

Mainland development policy in an autonomous subnational island jurisdiction: spatial development and economic dependence in Jeju, South Korea

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Abstract: This paper questions the appropriateness of island spatial development policies that are initiated and managed by mainland actors. Jeju is an autonomous subnational island jurisdiction (SNIJ) of South Korea. Over the past decades, Jeju has been developed as a tourist destination, international free city, and special economic zone as part of a spatial development policy led by South Korea's central government. These developments have improved Jeju's economy, but they have also rendered the island's economy increasingly open, making the island vulnerable to external shocks, weakening its self-sufficiency, and occasioning cultural and social tensions. Jeju's top-down economic and spatial development policy has led to a vicious cycle of accepting central government-led development policies, thereby decreasing the island's de facto economic and political autonomy.

Keywords: economic development, islands, Jeju, spatial development, special economic zone, subnational island jurisdiction (SNIJ), South Korea

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Introduction

Islands—characterised by smallness, boundedness, and isolation—often prove attractive as sites that people can infuse with imagined qualities (Grydehøj, 2018). Islands are also attractive from the perspective of political economy, with attributes of island spatiality making it easier for rulers—both islanders and mainlanders—to gain and maintain power (Baldacchino, 2012). Historically, many archipelagic and island peoples have been drawn into imperial and colonial processes, ultimately acquiring external borders and internal administrative divisions that suit the purposes of the mainland powers (Farinelli, 2017; Favole & Giordana, 2018; Grydehøj et al., 2019; Lee et al., 2017). Some islands are viewed as sacred, some are viewed as prisons, some are viewed as prizes for imperial expansion—and some are viewed as all of these things simultaneously (Raoulx & Fleury, 2017; Luo & Grydehøj, 2017; Mountz & Briskman, 2012; Gillis, 2007; Lowenthal, 2007). Especially in modern times, many islands have been developed as tourist sites at the periphery of—but still enmeshed in—the capitalist system (Almeida-Santana & Moreno-Gil, 2018; Su et al., 2017) or as military bases for maintaining imperial systems (Nogues, 2018; Davis, 2017). The island thus becomes a space for demonstrating the

workings of the modern capitalism and territorialism (Arrighi, 1994), with the island serving as the periphery of the world system (Wallerstein, 2004).

This is true for Jeju, a subnational island jurisdiction (SNIJ) of the Republic of Korea (South Korea). Jeju is Korea's largest island and lies around 90 km south of the Korean Peninsula. Due to its island spatiality and its location within the Kuroshio Current, Jeju has developed a distinct culture and economy relative to peninsular Korea (Heo & Lee, 2018; 송화섭, 2010). Although the central government of the Republic of Korea granted Jeju the status of Self-Governing Province in 2006, the nominally autonomous island has increasingly come under the influence of mainland-designed and mainland-driven spatial development policy. (In this paper, I use 'autonomous' and 'self-governing' as synonyms to express a condition of strong decision-making power within a non-sovereign governmental framework.) Furthermore, given that the Korean state first envisioned Jeju as a free trade zone or special economic zone (eventually in the form of a 'free international city') and only later envisioned it as an autonomous territory, there has been a tension between the Korean state simply regarding Jeju as jurisdictionally distinct and regarding this jurisdictional distinction as encompassing political empowerment.

The present paper uses the case of Jeju to question the appropriateness of island spatial development policies that are initiated and managed by mainland actors. I will examine how mainland-oriented spatial development strategies are simultaneously making Jeju's economy increasingly open, rendering the island vulnerable to external shocks, weakening its self-sufficiency, and occasioning cultural and social tensions. How meaningful is it to speak of island autonomy when the island remains dominated by mainland policies?

From independent state to periphery of Korea

In ancient times, Jeju was an independent state, known as Tamna 탐라국. In CE 1105, however, the island was incorporated into the territory of Korea's Koryo Dynasty, becoming Tamna County and beginning to be regarded as a periphery of the Korean Peninsula. From this time on, Jeju has been "isolated from the centre and has succumbed without close ties or protection" (이상철, 2000, p. 74; translation my own). This trend continued in the Japanese colonial period (1910-1945). The Japanese Empire forced many people from Jeju to move to the Japanese mainland, forcing them to work in the military industries, and by the end of World War II, Jeju had become a military base, the final frontier of the Japanese mainland.

