

Evaluation of Propriety of Resort Complex Development in *Gaesung*, North Korea

Youngee Lee

Institute of Korean Culture
Korea University, South Korea

Abstract: This study attempted to estimate the propriety of *Gaesung*, where located in North Korea, resort complex development through South and North Korea economic cooperation. The contents of this research are to study the necessity of resort complex development of *Gaesung* and to estimate the physical and social conditions of *Gaesung* for resort development. There were used literature study, data analysis of map and satellite picture, and survey of public opinion in order to examine propriety of *Gaesung* resort complex development. The result of research is that the physical conditions of *Gaesung* are superior, while the social conditions are inferior. It will be expected that the cost tourism development is so expensive because of poor tourism infrastructure. Therefore the resort complex development of *Gaesung* of North Korea must be incubated by South Korean public institution not private sector.

Key words: resort complex development, Propriety, South and North Korea, economic cooperation, physical conditions, social conditions.

Introduction

North Korea is presuming that the number of tourists reaches in 1,500,000 people when the development of *Gaesung* resort complex will be completed in 2011 (Yeonhap News April 21st 2004). It reveals indirectly that North Korea hopes the tourism development of *Gaesung* area is successful. The most important thing is North Korea authorities' will for South and North Korea economic cooperation. If the North Korea institutes have different view although it is business and benefit for South and North Korea both sides, it is actuality hard to propel. North Korea's plan for *Gaesung* area sightseeing can be encouragement work under realistic restriction.

This study is a basis estimation about *Gaesung* area tourism development that propels depending on *Gaesung* industrial complex development in the latter half of 2004. This research is aimed to analyze social and physical conditions of *Gaesung* area of North Korea. The main contents of this research are to study the necessity of resort complex development of *Gaesung* area and to examine the physical and social conditions of *Gaesung* area for tourist development. The types of physical conditions are topography of great upper limbs, physical aspect, climate, weather, water environment, and nature of soil. The types of social conditions are transportation, electric power, communication, legal situation, tourism resources and perception of *Gaesung* area.

There were used literature study, data analysis of map and satellite picture, and survey of public opinion in order to examine propriety of *Gaesung* resort complex development. Firstly, the literature study based on South-North

Korean literature related to *Gaesung*. Secondly, map and satellite picture analysis are used for geographical information of *Gaesung* area. In order to grasp the physical situation of *Gaesung* tourist development target area was extracted terrain, direction, form of drainage network from satellite picture, and topographical map (1:50,000) issued Japanese Empire age, topographical map(1:70,000) issued 2000. Thirdly, opinion poll about *Gaesung* area sightseeing had been executed to 300 adult man and woman more than 20 years old from January 6, 2004 to February 29, 2004. The questions of survey were consisted of total 34 items about personal opinion and sightseeing of North Korea area.

All findings of survey were treated by statistical analysis through SPSS WIN Ver10.0 program via preliminary encoding and data processing process of coding and so on. Data of this investigation was analyzed by simplicity frequency analysis about all variables. The difference by main background variable with month average income, age, sex was analyzed by method of Chi-Square verification.

Necessity of *Gaesung* Tourist Resort Development

1) Shortage of accommodation

Gaesung will be a good resort complex because of approximation to Seoul. If the boundary line of South and North Korea disappears, *Gaesung* will have a good market of Seoul metropolitan area that consumptiveness is big in South Korea. However, *Gaesung* has an old tourist hotel, folkways inn and tradition restaurant like *Nampo* and *Wonsan* of North Korea.

The biggest problem is that the number of hotel room is not enough for the tourists. There are only 93 guest rooms in *Janamsan* inn and *Gaesung* folkways inn remodeled traditional house. However, the existent accommodation can not satisfy demand in circumstance that is forecasted that the number of tourist reaches in about 440,000 in 2006-7 year (KNTC 2004). Therefore, there are needed to develop accommodations in *Gaesung* area.

According to the result of South Korean travel survey of KNTC (1999 and 2001) and the result of Seoul metropolitan area questionnaire of KDRI (2002), the condominium (48.5 percent of respondent) is preferred by South Korean tourists. This result informs that general change for accommodation is necessary. And also 29.7 percent of *Kumgang* mountain tourists preferred condominium according to the results of KDRI (2000). Therefore, there are needed to repair the existent accommodation and to build tourist resort complex in *Gaesung* area.

