

New Regionalism across the Korea–Japan strait : Cross–Border Cooperation between Busan and Fukuoka

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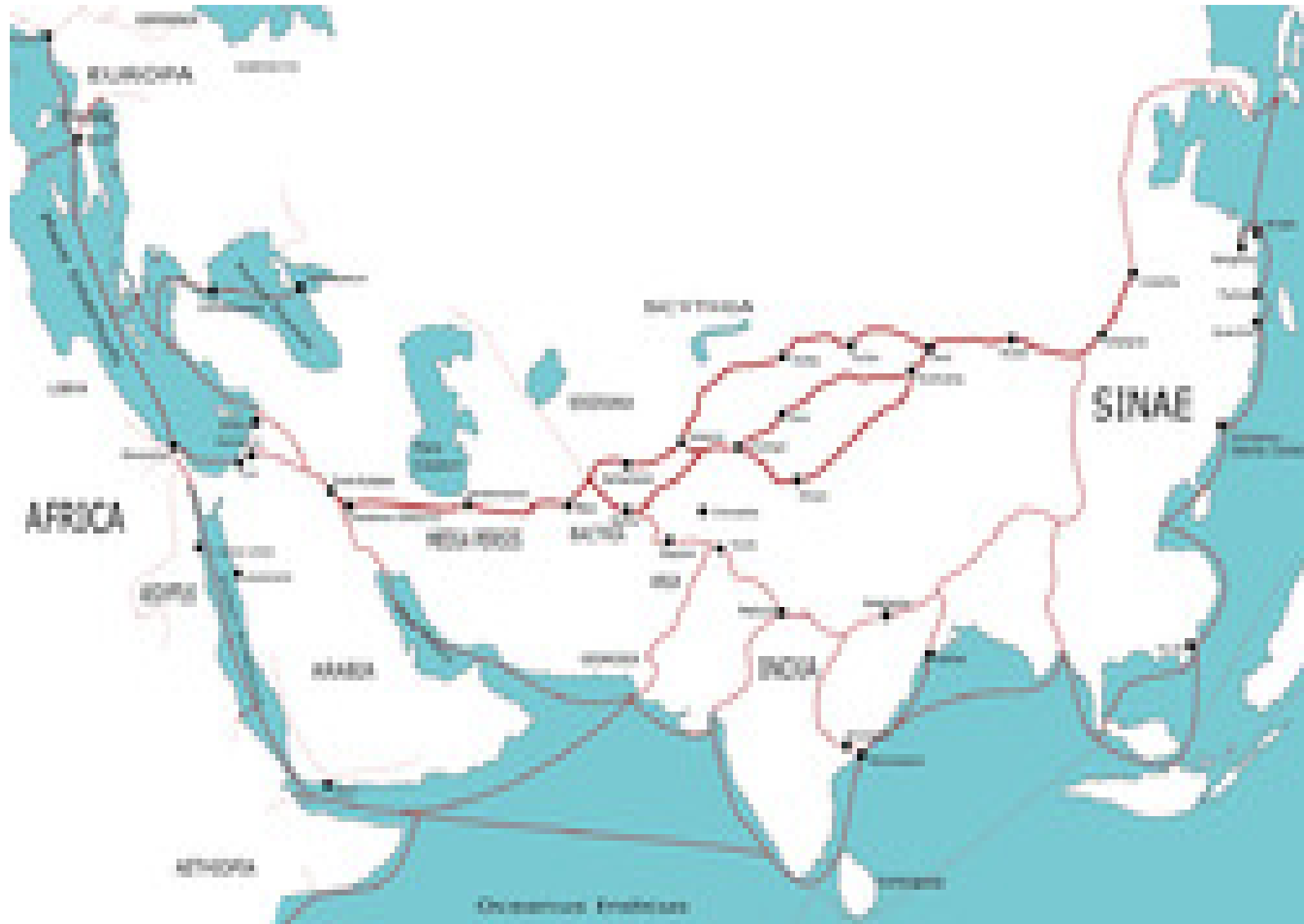
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NEAEF

Silk Road : Inter-city Trade



Trans-Siberian Railway



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1. Introduction : A New Trend

1) A Rise of New Regionalism

	Old Regionalism	New Regionalism
Action space	International region	Transnational region
Actor	States and international bodies (collective characteristics)	Non-state actors (collective, social, local, and individual characteristics)
Goal	Concrete cooperation in security and economy (centripetal and protective characteristics)	Comprehensive and multi- dimensional societal procedures (centrifugal and open characteristics)
Characteristics of international order	Cold War and bipolar system	Globalization and multi-polar System
Characteristics of governance	Top-down policy-led Processes	Bottom-up market oriented processes

Based on Lee Chul-Ho (2007), p. 100.

