



Socioeconomic Concentration in the Seoul Metropolitan Area and its Implications in the Urbanization Process of Korea*

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The socioeconomic concentration in the Seoul Metropolitan Area(SMA) has been one of the most important causes of the rapid urbanization in Korea. On the other side, the population concentration in the Seoul Metropolitan Area has been the cause of the accelerated economic growth. The consistent growth of the population in Seoul, however, has resulted in many social problems due to the over-urbanization. This may indicate that the policy of unequal development focusing on the Seoul Metropolitan Area would be successful up to a certain point. However, this kind of unequal development policy cannot continue unlimitedly. It should be limited to a certain extent. Not the unlimited growth but the sustainable development should be accomplished for the healthy future of a country.

Keywords: Korea, Urbanization, Socioeconomic concentration, Seoul Metropolitan Area

INTRODUCTION

Korea has traditionally been an agrarian society. Agriculture has taken the major share of Korean industry until the 1960s. Agriculture took 50.4 percent of the Gross Domestic Product (GDP) during the period of 1953-1955 (Kim, I.K. 1987). Since 1960s, however, a rapid economic growth has transformed the country from an agrarian nation into an industrial and rapidly urbanizing nation. The share of agriculture in the GDP sharply declined from 45.2 percent for the period of 1960-62 to 29.5 percent for the period of 1970-72. It decreased by 15 percent in only ten years.

The rapid economic growth started at the beginning of the 1960s when Korean government launched the first five-year economic development plan. Since then, the economic growth was

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magnificent. During the period of the first five-year economic development plan, 1962-67, the Gross National Product (GNP) grew at an annual rate of 7.0 percent (ESCAP. 1975). The GNP growth for the next five-year economic plan was even higher, as with 11.4 percent.

The rapid growth of Korean economy was mainly due to the accelerated growth of the industrial sector. The portion of the industrial sector in the GDP was only 10.6 percent for the period of 1953-55. However, it increased to 35.2 percent for the period of 1970-72. In the industry, mining and manufacturing sectors have taken the most important role in the accelerated growth. During the period of 1953-55 to 1970-72, the share of mining and manufacturing sectors in the GDP increased from 6.8 percent to 22.0 percent (Kim, I.K. 1987).

Throughout the 1960s, the Korean government's economic policies were aimed at the promotion of export-oriented industrialization through the support of labor-intensive manufacturing enterprises. During the first and second five-year economic development plans extending from 1962 to 1971, the Korean economy grew at an annual rate of slightly less than 10 percent. However, the growth of agriculture lagged compared to that of non-agricultural sectors. For the same period, agriculture grew at an annual rate of 3.7 percent compared to 17.9 percent rate of growth in the mining and manufacturing sectors (Ban. 1977).

Accordingly, the relative income level of peasants dropped. Luther (1979) indicates that a farm household earned about 71 percent of an urban household's wage in 1962, but this figure declined to 61 percent in 1970. This could be one of the many factors which brought about the massive influx of rural peasants into big cities, especially into Seoul, the capital city of Korea. Rapid urbanization concentrating on Seoul continued until the early 1990s. Since then, satellite cities surrounding Seoul and industrial cities in the Seoul Metropolitan Area have grown much faster.

Urbanization is a spatial representation of modernization and comes with various socio-physical phenomena (Choi and Chang 2003). Urbanization in Korea has been very closely related to the industrialization and economic growth. Since the 1960s Seoul has dominated the urbanization scene in Korea. Internal migration was dominated by the centripetal movement of population from all over the country towards Seoul. In accordance with the dominating role in the urbanization, Seoul has carried out the core role in the economic growth on Korea. The increase of the Gross Regional Product (GRP) of Seoul has been closely associated with that of the Gross Domestic Product (GDP) in Korea.

This paper deals with the urbanization process in Korea in connection with the industrialization and economic growth. First of all, this paper describes the demographic transition in Korea. Then, this paper deals with the urbanization process in Korea and its characteristics. This paper also illustrates socioeconomic concentration in the Seoul Metropolitan Area since the 1960s. Finally, this paper indicates the contribution of the socioeconomic concentration in the Seoul Metropolitan Area for the Korean economy and suggests some implications in relation to the urbanization process of Korea.

DEMOGRAPHIC TRANSITION

Demographic transition is defined as changes in the fertility and mortality of a society as it makes the transition from an agrarian state to an industrialized and urbanized state (Coale 1973). According to this definition, modernization brings about demographic transition; that is, a reduction in both fertility and mortality. Thus, from the perspective of modernization, one of the most important features of this demographic transition is to be able to forecast the population trends of developing countries through the demographic model of developed countries.

