

URBANIZATION IN THE REPUBLIC OF KOREA AND TAIWAN: A NIEs PATTERN

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INTRODUCTION

THIS paper will present an analysis of urban structure in the Republic of Korea and Taiwan, which formed as these regions evolved into so-called “newly industrializing economies” (NIEs). Generally speaking, developing countries do not experience the simultaneous progress of urbanization and industrialization as experienced by industrialized countries. In typical developing countries, over-urbanization seems to occur prior to industrialization with explosive expansion of primate cities and very rapid population inflow from the agricultural countryside [35].

In Korea and Taiwan this process, namely, over-urbanization and expansion of primate cities, was already under way during the colonial period; but in the postwar process of rapid industrialization, their urban structures began to change again, giving rise to characteristics not observed in other developing countries. The first task of this paper is to analyze these characteristics in terms of a NIE. After World War II, differences became visible between the urban structures of Korea and Taiwan. The second task of this paper is to undertake comparative analysis of the two types. Such rapid urbanization generated a number of social problems. In Korea the rise of “regionalism” and the formation of an urban poor social stratum generated serious social conflict. Analyzing these problems is the third task of this paper.

I. NIEs AND URBANIZATION: CHARACTERISTICS OF INDUSTRIALIZATION AND POPULATION MOVEMENT

A. *The 1960s as the Turning Point*

Urbanization had already begun in Korea and Taiwan during their colonial periods; but unlike the territories ruled by European and U.S. imperialists, Korea and Taiwan under Japanese colonialism experienced not only the expansion of primate cities, but also growth of numerous local cities. This was because of the large num-

TABLE I
POPULATION OF MAJOR KOREAN CITIES, 1985

	Male	Female	Total (A)	(A) / (C) (%)	(A) / (B) (%)	Gender Ratio
Seoul	4,795	4,844	9,639	23.8	36.5	99.0
Busan	1,736	1,778	3,514	8.7	13.3	97.6
Daegu	1,005	1,024	2,029	5.0	7.7	98.1
Incheon	692	694	1,386	3.4	5.2	99.7
Gwangju	456	449	905	2.2	3.4	101.6
Daejeon	433	432	866	2.1	3.3	100.2
Ulsan	286	264	551	1.4	2.1	108.3
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Total for urban areas (B)	13,168	13,274	26,442	65.4	100.0	99.2
National total (C)	20,243	20,204	40,448	100.0		100.2

Source: [37, Vol. 1].

Note: Gender ratio = the number of males per 100 females.

ber of Japanese immigrants who settled in these colonies as merchants, industrialists, workers, and landowners, a pattern characteristic of Japanese colonialist rule in East Asia. Another characteristic of Japanese colonialism was over-urbanization that created and perpetuated a large population engaged in miscellaneous occupations, similar to the urban informal sector of today. Also ethnically complex cities like those in Southeast Asian colonies did not emerge in the Japanese colonies [2][13][48]. The defeat of the Japanese in the Pacific War was followed by various movements of population in East Asia: namely, a repatriation of overseas Japanese was carried out; Koreans returned to their homeland from Japan and Northeast China; and refugees began flowing into South Korean cities from North Korea. In Taiwan an influx of continental Chinese (*waishengren*) into its cities occurred. As a result, urban population began to grow again in both regions.

As previously mentioned, in Korea and Taiwan, urbanization similar to that occurring in the developing countries today had already started during their colonial periods; but urbanization there during and after the 1960s was by far more rapid and on a larger scale than that of the colonial period. Their patterns of urbanization also changed under the impact of their NIEs-type industrialization, as the contrast stood out between the Korean and Taiwanese patterns. As Tables I and II indicate, the urban population ratio rose to as high as 65 per cent in Korea against 30 per cent in Taiwan. The ratio of primate city population to the total urban population has been in the neighborhood of 40 per cent in both cases, but in Korea the primate city carries much more weight in total population than in Taiwan. The population gap between the primate city and the second largest city is larger in Korea than in Taiwan. In other words, Korea is characterized by unipolar population concentration while population is more decentralized in Taiwan. The gender ratio (the num-

TABLE II
POPULATION OF MAJOR CITIES IN TAIWAN, 1989

	Male	Female	Total (A)	(A) / (C) (%)	(A) / (B) (%)	Gender Ratio
Taipei	1,367	1,335	2,702	13.4	42.1	102.4
Kaohsiung	703	670	1,374	6.8	21.4	104.9
Taichung	377	369	746	3.7	11.6	102.3
Tainan	344	330	675	3.3	10.5	104.3
Keelung	182	168	350	1.7	5.4	108.4
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Total for urban areas (B)	3,271	3,153	6,425	31.9	100.0	103.7
National total (C)	10,424	9,732	20,156	100.0		107.1

Source: [36].

Note: The same as in Table I.

ber of males to 100 females) is another indicator showing contrast. The major Korean cities have more females than males. The gender ratio for the total urban population is as low as 99.2. In contrast, Taiwan's male population is larger than female population not only in the major cities but also in the entire urban area. It is generally said that in developing countries the male ratio is higher in cities than in rural areas because males are given more educational or job opportunities in the urban informal sector (i.e., manual labor) than females. Considering this, Korea represents a very rare case.

These differentials in population concentration in the primate city as well as in gender ratio stem from the different modes of industrialization in the two regions. These differences show the characteristics of NIEs-type urbanization regulated by factors clearly distinguishable from those in colonial-type urbanization. In Korea, new industrial estates have been limited to a few geographical areas, while labor-intensive industries employing mainly women have concentrated in the metropolitan area. In Taiwan, by contrast, industrial activities are spread all over the territory, encouraging the growth of local cities. Also, medium and small factories increased in suburban agricultural areas. Let us examine these differences more in detail.