1. Introduction : A New Trend

2) Era of Mega City-Regions(MCRs) in Northeast Asia

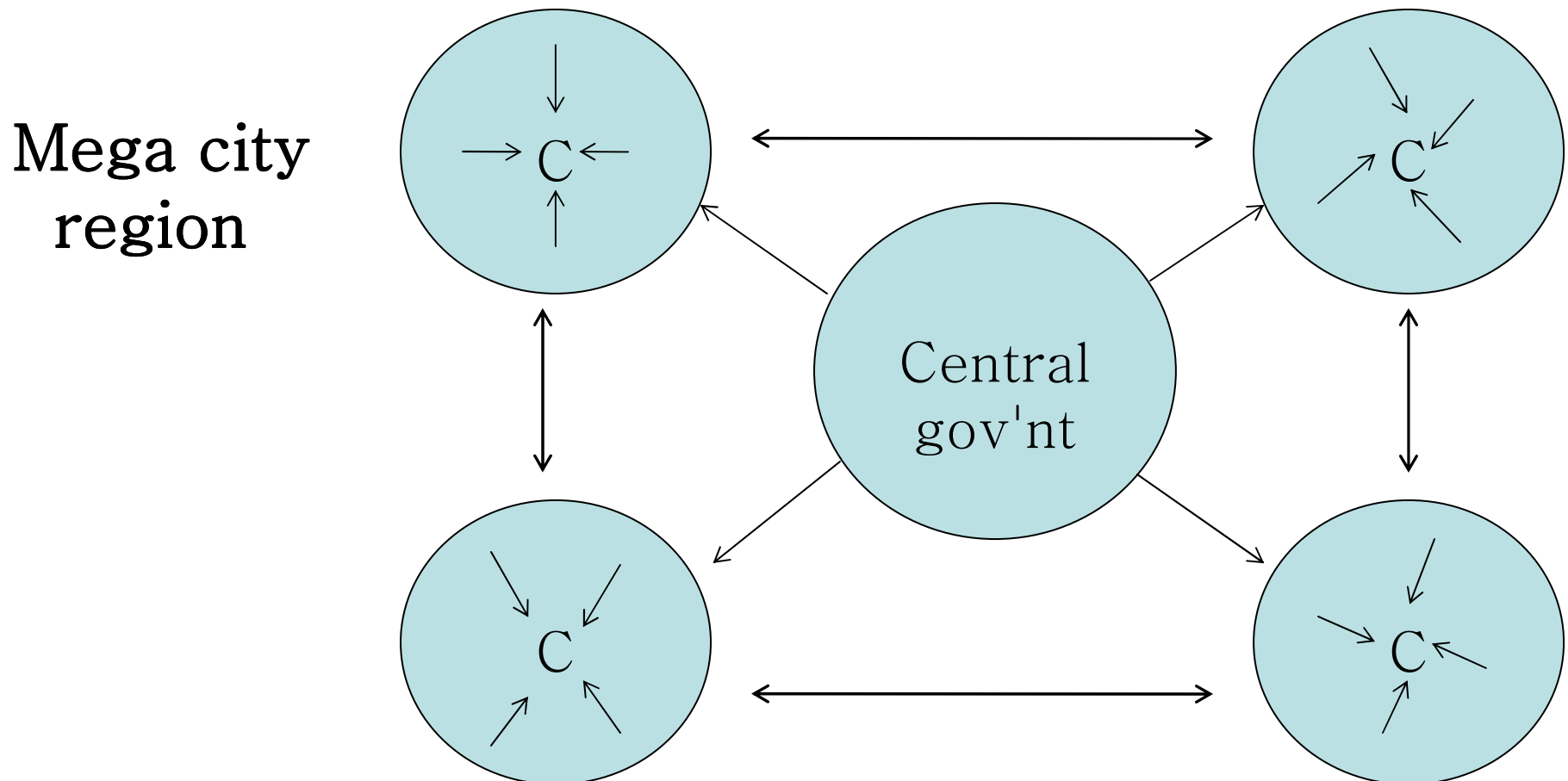
China : 3 mega city-regions

Japan : 3 mega city-regions + 道州制

Korea : 5+ 2 Economic Regions
(廣域 經濟圈)

