea here is not necessarily replacing the houses but rather improving them; this is called "rehabilitation" (Ha 2007: 119). The social aspect may be changing the way people perceive a certain region (Wise and Jimura 2020). In other words, shifting the "image" of a region.

As mentioned previously, a common method of achieving regional regeneration is through gentrification (Urban Displacement Project 2018). When analyzing gentrification, it is crucial to consider the effect it has on both the past and new tenants. On one hand, gentrification benefits the economy as higher housing prices lead to higher profits for

housebuilders (Ha 2007: 120). If successful, gentrification truly is able to improve the situation of land (Urban Displacement Project 2018).

On the other hand, gentrification may also have negative effects. Specifically, negative impacts on current tenants. Gentrification not only changes land or houses but also the culture of a community (Urban Displacement Project 2018). Ultimately, as the citizens change, the connections, relationships, and the sense of community within a region is broken. This emotionally impacts the community. Especially as rural areas usually have a stronger sense of community, breaking such bonds has detrimental impacts on citizens emotionally.

According to Ha, “community” can be seen as “a sense of identity, cooperation, and residence in a common locality” (2007: 117). This is stronger between members of lower-class communities possibly due to survival. Members must bond together to gain power and survive. This is especially evident in situations such as forced eviction. Forced eviction is when citizens are directed to move out of their homes (or wherever they “occupy”) with the key point being that it is against their will (Office of the United Nations High Commissioner for Human Rights 2023). Those who are enforcing such eviction are usually ones with power- financially, socially, etc. Therefore, people with less power will collaborate to fight and survive. They will fight to keep their homes. This is a significant impact of regional regeneration on the initial residents.

Though this break of bond is a common consequence of regional regeneration efforts, many countries prioritize maintaining this bond. In fact, some regional regeneration methods are focused on hosting events to promote the unique bondages of a community (Wise and Jimura 2020: 11). For example, by modifying some places to deem them as heritage sites or hosting events within the community (Wise and Jimura 2020: 2). By prioritizing the sense of community when planning regeneration, citizens often build a sense of pride in their community. This social impact can be powerful as it may prevent citizens from leaving the region due to the embarrassment of their seemingly lower-class lives.

One of the primary reasons countries engage in regeneration is due to the remarkable economic benefits it has. In essence, the ideology behind regeneration is to “keep up with the shifts in demand so to maintain a competitive advantage in an increasingly expanding global economy” (Wise and Jimura 2020: 1). The key idea of regeneration is change. This is also a pillar of success in tourism (Wise and Jimura 2020: 2). To be successful in tourism, a society must change itself to what tourists want; societies must make an effort to modify themselves to attract tourists. So, regeneration is the ideal way to boost tourism within a region: which in turn benefits a country’s economy (Wise and Jimura 2020: 3).

On the other hand, there are negative economic impacts from regeneration as well. For instance, the fact that it creates inequality by expanding the economic gap between the rich (investors) and the poor (those who can’t afford to invest) (Wise and Jimura 2020: 3). Further, it affects the lives of locals. Both culturally and physically, the changes made are obviously different from the lifestyles locals are accustomed to. This is why the term “over-tourism” exists; the phenomenon of there being too many tourists that it begins to affect the lives of locals (Wise and Jimura 2020: 151).

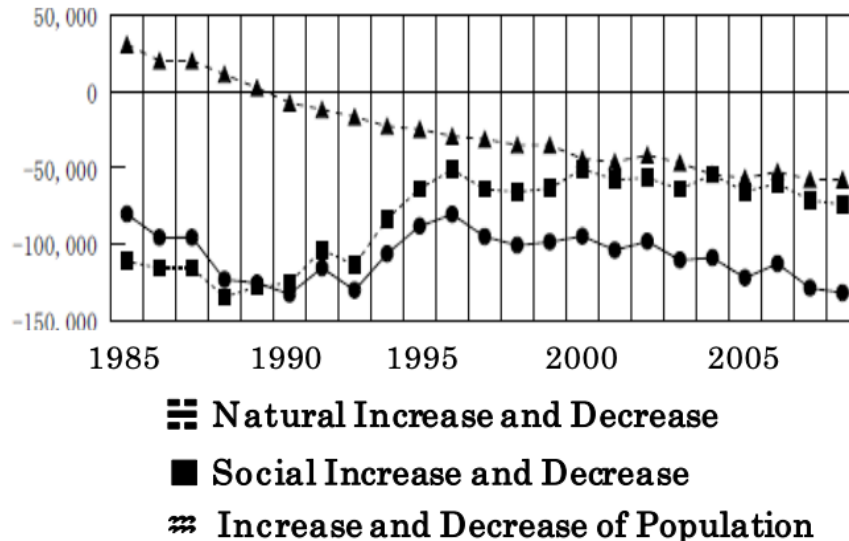
### **Real-life Application: India and Japan**

Regional extinction is becoming an increasingly significant problem globally. As a result, various countries are discovering ways to initiate regional regeneration in ways that are effective for their respective communities.