2) Political, Economical and Social Effect

The development of *Gaesung* resort complex can contribute to solve economical imbalance between South and North Korea and to overcome South and North

Korea cultural difference. The *Gaesung* resort complex development will contribute for Korea Peninsula peace system establishment. Even though armistice agreement of South and North Korea exists until now after Korean War, genuine meaning of Korean peace agreement is not contracted. In addition, Korea Peninsula peace is circumstance that is again threatened by the latest North Korea Nuclear weapons problem. In this circumstance, South and North Korea cooperation through *Gaesung* resort complex development may promote reconciliation of South and North Korea. Effect of sightseeing cooperation of South and North Korea was certified through the tourism development of Kumgang Mountain located in North Korea. This cooperation system construction of South and North Korea may be helpful for Korea Peninsula peace and Northeast Asia cooperation system (Lee 2003: 31).

Secondly, the development of *Gaesung* resort complex can break economic imbalance of South and North Korea. The sightseeing interchange cooperation of South and North Korea (the business of *Kumgang* Mountain) has helped in activation of North Korea economy. In the case of Pyongyang sightseeing, visitors are paying average 2,500,000 won (2,170 dollars) in 3 nights and 4 days. It is the rightful matter that this sightseeing income helps economic recovery of North Korea. This economic recovery will be able to break imbalance of South and North Korea economy at the integration step.

Thirdly, this resort complex development can be solved cultural difference at culture integration step of Korea Peninsula. The reason of inhomogeneity between South and North Korea inhabitants is no mutual interchange. There is needed heterogeneity solution and homogeneity recovery through contact for cultural integration between South and North Korea. *Gaesung* resort complex may make South and North Korea inhabitants come and go without burden and do natural mutual interchange through sightseeing.

3. The Analysis of Physical conditions of *Gaesung*

The target places of tourist development are 3 places which are *Bongdong*, inner city, *Jeonjaeri* of *Gaesung* city in North Korea. The physical conditions of topography, physical aspect, climate, weather, hydrological environment, nature of soil of these three places will be examined on the basis of the satellite picture (figure 1) and topographical map.

i) Topography

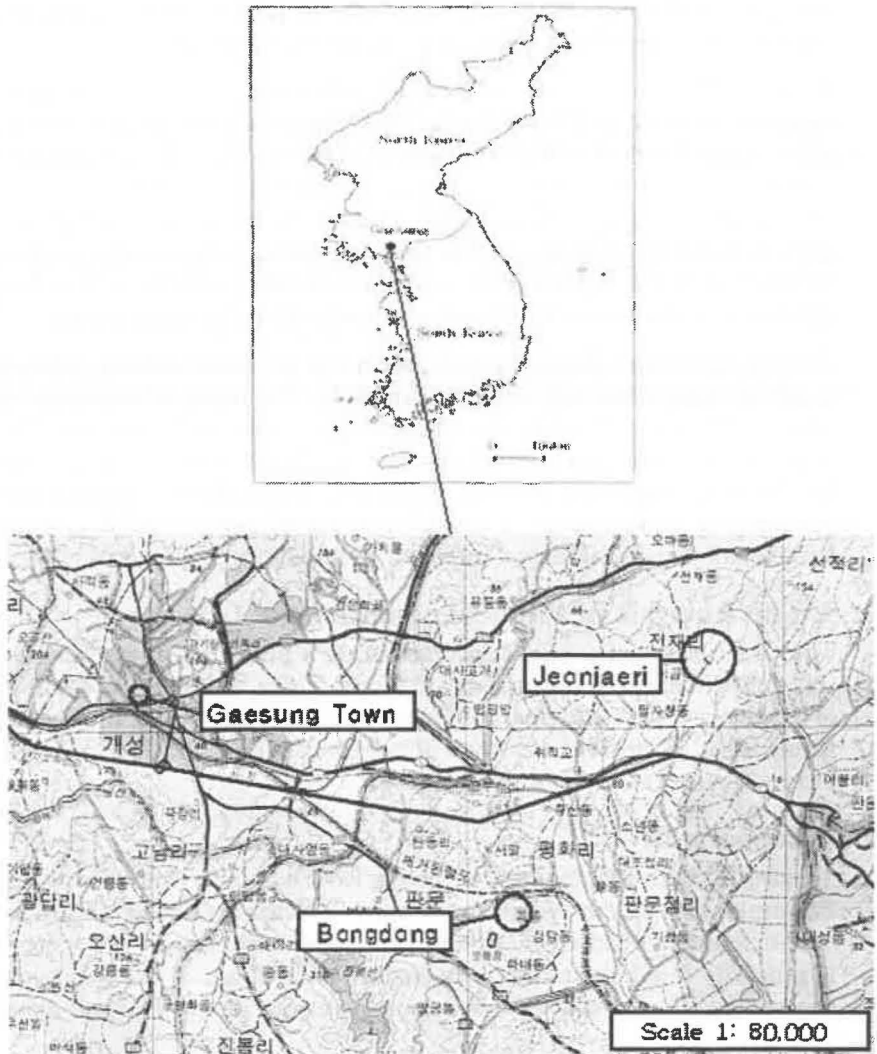
Gaesung has been situated between *Yeseong* River and *Imjin* River occupy Korea Peninsula's central part. Whole topography structure of *Gaesung* is basin form that surroundings consist of all mountains, and physical aspect of a mountain is generally low height. The topographical condition of *Gaesung* became opportunity that *Gaesung* area was selected to capital during the *Koryo* dynasty