1. Introduction : A New Trend

Interaction of centripetal and centrifugal forces
Between central and local government and
within city–regions



1. Introduction : A New Trend

3) Repositioning of China

- Emerging as an new economic power
→ G2
- “the rise of China makes countries all around China's periphery to adjust their relations with China as well as each other” (Shambaugh 2005)

1. Introduction : A New Trend

- Back to Sino-centric order?
 - International trade with China moving to China in Asia
 - Investment destinations: China-centric

2. Emergence of Cross-border Regions(CBR)

1) CBRs in Europe and Asia

	Europe	East Asia
Example	Euroregion: EUREGIO, Transmanche, Øresund, etc.	Local Economic Zones: South China Economic Zone, China-Taiwan Economic Zone, Yellow Sea Rim Economic Zone, East Sea Rim Economic Zone, Korea-Japan Strait Zone Growth Triangles: SIJORI Region, Tumen River Region
Characteristics	Total opening of borders Product of supranational policy Policy plays a key role Top-down governance Structure	Selective opening of borders Product of an international agreement or open door policy Markets play a key role Bottom-up governance structure

2. Emergence of Cross-border Regions(CBR)

2) Conditions for CBR

① Geo-political conditions

Macro	Micro
Ideology/open or closed	Visa requirement
Diplomatic relation	CIQ
Nation-State	Regional policy/politics
Legal system	Regional governance

2. Emergence of Cross-border Regions(CBR)

2) Conditions for CBR

② Geo-economic conditions

Labor market	Other economic conditions
Employment condition	FTA or equivalent
Social welfare system	Regulations(FX, enterprises)
Wage level and system	Banking system
Market size	Competitive/Complementary Economies of scale and scope