B. *Unipolar Concentration of Urban Population in Korea*

Historically, the Chosun (Joseon) dynasty exercised highly centralized rule, and during the colonial period, political rule was also centralized. These are historical factors accounting partially for the concentration of population in the capital city of Seoul. As the country was divided into North and South after it was liberated from Japanese colonialism, South Korea lost the northern cities. The narrowed territory left little room for major cities other than Seoul; however, far more important in such unipolar population concentration than the above factors has been the indus-

Fig. 1. The Major Cities of Korea



trialization programs implemented since the 1960s. The industrial estates set up in the 1960s and 1970s for export-oriented industrialization were concentrated in only two provinces, Gyeonggi-do and Gyeongsang-do. Moreover, the failure of agricultural policies and the resultant economic gaps between urban and rural communities caused an exodus of rural population into urban areas. Also, the suspension of citizens' participation in the local autonomous system implemented in 1961 served to further strengthen the centralization of political power. These factors worked together to cause Korea's unusual unipolar concentration of population, in which a quarter of the country's population resides in Seoul proper and close to one-half in the greater metropolitan area.

Under laws promulgated by the Korean government for assistance to the devel-

TABLE III
 SCALES AND CHARACTERISTICS OF MANUFACTURING IN VARIOUS REGIONS OF KOREA, 1987

	No. of Companies (A)	No. of Employees (1,000) (B)	(B)/(A)	Value Added (Billion Won)	Labor Productiv- ity (1,000 Won)	Capital Intensity (1,000 Won)
Seoul	15,849 (29)	554 (18)	34.9	5,629 (14)	1,016	6,610
Incheon	2,942 (5)	230 (8)	78.0	3,149 (8)	1,372	14,715
Gyeonggi-do	2,231 (22)	669 (22)	54.7	9,723 (24)	1,452	12,475
Busan	6,231 (11)	431 (14)	69.1	3,362 (8)	780	5,800
Gyeongsangnam-do	2,888 (5)	370 (12)	128.2	6,883 (17)	1,859	19,896
Gyeongsangbug-do	2,192 (4)	186 (6)	85.0	3,751 (9)	2,013	21,225
National	54,389 (100)	3,001 (100)	55.2	40,569 (100)	1,352	12,798

Source: [1, pp. 164–65].

Note: Figures in parentheses show the percentages.

opment of export industry estate, the construction of the first Gulodong Industrial Estate was begun in Seoul in 1964, followed by the second in 1967 and third in 1970. Labor-intensive industries producing for export were invited to operate in these estates, as factories operating in central Seoul were moved into the suburbs of Gulo and Yeongdongbo wards. In 1970, the construction of an integrated steel mill was started in 1970 at Bohang in Gyeongsangbug-do, while an electronics industrial park was established at Gumi at the same time. In Gyeongsangnam-do, the Hyundai group completed a shipyard at Ulsan, where it later commissioned an automobile assembly plant. In Changwon, a machinery industrial estate mainly for weapons production was inaugurated in 1974 (Figure 1).

Thus, as Table III shows, light industrial estates with labor-intensive factories were established in Gyeonggi-do, and heavy industrial estates with capital-intensive operations developed in Gyeongsang-do. Young female workers rushed to Gyeonggi-do (the metropolitan district) to work in the small factories producing garments and electrical goods concentrated there. The gender ratio of the migrants from the countryside into urban areas in 1985 was measured at 86.9, indicating that significantly more females than males had moved in [6]. Consequently, the population of cities with light industries exploded, as Table IV illustrates. The gender ratio in these cities all stayed below 100. In contrast, heavy industrial cities were all relatively small population-wise and their gender ratios invariably stayed above 100.

Let us now characterize Korean urbanization on a period-by-period basis. The rural to urban migration pattern changed during the 1970s. Table V shows that the country's rural population diminished, not only in relative terms, but also in absolute terms during that decade. The turning point was 1966. Some scholars argue this point as a watershed, at which Korea shifted from an "underdeveloped" to a

TABLE IV
POPULATION AND GENDER RATIOS OF MAJOR INDUSTRIAL CITIES IN KOREA, 1985

Name of City	Main Industries	Total Population (1,000)	Gender Ratio
Light industries:			
Seoul	Textiles, electronics	9,639	99.0
Busan	Textiles	3,514	97.6
Daegu	Textiles	2,029	98.1
Incheon	Electronics	1,386	99.7
Masan	Medium and small industries	448	91.8
Gumi	Electronics	142	92.0
Heavy industries:			
Ulsan	Shipbuilding, automobiles	551	108.3
Bohang	Iron and steel	260	104.5
Changwon	Machinery	173	110.0

Source: The same as in Table I.

TABLE V
URBAN-RURAL POPULATION SHARES AND POPULATION GROWTH RATES IN KOREA, 1960-80

	Population (1,000 Persons)			Annual Rate of Increase (%)		
	1960	1970	1980	1960-70	1970-80	1960-80
Urban areas	6,997 (28.0)	12,953 (41.2)	21,409 (57.2)	6.35	5.15	5.75
Seoul	2,445 (9.8)	5,536 (17.6)	8,364 (22.4)	8.50	4.24	6.35
Busan	1,164 (4.7)	1,879 (6.0)	3,160 (8.4)	4.89	5.35	5.12
Others	3,388 (13.5)	5,538 (17.6)	9,885 (26.4)	5.02	5.98	5.45
Countryside	17,992 (72.0)	18,513 (58.8)	15,997 (42.8)	0.27	-1.43	-0.59
Total	24,989	31,466	37,406	2.32	1.75	2.04