The so-called '3 April Incident' had an important influence on determining Jeju's peripheral character in the modern state system of the Republic of Korea. The 3 April Incident refers to the start of the conflict that would, between 1948 and 1954, lead to the deaths of 25,000-30,000 people (up to 10% of Jeju's population) and the destruction of much of the island's social infrastructure, including schools, factories, and public buildings (제주 4.3 사건진상규명 및 희생자명예회복위원회, 2003, pp. 363-367, p. 376, p. 531). The context of the conflict was the US Military Government's organisation of a general election on 10 May 1948 to establish a democratic government in the Republic of Korea. Many Jeju citizens refused to participate in the election, arguing that it would make permanent the political division of the Korean Peninsula. Jeju was ultimately the only of the Republic of Korea's 200 electoral districts to boycott the election (The National Committee

for Investigation of the Truth about the Jeju April 3 Incident, 2003, p. 211), prompting the US Military Government (1945-1948) and the Lee Seung-man government (1948-1960) to perceive Jeju as a threat to the government of the Republic of Korea. Jeju came to be known as 'Red Island' and 'Island of Rebellion', which justified central government-sponsored killings and destruction on the island.

The subsequent Korean War (25 June 1950 to 27 July 1953) further strengthened Jeju's peripheral character. Many refugees fled to Jeju to escape the war, which worsened the already dire economic conditions on the island. By 20 May 1951, over 148,000 refugees had arrived on Jeju, which—relative to Jeju's pre-war population of 248,867—meant that refugees accounted for around 37% of the island's population. The influx of refugees caused food shortages, and by the end of December 1952, more than 30,000 people were suffering from starvation in Jeju's Bukjeju-gun area alone. The food shortages resulted in clashes between refugees and native Jeju residents, plunging island society into a state of chaos (박찬식, 2010, pp. 97-100). At the same time, however, over 10,000 Jeju youths voluntarily joined to fight in the Korean War to prove that they were not communists but instead citizens of the democratic Republic of Korea (박찬식, 2010, pp. 93-97). This suggests that the people of Jeju had been reborn as a state-conforming subject. The internalisation of the 3 April Incident and the horrors of the Korean War led to the people of Jeju becoming dependent on and emotionally integrated with the Republic of Korea (김석준, 1997).

As such, the 3 April Incident and the Korean War destroyed many of Jeju's human and material foundations for self-reliance, and Jeju completed its transformation from being the centre of its own nation and state to being the periphery of Korea. In subsequent decades, Jeju has been developed in accordance with the intentions of the central government, specifically in terms of spatial planning, rather than with the goal of improving islanders' quality of life.

Fantasy island: Jeju as a tourist island

A distinctive spatial development policy for Jeju began to be formulated and promoted from the early 1960s, under the Park Chung-hee government (1962-1979). The Park regime came to power through a coup d'état on 16 May 1961. Park Chung-hee, who was head of the coup d'état, served as vice chairman and then-chairman of the National Reconstruction Supreme Council and assumed office in 1963. Park sought to gain legitimacy for his violent takeover by reviving the underdeveloped national economy. This necessitated developing the whole country under an integrated economic plan. Jeju's development policies must be understood in this light as well as in the context of the need to reconstruct Jeju society following the devastation of the 3 April Incident and the Korean War. The people of Jeju largely felt it necessary to adopt the policies set by the central government if they were to survive. Jeju's economic development began when the devastation on Jeju encountered the emergence of a strong, cohesive nation on the mainland.

In 1963, Park ordered the establishment of the Jeju Island Construction and Research Committee 제주도건설개발연구위원회. This was the beginning of Jeju's comprehensive spatial development plan. The committee sought to make Jeju an international special economic zone like Hong Kong. This plan was not intended primarily to serve the interests

of the people of Jeju but was instead intended to attract the massive amounts of foreign capital required for the economic development of the entire nation. In other words, it was a plan to bring Jeju's economy from the periphery to the centre of the Republic of Korea. In the event, however, the central government decided that, given Jeju's relatively northern location, it would struggle to compete with Hong Kong as a special economic zone or free port, even when it came to Japanese trade and investment (상공부, 1963).