2. Emergence of Cross-border Regions(CBR)

2) Conditions for CBR

③ Socio-cultural conditions

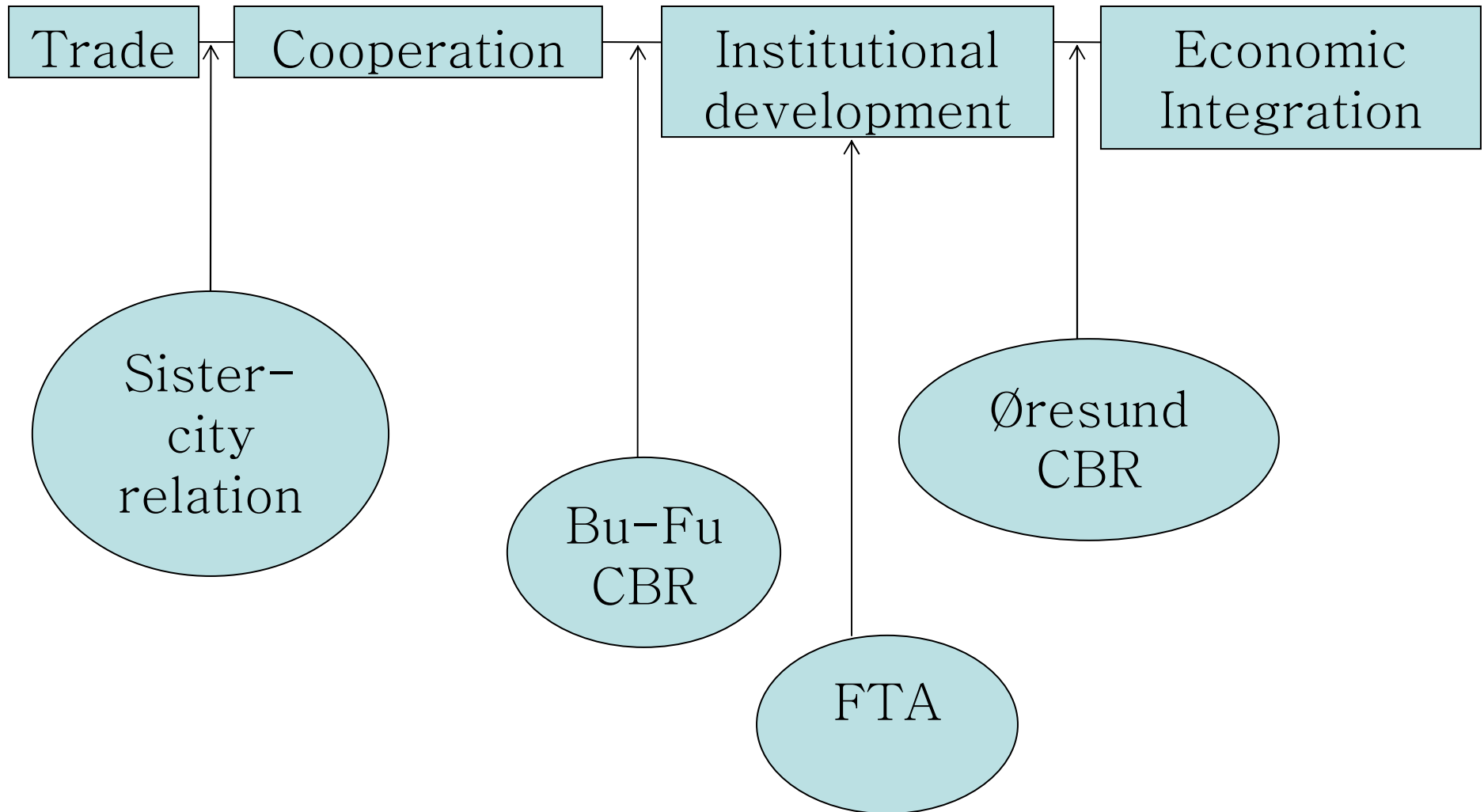
Language

Education system

Social capital

2. Emergence of Cross-border Regions(CBR)

3) Development Stage of CBR



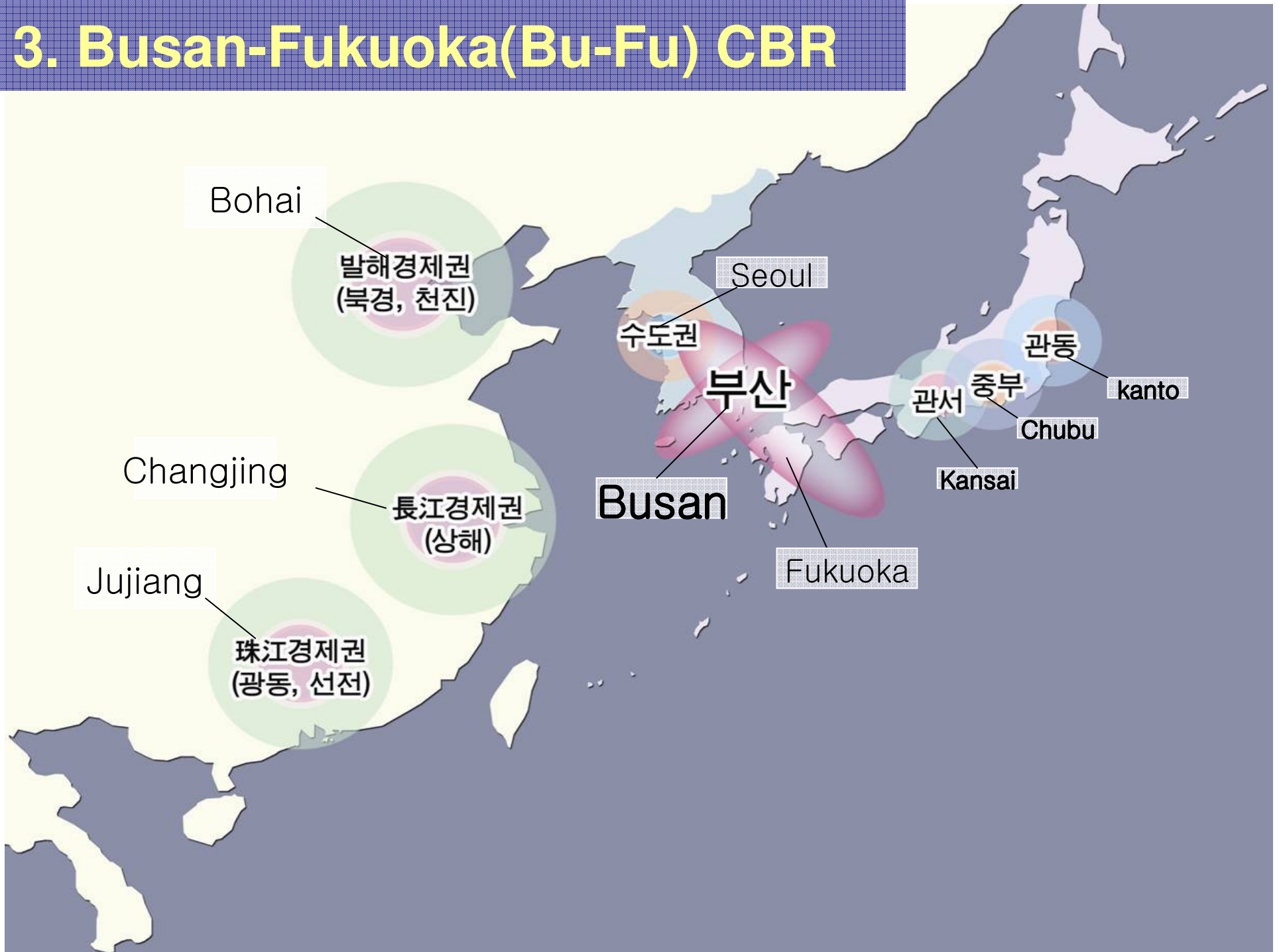
2. Emergence of Cross-border Regions(CBR)

