

Shrinking Coal Mining Cities: A Comparative Study

Asian Perspective

Dong-Chun Shin
Ministry of Construction and
Transportation
Republic of Korea

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1

I. Shrinking cities in Asia

- Less visible than in USA and Europe
- Continuous population and economic growth in most parts of the region
- With a rapid urbanization, rural areas have seen massive migration of people to cities
- Some countries have recently begun to see the decline of birth rate (e.g., Japan, Korea), leading to shrinking workforce and slower economic growth
- As some traditional industries (e.g., textile, steel and coal-mining) lost competitiveness, areas with such industries hit hard

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2

II. Analytical Framework

- Time span: 1960s to 2000s

I. Primary case study: four clustered coalmining cities in Korea

- Rationalization policy, substitute industry development, environment rehabilitation
- Policy-making system and process: input, conversion, output, feedback
- Roles of players, interaction between government, people, industry, and workers

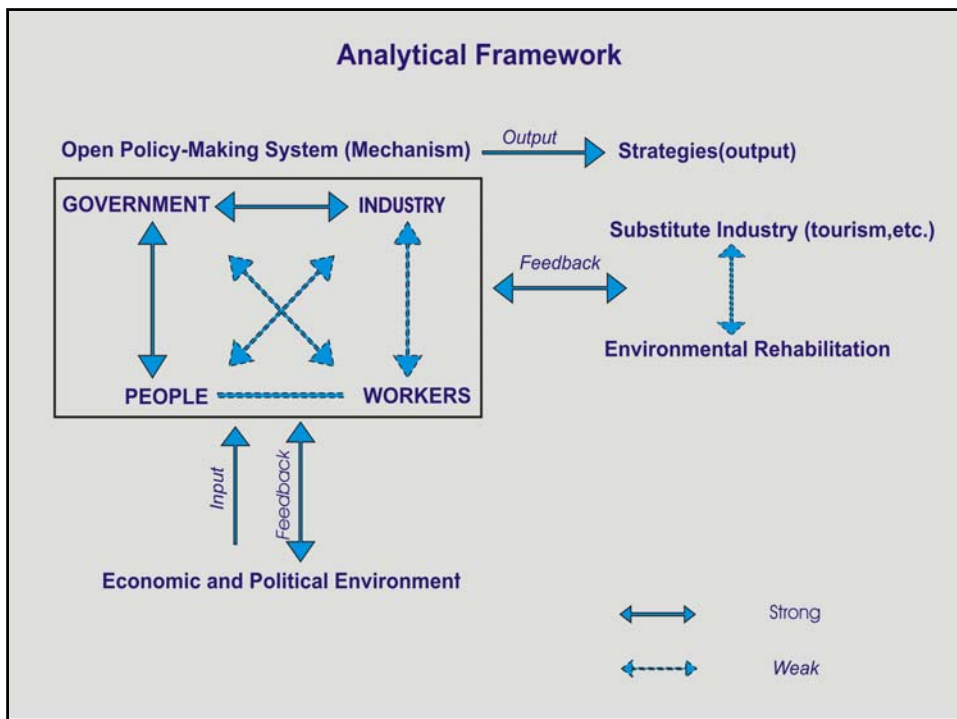
2. Comparative case study: Yubari (Japan)

Rulers for comparison?

- Virtually same strategies for revitalization
- Observations on governance and interactions among players

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3



III. Primary case study: four clustered coal-mining cites in Korea

- Import of cheaper oil and coal in international market led to **rationalization policy** (1988-1993)
- >>> **massive closure of mines**

1. Symptoms of shrinkage

1.1. Demographic change (Gangwon Province)

	1985(A)	1990(B)	1995(C)	2002(D)	C/A(%)	D/A(%)
■ Taeback	113,993	89,770	64,877	55,233	-21.2	-51.5
■ Jeongsun	128,781	88,382	61,121	51,229	-52.5	-60.2
■ Samcheok	133,058	112,088	90,043	77,555	-32.3	-41.7
■ Youngwol	82,024	64,588	53,405	45,339	-34.9	-44.7
■ Gangwon Province	1,726,048	1,592,512	1,530,000	1,543,665	-11.3	-10.6