The rapid process of Korean demographic transition was facilitated by the interaction of a national family planning program and rapid socio-economic development. The Korean Government implemented both the national family planning program and the first five-year economic development plan in 1962. The first five-year economic development plan was carried out successfully and since then, the Korean Government has continuously adopted five-year economic development plans.

During the period of 1955-60, Korean population grew at the rate of approximately 3 percent annually. After the beginning of the 1960s, South Korea experienced a major population transition, from a rapidly growing population to a moderately growing one. The annual growth rate of population has continually declined over time. The record high growth rate of 3 percent in 1960 decreased to 2.2 percent in 1970, and then to 1.7 percent in 1975. Despite the continuous decline of the growth rate, however, the population has consistently increased and its density has worsened.

Now, let's elaborate more specifically about the mortality and fertility transition in Korea. Korea entered the first stage of mortality transition in the 1910s. The factors responsible for the mortality decline were the prevention of infectious and contagious diseases and improvement of environmental conditions and public health facilities (Lee 1980). Additional factors for the mortality decline were the establishment of medical schools and medical facilities. Unlike in the Western countries, however, the industrialization and urbanization stimulated by the Japanese colonial government had little impact on the mortality at this time (Kim, I.K. 1987).

Korean War (1950-53) had great impact on Korean population, especially on mortality. War casualties were estimated to be 1.6 million and the crude death rate sharply rose during this period (Lee 1980). The crude death rate during the five-year period up to 1955 was record high of 33 per thousand. The crude death rate for the period of 1955-60 declined to 16 per thousand. Since then, the mortality level of Korean population has consistently decreased. In accordance with the sharp decline of the death rate, the life expectancy at birth has substantially increased over time. Life expectancy at birth for males increased from 48 years in 1955 to 57 years in 1970, 68 years in 1990, and then to 75 years in 2005. Life expectancy for

females increased at the same speed from 54 years in 1955 to 64 years in 1970, 76 years in 1990, and then to 82 years in 2005.

After 1960, the declining pattern of mortality in Korea has kept on, but the reduction rate has been reduced. The gain from this time has been more attributable to the socioeconomic development than to the introduction of medical technology which caused the mortality decline during the previous years(Kim 1999). Additional important factors were the expansion of health and medical services, both in public and private sectors. Another factor related is declining fertility due to an increased adoption of family planning program and postponement of marriage.

The fertility transition in Korea in its true meaning started in the mid-1960s (Kim, I.K. 1987). The crude birth rate sharply declined from 42 per thousand to 32 during the period of 1965-70. The reduction of the crude birth rate by 10 per thousand from the five year period is a record high. The total fertility rate has also rapidly declined from 6.0 to 4.6 between the period of 1960-65 and the period of 1965-70. Since then, the fertility levels have steadily declined without interruption. During the period 1960-1985, both the fertility rate and mortality continued to decline, and thus the population growth rate continuously decreased. This demographic transition was affected by several socio-economic factors such as modernization, economic development, urbanization, and the national family planning program (Kim, I.K. 2007). Since 1985, the fertility rate in Korea has dropped to below replacement level and the mortality rate has remained stable with a slight decline. This process of demographic transition may be due to factors such as sustained economic growth, the expansion of education, changes in lifestyle, and the full-scale adoption of medical insurance (Kim D.S. 2003).

URBANIZATION PROCESS

During the period of demographic transition, Korea experienced a rapid urbanization process as well. Table 1 illustrates the population growth of cities as well as the trend of the population in Korea from 1960 to 2005. The total population of South Korea was 25 million in 1960, but it has consistently increased over time. It increased to 31 million in 1970, 37 million in 1980, 43 million in 1990, and then to 47 million in 2005. The number of cities was only 27 in 1960, but it also increased to 32 in 1970, 40 in 1980, 73 in 1990, and then to 79 in 2000.

The urban population in Korea was only 7.0 million with the urbanization rate of 28.0 percent in 1960. However, it increased to 16.8 million with the urbanization rate of 48.4 percent in 1975. Both the urban population and the urbanization rate have continuously increased over time. The urban population increased to 32.3 million in 1990, and then to 38.5 million in 2005. The urbanization rate increased to 74.4 percent in 1990, and then to 81.5 percent in 2005. The growth rate of urban population has been unexpectedly high since 1960.

Table 1. Trends of Population growth in Korea, 1960-2005

Year	Total population (1,000)	Number of Cities	Urban population (1,000)	Urbanization rate (%)	Growth rate of urban pop (%)
1960	24,989	27	6,997	28.0	54.2
1966	29,160	32	9,780	33.5	57.4
1970	31,435	32	12,929	41.1	69.8
1975	34,679	35	16,770	48.4	52.0
1980	37,407	40	21,409	57.2	48.0
1985	40,420	50	26,418	65.4	42.0
1990	43,390	73	32,290	74.4	40.1
1995	44,554	73	34,992	78.5	16.1
2000	45,985	79	36,642	79.7	9.2
2005	47,279	79	38,515	81.5	5.1

Source | Korean National Statistics Office (KNSO). Housing and Population Census. Each year.

