Lessons from land policy implementation in post-war Korea:
Case studies of ‘Gwangju Resettlement Town’ and ‘Farmland Reform’

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Sharing Korea’s experience on land policy implementation

From post-war fragility to the path of inclusive green growth in South Korea
Inclusive Green Growth: A nation can grow without sacrificing the value of natural environment and social inclusiveness; likewise, environmental protection and pursuit of social inclusiveness create jobs and opportunities for growth.
CASE 1
Gwangju Resettlement Town

- **Case summary:**
  Slum clearance and displacement; relocation to a new resettlement town with strengthened land ownership

- **Impacts on land tenure:**
  Loss of *de facto* land ownership; inadequate compensation for the loss; potential opportunities for owning a land in a new town, but failure due to the resale of land right to speculators

- **Measures of securing land tenure:**
  Administrative coordination for resolving civil complaints; reduction of land price for incoming residents; exemption of land acquisition tax; provision of support on livelihoods
After the war, urban lands in cities like Seoul became overcrowded with slum-like environments, resided by migrants, refugees, and poor households.

Unoccupied riverside areas and sloped land turned into a settlement filled with unlicensed houses and temporary tents. The buildings were poorly built. No safety inspection was made by the State.

In the 1960s, Seoul’s government announced two plans: 1) illegal settlements will be demolished, followed by the relocation of the occupants, and 2) a resettlement place like Gwangju Resettlement Town will be built for displaced people.

Demolition of over 55,000 illegal houses were undertaken along an urban stream of Cheonggyecheon and Yongsan Railway Station, among other places.
Warning notice for people in unlicensed or illegal settlements, Seoul government, 1962
(Source: https://opengov.seoul.go.kr/)

Planning document for demolition and relocation of illegal settlements in Guangwhi-dong, Seoul government, 1966

Demolition of riverside settlements in Cheonggyecheon, 1972
Lessons from land policy implementation in post-war Korea

For the displaced, Seoul’s government provided two types of compensation. One was public assistance for re-settlement in a new area. The other was financial compensation for individually-owned lands and demolished houses.

But the results were not satisfactory, due to the extremely poor quality of living in a new settlement area and inadequate manners that relocation took place.

Underestimation of the value of lands/properties formerly owned by displaced households was frequent.
CASE 1: Displacement of unlicensed settlers and the formation of Gwangju Resettlement Town

- In 1968, a master plan for Gwangju Resettlement Town was made and announced. The location was a site formerly called Gwangju, which is now part of the City of Seongnam. The target population was 200,000.

- Seoul’s government served as a land developer having comprehensive authorities, including demolition of illegal houses, relocation of displaced people, and expropriation of land in Gwangju with a size of 3,500,000 pyeong (= 1,200 ha).

- Land development was initiated in March 1969; relocation started in Sep 1969; a total of 140,000 people were relocated to the town by Dec 1971. This implies that migrants were literally “dumped” into an uninhabitable land with little services or infrastructure.
CASE 1: Displacement of unlicensed settlers and the formation of Gwangju Resettlement Town

- A household was given the right to acquire a parcel of 20 pyeong (= 700 ft²) in the town. The term of redemption was five years. After the transfer of land ownership, the landowner was required to build a house at his/her own expense.

- But the settlers were disheartened because 1) The “relocation first, then roads and services later” policy eliminated the lifeline which kept them afloat; and 2) low-income households were incapable of redeeming their land and building a decent house on it, leading to the resale of land right to speculators; after resale, they returned back to their original unlicensed land in Seoul.

(Source: City of Seongnam)
1971 Struggle in Gwangju Resettlement Town

- Relocated people were deeply upset about jobless condition, poor public services, and high land price/acquisition tax, threatening their land tenure security.

- In Aug 1971, 300,000 to 600,000 people, either displaced migrants from Seoul or new buyers of the settlement right, forcefully protested.

- The protest started as a collective petition for protecting their property rights, but eventually evolved into a violent uprising against the untrustworthy government.
CASE 1: Displacement of unlicensed settlers and the formation of Gwangju Resettlement Town

• After the 1971 Struggle, policy changes were introduced by Seoul’s mayor, such as: 1) the provincial government took the initiative in the provision of basic services and response to civil complaints like land-price stabilization and tax exemption, 2) the region covering the resettlement town was elevated to a city of Seongnam in 1973, 3) a master plan was established to orchestrate the growth of the city.

• Bottom-up investigation on the reality of poor households’ living was initiated. This added momentum to nation-wide social movements against chronic urban poverty in the 1970s and 80s.

...a move from ‘the reproduction of fragility from one place to another’ to ‘investment in a less-vulnerable, legalized land with private ownership’ supported by the local municipality
• The resettlement town evolved into a legacy town of Seongnam, with a population of 290,000. Relatively less well-off, aging households are living here.