3) Development Stage of CBR

- Difference between CBR and IDL
- Difference between CBR and FEZ

eg: Marquiladorea, Mexico

3. Busan-Fukuoka(Bu-Fu) CBR



3. Busan-Fukuoka(Bu-Fu) CBR

Busan ⇔ Fukuoka



Busan+ Ulsan ⇔ Fukuoka+ Kitakyushu



Southeast Korea(SEK)⇔Northern Kyushu/Kyushu
Busan+Ulsan+Gyeongnam

Point



Line



Space

3. Busan-Fukuoka(Bu-Fu) CBR

Paradigm change in alliance and competition

Past : <Korea + China> ←←Japan>

Future : <Korea + Japan> ←←China>

3. Busan-Fukuoka(Bu-Fu) CBR

Economic Characteristics of KJSCBR

	Busan		SEK	
Area	763 km ²	340 km ²	12,342 km ²	42,177 km ²
Population	3,620,000	1,350,000	7,940,000	13,350,000
GRDP	48,849 million dollar	71,710 million dollar	119,321 million dollar	407,300 million dollar
Industrial Structure	Primary 1.0% Secondary 18.0% Tertiary 81.0%	Primary 0.1% Secondary 15.2% Tertiary 84.7%	Primary 2.4% Secondary 41.6% Tertiary 56.0%	Primary 2.4% Secondary 21.3% Tertiary 76.3%
Major Industries	Harbor, Logistics, IT, Tourism, Shipbuilding parts machinery, etc	Automobile, Foods, Robot, Recycling, IT, Semiconductor, Bio, Environment etc.	Busan: Harbor, Logistics, Machineries Ulsna: Automobile, Shipbuilding, Chemical Industry Geongunnam: Machine parts, Aerospace	Fukuoka: Automobile, IT, Bio Kitakyushu: Steel, Machine, Ceramics Nagasaki: Shipment, Electron, Machinery Kumamoto: Electricity, Foods, Metal

3. Busan-Fukuoka(Bu-Fu) CBR

Geo-economic Condition of Busan and Fukuoka

Busan : Weakening economic position against capital region

Fukuoka : Isolated from three MCRs

⇒ Economies of periphery cooperation
(integration)