Table 2. Annual growth rate of urban and rural population in Korea (%), 1960-2000 (%)

Year	Whole	Urban population	Rural population
1960-1966	2.6	5.7	1.2
1966-1970	1.4	6.8	-1.6
1970-1975	2.4	5.7	-0.3
1975-1980	1.5	5.0	-2.2
1980-1985	1.6	4.3	-2.6
1985-1990	1.4	4.1	-4.5
1990-1995	0.6	1.6	-2.9
1995-2000	0.7	1.0	-0.4
1960-2000	1.5	4.2	-1.6

Source | Korean National Statistics Office (KNSO). Housing and Population Census. Each year.

The growth rate of urban population for the previous five year period has been more 50 percent during the period of 1960-1975. In accordance with the declining fertility since 1970, however, the growth rate of the urban population has continuously decreased over time.

Table 2 shows the trends of the annual growth rate of urban and rural population in Korea since 1960. The average annual growth rate of the Korean population for the 4 decades since 1960 was 1.5 percent. This table indicates that the urban population as well as the total population has continuously increased but the speed of growth was much greater in the urban population than in the rural population. In contrast to the rapid increase of the urban population, the growth rate of the rural population has declined over time. During the period of 1966-1970, the growth rate of the rural population decreased to -1.6 percent from the previous 1.2 percent during the period of 1966-1970. As a result, for the first time in the recent history of Korea, an absolute decrease in the size of the rural population was observed.

Table 3. Share of factors influencing the growth of urban population (%), 1960-2000 (Unit: 1,000 persons, %)

Year	Total growth	Natural increase	Net migration	Area enlarged	New cities
1960-1966	2,709	42.1	40.6	9.3	8.0
1966-1970	3,223	26.8	73.2	0.0	0.0
1970-1975	3,842	47.2	45.1	2.5	5.2
1975-1980	4,638	45.7	39.7	4.1	10.5
1980-1985	5,506	44.4	36.8	1.3	17.4
1985-1990	5,866	36.3	27.0	6.2	30.4
1990-1995	2,727	72.8	7.0	1.3	19.0
1995-2000	1,719	62.2	12.9	0.0	24.9

Source | Korean National Statistics Office(KNSO). Statistical Yearbook. Each year.

Table 3 shows the share of factors influencing the growth of urban population in Korea from 1960 to 2000. The general factors which influence the growth of the urban population in the process of urbanization are the natural increase of the urban population, net migration from the rural areas, the enlargement of urban areas, and the construction of new cities. During the period of 1960-1966, the urban population increased by 2.7 million. During the same period, the most important factor influencing the growth of 2.7 million was the natural increase as of 42.1 percent, followed by the net migration (40.5 percent), enlargement of the urban area (9.3 percent) and the construction of new cities (8.0 percent). Except for the period of 1966-1970, the most important factor which influenced the urban population in the process of urbanization was the natural increase of the urban population. Nevertheless, the importance of the net migration is about the same as that of the natural increase up to 1990.

In contrast to other periods, the share of the net migration influencing the growth of the urban population during the period of 1966-1970 was exceptionally high, as of 73.2 percent. This fact is significant in that the period of 1966-1970 was that of the second five-year economic development plan. The net migration was totally from the rural areas. The loss of the rural population between 1966 and 1970 due to the net migration amounted to slightly more than 1.5 million. Such a heavy out-migration, especially of working age population, has resulted not only in the rate of urban population growth but also in a higher dependency ratio in the urban areas (Moon, 1978).

Another notable fact in the process of the urbanization is the construction of new satellite cities around the established metropolis since 1975. The share of the construction of new cities was especially important during the period of 1985-1990. The Korean government has begun to construct new satellite cities around the metropolis because the government has been concerned with the redistribution of the urban population due to the continuously rapid growth of the urban population, especially in Seoul.

Table 4 indicates the trends of the population growth in the Seoul Metropolitan Area in

Table 4. Population growth in the Seoul Metropolitan Area in Korea, 1960-2005 (Unit: 1,000 persons; %)

Population/Share of population	1960	1970	1980	1990	1995	2000	2005
Seoul	2,445	5,525	8,364	10,613	10,231	9,895	9,820
Gyeonggi	2,749	3,353	4,934	7,974	9,958	11,459	12,947
SMA	5,194	8,879	13,298	18,587	20,189	21,354	22,767
Entire country	24,989	31,434	37,436	43,411	44,609	46,136	47,279
% Seoul/total	9.8	17.6	22.3	24.4	22.9	21.5	20.8
% Gyeonggi/total	11.0	10.7	13.2	18.4	22.3	24.8	27.4
% SMA/total	20.8	28.2	35.5	42.8	45.3	46.3	48.2

Source | Korean National Statistics Office (KNSO). Housing and Population Census. Each year.