The idea of a special economic zone on Jeju gave way to the idea of developing the island as a tourism centre, a policy trajectory that has been followed to this day. The Ministry of Construction prepared the *Jeju Construction Comprehensive Plan 제주도건설종합계획안 (1964-1983)* in 1964, based on the *National Land Construction Planning Act 국토건설종합계획법* (대한민국정부, 1963). This plan reflected the central government's desire to boost Jeju's industry through tourism development, industrial development, and transport and energy infrastructure development. The plan designated Jeju City, Seogwipo, Seongsanpo, Daejeong, and Hanlim as tourist hotspots, which should undergo intensive development and seek to attract 12 million tourists by 1983. This plan too was rejected, however, this time by the Council of the National Land Construction Plan 국토건설종합계획심의회, which in 1965 determined that Jeju should be designated a 'specific region', the third such specific region in the country. 'Specific region' refers to the central government's mid-1960s regional development strategy, in which "a region that has resources and a region that needs to foster local industries is designated as a specific region, is used as base region for national development, and is promoted to develop through intensive investment at the government level" (부만근, 2012, p. 87; translation my own). From 1966, under the 'specific region' plan, the whole island was developed with an aim toward expanding the fishing, agriculture, and tourism industries as well as improving water resources and transportation over the course of the next 30 years, i.e. until October 1996 (부만근, 2012, pp. 86-87; 이상철, 1987, pp. 40-41).

The first *National Land Comprehensive Development Plan 제 1 차 국토종합개발계획 (1962-1968)*, established by the central government in 1972, was the first land use plan to cover the Republic of Korea as a whole. Under this plan, Jeju was designated one of eight provinces established around provincial administrative districts and granted a special role in tourism and commercial functions. This formed the basis for 1973's *Jeju Tourism Comprehensive Development Plan 제주관광종합개발계획 (1973-1981)*, which was the first comprehensive provincial tourism development plan in Korea as well as the first comprehensive Jeju development plan established and implemented by the central government. This meant that the plan could be pursued in a systematic manner. The main aims of the plan were to make Jeju an international tourist destination, to foster other industries, and to establish the social capital necessary to support tourism development. The plan was "the basic plan for Jeju development in the 1970s" (이상철, 1987, p. 41; translation my own).

Jeju's agricultural structure began changing in the 1960s. An agriculture industry that had formerly been focused on providing for local needs due to the island's isolated nature was reorganised to instead focus on the cultivation of export-oriented cash crops, such as citrus fruit. This resulted in a gradual lowering of Jeju's self-sufficiency and food security as the

island became increasingly dependent on imports from the markets in mainland Korea (이기욱, 2003).

The Jeju spatial development plans described above are variously characterised by frameworks for establishing an ‘international special economic zone’, ‘tourism development’, and ‘industrial development’, eventually leading to a hybrid plan of ‘tourism industry centered on an international special economic zone’ (이상철, 1987, p. 40; 이상철, 1995, p. 79; 김석준, 2014, p. 149). Tourism-centered development on Jeju was driven by Park Chung-hee’s personal desire to see Jeju leading the tourism industry and contributing to the growth of the Republic of Korea’s economy (이상철, 1987, p. 40). Due to the island’s geographical characteristics, Jeju had poor conditions for secondary sector industries. Because of this, Jeju’s natural environment was evaluated as a comparative advantage for a tourism destination, relative to other regions, and Jeju was given a role in supplementing the national export-oriented economic policy through tourism (이상철, 1997, p. 197). *The Jeju Tourism Comprehensive Development Plan 제주관광종합개발계획* in particular was intended to address the central government’s political and economic crisis. As the national economy grew, so too did the people’s desire for democratisation, and the military regime gradually lost legitimacy. In addition, as the Fordist-Keynesian system, which had sustained the global economy since the Second World War, reached its limits in the early 1970s, the Republic of Korea’s light industry-dominated economy also entered a crisis stage. The Park Chung-hee government sought to overcome the crisis by making Jeju an international tourist destination and increasing foreign exchange earnings. In other words, “Jeju development began with tourism development as a supplementary means of industrialisation and capital accumulation for Korea rather than as regional development” (이상철, 1987, pp. 41-42).