5

1.2. Employment and Industry Structure Change (Gangwon Province) number of companies, number of employees

	Total		Mining		Manufacture		Services	
	No. companies	No. employees	No. companies	No. employees	No. companies	No. employees	No. companies	No. employees
■ Taeback('85)	3,788	30,380	79	18,167	268	1,002	3,279	8571
	100(%)	100(%)	2.1	<u>60.0</u>	7.1	3.3	86.6	<u>28.2</u>
■ ('95)	4,096	17,399	13	3,945	237	1,002	3,200	9,615
	%	%	0.4	<u>22.7</u>	5.8	5.6	78.1	<u>55.5</u>
■ Jeongsun('85)	3,570	26,305	39	10,114	315	7,436	3,084	7,193
			1.1	<u>38.4</u>	8.8	22.3	86.4	<u>28.4</u>
■ ('95)	3,542	12,647	30	2,774	197	869	2,890	6,913
			0.8	<u>21.9</u>	5.6	6.9	81.6	<u>54.6</u>
■ Samcheok('85)	3,957	20,272	17	6,827	323	2315	3,638	6,663
			0.4	<u>33.7</u>	8.2	11.4	91.9	<u>32.9</u>
■ ('95)	5,591	24,832	22	3,321	388	3,311	4,459	16,338
			0.4	<u>13.6</u>	6.9	13.6	79.8	<u>48.7</u>
■ Youngwol('85)	2,973	14,127	40	4,881	226	1,220	2,570	6,196
			1.3	<u>34.2</u>	7.6	8.6	86.4	<u>43.6</u>
■ ('95)	3,182	12,114	24	858	193	1,442	2,518	7,184
			0.3	<u>7.1</u>	6.1	11.9	79.2	<u>59.3</u>

2. Main strategies

- To develop tourism business as a substitute industry
 - Highlands resort facilities and tourism events
 - Open casino
- To rehabilitate degraded environment
 - sustainable development
- To enact a Special Assistance Law: 1995
 - expediting the development of the region

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7

3. Assessment of strategies

“Still early to assess effects of strategy.”

3.1. Revitalization of regional economy

Economic benefits increased

Employment increased by **Kangwon Land** (resort and casino company)

Casino effects

Contribution to the finance of the central and local governments (unit: 0.1 bil. Won, 1,000Won = 1USD)

		2000	2001	2002
-	Central Gov't			
-	Tourism Promotion Fund	83	448	463
-	Tax (inc. Corporate Tax)	223	1,164	987
-	Local Gov'ts			
-	Development Fund	58	318	315
-	Tax (inc. Property Tax)	22	117	107

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8

- The development of a comprehensive tourism industry from a long term perspective is required.

3.2. Environment rehabilitation

- Essential for sustainable development in a long term
- Without clean and environment-friendly development, the region cannot foster tourism industry, let alone attract tourists

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9

IV. Comparative case study: Yubari (Hokkaido) in Japan

1. Demography and employment change

Population change

- 1961 99,530
- 1971 116,908
- 1981 40,829
- 1986 31,406
- 1991 20,752
- 1996 17,340
- 2001 15,115
- (Yubari City)

Employment change

	1990	1995	2000
Primary Sector	1,043	990	844
Secondary Sector	2,265	1,867	1,536
(coal mining)	104	10	7
Tertiary Sector	5,296	4,697	4,022

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10

2. Revitalization efforts

- Development of tourism as a substitute industry
Lacking in support from people and overall coordination with other cities in the region
- Manufactures newly invited were not successful
- Continuous out-migration of people to neighbor metropolitan area despite city's efforts
- Population decreased by 34% during 1985-1990 period of redevelopment.

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11

V. Comparative analysis

1. Uniqueness of the Korean case

- Growth and decline of coal mining cities was done in a relatively short period of time (about four decades), mainly by the government policy.
- Consequently rationalization policy brought forth sudden and serious impact on the economy and society.
- Strong people's movement led to an unprecedented bottom up policy-making in the Korean history

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12

2. Similarities

- Rationalization of coal industry was an inevitable process in the global economy. (Globalization)
- strategies: mostly tourism industry, with environment rehabilitation
- legacy of the industry: mining museum

3. Conclusion

<Policy implications>

- While accepting the inevitability of rationalization, planning or policy-making body should be concerned about people and their lives in a democratic way.

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13

- Comprehensive planning with human face, well before actual shrinking takes place, can truly deal with the problems of declining mining cites (sustainable community)
- Shrinking cites should develop their own industry or products which most fit their situations.
- Most often, a city alone cannot solve problems within its boundary. Instead it should seek a region-wide approach to get synergy.
- Greenization of waste mine lands is essential for the sustainable development >>>> from "Black to Green"

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14

Thank you

2006-04-10

15