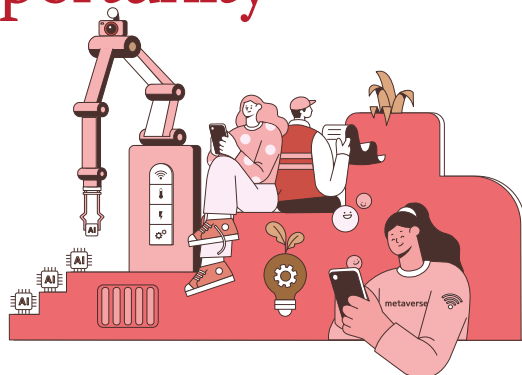


Rooted and Ready : Turning Korea's Local area into a Land of Opportunity



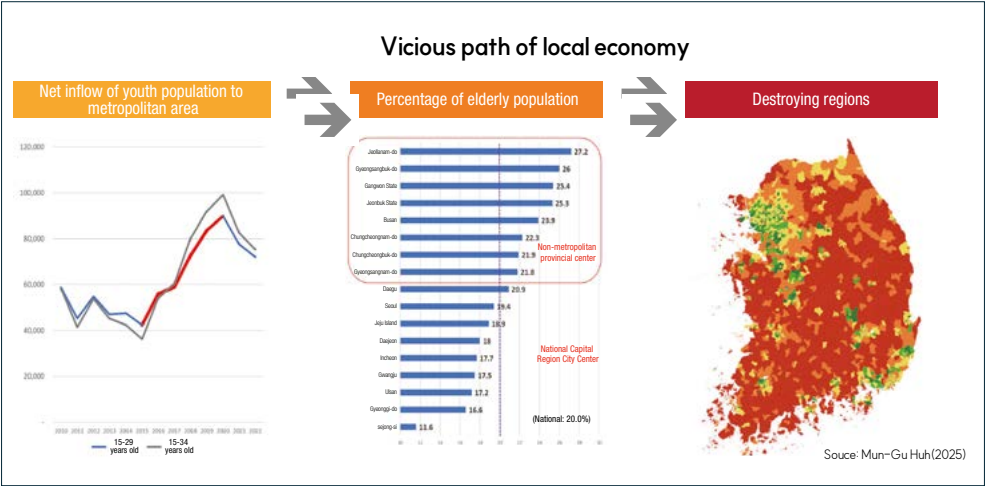
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The provinces where young people are leaving are losing hope and declining. It is time to rekindle the dream of rural areas with balanced development that combines high-tech industry and culture. If good jobs and an attractive living environment are created, rural areas can become a land of opportunity. It is time to open a new era for the provinces, a place where people want to stay, not leave.

Overcoming the Local Extinction Crisis and Achieving Sustainable Balanced Development

In 2014, the Japan Policy Council released a staggering report suggesting that nearly half of all rural municipalities in Japan could disappear by 2040. The warnings of this prescient document, known as the Masuda Report, are now manifesting as reality in South Korea. As wealth, expertise, and people continue to concentrate in the Seoul Capital Area (SCA), a vicious cycle has taken hold in Korea's provincial areas, in which outflows of youth to cities (and especially the SCA) lead to a declining birthrate, which results in rapid aging of the population, which in turn leads to a loss of economic and cultural vitality. Schools and traditional markets are disappearing, and only the elderly remain in many depopulated villages, sapped of vigor. And even as the SCA and other metropolitan areas are becoming increasingly overcrowded, rural areas are at risk of complete extinction due to depopulation and economic stagnation. When people leave, saying "there's no future here," business investment plunges and public services collapse. If this cycle persists, achieving regional and national sustainable development will be difficult. To break the cycle, we need to empower young people to shape the future of their communities.


There are two pillars that uphold the concept of balanced development: the creation of quality jobs and the enhancement of cultural appeal. Key strategies include building high-tech industrial hubs that reflect



local strengths and expanding access to cultural infrastructure. By promoting a development model that integrates industry and culture, we can transform rural areas from places people want to leave into places people want to stay.