Evaluation of Propriety of Resort Complex Development

period (10-13 century). Because *Gaesung* has *Myungdang* that is a good place of *Feungsui* (wind and water) geography.

The topography situations of development target area through the satellite picture and topographical map are as following. First, the place of *Bongdong* consists hill (height 60m) and tributary 3 streams of the *Sacheon* river. Second, the inner city of *Gaesung* that have basin topography structure. Third, the place of *Jeonjaeri* is surrounded by north, east, and south hill less than 100m.

Figure-1: The Topography Map of Tourist Development Target Area (Gaesung, North Korea)



ii) Climate/Weather

The main climate and weather of development target area is that the average precipitation of June, July, and August is some much comparing with *Seoul*. The meteorological conditions of temperature, annual range etc. are similar to *Seoul* (table 1).

Table-1: The Conditions of Climate and Weather of Gaesung area

classification	features
annual average temperature	10.3□
annual range of temperature	over 38□
average temperature in January	-5.9□
average temperature in August	24.7□
annual average precipitation	1,300-1,400mm
average precipitation in winter	below 50mm
average precipitation in summer	750-800mm
forsythia blooming	April 10 th

iii) Hydrologic Environment

The hydrologic Environment of *Gaesung* area is inferior relatively to other physical conditions. It is examined by two parts that are whole hydrologic environment of *Gaesung* and specific hydrologic environment of development target place.

First, the characteristic of whole stream channel of *Gaesung* is as below. The both side streams of *Manwoldae* and the flowing river through *Ipamdong* are flowed together in the first Y shape of a character in *Hungguk* temple. This stream is flowed again in the second Y shape of a character to the river through *Seonjukgyo*. This stream flows in *Imjin* River again and passes *Yeoncheon* and joins the *Han* River in the south of *Pajoo* (Lee 1980: 92). This pattern keeps similar form of present except the stream of *Hungguk* temple.

Second, the specific hydrologic environment characteristic of each development district is as follows. First of all, the place of *Bongdong* is possible to flood suddenly during rainy season because 3 streams (*Ungye*, *Bunji*, *Jipari*) are flowing together in nearby *Bongdong* place and the pattern of these streams is straight. In connection with this, Jaehyun Lee (Ikjaejip, the end of 12 Century) wrote that it is same marching of 3 militaries when flood occurs in summer

rainy season because all of the big and small ditch water gather in *Bongdong* place. Next the place of *Jeonjaeri* of development target is one ponds of flowing and small scale stream (called *Sacheon*). The spring water of south of *Songaksan*, and 2 streams (*Bakcheon*, *Ocheon*) consider as an available water for use but the quantity is insufficient (Choi 1992: 200).

iv) Soil

The geology of *Gaesung* development target area is consisted of *Daebo* granite and tertiary granite kind. And the soil of development target area is sandy soil and sandy loam. The place of *Bongdong* had been used as a rice paddy field until Japanese Empire age. The area of *Jeonjaeri* is utilized to deciduous forest. Specially, the west part of *Cheonmasan* and the east part of *Taedok* mountain are good relative forest conservation state. The forest is consisted of pine tree, big cone pine, maple, oak, mazard, willow, and other shrub etc. (KNTC 2002: 18).

The Analysis of Social Conditions of *Gaesung*

i) Accessibility

The accessibility of *Gaesung* is good. *Gaesung* is easy adjoining with *Seoul*. It is possible for tourists who want railway journey to travel from *Seoul* to *Shinuiju*. If the *Seoul-Shinuiju* railway railroad is reconstructed and double tracking is made, *Gaesung* will have an advantage of the location which can be developed to the hub of East Asia through the development of border line area between South and North Korea.