Korea since 1960. The Seoul Metropolitan Area includes Seoul and the surrounding cities in Gyeonggi province. In 1960, the population of Seoul was only 2.4 million, but it increased to 5.5 million in 1970, 8.4 million in 1980, and then to 10.6 million in 1990. The population of Seoul has continuously increased up to 1990, and then it declined to 9.8 million in 2005. This decline since 1990 is related to the redistribution of population due to the construction of new satellite cities around Seoul. In contrast to the population of Seoul, that of Gyeonggi province has consistently increased without interruption. The population of Gyeonggi province increased from 2.7 million in 1960 to 4.9 million in 1980, and then to 12.9 million in 2005. Accordingly, the population of the Seoul Metropolitan Area has also consistently increased from 5.2 million in 1960 to 13.3 million in 1980, then to 22.7 million in 2000.

The share of the population of Seoul to the total population was only 9.8 percent in 1960. As in the case of the trend of population growth, it increased up to 1990, and then gradually decreased. On the other hand, the share of the population of Gyeonggi province has consistently increased without interruption over time. In accordance with the increase of the population share of Gyeonggi province, the share of the Seoul Metropolitan Area has also persistently increased. The share increased from 20.8 percent in 1960 to 35.5 percent in 1980, and then to 48.2 percent in 2000. As of 2005, 20.8 percent of the Korean people live in Seoul and almost half of the Korean population lives in Seoul Metropolitan Area. The rapidly increasing population in the Seoul Metropolitan Area greatly contributed to the growth of the total population.

Table 5 shows the share of the population growth in the Seoul Metropolitan Area since 1960. The population of Seoul increased by 3.1 million during the period of 1960-1970. The amount of the population increase for the past ten years has gradually lessened up to 1990, and then it began to decrease since 1990. On the other hand, the amount of the increase in the Gyeonggi population has consistently increased. During the period of 1960-1970, the population of Gyeonggi province increased only by 0.6 million. But, it increased by 1.6 million

Table 5. Share of population growth in the Seoul Metropolitan Area in Korea, 1960-2000 (Unit: 1,000 persons; %)

Pop growth/ Share of pop growth	1960-1970	1970-1980	1980-1990	1990-1995	1995-2000	1990-2000
Seoul	3,080	2,839	2,249	-382	-336	-718
Gyeonggi	605	1,580	3,040	1,984	1,501	3,485
SMA	3,685	4,419	5,289	1,602	1,165	2,767
Entire country	6,445	6,002	5,975	1,198	1,527	2,725
% Seoul/total	47.8	47.3	37.6	-31.9	-22.0	-26.3
% Gyeonggi/total	9.4	26.3	50.9	165.6	98.3	127.9
% SMA/total	57.2	73.6	88.5	133.7	76.3	101.5

Source | Korean National Statistics Office (KNSO). Housing and Population Census. Each year.

during the period of 1970-1980, 3.0 million during the period of 1980-1990, and then 3.5 million during the period of 1990-2000.

According to Table 5, Seoul took 47.8 percent of the increase of the Korean population during the period of 1960-1970. However, Gyeonggi province took only 9.4 percent of the increase of the total population during the same period. During the period of 1970-1980, Seoul took 47.3 percent and Gyeonggi province took 26.3 percent of the increase of the total population. Since 1960, the share of the population growth in Seoul has continuously declined and it has shown the negative growth since 1990. In contrast to the population of Seoul, the share in Gyeonggi province has consistently increased. It is striking that during the period of 1990-1995 the share of the population growth in Seoul was -31.9 percent, whereas that in Gyeonggi province was 165.6 percent. During the same period, the overall share of the Seoul Metropolitan Area over the total population growth was 133.7 percent. In the most recent decade of 1990-2000, the share of the Seoul Metropolitan Area is reported to be 101.5 percent.

SOCIOECONOMIC CONCENTRATION IN SEOUL METROPOLITAN AREA

Korean society has experienced rapid social changes since the 1960s. As was shown in the previous chapter, Korea has experienced consistently increasing urbanization process since the 1960s. Since the establishment of the first five-year economic development plan, Korean economy has also tremendously increased over time. Since the initiation of the first five-year economic development plan in 1962, Korean government has continuously employed a series of economic development plans for more than 30 years.