3. Busan-Fukuoka(Bu-Fu) CBR

<Southeast Korea + Kyushu> as a CBR

World rank

Population

45

Area

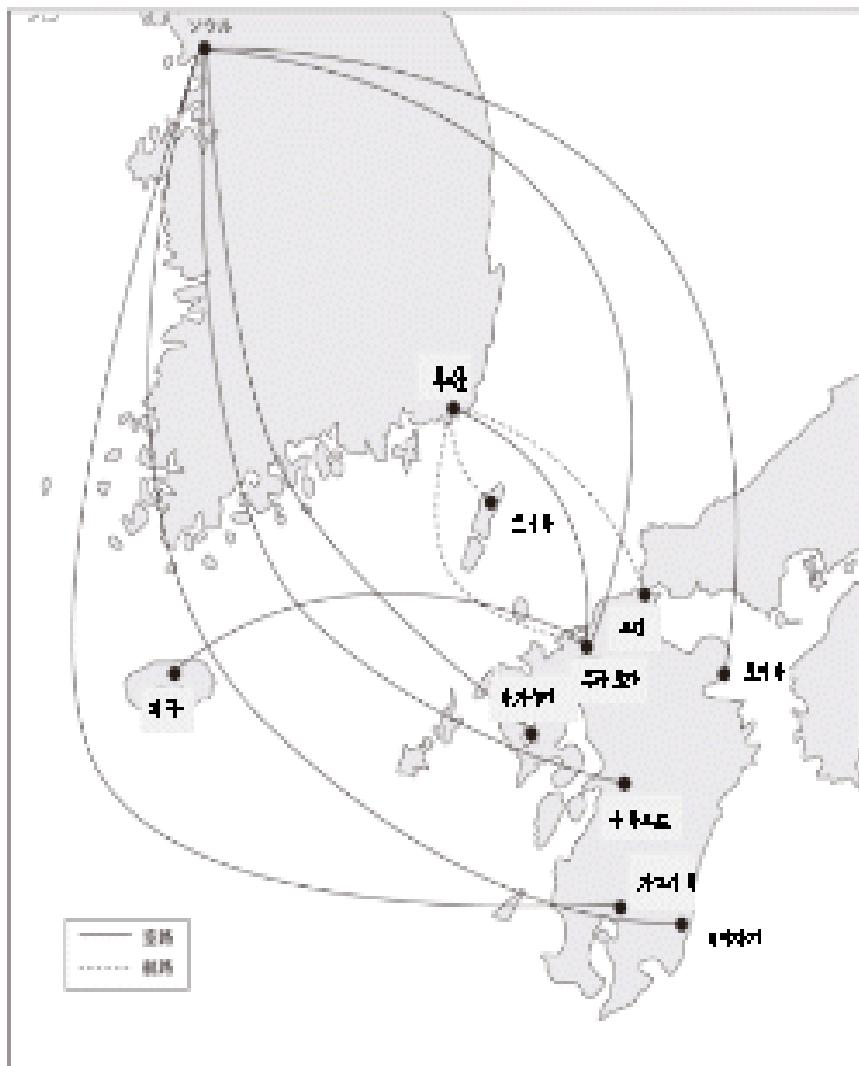
122

GDP

17

larger than Taiwan

3. Busan-Fukuoka(Bu-Fu) CBR



	line	times/week	Total
Ferry	Busan-Hakata	14	26
	Busan-Moji	12	
Express boat	Busan-Hakata	68	80
	Busan-Tsusima	12	
Airplane	Busan-Fukuoka	28	128
	Jeju-Fukuoka	6	
	Seoul-Fukuoka	64	
	Seoul-Nagasaki	6	
	Seoul-Kumamoto	6	
	Seoul-Oita	6	
	Seoul-Miyajawa	6	
	Seoul-kagoshima	6	
	Total	Busan/Jeju~	
~		94	

Source: Korea-Japan Joint Research Association (2008)

4. Current Development of Bu-Fu CBR

1) Public sector

- Formation of Bu-Fu Economic Cooperation Committee
 - 8 members including Mayor each side
 - The 3rd meeting in 09/08/28 in Busan
- Steering committee(working level)
- Co-research project
 - Busan Development Institute and Kyushu Economic Research Center