Main traffic facilities are *Seoul-Shinuiju* railway railroad, *Pyongyang - Gaesung* section subway, *Sinuiju - Gaesung* section road (about 8 hours by direct), 4 lines highway between *Gaesung* and *Pyongyang*, 1 degree road between *Gaesung* and *Pyongyang* and 2 degree road between *Haeju - Gaesung*. And there are train and sightseeing bus for *Gaesung* sightseeing. Now the section that train is run is *Seoul -Dorasan-Gaesung* station. The running section of sightseeing bus is *Seoul-Munsan-Gaesung*.

The situation of track traffic of development area can say that is superior relatively. Specially, if the construction of *Seoul-Shinuiju* railway railroad and state number 1 road are attained to plan, *Gaesung* will be possible access 5 hours from South Korea anywhere and 1 hour in *Seoul*. And also *Gaesung* sightseeing is forecasted as a new theme for South Korea domestic tourism.

ii) Eelectric Power and Communication

There is no entirely power plant except thermoelectric power plant of *Haeju* cement factory in *Haeju* and *Gaesung* area. The same thermoelectric power plant construction of *Pyongyang*, *Anju*, *Sariwon*, *Haeju* and *Kimchaek* etc. had

been conducted for the third 7 years design period. But there are not run except some power plant extremely such as east *Pyongyang* thermoelectric power plant. Therefore, power condition of this area seems to be a very inferior thing.

The communication of *Gaesung* is fairly inferior as other area of North Korea. It is known as military and official use, because *Gaesung* is contiguous military demarcation line. However communication service for individual is very poor. In the case of telephone, local call line is a semiautomatic system through exchange, and connection of a local telephone call or international telephone call is more difficult issue (KNTC 2001: 71).

iii) Legal situation

Gaesung resort complex must be developed according to the law of North Korea *Gaesung* industrial district. According to the law, *Gaesung* industrial district is administered as international industry, trade, commercial finance and tourist attraction area. And the law keeps regulations that South Korean, ethnic Koreans in foreign countries and foreigner who exit, entrance, stay and inhabit in *Gaesung* industrial district can travel revolution historic site, historic relics, scenic spot and national monument. This is simple law comparing to '*Kumgang* mountain tourist resort old law'. *Gaesung* develops to industrial district while the *Kumgang* mountain was developed to purpose sightseeing.

Insufficient part of the law is the regulation that can extend the land lease after expiration. This regulation has a problem that there is no automatic extension regulation. Therefore, dangerous investment still exists after expiration of land lease period. And the substantive enactment about possession guarantee for ground buildings and equipment of developer is insufficient at investment discontinuance withdrawal. South Korea will be needed to accomplish consultation to supplement shortage of *Gaesung* industrial district law. That is, South Korea must construct legal systematic device continuously to prevent the reaction or unreasonable request of North Korea about tourism and enterprise.

iv) Tourism Resources

North Korea authorities is trying to detain tourists for preparing *Gaesung* sightseeing. The archeology research institute of North Korea announced in 2001 that *Yeongtong* temple (*Yongheungdong Gaesung* city) is doing restoration constructions of 2,700³ scale in North Korea institute for Research of social science. And Korea dynasty royal tombs in *Hyeonreung* (Wanggun), *Hyeonreung* (king of Gongmin), *Anreung*, *Yangreung*, *Fireung* etc. were restored and rebuild. Also, North Korea mended the building of *Mokcheongjeon* that the first Emperor Yi Songgye had inhabited before founding of *Chosun* dynasty in 14 century and *Sungyangseowon* where is located at *Jeongmongju's* house site

in now Janamsan edge. Like this, North Korea has gradual target and plan for history relics administration and restoration.

v) Anxiety of Covered Historical Relic's Destruction

Gaesung industrial complex and resort complex development target areas have 15 historical relic places including *Heungwangsa* and *Gaeguksa* temple site of Korea dynasty. Investigation for culture relics should be preceded before development work to keep away destruction of these historical relics. Specially, the place of *Jeonjaeri* should be investigated as the site of *Jeonjae* palace (Hwanghaebukdo 2002: 426) that had been a temporary palace of Korea dynasty.

vi) Human Resources on Tourism Industry

It is predicted the problem that supply of worker is not enough in gear with *Gaesung* industrial complex operation time because the population is about 380,000 persons including *Gaepung*, *Panmun* and *Jangpung* (Lim 2000: 46-48). The population of *Gaesung* area is about one million persons including unites population of neighborhood *Haeju* and *Sariwon*. It is fairly less than *Pyongyang-Nampo* area (4,500,000 persons). So it can be said that education and technological level of labor manpower are low specially. And the North Korea authorities are training the guidance agent, reception service agent, professional cook through the professional laborer school (KNTC 2000: 82). North Korea has managed department of hotel, guide, cooks, foreign language in 3 universities (Pyongyang Commerce University, Pyongyang Foreign Language University, and Chungjin Commerce University).