After President Park Chung-hee was assassinated in the 26 October Incident in 1979, a new military power group led by Chun Doo-hwan gained control of the government. However, the Chun Doo-hwan government (1980-1988), which was launched in 1980, faced many crises. The global economic crisis was caused by the second wave of oil crises, the spread of protectionism in developed countries, and the accumulation of foreign debt in developing countries. As the pressure for foreign debt repayment began to rise, the heavy chemicals industry that had developed in Korea’s southern coastal region reached its limits, the labour movement spread nationwide, and a domestic economic crisis loomed large. The Chun Doo-hwan government tried to confront this crisis by expanding and opening up the national economy through liberalisation of capital and imports. In this central government strategy, Jeju was assigned the role of supporting the national economy as the periphery of the nation, just as had been the case in the 1960s and 1970s.

Noting Jeju’s tourism specialisation, the Chun Doo-hwan government pursued plans to enhance foreign exchange earnings by promoting Jeju as an international free tourist destination. This reflected expectations of rising Chinese tourism demand through Hong Kong’s return to China and improved US-China relations as well as expectations for tourism growth from the 1986 Asian Games and the 1988 Olympics (이상철, 1987, p. 43). *The resultant Jeju Island Comprehensive Development Plan for Specific Regions 특정지역제주도종합개발계획안(1982-2001)* was presented in December 1982. The plan consisted of three parts: a tourism development plan, a regional development plan, and an

international special economic zone creation plan. However, this plan was revised in February 1985 to exclude the special economic zone for the same locational reasons as had been raised in 1963, and the revision encompassed a reduced planning period (부만근, 2012, pp. 99-101). In response, Jeju Provincial Office established *the Jeju Island Comprehensive Development Plan 제주도종합개발계획 (1985-1991)* in 1986, which represented a truly regional development plan. The direction of these development plans followed the trends of the 1960s and 1970s, with plans being made to carry out development projects in support of the tourism industry. The ‘Fantasy Island, Jeju’ brand was born in this context.

Anti-development movement island: the birth of civil society

1987 marked a milestone in the Republic of Korea’s movement toward democracy. In April 1987, President Chun Doo-hwan announced that he would stick with the then-current constitution, which would select the president through indirect elections and thereby continue the regime that had been installed following the previous coup. In response, citizens mobilised large-scale protests demanding direct presidential elections. In the end, Chun Doo-hwan made the 29 June Declaration to revise the constitution and allow citizens to directly elect the president. This is called the June Democracy Movement, and it ultimately strengthened citizens’ sovereignty while weakening state power. In the wake of this movement, the voices of the citizens who had lived under the country’s military regime of modernisation for the previous three decades exploded, and various social movements emerged. These changes in national politics also affected Jeju society.

Jeju’s development, which had been led by the central government since the 1960s, had been partly successful. The island’s economy improved, and ordinary citizens’ incomes rose. In addition, living conditions improved due to the expansion of social overhead capital, the spread of information and technology, and rising educational levels. However, there had also been negative effects to the centrally driven development policy. Jeju, at the country’s periphery, had been made a leader in the national tourism industry. This enhanced the Jeju economy’s dependence on the Republic of Korea’s economy and ultimately disrupted linkages between industries within Jeju itself, as the island economy reoriented to serve mainland tourist needs. This resulted in the emergence of an industrial structure in which primary sector industry centered on citrus cultivation while tertiary sector industry centered on tourism. As dependence on mainland markets increased, so too did Jeju’s economic instability. The concentration of development projects in a few tourist areas led to spatially uneven development while also occasioning environmental destruction in critical areas.