4. Current Development of Bu-Fu CBR

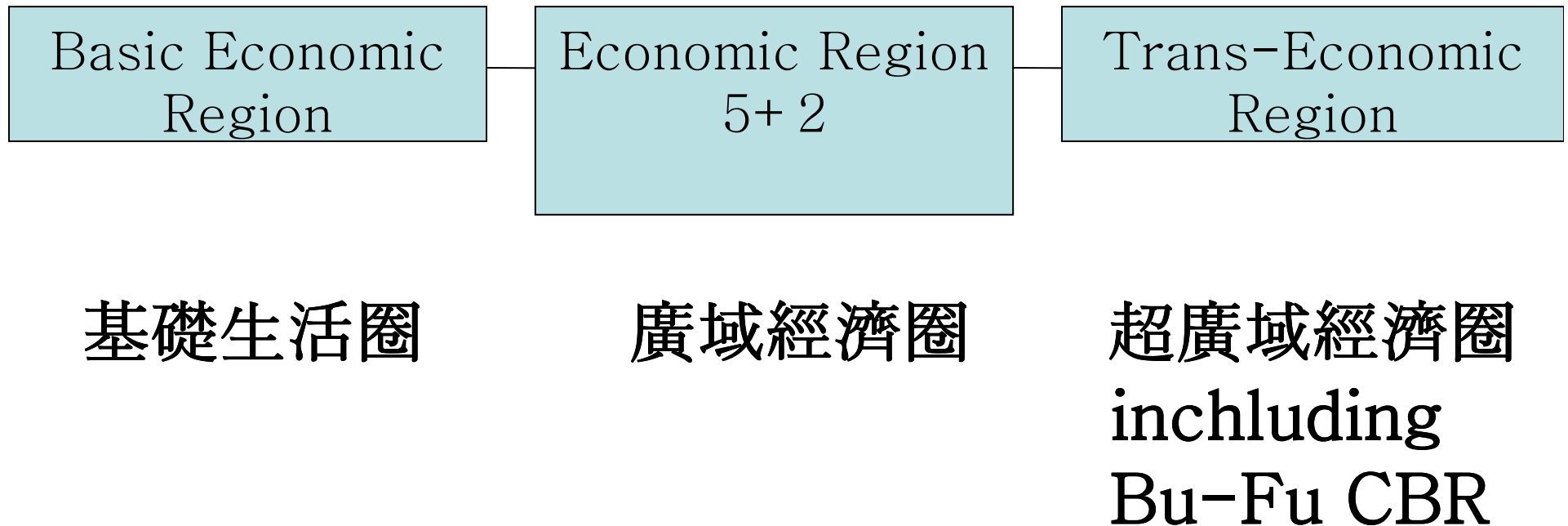
1) Public sector

- Asian Gateway 2011 Project(Fukuoka)
 - Co-marketing of tourism
- Development of 64 agenda for mutual promotion including industries, academics, culture, logistics, tourism and regional government(representative office)

4. Current Development of Bu-Fu CBR

- National Plan(Korea)

The concept of CBR is included the Regional Development Plan by the Presidential Commission



4. Current Development of Bu-Fu CBR

2) Enterprise Sector

- Sister and exchange agreement between Bu-Fu Chamber of Commerce
- Exchange agreement between professional associations
 - eg : BIKI(釜山·九州 IT協議會)

4. Current Development of Bu-Fu CBR

- Investment Support Organization
 - Busan Investment Support Association led by Shinhan Bank, Busan regional HQ, 09/08/20
 - Fukuoka Investment Support Association led by Shinhan Bank, Fukuoka

4. Current Development of Bu-Fu CBR

- International Cooperation Association
 - New Asia HR & Technology Cooperation Association, 08/06(Fukuoka)
- Tourism Promotion
 - eg: Coupon system

4. Current Development of Bu-Fu CBR

3) Academics

- Consortium of universities in Bu-Fu area
(Busan 11 Univs, Fukuoka 13 Univs)
- Exchange Agreement between universities, high schools, middle schools and elementary schools
- Graduate School for CB Economic Region,
Dongsuh Univ. 東西大, 超國境廣域 經濟圈 大學院

4. Current Development of Bu-Fu CBR

4) Civilian, NGO sector

- Busan-Fukuoka Forum, 06/09/01
 - led by civilian leaders in both cities
 - Promotions of “Year of Friendship, 2010”

4. Current Development of Bu-Fu CBR

- Exchange between various associations, clubs, NGOs
 - Bu-Fu NGO(Kyushu) NGO Agreement, 08/10/30

4. Current Development of Bu-Fu CBR

5) Labor market

Case of Øresund CBR

Denmark	Factors	Sweden
Higher	wage	lower
lower	unemployment rate	higher
higher	labor force (25-64)	lower
more from Income	social security tax	more from employer
through collective agreements	regulation	through legislation
relatively weaker	job security	greater
37	work hour(week)	40

4. Current Development of Bu-Fu CBR

Internship

Utilization of retired workers

Cross Industry-University

Cooperation program

(eg: 第一施設工業 in Fukuoka: hiring Korea graduates from the contracted univ)

5. Suggested Future action

1. Confirmation of the principle of civilian initiative
2. Support and assistance from Central Governments like EU
3. Establishment of governance system like foreign predecessors including Øresund CBR
4. Research and survey on potential resources for cooperation in both regions