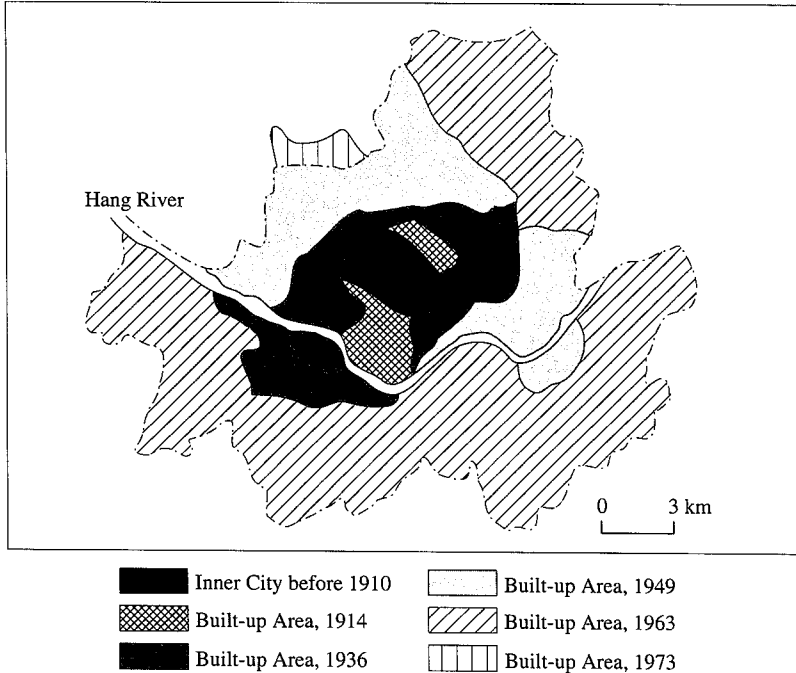
Source: [5].

Note: Figures in parentheses show the percentages.

“developed” country, the first model being characterized by population growth both in the countryside and in the cities [14, p. 93]. During the 1970s, the population growth pattern of Seoul reversed: the natural growth (by birth) exceeded the social growth (by inflow). The phenomenon of reverse population flow (from Seoul to its peripheral cities) also emerged in this period [19]. During the 1980s new suburban towns began to be constructed. While Seoul has some developing country features, like the presence of an urban poor (to be explained later), its pattern of population movement has gradually resembled the developed country pattern. Such a dual presence of the two patterns is peculiar to the NIEs.

While population was concentrating in Seoul, the central part of the city began to be visibly hollowed out as early as the 1960s, when the residents started to move to the suburbs [22] [45]. During the 1980s, Seoul underwent another structural trans-

Fig. 2. Expansion of the Seoul Metropolitan Area



formation: a shift from a single-core structure with all administrative and other functions concentrated in the city center to a multi-core structure with these functions decentralized to suburban areas [7] [8]. Earlier, in 1963, metropolitan jurisdiction was enlarged to annex the south bank of the Hang River (Gangnam) and the northern suburbs (Figure 2). This was a step forestalling change in the later decades. In 1973 the Seoul district was further enlarged and new wards were set up in the city areas which had been annexed in 1963, so as to facilitate urbanization processes there. The development of the Hang River south bank area was promoted by the establishment of industrial and housing estates [12]. Seoul's urban planning followed the methods used by the colonial administration until the end of the 1950s, but was reorganized in the 1960s using new methods [38] [42].

To sum up, urbanization characterized by unipolar population concentration in Seoul took place in Korea during the country's rapid economic growth period. In this same process, the rural population began to decline in absolute terms, while the urban population was experiencing natural growth, resulting in the expansion of the metropolitan area. Two NIEs-specific features thus stand out in regard to Korea's urbanization: first, it has proceeded in line with industrialization requirements and secondly, it shows some signs of shifting from a developing country to a developed country pattern.

C. *Decentralized Urbanization in Taiwan*

In Taiwan, too, city formation patterns distinct from those of its colonial period emerged in the postwar period. This occurred at the same time that comparable changes were occurring in Korea; but the resultant urban population distribution in Taiwan turned out to be greatly different from that of Korea.

As in Korea, population inflow from rural to urban areas became conspicuous in Taiwan during the 1960s [28]. Throughout the 1970s, urban population continued to increase. In terms of population distribution, the share of large cities (500,000 or more) and medium cities (50,000–100,000) increased, but the population growth rate was higher in smaller cities with populations of 100,000 or less. Taiwan's urban population distribution thus did not follow Korea's unipolar concentration model, but rather followed a rank-size model [44]. It was a tri-polar model having three centers consisting of four major cities, namely, Taipei,

Fig. 3. The Major Cities of Taiwan

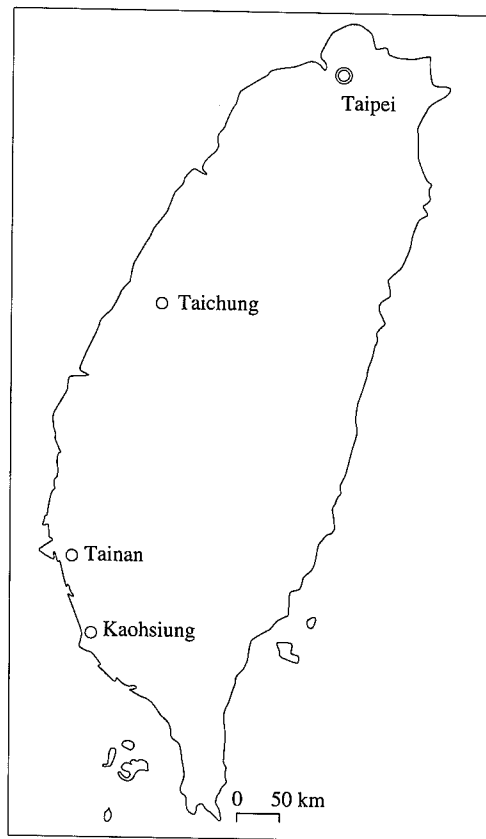


TABLE VI
POPULATION GROWTH RATES OF PRINCIPAL AND SUBURBAN CITIES
IN THE URBAN SECTOR OF TAIWAN

	(%)	
	Principal Cities	Suburban Cities
1961-66	42.9	33.8
1966-71	42.7	33.7
1971-76	29.0	40.8
1976-81	19.6	42.0

Source: [43].