• In 2019, an **innovative high-resolution aerial map (accuracy = 3 cm or 1.2 in) is generated based on drone survey**. The map is shared through **Geospatial Information System** and used for detecting unlicensed structures, illegal parking, and fire detection by public officials.
Lessons from Gwangju Resettlement Town

- **Policy implementation:**
  1. Slum clearance and compensation
  2. Relocation of the residents to a resettlement town
  3. Government-led land development
  4. Administrative coordination (after the struggle)

- **Impacts on land tenure:**
  1. Secured land ownership for displaced households (after successful payment of land price)
  2. Stabilized the livelihoods of the households, especially that of younger generations having access to jobs and education
  3. Still functioning as a legacy town as a vibrant neighborhood of Seongnam

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**Reminder points**

- Habitable environment and secured land right first, then relocation and resettlement (not the other way around)
- Pre-emptive intervention for early settlers’ rightful access to land and services
- Prepare for unexpected inflow of low-income households from various places, who build substandard houses in the town
CASE 2
Farmland Reform

- **Case summary:**
  Restructuring of land ownerships in rural areas (the principle of ‘land-to-the-tiller’)  

- **Impacts on land tenure:**
  Transfer of the ownership of large farmlands from landlords to independent farmers; migration of former tenant farmers to cities looking for jobs  

- **Measures of securing land tenure:**
  Policy intervention in the land-transfer process, e.g., accessing land value, decision on the payment method, and issuing a land bill to the landlord; (unfulfilled) support on small-land farmers for enhancing agricultural productivity
CASE 2 : Farmland Reform

• After the liberation, the first Constitution of South Korea was adopted, incorporating the principle of ‘land-to-the-tiller’ in rural area. Abolishing feudalistic land tenure systems based on tenant farming was the aim.

• The livelihoods of 77% of the national population were dependent on the income from agriculture by the time of Korea’s liberation. About 86% of them were so-called tenant farmers working in a large farm largely owned by an absentee landlord.
• Tenant farmers in Korea were burdened with high rent, land-related taxes, and other compulsory works. Even a landowner of a small farm had no choice but to sell their land to pay off their debts. Then he/she becomes a tenant farmer.

• **Intensification of rural poverty** became widespread, which became a potential source of political violence in post-war Korea.

• Beginning in 1945, recovering the national economy through an industrial shift and boosting agricultural productivity became a national agenda. Frequent conflicts on farmland captured public attention, with many organizations proposing their version of the land reforms.
In 1950, the **Farmland Reform Act** was officially announced by the Korean government to transform the agricultural land tenure system.

Under the policy, *landlords who owned a farm larger than 3 jungho (= 3 ha) and non-self-cultivating farm owners were required to sell the land to independent farmers*. While only 4% of the nation’s agricultural households had a farm > 3 ha, the land occupied more than 30% of the nation’s total farm in size.

The government intervened in the distribution as a mediator in two ways. One was about decisions on the farms needed to be redistributed and the determination of the independent farmers having the right to acquire the land. The other was about how land value is assessed and payment was made between the two parties.
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CASE 2: Farmland Reform

• When a farm is sold, the government issued a land bill to the landlord; the value was set at 1.5 times the average annual yields of farm products like rice and barley.

• Independent farmers paid 30% of their annual production to the government for five years; then, the payment was collected and was delivered to the landlord in cash over the same period.

• The payment was an obligation on farm households; if not fulfilled, the government could sue them in court, leading to the loss of farmland ownership.

• The policy intended to motivate landlords to turn themselves into industrial capitalists. The bill could be used as an asset for attaining a low-interest loan for investment from the Ministry of Finance.

Land bill issued by the government and given to a landlord selling the land to independent farmers
In total, about **585,000 jungbo (= 579,800 ha) of farmlands were redistributed** in South Korea between 1945 and 1970. This was equal to 40% of the total farms under tenant farming in 1945.

Changes in the rate of tenant farming and increases in school enrollment (1945-74)

Sources: HUFS (2012). The data on tenant farming rate data is from Rudolf (2012), and the farm household income data is from the Bank of Korea. "Economy Statistics Year book", before 1962, and after 1962, KOSIS ‘Statistical Farmhouse Economy Statistics."
Lessons from Farmland Reform

- **Policy implementation:**
  1. Redistribution of large farmland
  2. Government intervention in the transfer process

- **Impacts on land tenure:**
  1. Tenant farmers converted into independent farmers with land ownership
  2. Reduction in rural poverty and enhancement of agricultural productivity
  3. Establishment of private educational foundation as a way of being exempted from selling land
  4. (Less successful) transition of former landlords to industrial capitalists

**Reminder points**
- Parcelization of farms having pros and cons in terms of agricultural productivity and technological improvement
- Government’s role as a mediator helping to reduce conflicts in the transfer of land ownership
- Reshaping former landlords to entrepreneurs in emerging industries requires time and efforts
Thank you.

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