In 1960, the GNP per capita was only 79 U.S. Dollars. Since then, the GNP per capita has consistently increased up to 1997. The GNP per capita increased to 253 U.S. Dollars in 1970, 1597 Dollars in 1980, 5883 Dollars in 1990, and then to 10037 Dollars in 1995. In 1997,

however, Korea suffered from a serious of financial crisis. At that time, Korean money was devaluated half of the price. As a result, the GNP per capita in 1998 declined to 6744 Dollars. Since then, Korean economy has gradually recovered from the financial crisis. In 2005, the GNP per capita once again increased to 17531 Dollars.

The annual growth rate accelerated since the period of 1965-1970. During the period of 1965-1980, the annual growth rate has exceeded 25 percent. For the next five-year period, it decreased somewhat but it rose again to 32.5 percent in 1990. During the financial crisis, it substantially decreased. After the financial crisis, however, the annual growth rate of GNP per capita recovered to almost 10 percent during the period of 1998-2002.

The unprecedented high economic growth in Korea was due to the growth of the industrial sector in the early years of the economic development plans, and due to the growth of the social services sector thereafter (Kim I.K., 2007). Before the initiation of the first five-year economic development plan, more than half of the Korean people worked in the agricultural sector. In 1960, the proportion of those who worked in the agricultural sector was 63.1 percent. This proportion has consistently declined over time. It decreased to 49.9 percent in 1970, 17.9 percent in 1990, and then to 10.6 percent in 2000.

In contrast to the trend of the agricultural sector, both the proportion of the employers in the industrial sector and that in the social services sector has increased over time. Nevertheless, the trend of the industrial sector is different from that of the social services sector. The proportion of the employers in the industrial sector has gradually increased up to 1990, and since then has declined. The proportion in 1960 was 13.0 percent and it increased to 21.1 percent in 1970, and then to 27.6 percent in 1990. In 2000, the proportion decreased to 20.4 percent.

One notable thing in the industrial sector is that the employers in the manufacturing sector have composed the most part of the employment in the industrial sector since 1980. On the other hand, the proportion of the employers in the social services sector has consistently increased over time. The proportion increased from 1960 to 43.5 percent in 1980, 54.5 percent in 1990, and then to 69.0 percent in 2000.

The population of Korea has been concentrated in Seoul and its surrounding satellite cities during the urbanization process. The concentration in the Seoul Metropolitan Area was not confined to the population. In accordance with the dominating role in the urbanization, the Seoul Metropolitan Area has contributed to the substantial part of the economic growth in Korea. The increase of the Gross Regional Product (GRP) of the Seoul Metropolitan Area has been closely related to that of the Gross Domestic Product (GDP) in Korea. Table 6 shows the trends in the share of the GRP in Korea since 1968. In 1968, the proportion of the GRP in Seoul was 26.5 percent and that of Gyeonggi province was only 9.4 percent. As a total, the proportion of the GRP in the Seoul Metropolitan Area was 35.9 percent.

In the process of urbanization, the trend of GRP in Seoul has shown different pattern from that in Gyeonggi province. The share of the GRP in Seoul increased only by 1.7 percent during

Table 6. Share of the GRP (gross regional product) in the Seoul Metropolitan Area (%), 1968-2000

Region	1968	1976	1985	1995	2000
Seoul	26.5	28.2	25.0	23.7	20.9
Gyeonggi	9.4	12.6	17.2	22.0	27.1
SMA	35.9	40.8	42.2	45.7	48.0

Source | Korean National Statistics Office (KNSO). Statistical Yearbook. Each year.

the period of 1968-1976, and after 1976 it decreased to 25.0 percent in 1985 and then to 20.9 percent in 2000. On the other hand, the proportion of the GRP in Gyeonggi province has consistently increased since 1968. The proportion increased to 17.2 percent in 1985, 22.0 percent in 1995, and then to 27.1 percent in 2000. The share of the GRP in Seoul was much greater than that of Gyeonggi province in 1968 but it is much less than that of Gyeonggi province in 2000.

Since the 1960s, Seoul has dominated the urbanization scene in Korea. In accordance with the dominating role in the urbanization, Seoul has played the core role in the economic growth in Korea. Since the beginning of constructing the satellite cities around Seoul in the 1980s, however, the role of Seoul in the economic growth has diminished. The satellite cities in Gyeonggi province have begun to take the responsibility of the core role.

Overall, the share of the GRP in the Seoul Metropolitan Area has consistently increased mainly due to the accelerated increase of the GRP in Gyeonggi province. The proportion increased to 42.2 percent in 1985, 45.7 percent in 1995, and then to 48.0 percent in 2000. As of 2000, the proportion of the GRP in the Seoul Metropolitan Area is almost half of the GDP of Korea.