Taichung, and Tainan-Kaohsiung. Medium and small cities clustered around the three (Figure 3).

This decentralized urbanization model reflected Taiwan's industrialization pattern.¹ In Taiwan, manufacturing did not concentrate in a few major cities. Medium and small labor-intensive factories were spread over suburban areas in the capacity of subcontractors to major companies. As such, they participated in Taiwan's export-oriented industrialization process. Of the Asian NIEs, this pattern resembles the Hong Kong case and differs from the Korean case, where *chaebol* (*jaibeol*)-affiliated big business predominates [41, pp. 215-19] [18, p. 226]. The Taiwan pattern of development characterized by the growth of small industries and the industrialization of local cities influenced population movement patterns. During the 1960s, when an exodus by the rural population started, people not only moved into big cities but also into rural and urban townships (*xiangzhen*). This phenomenon became even more conspicuous in the 1970s [26] [30]. Consequently, the population growth rate declined in big cities and rose in peripheral cities (Table VI). Of course, this process of population movement was accompanied by various regional disparities such as income gaps between the urban and rural areas and development gaps between the north/south and the central/east regions. However, taking major cities as the basis, economic gaps among them were unexpectedly small. As Table VII shows, the major cities had overwhelmingly larger service outputs per laborer than smaller cities, but per labor output gaps in manufacturing were almost nonexistent. Consequently, the composition of employees in major cities became heavily lopsided toward the commerce and services industries. The smaller the size of the city, the heavier was the weight of manufacturing. Unlike Seoul, Taipei had no heavy concentration of manufacturing. Taipei's share in the total of Taiwan's manufacturing employees declined from 16.3 per cent in 1954 to 8.9 per cent in 1981. In contrast, Taipei's share in the total commercial population grew from 21.4

¹ [12]. McGee considers this kind of urban-rural interaction to be a characteristic of Asian cities. Distinguishing this from conventional urbanization, he terms it "kotadesasi" (coined by coupling *kota* [town] with *desa* [village]). He argues that Taiwan offers a typical case of kotadesasi.

TABLE VII
INDUSTRIAL DIFFERENTIALS OF MAJOR TAIWAN CITIES ACCORDING TO POPULATION SIZE, 1976

Population Size	Production per Laborer (1,000 Yuan)			No. of Workers per 1,000 Persons		
	Manuf.	Commerce	Services	Manuf.	Commerce	Services
Over 500,000	472.3	583.6	468.0	118.3	106.4	40.5
500,000– 100,000	396.3	403.8	219.2	154.4	44.3	21.1
100,000– 50,000	420.3	407.8	204.3	162.7	36.6	18.3
50,000– 10,000	325.0	367.8	223.7	195.9	31.1	13.0

Source: [46, p. 17].

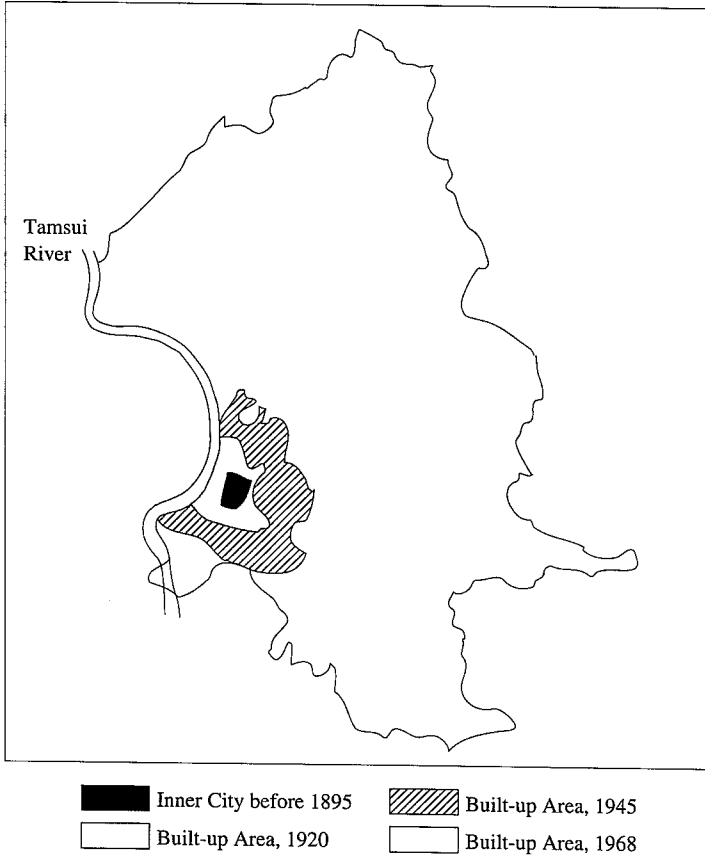
Note: The number of the cities sampled here are four, eighteen, thirty-two, and eleven in the order of the size category. According to the law effective in 1976, urban areas with a population of 150,000 or more were called cities, and those with less than 150,000 were called *xiangzhen* (rural and urban townships).

per cent to 38.9 per cent, and its share of the total service population grew from 19.1 per cent to 40.6 per cent during the same period. The employment composition of Taipei thus changed from 46.4 per cent for manufacturing and 24.8 per cent for commerce in 1954 to 19.8 per cent and 39.7 per cent, respectively, in 1981 [3, p. 14].

As in Korea, not only the share but also the absolute size of the rural population in Taiwan diminished during the second half of the 1960s. The social increase rate of Taipei's population continued to ascend until 1973, but then began to decline due to economic recession, until at last population outflow exceeded inflow in 1978 [21, p. 104]. The population movement pattern in Taiwan, too, began to resemble the developed country pattern, a characteristic common to all NIEs.

