

Fostering “Small but Strong” Urban Areas to Achieve Balanced National Prosperity

Sunhee Kim Senior Research Fellow

□ Smaller provincial cities that once functioned as regional bases and hubs for higher-level services are facing a growing threat of local extinction amid rapid trends of population aging and decline and worsening financial conditions.

▪ As of 2015, South Korea’s 87 cities and counties with populations under 100,000 accounted for over 59% of the country’s area and approximately 8.34% of its population (with 78% of the total population living in metropolitan areas), indicating a severe population imbalance (Statistics Korea).

※ In contrast, Germany’s 3,057 small and medium-sized cities account for around 70% of the country’s area, 61% of its population, and 56% of all jobs.

□ Rapid aging and population decline response measures are urgently needed to minimize additional declines and the loss of urban functions.

▪ With jobs and metropolitan transportation network development accelerating the concentration of residents in metropolitan areas, living service facilities in smaller cities have been substantially diminished, further hastening the vicious cycle of population outflow to large cities.

※ Localities with fewer than 300 births (based on ob-gyn clinic operation) rose 6.5 times from eight in 2000 to 53 in 20116 (Statistics Korea), with 37 non-metropolitan cities/countries/districts possessing only one ob-gyn clinic and 21 possessing two.

□ Despite past government efforts to promote balanced regional development through “Innovation City” building, establishment of “Local Happiness Lifestyle Zones,” and expansion of KTX and other metropolitan transportation network services, policy effects are failing to reach smaller surrounding cities, indicating a need for strategies in the interest of balanced regional development to boost the role of small local cities as hubs providing higher-level services.

▪ Linkages between Innovation Cities and smaller cities nearby are urgently needed, along with stronger alliances between regions and increased regional gateway roles.

▪ Decentralization and increased balanced development policy integration are needed to support autonomous linkages and cooperation between local governments.

[Policy Measures]

① To achieve balanced national prosperity and regional development, policies should be implemented to increase resident living standards and the functions and roles of “small but strong” cities.

② Measures should be targeted at the fostering of appealing “small but strong” metropolitan areas to meet the national minimum and local optimum levels of basic public services and prevent decline in smaller regional cities (e.g., creation of healthcare and welfare bases linked to Smart Innovation Cities).

③ “Small but strong” metropolitan areas linking two to five cities/counties in light of regional characteristics should be fostered, while network-based local administration systems should be established and financial decentralization implemented to form and support autonomous and sustainable provincial city alliances (at population level of 300,000 residents).