High-tech industries are the key to creating a new future for Korea’s provincial and rural areas. The biggest cause of rural youth outflows is a lack of good jobs. As regional industries contract, stable jobs become increasingly scarce, forcing young people to leave for SCA and other large cities in search of a better future. If this trend continues, rural areas will lose their economic vitality entirely, plunging local communities into permanent decline. To compete with Korea’s large cities, rural areas need new growth engines: high-tech industries capable of invigorating local communities. The artificial intelligence (AI), semiconductor, biotech, and green energy sectors are high-added value industries capable of powering sustainable growth through digital transformation and eco-friendly innovation. Countries around the world are investing heavily in these sectors, and Korea needs to take preemptive measures to secure its own national competitiveness in them. Korea’s provinces offer a favorable home for high-tech industries. Land is abundant and siting much easier than in the country’s metropolitan areas, for one. Second, costs (especially operating costs) are much lower, and third, rural areas provide optimal conditions for creating industrial clusters. By leveraging these strengths and strategically fostering regionally customized high-tech industries, Korea can create competitive, high-quality jobs in rural areas and pour the foundation upon which young people can settle down and build their futures. To realize this, the central government and local governments need to work together and pursue joint policy efforts. These include establishing more regulation-free special zones (RSZs), expanding incentives to attract companies, and increasing support for research and development (R&D). In addition, local universities and companies need to cooperate to establish a system for educating and training skilled workers. Only by doing so can regional areas hope to bring about a virtuous cycle in which young people can utilize their skills and expertise in Korea’s provincial regions. Furthermore, the strategy of fostering high-tech industries goes beyond just creating jobs: it also constructs a necessary pillar of local economic independence, and creates a model of sustainable development that can keep young people from leaving. Provincial and rural communities should not be viewed merely as places to relocate factories, but as centers of future industries where innovation and creation take place. To create an ecosystem where young people can realize their dreams locally, we must transform the countryside into a land of opportunity. Only then can rural areas become places where people want to stay, not leave.

Provinces full of life : A place to call home

Good jobs are necessary to convince young people to settle in the provinces. But cultural appeal is key to making these areas feel like places to live. A lack of jobs is not the only reason why young people leave rural areas; the countryside lacks cultural amenities and space for leisure. There are few outlets for creativity and a lack of diverse opportunities contributes to poor quality of life for rural youth. No matter how many high-quality jobs are available, a space that lacks cultural appeal is unlikely to attract young people. Therefore, expanding cultural infrastructure is essential if rural areas are to become more than just places to live, but attractive places for young people to dream and stay. While it is of course important to build cultural infrastructure, it is critical that we create an environment where young people can voluntarily participate and communicate based on creative content and their local identity. For example, developing local brands, holding unique cultural festivals, and creating youth startup spaces and multicultural spaces are effective strategies. Doing so would elevate the provincial experience above simple cultural enjoyment to the level of a culture-based ecosystem linked to the local economy and contributing to the sustainable competitiveness of the region. The digital content industry represents a major new opportunity. YouTube, webtoons, games, and the metaverse (among other types of digital content) have the potential to grow in rural areas, and it is necessary to build a digital content creation hub and support cultural activities. It is also necessary to create community spaces where young people can gather, interact, and create. We need to consider converting abandoned factories into creative spaces or remodeling public buildings to provide space for young artists and entrepreneurs. A culturally rich region is not a place where young people leave, but a place where they live and create new values. Towns and cities where industry and culture are in harmony are places where young people want to settle down and where sustainable and balanced development is realized.. 

Mun-Gu Huh holds a Ph.D. in economics from Osaka Prefectural University, Japan. His research interests include regional growth, balanced development, and coping with demographic change. He is the author of 20 Years of Regional Policy and the Search for a New Direction of Balanced Development Policy (2023). ✉ mungu@kiet.re.kr