During the period of 1986-1990, when the national economy was good, the annual growth rates of the GRP in Seoul were higher than those in the GDP in Korea. Since then, when the national economy was not so good, the annual growth rates of the GRP in Seoul were less than those in the GDP in Korea (Wang, Y.K. 2004).

Although Seoul's influence has diminished since the 1980s, Seoul is still playing the important role in the socioeconomic growth of Korea. Table 7 shows the trends of the share of selected socioeconomic items in Seoul since 1980. The share of Seoul's population has increased up to 1990 and since then decreased. Among the selected items, the proportions of the number of manufacturing companies, bank savings, bank loans, number of medical institutions, and number of general hospitals have consistently decreased since 1980. However, the proportions of gross product and consumption of electricity have fluctuated.

In contrast to other items, the share of domestic taxes has somewhat increased since 1980. The proportion of domestic taxes increased from 31.5 percent in 1980 to 38.2 percent in 1990, and to 46.1 percent in 2000 and slightly decreased thereafter. The notable thing here is that the proportions of bank-related items such as bank savings, bank loans and domestic taxes in Seoul

Table 7. Trends of share of selected items in Seoul (%), 1980-2005

Items	1980	1990	2000	2005
Population	22.6	24.5	21.4	20.8
Gross product	28.5	27.0	21.7	24.0
Manufacturing companies	24.6	24.9	18.6	9.9
Domestic taxes	31.5	38.2	46.1	38.3
Bank savings	63.5	53.3	51.9	49.7
Bank loans	62.0	52.1	47.6	43.6
Consumption of electricity	18.3	17.0	13.1	21.0
Medical institutions	35.9	35.7	27.6	25.2
General hospitals	39.0	28.1	23.2	21.4
Medical doctors	40.6	40.9	23.5	34.0

Source | Korean National Statistics Office (KNSO). Statistical Yearbook. Each year.

Table 8. Share of selected items in the Seoul Metropolitan Area (%), 2001

Items	Seoul	Gyeonggi	SMA
Space	0.6	11.2	11.8
Population	21.4	25.3	46.7
Use of gas	17.3	23.8	41.1
Number of automobiles	19.7	26.6	46.3
Number of telephones	25.9	21.9	47.8
Medical institutions	25.5	20.7	46.2
Car accidents	17.3	23.8	41.1

Source | Korean National Statistics Office (KNSO). Statistical Yearbook. Each year.

are still very high as of nearly 40 percent. This fact indicates that Seoul is still the center of the financial affairs in Korea.

Since the 1990s demographic and socioeconomic concentration in Seoul has slightly decreased but concentration in Gyeonggi Province has increased. As a result, the severity of the concentration of the Seoul Metropolitan Area has not changed. The location of concentration has just changed from Seoul to the Seoul Metropolitan Area. Table 8 indicates the share of selected items in the Seoul Metropolitan Area as of 2001. The proportion of the space in Seoul is only 0.6 percent and that of Seoul Metropolitan Area is 11.8 percent. However, the proportions of selected items (use of gas, number of automobiles, telephones, medical institutions and even car accidents) in the Seoul Metropolitan Area are over 40 percent.

SOCIOECONOMIC IMPLICATIONS IN THE URBANIZATION PROCESS

As was mentioned in the previous chapter, Korea has experienced a very rapid urbanization process as well as a tremendous economic growth since the 1960s. This chapter describes the causes and the effects of such a rapid development. This chapter will also discuss the lessons from the rapid processes of urbanization and economic growth in Korea. Then, this chapter will provide some suggestions for the future development.

Korean government initiated the first five-year economic development plan in 1962, when the GNP per capita in Korea was only 82 U.S. Dollars. The first five-year economic development plan was very successful, as with the annual growth rate of 7 percent. Since then, Korean government has established a series of five-year economic development plans. Korean economy has consistently grown up to 1997, when Korea suffered from the financial crisis. At the end of the 7th five-year economic development plan in 1996, the GNP per capita reached to 11,385 U.S. Dollars.

Wilson and Schulz (1978: 342) indicate that in Latin America and Asia the primate metropolis may attract a huge number of migrants from primitive rural areas. Korea is not an exception. Since the initiation of the first five-year economic development plan, the rapid economic growth based on the state-led industrialization has spurred the migration of peasants from rural areas to the Seoul Metropolitan Area. The growth rate of the urbanization in Korea, however, has been much faster than those of other developing countries in the 1960s and thereafter. It took four decades for Korea to catch up with the path of 'Western type' urbanization, which took about two centuries in the Western countries. For this reason, the urbanization of Korea since the 1960s is called the 'compressed urbanization' (Choi and Chang 2003).