Within this process, the Taipei city area was expanded as was the Seoul area. New urban planning also got under way. Until the 1960s, Taipei's central quarters were composed of the old city areas: namely, Chengzhong-qu, Jiancheng-qu, Yenping-qu, and Lungshan-qu (now Wanhua-qu). These areas on the Tamsui River composed the political and economic center of the city from the late Qing period through the colonial period (Figure 4). During the 1970s, commercial and service activities began to move to areas surrounding the old center: namely, Chungshan-qu, Sungshan-qu, and Taan-qu. Manufacturing industries formerly located in the central quarters also moved to Shihlin-qu, Neihu-qu, and Nankang-qu, leaving the former center only with administrative functions. Commerce and manufacturing sprawled outward [4]. The status of Taipei in this process was elevated from a city directly under the province level to a special municipality (a city under the control of the government) in 1968. The city area also was expanded from 67 square kilometers with ten districts (*qu*) to 272 square kilometers with

Fig. 4. Expansion of the Taipei City Area



sixteen districts. Until 1968, the city was being built on the basis of urban planning carried out as far back as 1932 when still under Japanese rule, but simultaneously with the expansion of the city jurisdiction in 1968, a new urban plan was drawn up [21, p. 103]. Thus, in Taipei, too, a new urban space, totally different from that at the end of Qing period and during the colonial era, began to be opened from the 1960s through the 1970s. The new fan-shape space spreads from northeast to southeast with the pivot at the old harbor of the Tamsui River, and is composed of three sectors: namely, the old quarters, a new commercial and manufacturing belt, and the peripheries under development.

Like Seoul, Taipei experienced a wide range of urban problems, but unlike in Seoul, problems of an urban poor and squatters did not visibly surface in Taipei. The development of medium and small industries in local cities is often cited to explain this, but we will not go into this topic here. More serious in Taipei were

rising complaints about housing among middle-class families who did not own their homes. Their vigorous protest against rising land prices and rents at least partly led to the implementation of a system of public landownership [24, Chaps. 2 and 8].

Turning to gender composition, the male ratio was high in the communities of *waishengren* (immigrants from the continent). In Taipei and Taichung, the continental and local people (*benshengren*) lived separately. In Taipei, the former Japanese settlements were taken over by *waishengren* in the immediate postwar period. There the gender ratio was as high as 148, this contributing to the high gender ratio of Taipei as a whole [3, pp. 35–45]. Later, the percentage of *waishengren* diminished, causing Taipei's gender ratio to fall to around one hundred. This should be noted as a pattern peculiar to Taiwan.

As has been observed, Taiwan differed from Korea in that its urbanization was decentralized, but with an absolute decrease in rural population, social increase in urban population, and expansion of the major city areas, Taiwan, too, was shedding its developing country pattern for a more developed country pattern of urbanization.

II. SOCIAL PROBLEMS ACCOMPANYING URBANIZATION AND COUNTERMEASURES: KOREA

A. "Regionalist Sentiment": Geographical Development Gaps through Urbanization

Korean industrialization policy, as earlier stated, involved creation of industrial estates in specific areas. This caused massive migration of young female workers and other segments of the population into these areas, resulting in accelerated urbanization. The economic transformation thus realized influenced the political consciousness of the people. While this economic change gave rise to aspirations for democratization in Seoul and some other major cities, "regionalism" and "regionalist sentiment" rose and flourished in areas left behind in the nation's effort to develop.

In the 1987 presidential election, for example, each province overwhelmingly voted for its own local boy: Gyeongsangbug-do for Lo Tae-u, Gyeongsangnam-do for Kim Yeong-sam, Jeolla-do for Kim Dae-jung, and Chungcheongnam-do for Kim Jong-bil. Similar regionalism is identifiable in the general elections of 1988, the presidential election of 1989, and the general elections of 1996.

Some scholars trace this regionalism back to the ancient and medieval ages, but according to an opinion poll carried out in 1988, 38.2 per cent of the respondents thought that regional sentiment arose only under the Bag regime. Seventy-two per cent said that it was only after the fall of the Bag regime that regional sentiment was

stimulated.² Regional sentiment is the strongest in Jeonla-do, the provinces once rich and important, but recently deprived of the benefits resulting from the country's NIEs-type development of recent decades. On the other extreme is Gyeongsang-do, which, along with Gyeonggi-do, became a center of industrialization with the location of many heavy and chemical industrial estates. Not only was Gyeongsang-do strategically located in terms of transportation, it is the home province of all the presidents of the NIE era, from Bag Jeon-hi to Kim Yeong-sam. Particularly during the Bag period, obvious economic favor was bestowed upon this particular province. Aware of this predilection, 57.6 per cent of the respondents to the above poll thought that Jeonla-do's regionalist sentiment resulted from a sense of political and economic alienation felt by the local people.

In the meantime, Seoul, having attracted a large number of people from all parts of the country, developed a new pattern of political consciousness. The results of recent national elections in Seoul, Incheon, and other cities in the metropolitan areas show more diversification of political support, characterized by relatively more votes cast for opposition candidates than in other areas. In the 1987 struggle for democratization that brought about "the spring of Seoul," middle-ranking professionals and managerial personnel, categorized as *jungsanchung* (middle class), played an important role. Diversification of political consciousness in Seoul may be explained by mixed regionalism reflecting the inflow of population from various regions. Moreover, the power of communities to bind are weak, as many residents are newcomers. Seoul also has a large educated population and a large number of participants in the labor union movement. These aspects offer a favorable environment for spontaneous political action and opposition politics. Another contributing factor is that many Jeonla-do people with their anti-center sentiments have flowed into Seoul to settle in its low-income areas.