Equally problematically, increased activity by large Korean corporations led to profits from development on Jeju increasingly being taken out of the island economy, neglecting the needs of the people of Jeju. Also problematic was the tourism industry’s stimulation of consumption culture through increased leisure services availability and the introduction of a tourism demonstration effect. The rising adult entertainment industry (strip clubs, sex clubs, massage parlours, etc.) was symptomatic of the emergence of a decadent culture on Jeju. At the same time as Jeju’s traditional culture was turning into a tourism commodity, local cultures from elsewhere were being introduced to the island, contributing to a breakdown in Jeju’s traditional societal structures and a sense of normlessness and lack of cultural identity. Jeju, eo,

the traditional language of Jeju, has been under particular pressure and become critically endangered as a result of increased cultural influence from mainland Korea (Yang et al., 2017). Jejuo was listed as a critically endangered language by UNESCO in 2010.

For decades, Jeju development policy had been established and implemented by the central government, rather than by the people of Jeju. As a result, Jeju residents who were influenced by these policies often felt relative deprivation and alienation (이상철, 1987, pp. 58-61). The positive and negative effects of Jeju's development became a seedbed for the growth of a future sense of social participation. Improvements in overall standards of living played a role in escaping absolute poverty and increasing Jeju citizens' demands for democratisation, while feelings of alienation experienced through the development process played a role in raising Jeju citizens' critical awareness of the impacts of development policies (이상철, 1997, p. 202).

The changes in national politics since 1987 and the changes in Jeju citizens' consciousness lay the groundwork for Jeju society entering a new phase in the late 1980s. Jeju City's Movement against Tap-dong Development (1988) represented the beginnings of public mobilisation against development policy. The Tap-dong Development Project sought to reclaim the coastal area adjacent to Jeju City and develop it as a commercial district. In response, the Jeju City Samdo-dong Female Diver Association, Jeju University professors, and students formed a protest movement. This inspired other social movements opposed to development policy in Jeju (조성윤, 1992, p. 83), including small-scale protest movements originating at the village level, such as the Movement against the Establishment of Mount Songak Military Base (1988) and the Movement against Golf Course Construction (1990). In particular, the Movement against the Special Act on the Development of Jeju Island (1991) gathered steam and transformed into a large-scale social movement, drawing participants from across Jeju society. *The Special Act on the Development of Jeju Island* 제주도개발특별법, released in August 1990, sought to attract investment by making it easier to develop Jeju using foreign capital. This spurred major protests, during which the protestor Yang Yong-chan set himself on fire. This catalysed the formation of numerous NGOs, which constantly monitor Jeju development policy and play a role in representing the opinion of Jeju citizens whenever major issues arise. As a result of various anti-development movements, civil society was born on Jeju.

Confronted by resistance from this newly born civil society, the central government had no choice but to revise Jeju's top-down spatial development policy. The central government withdrew from the front line, and the local government, namely the Jeju Provincial Government, came to the forefront of regional development. This meant that the voice of Jeju citizens was more likely to be reflected in development policy. The Movement against the Special Act on the Development of Jeju Island encompassed the opinions of a wide segment of the public regarding environmental protection, groundwater management, preferential treatment for locally owned business, and preferential employment of local residents (동아일보, 1991). This movement opened new horizons in Jeju development policy (이상철, 1997, pp. 202-203).

This trend was reinforced by the resurrection of local government. In 1995, the local government system began in earnest, with the election of the heads and members of self-governing bodies. The governors and members of Jeju's directly elected provincial assembly

needed to be conscious of public opinion in Jeju, and this led to the legislation of various environmental conservation policies, such as public management of Jeju groundwater.

International free city: Jeju as a neoliberal project

In the 1990s, Jeju entered an economic crisis. As the Roh Tae-woo government (1988–1993) introduced a series of liberalisation policies, Korean tourist demand for Jeju fell sharply. Until the 1980s, the central government did not issue passports for overseas travel. With the hosting of the 1988 Olympics in Seoul and the spread of internationalisation discourse in the Republic of Korea, however, the central government completely liberalised overseas travel in 1989. As the Kim Dae-jung government, which was launched in 1998, took measures to stimulate inter-Korean economic cooperation, South Korean people were at last allowed to visit Mount Kumgang **금강산**, a famous mountain located in North Korea. In addition, the launching of the World Trade Organization in 1995 and the opening of the agricultural products market increased the competitive requirements for Jeju's citrus industry.