Another country experiencing regional extinction is Japan. Japan’s population decline happened most when economic growth happened (Odagiri 2011: 4). This was in the 1960s: the

same economic boom South Korea experienced. However, the causes of regional repopulation are changing as well as patterns and trends within population growth. Now, “natural decrease” is a significant factor in depopulation as shown in figure 1 (Odagiri 2011: 4). Essentially, the “natural” phenomenon of more deaths than births each year.

Fig. 1 Trends in Population in Depopulated Areas



Source: "White Paper on Depopulation in 2007FY", Ministry of Internal Affairs and Communications (MIC). This figure was accessed through Tokumi Odagiri’s academic journal, “Rural Regeneration for Japan” (2011).

Additionally, Japan’s depopulation happened only in “hilly and mountainous” regions (Odagiri 2011: 7). In contrast, depopulation is occurring all over Japan now. It happens most in rural areas because they experience a decline in household income. The distribution of household income in Japan can be seen through this table.

Table 1: Compositions of Incomes of Frame Household and Transition (1998~2003, Nationwide)

		Total		Fulltime farming		Semi-fulltime farming		Part-time farming	
		1,000yen	%	1,000yen	%	1,000yen	%	1,000yen	%
2003	Agricultural income	1,103	14	4,744	63	852	22	332	4
	Non-agricultural income	4,323	56	851	11	5,568	66	4,773	64
	Pension and others	2,286	30	2,061	27	2,042	24	2,408	32
	Gross income of farmer's household	7,712	100	7,576	100	8,462	100	7,513	100
Changes 1998~2003 (%)	Agricultural income	-11.5		-12.1		-25.9		32	
	Non-agricultural income	-18.6		-16.2		-10.5		-21.1	
	Pension and others	7.7		16.9		2		6.7	
	Gross income of farmer's household	-12.1		-6.3		-9.7		-12.2	

Source: Statistical Survey on Farm Management of Respective Years, MAFF. This table was accessed through Tokumi Odagiri’s academic journal, “Rural Regeneration for Japan” (2011).

Japan is unique in the sense that its regional depopulation has a heavy focus on the social aspect as well, not only environmental causes (Odagiri 2011). The larger issue at hand is that citizens are feeling embarrassed to live in rural areas- a phenomenon Odagiri labeled “degradation of pride” (2011: 1). This embarrassment has created an environment where many expect the younger generation to move into the city as they get older. In fact, some parents even feel somewhat guilty that their children were born in such low-class regions and hope they will move into the city to live “better” lives. Because this social issue is so prominent, regional regeneration in Japan focuses primarily on building pride in citizens to live in their communities. Odagiri states that “self-created and self-initiated organization and activity are the most fundamental characteristics of new communities.” (2011: 1). In other words, creating a heightened sense of community and pride within the community. Moreover, many people choose to move to cities to find more prosperous job opportunities. However, this also presents another problem for cities in Japan. For instance, Tokyo is experiencing an “overconcentration of population” from those who come to look for jobs. Though many may plan to move back to their rural hometowns, they become unable to for two primary reasons: there are no jobs in the rural areas and they have become used to the city lifestyle. Odagiri refers to this situation as “overstaying in Tokyo.” (2011: 10). Rural regeneration also poses various economic dilemmas. Especially in rural areas experiencing depopulation, the citizens experience lower incomes as aforementioned. So, a crucial aspect to consider when creating regional regeneration methods is to create an effective system to circulate money. It is also crucial for such a system not to rely on “public funding” or “agriculture” (2011: 2).