B. *The Urban Poor in Korea*

The urban poor was already formed as a social stratum in Korea during the colonial period, but their numbers greatly increased in and after the 1960s at a pace incomparably faster than in the previous period.³ Seoul's squatter areas, which contained 84,000 shanties in 1964, grew at an annual pace of 10–15 per cent to 185,000 shanties in 1970 [20, p. 43–47]. The rapid increase in the urban poor is explained by a widening income gap between the urban and rural populations in the wake of export-oriented industrialization and the resulting increase in migration from rural to urban. In 1965, 64 per cent of poor families lived in the countryside; but by 1980, 62 per cent were found in cities [31]. While the real numbers of the

² [47, pp. 228–29]. This survey was conducted by the Korean Sociological Association in October 1988. A total of 2,011 persons were randomly sampled all over the county in proportion to provincial populations.

³ The main survey results are introduced by Kim [10, Chap. 1].

TABLE VIII
MOTIVATION FOR LIVING IN SQUATTER SETTLEMENTS IN KOREA, 1982

	Low Rents	Easy to Live for Low- Class People	Availability of Trans- portation	Friends and Relatives Also Live There	Migrants Collectively Settled
Jongro-gu Changsim-dong	60.6	14.2	15.5	9.7	—
Gwanag-gu Bongchang-dong	62.9	10.6	0.8	6.1	19.7
Dobong-gu Saoggye-dong	35.1	22.1	3.1	4.6	35.1

Source: [20, p. 67].

urban poor are estimated differently according to each definition of "poverty," a survey conducted in 1979 by the Seoul Municipality showed that 22 per cent of its citizens belonged in the low-income bracket and that more than 200,000 were indigent persons as defined by the livelihood protection law.⁴

Most of the poor people in Seoul moved from rural villages and local towns directly to Seoul. "Step migration" as seen in other developing countries did not occur in Korea [17, p. 130] [40, p. 110]. The poor people who migrated formed squatter areas. They generally favored living in these areas basically for such economic reasons as low rents and low cost of living as shown in Table VIII. Networks of relatives and acquaintances played an important role in how newcomers choose their places of residence. According to a survey done in 1982 about who helped the newcomers to find a place of residence, 39.5 per cent said relatives, 19.9 per cent friends and fellow provincials, and 4.9 per cent immediate family members, 64.3 per cent of the total respondents [17, p. 118]. Once settled, they can hardly move to another place because they cannot sell their illegally built homes and also because they enjoy community ties whereby they get information about jobs and other matters vital to their livelihood [16, pp. 155, 167]. Under these circumstances, their forced eviction for urban redevelopment, as will be explained later, cause major conflicts. When they do have to move, they do so to another squatter area with similar living conditions [9, p. 50].

The Korean labor market is characterized by the availability of many precarious jobs, including those offered by big companies [49]. Squatters who work as day laborers or domestic helpers depend on noninstitutional job-finding services based on kin or provincial relations [23, Chap. 3]; but many of the jobs they find are

⁴ [39, p. 13]. The low-income stratum is an aggregate of statutory paupers, semi-paupers, persons accommodated in relief institutions, poor workers, and residents in the housing improvement and redevelopment areas.

related to the modern sector of economy, like machine-based concrete-filling work, sweater knitting for export, and the like. This means that even if the job-finding process in squatter communities is informal, the squatters are directly linked to the formal sector, which is external to their communities.

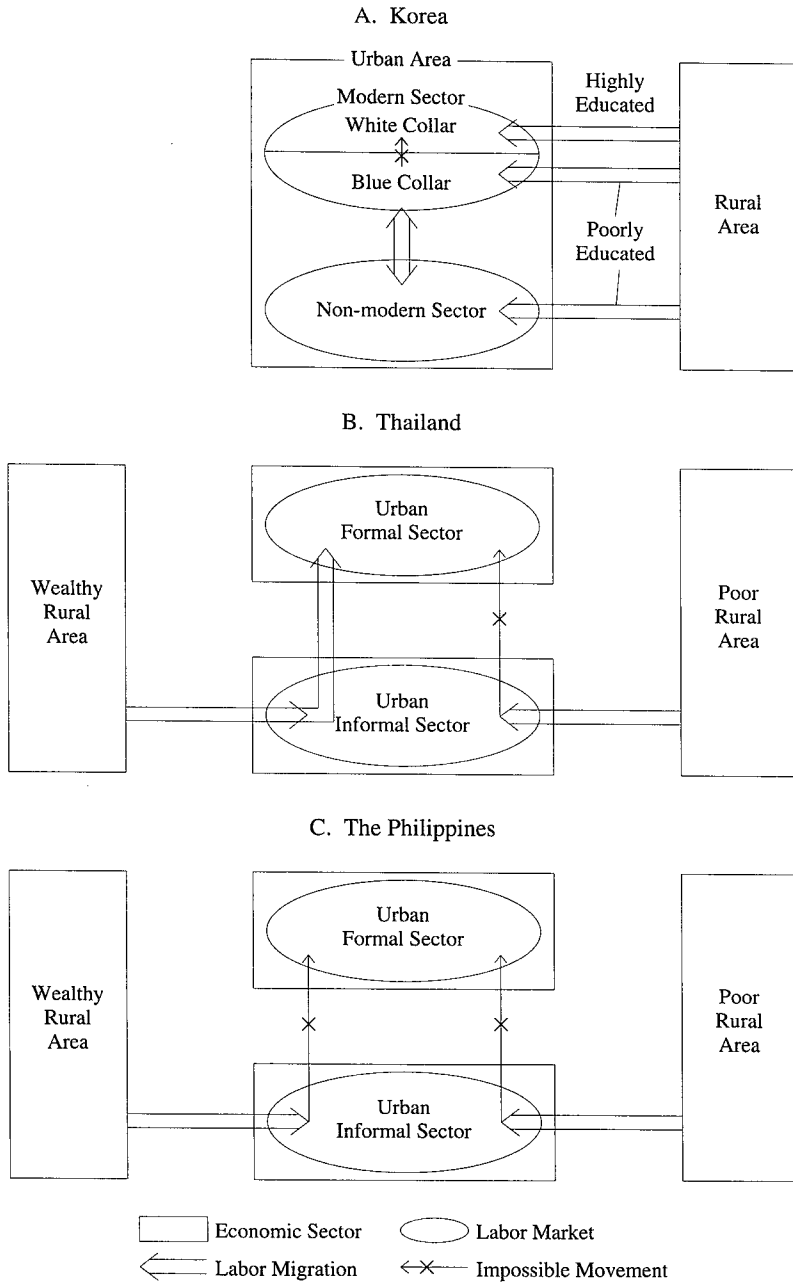
Thus, the precariously employed Korean squatters are not located within an informal sector existing side by side with the formal sector as is the case of other developing countries. In the Philippines, according to a survey by Nakanishi on Philippines slums, each slum is a complete world in itself, not only generating jobs from within, but also producing and marketing foodstuffs and daily necessities [33, pp. 137–38]. Such slums have no direct relationship to the export industry or any other branches of the formal sector. In Korea, by contrast, miscellaneous jobs offered in what may appear to be the informal sector are mostly linked with the formal sector. The urban poor in Korea have thus persisted as an integral part of the export-oriented industrialization of the country. Under these circumstances, there is mobility between the odd-jobbers of the non-modern sector and the blue-collar workers of the modern sector, as Figure 5 shows. This is a characteristic of Korea's labor market and one feature to Korea's development as a NIE. The fact that production and marketing systems within and specific to squatter communities do not exist and that their economic activities are integrated with the single national economic sector implies the possibility that the urban poor as a social stratum may disappear along with the structural transformation of the labor market in the process of further economic growth.