The crisis confronting Jeju's economy in the 1990s was thus a side effect of the island's economic openness to mainland Korea and world markets despite the island being located at the territorial and political periphery of the state. This development-oriented atmosphere has spread rapidly since the 1997 financial crisis. The financial crisis brought dramatic changes to Korean society. The International Monetary Fund (IMF) began intervening in the Republic of Korea's economy, using bailout funds as a weapon. The IMF forcibly transplanted neoliberal values into the Republic of Korea in the name of economic restructuring. As a result, across most of the country, the model of economic growth led by the central government has disappeared into the backdrop of history, and the Korean market has been almost completely open to capitalists from around the world. The Republic of Korea ended up with an economic structure attractive to foreign capital, and the state has been pushed to implement explicitly pro-capital policies. The central government, struggling to find a way out of the crisis, revived the 1960s idea of the 'free internationalisation' of Jeju.

The idea of Jeju's free internationalisation was embraced not only by the central government but also by Jeju. As we have seen, Jeju had already been engulfed in economic crisis, prior to the wider crisis hitting Korea as a whole. The candidates for the post of governor in the 31 May 1998 provincial elections made a variety of economic pledges (**장강명**, 2006), and Jeju society was caught up in a 'CEO governor' fever. For example, even though he had no prior experience in Jeju, Hyun Myung-gwan, candidate for the Grand National Party (GNP), promoted his career as an officer in the Samsung Group and soon emerged as a threat to Kim Tae-hwan, the then-current governor. The people of Jeju were actively responding to the notion of escaping the economic crisis through neoliberal development.

The Jeju Provincial Government proposed to the central government that Jeju should serve as an 'international free city', a proposal that the Kim Dae-jung government (1998–2003) accepted in September 1998, envisioning Jeju as home to high-value services such as tourism, high-tech knowledge industries, logistics, and finance. *The Jeju Free International City Basic Plan 제주국제자유도시기본계획* (국무총리조정실, 2001) accordingly set forth a plan to "develop Jeju Island as a centre of Northeast Asia in which there is free movement of

people, commodities, and capital, and the convenience of business activities is guaranteed to the utmost, so as to develop a national gateway and improve the income and welfare of Jeju citizens” (국무총리국무조정실 · 제주국제자유도시추진기획단, 2001, p. 5). This clarified the central government’s intentions of pursuing neoliberal development policies on Jeju. The central government passed the *Jeju Free International City Special Act 제주국제자유도시특별법* (대한민국정부, 2002), which replaced the *Special Act on Development of Jeju Island 제주도개발특별법*, in order to promote the Jeju free international city, and on 17 February 2003, the Jeju Provincial Government established and announced its own the *Jeju Free International City Comprehensive Plan 제주국제자유도시종합계획* (2002-2011).

The Roh Moo-hyun government (2003-2008) expressed its commitment to fostering Jeju as a Special Self-Governing Province 특별자치도 to promote the full realisation of an international free city. In October 2005, the *Jeju Special Self-Governing Province Basic Plan 제주특별자치도기본계획* was established. The plan had two key elements: one was to grant Jeju jurisdictional authority over most policy areas except for defence and diplomacy, and the other was to build the foundations for an international free city (부만근, 2012, p. 162). In order to support this plan, the central government passed the *Special Act for the Establishment of Jeju Special Self-Governing Province and the Creation of Free International City 제주특별자치도 설치 및 국제자유도시 조성을 위한 특별법* (대한민국정부, 2006), which on 1 July 2006 turned Jeju into Korea’s only Special Self-Governing Province. The vision of an autonomous Jeju was thus inseparably linked to the vision of Jeju as a full-fledged neoliberal project, with the realisation of the free internationalisation that had been promoted in the wake of the financial crisis. The strategy of fostering Jeju as an international special economic zone has been continued by subsequent governments and is still being implemented today.