In most nations the primate city is also the political capital. In an age of international politics, the fact that a city is a capital usually spurs urban growth (Wilson and Schulz 1978). The most striking phenomenon in the rapid process of urbanization in Korea is the socioeconomic concentration in the Seoul Metropolitan Area, which includes Seoul and the surrounding satellite cities. The socioeconomic concentration in the Seoul Metropolitan Area has been one of the most important causes of the rapid urbanization. On the other side, the population concentration in the Seoul Metropolitan Area has been the cause of the accelerated economic growth.

The socioeconomic concentration in the Seoul Metropolitan Area is the cause as well as the effect of the tremendous economic growth in such a short period of time (Wang, Y.H. 2004). Korea did not have sufficient resources and technology when the military government initiated the first five-year economic development plan in 1962. The military government had a strong will to carry out the rapid economic growth with powerful economic strategies. The models of

the first five-year economic development plan during the period of 1962-66 are as follows: government-led industrialization model, export-oriented growth model, outward-oriented growth model, manufacturing-centered growth model, and large corporations-led growth model (Kim, I.K. 1990).

Without sufficient resources and technology, the most effective method of accomplishing the planned economic growth was to concentrate socioeconomic resources and personnel in Seoul, which has relatively well-developed infrastructures as a capital city. Compared to other regions, Seoul was the best place for the government to employ the 'unequal growth policy' because Seoul has been the center of political and administrative functions as a capital city. Most of the government offices were located in Seoul. Thus, most of the headquarters of corporations had to stay in Seoul in order to have efficient connections with the governmental officers. This was especially important because of the emphasis of the government-led industrialization in the process of the rapid economic growth. Accordingly, Seoul has to be the center of commercial and financial functions.

Seoul has many cultural heritages from the history of 600 years. Seoul also has been the center of artistic activities. As a cultural and artistic center, Seoul brings so many people from all over the world. In addition, Seoul could be the best place for the export-oriented business because export corporations have easy access to the business-related connections in Seoul. Thus, many foreign corporations have branches in Seoul and most of the foreign embassies are located in Seoul. So, many international affairs and exchanges are made in Seoul. Seoul is really the center of the international function.

One of other important factors which have brought about the rapid economic growth since the 1960s is the elevated educational level of young people. The elevated educational level is required for the development of technology. In the beginning of the five-year economic development plans, the level of technology was very primitive. As the rapid economic growth goes on, however, advanced technology was required to have the accelerated growth. Actually, the elevated education in Korea has played a very important role in inducing the accelerated growth of the economy. In this sense, the concentration of schools and students in Seoul at the early years of the economic development plans was very effective in bringing about the growth (Wang, Y.K. 2004).

During the period of the five-year economic development plans, not only the schools but also the research institutions (public sector, university, and industrial research institutions) were concentrated in the capital city. The concentration of both schools and institutions in the capital city has been very effective in accelerating the growth because those institutions have provided the skilled laborers who were required for the development.

In addition, the strong will of the military government for the fast economic growth and the effective distribution of funds through the low interests of bank loans have helped to bring about the rapid economic growth. In accomplishing these roles, Seoul was the best place. As a

center of the administration, Seoul was relatively well equipped with the necessary socioeconomic infrastructures. In the early years of the economic development plans, manufacturing industry has played the core role for the economic growth. As the advancement of the economic growth, however, the importance of the social services sector has increased.

The success of the economy in Seoul has created a lot of jobs, thus has pulled the massive influx of the young migrants from all over the country. The mass influx of the young population in Seoul has helped the regional product of Seoul greatly increase in a short period of time. On the other hand, the rapid increase of the young population who are mostly in the age of childbearing greatly influenced the acceleration of the population growth in the capital city. It has resulted in the over-urbanization. The over-urbanization has created a lot of social problems such as population congestion, housing shortage, unemployment, and urban poverty in the Seoul Metropolitan Area. It has also brought about the serious problems of air and water pollution.

The problems due to the rapid industrial development are not confined to the urban areas. Wilson and Schulz (1978) mention that primate cities attract more than their share of national investments and tax monies and so high primacy within a country may inhibit economic and social development of some areas because of the dominance of one city or series of cities. In Korea an absolute decrease in the size of the rural population has been observed since 1966, when the first five-year economic development plan successfully ended. Rural areas, while having lost a lot of young population due to the mass migration had to suffer from the labor shortage, especially during the busy seasons of agriculture.

The mass influx of the young migrants to the urban areas has thus resulted in the severe problem of poverty in the rural areas as well. The problem of marriage squeeze for young people has become another serious problem in the rural areas. In addition, the inability to take care of the elderly population at home due to the lack of the young people is an incoming serious social problem in the rural areas in the era of the aging society (Kim, I.K 1999; Kim, I.K. et al. 1996 Kim and Choi 1992).