C. *Squatter Clearance in Korea*

On the other side of the picture, the Korean authorities have been implementing a policy of liquidating squatter settlements, which they call urban redevelopment. In the early 1970s, urban redevelopment measures came to include not only the simple removal of squatter settlements, but also attempts to improve their housing conditions [20, pp. 125–37] [29]. Earlier, in the immediate post-Korean War period with most cities devastated by the war, squatter settlements were simply demolished by force, and their residents moved to state-owned land tracts on the peripheries of cities. Since most of the squatters were working as stall keepers, peddlers, and doing odd jobs in the center of the city, their removal to remote suburban areas meant the loss of these jobs. Nor were the new settlement areas equipped with adequate infrastructure and services. Under these circumstances, the resettlement policy generated serious conflict. In August 1971, a major squatters riot occurred in Gwangju-daedanji (Gwangju large housing development; now Seongnam City) [11, Part 3, Chap. 4].

During the late 1960s, a new policy was introduced to provide "citizens' apartment houses" to the urban poor. Five-storied apartment houses were built offering each family a 26.4 square meter floor area. This policy aimed at effective utiliza-

Fig. 5. Labor Migration from Rural to Urban Areas



Sources: [27, p. 93] [34, p. 381], and modified by the author.

tion of urban land, while absorbing the discontent of the squatter residents. However, many poor families could not afford to repay the loans they had borrowed to obtain the apartments and had to sell their right of residence to other persons. Moreover, in April 1970 one of the citizens' apartment houses collapsed due to faulty construction work. Following this incident, the citizens' apartment program was suspended.

A new policy of redevelopment was put into practice in 1969, with emphasis on improving existing low-quality dwellings in squatter areas. Full-dress housing renovation along this line was launched under a temporary measures act for housing improvement passed in 1973. In 1976, an urban redevelopment law was passed having within its scope the redevelopment of downtown commercial quarters. The new redevelopment policy package was guided by the principle that improvement in housing conditions should be carried out, while minimizing the relocation of the present residents. This distinguishes the new policy from the previous programs attempting the massive relocation of poor communities. Despite this policy goal, however, relocation accompanying redevelopment was unavoidable. Case studies conducted by the National Land Development Institute in 1982 show that 56 per cent of the residents in the urban poor communities earmarked for redevelopment had been moved from other poor communities, 10 per cent were from other redeveloped areas, and 16 per cent were from rural areas and small cities. Almost all of the residents were poor people. However, after these communities were redeveloped through removal of or improvement in low-quality dwellings, 57 per cent (in terms of *removed* and redeveloped area) or 52 per cent (in terms of *improved* and redeveloped area) of the residents were identified as having moved from more stable housing areas in the same districts [29, p. 275]. Another survey traced the movement of 734 households who had had to move out of Sadong-dong communities due to redevelopment. The survey showed that 12 per cent moved to other squatters' communities, but the real figure is believed to be higher than this figure [23, p. 75]. Thus, this type of urban redevelopment program failed to effectively improve the housing conditions of the urban poor. The poor, who were driven out, merely moved to other squatter areas, while relatively wealthier people stepped into the areas to benefit from the improved living environment.

This happened because redevelopment was carried out in total disregard of the real conditions of the urban poor, who lacked the financial capacity to benefit from this type of redevelopment. The houses built in the redeveloped areas were mostly high-grade apartments with large floor space. The former residents could not live there unless they paid the differential between the price of the land they offered and the cost of the floor area they were supposed to buy. Most of them could not afford such a deal. Those few who were able to do so and began to live in the new flats were burdened with high management and maintenance costs. Moreover, as soon as an area was selected for redevelopment, speculators would promptly buy defec-

tive houses in it to obtain the right to participate in the program. After the project was completed, they would sell their residential rights to others in order to gain windfall profits. Under these circumstances, most home owners in the area earmarked for redevelopment would sell their houses to the speculators and move to other areas, while others who were too poor to leave the area would refuse to move and would finally be evicted by force [23, Chap. 6].