During the same period, the central government and the Jeju Provincial Government jointly established an organisation for Jeju development. In May 2002, the central government established the Jeju Free International City Development Center (JDC) for the efficient promotion of the Jeju Free International City Development Project (대한민국정부, 2002, Article 72). In order to develop the international free city, the JDC carries out projects to acquire, develop, stockpile, manage, supply, and lease land on Jeju; to establish and manage science and technology complexes and investment-promotion districts; and to carry out marketing, public relations, and comprehensive support for investors to attract capital to Jeju (대한민국정부, 2002, Article 76). The JDC’s business objectives also include support for projects to improve the incomes of Jeju citizens but only in the sense that this is deemed necessary for the successful development of the Jeju Free International City (대한민국정부, 2002, Article 76 ① 2C).

Many Jeju citizens regard the JDC—which is, after all, a public corporation under the Ministry of Land, Infrastructure, and Transport—as a means by which the central government can continue to indirectly control the authority of the Jeju Provincial Governor, even in the context of the autonomous Jeju Special Self-Governing Province. The JDC is nevertheless leading Jeju’s international free city development project and has been carrying out projects such as JDC Duty Free (2002), Jeju Science and Technology Park (2005), Shinhwa Historical

Park (2007), Seogwipo Tourist Sea Port (2007), Jeju Aerospace Museum (2009), and the English Education City (2009).

The autonomous Jeju Provincial Government created its own state-owned enterprise, the Jeju Provincial Development Corporation, which was established in March 1995 and led efforts to, for example, commercialise Jeju's groundwater. The Jeju Provincial Government also established the Jeju Tourism Corporation in July 2008 to promote the tourism industry. The free internalisation strategy, which emerged out of the combined national and local economic crises, is thus led by the triple alliance of the central government, the autonomous local government (Jeju Provincial Government), and the state-owned enterprises they have established. Jeju has been transformed into a neoliberal project, that is, a space in which the entire island promotes a strategy for capital inflow and accumulation.

On the mainland, the Roh Moo-hyun government's balanced regional development policy has aimed to solve regional developmental imbalances, yet from a political economy perspective, this policy meant a national project of spatial coordination (Harvey, 2005) and the localisation of neoliberal projects. The central government has thus implemented policies to foster new markets and specialised industries in each region. 2004's *Special Act on Balanced National Development 국가균형발전특별법* (대한민국정부, 2004), prompted the Jeju Provincial Government to establish the *Jeju Island Regional Innovation Development Five-Year Plan 제주도지역혁신발전 5개년계획 (2004-2008)*, which pushed the concept of the 'new growth engine industry', i.e. a new profit-generating industry. In Jeju's case, this was identified as the clean energy industry, which involved further commodifying natural resources such as groundwater and wind. Since then, wind farms have been built at various sites across Jeju (최현 · 김선필, 2014). The bottled spring water business is also expanding, building upon the Jeju Provincial Development Corporation's success with the market-leading Samdasoo 삼다수 water, which has, however, opened up Jeju's groundwater to commercialisation by private businesses (김선필, 2013; Kim, 2017; 김선필, 2018).

In addition, the central government and the Jeju Provincial Government have sought to attract foreign capital to fuel the free international city. The most significant plank in these efforts is the Jeju Investment Promotion District 제주투자진흥지구, a system in which the governor designates an area as an investment promotion district to attract investors with certain favourable conditions, including tax benefits; right of first refusal on the sale of state-owned land; and the ability to can take (renewable) leases of public property, guaranteed for 50 years (대한민국정부, 2018, Articles 162-165). As of April 2018, 44 projects have been designated as investment promotion districts (투자유치과, 2018a).

The Real Estate Investment Immigration System is also responsible for attracting foreign investment, granting residence (F-2) permits to foreigners who invest over ₩500 million (around US\$450,000) in a residential facility (condominium, etc.) located in a designated foreign investment area between 1 February 2010 and 30 April 2023. This system also grants permanent residence (F-5) qualifications upon meeting requirements such as maintaining the investment status for five years. As of 31 December 2017, 1,887 properties have been sold for a total of ₩1,369,193 million, and 1,499 foreigners are registered in the system (투자유치과, 2018b).