There have been many attempts in Japan for regional regeneration. For instance, the Kawane Promotion Group was an initiative in Akitakada City, Hiroshima Prefecture. This is a town that included “19 hamlets and 247 households. The population is 570. The percentage of people aged 65 and over is quite high at 46.1% in 2009” (Odagiri 2011: 18). Essentially, the group was a volunteer group of “influential” members of the community. After experiencing natural disasters within the city and group members acting as leaders, they were able to establish a common ideology amongst the citizens: “Never beaten by disasters! Our community by ourselves! No hanging onto the government!” (Odagiri 2011: 18). Now, they have become a more organized cohort that serves to lead the rural community and promote pride within.

Similar groups have been placed in other rural communities to create a similar sense of community within. Odagiri states that they have two common characteristics: a “distinctive name” and “geographical distribution” (2011: 21). In specific, the names of such groups are unique as they somehow relate to a special aspect of the community. The “geographical distribution” refers to how the eastern side of Japan is more likely to experience depopulation. Although groups may have slightly different methods, they share the same idea of learning from “local power” (Odagiri 2011: 2). The goal behind regional regeneration in Japan goes beyond merely individuals becoming more economically prosperous. Instead, it focuses on allowing individuals to “[have] a peaceful, pleasant, and prosperous life in which an individual can take pride” (Odagiri 2011: 1).

Another country experiencing regional extinction is India- specifically in the city of Mumbai. Mumbai used to be known as the “commercial capital of India” due to its significant presence in boosting India’s economy (Nallathiga 2014: 2). It was a city that developed especially during the time India was under Britain’s rule. This is because Mumbai was where all exports and imports with England took place. So, Mumbai was known to have developed “infrastructure”, “institutions (for health, education, and culture)”, and railroads (Nallathiga 2014:

2). Its fruitful ports allowed Mumbai to possess many raw resources that other industries of India relied on- specifically the manufacturing and textile industries.

So, in the 1980s when Mumbai's economy began deteriorating, its status as an attractive city began deteriorating as well. The economic decline experienced by Mumbai at this time was the main reason for its depopulation. An economic decline meant a decline in virtually everything; for instance, a decline in living conditions. Not only was it economically struggling, but the city's physical state was deteriorating as well. There was a significant increase in the presence of slums: essentially an area with an overflowing population of lower-class people. The population of the slums can be found in the table below.

Table 2: Slum Population in Greater Mumbai (in thousands)

Year	Total Population	Of which in Slums	Slums/Total (per cent)
1961	4152	NA	NA
1971	5970.58	2800*	46.9
1981	8243.43	4300*	52.16
1991	9925.93	5100	51.38
2001	11978.46	6475.56	54.06
2011**	12478.45	6529.45	52.33

Source: Census of India. This table was accessed through Ramakrishna Nallathiga's 2014 conference paper, "From Decline to Growth Path: The Experience of Urban Renewal in Mumbai."

Eventually, Mumbai "lost credibility as a good business center not only for international trade but also for the domestic trade" (Nallathiga 2014: 6). As a result, citizens also began migrating to other cities causing Mumbai to experience regional extinction.

India's government primarily focused its regeneration efforts on ensuring employment remains constant in Mumbai because of its notable presence in the business world previously (Nallathiga 2014: 5). In order to regain this image, certain areas and specific buildings in Mumbai were developed first to invite larger companies. Some major companies were responsive and decided to make Mumbai the headquarters of their operations (Nallathiga 2014: 5).

Though this was helpful, Nallathiga states that what Mumbai needed most was simple: inventions (2014: 6). One of the most prominent regeneration projects in Mumbai is titled "Bombay First." The fundamental goal behind the project was to partner with governments, businesses, and society to better society by developing the city. Bombay First is a non-governmental organization created by a group of private corporations (The Cities Alliance 2010). They work alongside various companies and communities to create projects that benefit the lives of citizens after studies often done by reputable firms (The Cities Alliance 2010).

### Conclusion

In this paper, I have presented the phenomenon of regional regeneration specifically in South Korea. To do this, I discussed the current factors of South Korean society that affect its population: such as its economy. Further, I described why regional regeneration is especially



crucial for South Korea. Moreover, I defined the concept of both regional extinction and regional regeneration. By integrating definitions and statistics from various credible sources, I was able to formulate appropriate and logical reasoning regarding the concepts. Lastly, I presented these concepts in a real-life scenario by comparing South Korea's regeneration methods to India and Japan. Through such analysis, I was able to identify different patterns between countries in regenerating their regions. In conclusion, I was able to see that South Korea focuses on recovering its economy first. As a result, regenerative methods are focused on the financial success it provides. In contrast, India focuses more on the environmental aspect while Japan focuses more on the social aspect.

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