Nevertheless, why in Korea was squatter clearance “successful” despite all these problems? The authoritarian regime that lasted until the 1980s coupled with the suspension of local autonomy systems should be counted as one reason; but that alone cannot fully explain the matter, since other developing countries also with authoritarian regimes failed in their attempts to clear squatters. Some factors specific to Korea therefore should be considered. First is the rapid expansion of wealthy and medium-income groups in Korea reflecting NIEs-type development. Though these groups were well off, their housing conditions were not good. Therefore, when high-grade apartments built in redeveloped areas were offered for sale, they rushed to buy them. For this reason, the redevelopment areas were redeveloped so that they would never revert squatter areas. Second, the poor in the greater Seoul area who were moved to peripheral locations due to redevelopment were still able to secure jobs and commute to their workplaces from their new domiciles, thanks to the NIEs-type expansion of the metropolitan area. Third, Korean society is characterized by no abysmal rupture between the urban poor and other income groups, allowing for high social mobility between them. In fact, it is not rare to find poor squatter families equipped with TV, refrigerator, and telephone.⁵ The possibility therefore is that the conspicuous presence of squatter communities ceases as their standards of living rise in the midst of general improvement on the consumption level.

CONCLUSIONS

This paper has discussed changes over time in the urban structures of Korea and Taiwan in the process of economic development. Their urbanization process is different from developing countries in that it resulted from rapid industrialization. The Korea–Taiwan model is also distinguished from that of other developing countries in the blurry line of demarcation between the formal and informal sectors. The model is also distinct from the developed country pattern in that a large population working under unstable employment conditions and a broad segment of tiny enter-

⁵ During the 1980s, practically all poor households came to own black-and-white TV sets, while 20–30 per cent had refrigerators and telephones. Recent reports have it that 70–80 per cent of low-income households in Seoul now have color TV sets, refrigerators, and telephones. Of the households receiving livelihood protection benefits, 39 per cent have color TV sets, 36 per cent refrigerators, and 25 per cent telephones [25, pp. 4, 109].

prises emerged closely related to the export sector. In the Korean case intense squatter clearance measures to the point of generating social unrest had to be taken, a situation not found in developed countries. We call this NIEs-type urbanization because it represents a transition from the developing country model to a developed country model, while retaining traits which are not found in developed countries.

What is clear from our analysis is, first of all, that patterns of city formation have changed in the wake of rapid industrialization since the 1960s. Until the end of the 1950s, Korea and Taiwan followed patterns inherited from their colonial periods with regard to the size of city areas, size of population, and city planning. With the economic development that began during the 1960s, population influx into cities increased rapidly, followed in the two subsequent decades by other new features, such as decreases in rural population and reverse population flow from major city centers to the suburbs. As a result, the city areas of Seoul and Taipei were expanded and new urban planning policies were introduced. Reflecting different industrialization policies and forms of enterprises, Korea and Taiwan diverge in their urbanization patterns: the former favoring unipolar concentration of population in the capital city, the latter decentralized urbanization. Also, the female population became conspicuously large in the major cities of Korea. It was in this way that unique urbanization processes not reducible to over-urbanization got under way in these two NIEs, determined largely by their respective patterns of industrialization. It was precisely within these processes that characteristics specific to NIEs surfaced: namely, an increase in the low-paid precariously employed population in Korea and an increase in the number of small subcontracting firms in Taiwan. In the meantime, urban problems became aggravated and grew to more serious proportions than in developed countries, as government measures could not adequately resolve serious transportation, environmental, housing, and other urban problems.

Secondly, the characteristics and problems of unipolar urbanization in Korea as a glaring case of social conflict accompanying rapid urbanization has been discussed. Here, the formation of a middle class consisting of middle-ranking professionals and managers, coupled with an increase in the urban poor, brought fluidity into the political situation. In the meantime, "regional sentiment" heightened in those regions left out of the government's industrial estate program, especially Jeonla-do. This regionalism had a serious impact on the national political situation.

The urban poor in Korea which emerged in the process of urbanization were not the organizers of an informal sector that can be defined in a dual economy context. Rather, they were integrated with the modern sector in manifold ways. In fact, they served as a support for the modern sector. In other words, the urban poor, while a product of the contradictions in Korea's rapid economic growth, played a role in the economic growth process. They created noninstitutionalized networks facilitat-

ing their movement from one location to another, providing personal mutual services in job finding, financing, and housing. In fact, the low-quality housing built by the squatters themselves supplemented inadequate government housing policies. The urban poor thus created conditions of survival for themselves, while growing as the economy expanded, posing problems related not only to urban issues but also to the way enterprises were managed and labor markets organized.

A point was finally reached, however, where the physical presence of urban poor communities could no longer be tolerated because of Seoul's increasing population and the dire need to introduce proper urban infrastructure, particularly in connection with the hosting of the Olympic Games. However, the urban redevelopment programs implemented in the 1970s failed to bring about a fundamental resolution to the problem of the urban poor. It merely served to disperse squatter communities to Seoul's peripheries and satellite cities. However, there is a possibility that the presence of urban poor will disappear as Korea's standards of living rise and labor mobility between the modern and non-modern sectors increases.

Taiwan faces new urban problems in a different context, which we have been unable to discuss in this paper. In sum, an enlarging urban middle class and diminishing urban poor are features common to both Taiwan and Korea. This phenomenon arises from the absence of autonomous labor markets in the informal sector, a characteristic common to all NIEs. Thanks to this, both Korea and Taiwan have been spared the stubborn persistence of the urban poor and squatters' communities, a major urban problem to most of the developing countries.

As we have seen, the urbanization process in Korea and Taiwan demonstrates NIEs-specific characteristics in two respects. On the one hand, this process differed from that of other developing countries in that it was triggered by rapid industrialization and thus brought about a withering away of urban informal sectors. On the other hand, this process entailed NIEs-specific economic structures characterized by the presence of a large precariously employed labor force (Korea) and of a host of medium and small enterprises (Taiwan), features which are absent in developed countries.

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