Confused Jeju: rapid social change and conflict

With the launch of the free international city and the development of large-scale projects and capital inflows into Jeju, the island has experienced rapid social change since 2010. The island's five-year population growth rate, which had long been around 4%, has risen to over 10% (see Table 1). As a result, development pressures are getting stronger on Jeju, causing a surge in real estate prices (국토교통부, 2014), while an increasing Gini coefficient of comprehensive income from 0.626 in 2007 to 0.655 in 2013 indicates deepening inequality among island residents (한국은행 제주본부, 2015). At the same time, the number of cars has increased, and traffic congestion and lack of parking have become serious social problems (제주특별자치도교통안전과, 2017). Crime rates in the province have also increased from 24,705 in 2011 to 35,003 in 2016 (제주특별자치도, 2017), with a murder committed by a Chinese tourist in 2016 coming as a special shock to the people of Jeju.

Table 1: Five-year population change in Jeju (1992-2017). *Source:* 행정안전부, 2018.

	1992	1997	2002	2007	2012	2017
Population	505,784	527,586	550,831	559,258	583,713	657,083
Rate of Change (%)	-	4.3	4.4	1.5	4.4	12.6

The free international city designation has succeeded in attracting massive capital flows, and large-scale development projects are being carried out all over Jeju. Typical development projects include construction of Jeju Naval Base, construction of Jeju's second airport, construction of Shinhwa Historical Park Casino, construction of wind power plants, attempts to commercialise ever-greater quantities of groundwater, and a proliferation of for-profit hospitals. Such development projects have subjected local village societies to rapid change, occasioning serious social conflicts.

Conclusion

We have seen how spatial planning policies have been used to guide development on the island of Jeju. Since the 1960s, the central government has positioned Jeju as a tourism hotspot, a designation motivated by a desire to revitalise the national economy and secure regime legitimacy. Although the Republic of Korea is currently under a very different political system, Jeju continues in its role as a tourist island today. In 1970, just 245,00 tourists visited Jeju; in 2016, 15,853,000 did so (제주특별자치도, 2018).

Jeju may officially be an autonomous Special Self-Governing Province, but its tourism-focused development and special economic zone status have contributed to a deterioration in the island's economic and political independence. In 2016, the Chinese government responded to the deployment of the United States Forces Korea's Terminal High Altitude Area Defense (THAAD) by banning Chinese tourist groups from visiting the Republic of Korea. This caused the number of Chinese tourists to Jeju to experience a year-on-year decrease of 1,100,000, highlighting the island's exposure to external economic and political

factors. Jeju's agricultural industry—guided in the direction of cash crops for domestic consumption by central governments in an earlier era—now struggles to function in a free trade system, as foreign low-priced cash crops flow into the Republic of Korea.

Due to its dependence on the national market system, Jeju's economy is losing its independence. The construction of Jeju Naval Base and Jeju's second airport indicate a new phase in the island's development. As in Okinawa, Japan, Jeju's geopolitical status is related to the USA's security strategy and the special relationship between the Republic of Korea and the USA. This heightens the possibility that Jeju will take on a new role as a major military base, given the emerging tensions between the USA and China over supremacy in East Asia. And as in Okinawa, these developments in Jeju have prompted protests and a social movement against the naval base (Yeo, 2018; 정영신, 2018).

The central government's development of Jeju over the past 60 years has undoubtedly helped improve the economic power of the people of Jeju (e.g. 제주특별자치도, 2018). However, Jeju residents have also become less self-sufficient and have needed to endure externally conditioned crises as a result of central government needs and failings. In situations in which economic pressures from the mainland disrupted Jeju's economy, it has proven necessary or convenient to further integrate the island's economy into the central government's national spatial development policy—perpetuating a vicious cycle of structural dependence.

Development as envisioned by the mainland was simultaneously a crucial precondition for and predicted benefit of Jeju's exceptional autonomy as a Special Self-Governing Province. Today, however, Jeju's economy is highly open to external shocks, while its citizens must adapt to rapid social change. The case of Jeju raises significant questions regarding the relationship between political autonomy on the one hand and economic and social autonomy on the other. Is it reasonable to proceed with spatial development objectives that are predicated on the needs of others if this may in fact result in a decrease in self-reliance? Is it at all possible to conceptualise Jeju as an autonomous, self-governing territory, given that it seems fully integrated within mainland Korean, regional, and global economic systems?

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