Massive out-migration of young people from the rural areas due to the industrialization and urbanization has brought about different patterns of living arrangements of the elderly between urban and rural settings in Korea (Kim, I. K 1998; Kim, I. K 2004). Modernization theory hypothesizes that urban residence is negatively associated with the elderly living with children (Martin 1989). In Korea, however, rural residence proved to be negatively associated with the elderly living with children (Kim, I. K 2004).

According to a survey (Kim, I. K et al. 1997), patterns of the living arrangements of the elderly are quite different in urban and rural areas. This survey indicates that the proportion of the elderly living alone is 9.1 percent in the urban areas but 15.5 percent in the rural areas. The proportion of the elderly living with spouse only is 29.2 percent in urban areas, whereas that is 48.7 percent in the rural areas. So, the proportion of the elderly living with any child is 61.7

percent in the urban areas, but that is only 35.8 percent in the rural areas.

Living arrangements are significant in terms of providing the support (financial, emotional, and physical support) for the elderly and enabling them to participate fully in the daily activities (Kim and Choi 1992). With respect to providing the support, living with married children is especially important for the elderly. However, the proportion of the elderly living without children has continuously increased due to the rapid socioeconomic transformation in recent years, especially in the rural areas (Kim, I. K. 1998). This is a critical sign that the tradition of the strong family support in Korea has been changing and that the strong tradition of the support for the elderly family members could continuously weaken in the future. In Korea, the family ties have traditionally been much stronger in the rural areas than in the urban areas. In this context, the elderly in the rural areas are facing a crisis.

CONCLUSION

This paper dealt with the socioeconomic concentration in the Seoul Metropolitan Area in the urbanization process of Korea since the 1960s. This paper also discussed the implications of socioeconomic concentration in the Seoul Metropolitan Area in the urbanization process. Korea has begun to experience the rapid transformation in urbanization and industrialization since the 1960s. Due to the rapid processes of the urbanization and industrialization, Korean economy has experienced tremendously fast growth. Both urbanization and industrialization have reciprocally affected each other in the process of inducing the rapid economic growth.

The rapid economic growth initiated from a series of five-year economic development plans had spurred the massive influx of the young migrants from the rural areas towards Seoul. Since 1990, however, both the absolute population and the share of the population in Seoul have begun to decline. This decline since 1990 is related to the redistribution of population due to the construction of new satellite cities around Seoul. Due to the consistent increase of the population of Seoul resulted in over-urbanization. Korean government has begun to employ a series of population redistribution policies. So, Korean government has established new satellite cities in Gyeonggi province since the 1980s. The population redistribution policies have been partly successful in that the population of Seoul has begun to decline. Instead, Gyeonggi province took a turn to take the rapid growth. Accordingly, the population share of the Seoul Metropolitan Area has continuously increased over time. As of 2005, 20.8 percent of the Korean people live in Seoul and almost half of the Korean population lives in the Seoul Metropolitan Area.

Sine the 1960s, not only the population but also the socioeconomic factors has been concentrated in Seoul and the surrounding satellite cities. In accordance with the rapid growth of the population share, socioeconomic factors have been concentrated in the Seoul Metropolitan

Area. The most striking phenomenon in the rapid process of urbanization in Korea is the socioeconomic concentration in the Seoul Metropolitan Area. The socioeconomic concentration in the Seoul Metropolitan Area has been one of the most important causes of the rapid urbanization in Korea. On the other side, the population concentration in the Seoul Metropolitan Area has been the cause of the accelerated economic growth.

In the early years of the five-year economic development plans in Korea, not only population but also socioeconomic concentration in Seoul was required for the accelerated growth. One of the characteristics for the five-year economic development plans was unequal development focusing on the growth of Seoul as the Seoul Metropolitan Area. In this sense, socioeconomic concentration in Seoul was somewhat successful. Seoul has led the urbanization and the economic growth in Korea. However, the consistent growth of the population in Seoul has resulted in many social problems due to the over-urbanization.

This may indicate that the policy of unequal development focusing on the Seoul Metropolitan Area would be successful up to a certain point but this kind of unequal development policy cannot continue unlimitedly. It should be limited to a certain extent. Not the unlimited growth but the sustainable development should be accomplished for the healthy future of a country (Harper, C.L 2003; Kim, I.K 2003). The relentless growth of the economy should not be the ultimate goal of development in a country. The government should employ the necessary policies for the sustainability, focusing not only the economy but also distribution of wealth, healthy environment, and welfare for the people, etc.

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