vii) Perception of *Gaesung* Area

Gaesung area is not well known to ordinary South Korean. According to the result of survey (2004) of South Korean public opinion about *Gaesung* sightseeing, only 4 percent of respondents want to travel to *Gaesung*. This result is similar to the survey of KDRI (2002) that the degree of preference were as following: Mt. *Baekdu* 28.1 percent, *Kumgang* mountain 23.2 percent, *Pyongyang* 20.6 percent, demilitarized zone 8.3 percent, *Gaesung* 4.7 percent and *Gaemagowon* 4.7 percent. Therefore, *Gaesung* must be needed to advertise *Gaesung* itself because the degree of perception of *Gaesung* is low.

Conclusion

The result of estimation of *Gaesung* is that the condition of physical situation is superior and the condition of social situation is inferior. According to the result of this study, it is expected that the cost of tourism development is expensive because *Gaesung* have an inferior social conditions of electric power, communication and infrastructure. If a private enterprise invests into sightseeing base facilities in *Gaesung*, the risk of investment will be so big because of circumstance that can not expect short term profit. It will make

private enterprise's existence shake. Therefore, tourism business to North Korea must be incubated by South Korean government or public institution as if government incubates venture business.

If *Gaesung* resort complex development work is achieved by government's persistent support and supplements of social and legal situation, it will have huge effect in South and North Korea coexistence. And also the possibility of its success unlike *Najin-Sunbong* district of North Korea will be high as follows.

First, it coincides with the economic policy change direction of North Korea. There is a request and necessity that North Korea must present new blueprint which turns strong economy and prosperous state construction for 21st century. Therefore, North Korea expects to prefer tourist resort development method by South Korea capital because North Korea which is a situation immersing to poverty trap of inferior investment. The development method of limited specific region through opening markets will be able to keep socialism structure of North Korea and recover the economy of North Korea short period. Because *Gaesung* resort complex is far away from *Pyong-yang*, it makes 'pollution of ideology' prevent. And it will be able to recover the economy of North Korea by a capital and technology of South Korea (Lee, 2002).

Second, there is a big advantage in economical and geographical side.

Gaesung, where is near capitalism society of South Korea, unlike *Najin-Sunbong* and *Sinuiju* have geographical situation that can become successful special economic zone such as *Sanghi* and *Sunjeon* of China (Nam, 2003, 2). *Gaesung* is a substance of traffic that Seoul-Shinuiju railway passes to Korea Peninsula's central area and will be used hinterland of Seoul. Also, if *Seoul-Shinuiju* railway is reconstructed, it can be linked to *Sariwon-Pyongyang-Shinuiju* and is extended to the China going forward. And *Gaesung* is easier to connect electric power, railroad, road and water of South Korea than some area in North Korea. Also, the potential demand will be high because *Gaesung*, as a center part of ㄷ axis line of Korea Peninsula country, passes *Seoul-Shinuiju* railway and adjoins large *Seoul* (about 70km distance from *Gaesung*) and capital region. Moreover, if *Seoul-Shinuiju* railway and road constructs, *Gaesung* will have an advantage of the location and to 'setting an example only' of South-North Korea economic activities and 'position' (Hub) that guides Korea Peninsula economic bloc formation and Northeast Asia economy center. And also it will link huge south and north Korea economy axis which joins *Pusan-Seoul-Gaesung-Pyongyang-Sinuiju* through complex construction of South and North Korea border line area.

Third, *Gaesung* is better than other place of North Korea for investor. The income tax rates of duty for SOC facilities did decrease from 14 percent to 10 percent. There are provided impetus of free means of communication use and

Evaluation of Propriety of Resort Complex Development

foreign money permission, and advertising business permission etc. Also, the law of *Gaesung* industrial district permits investor and employee's prolonged stay, protects on investment and long-term land use symptoms guarantee of 50 years.

References

- DRI (Kyunggi Development Research Institution), (2002). The Activation plan of South and North Korea Sightseeing Cooperation Through Land Route Sightseeing - The Gradual Construction Plan of Cooperation Base and The ripple effect analysis -. Seoul : KDRI.
- Kim, C. W. (2003), The Present Tourism Condition between North Korea and China, and the Tourism Industry Cooperation of South and North Korea. The Seminar of Tourism Academic Conference. Seoul : Kyunghee University.
- Kim, G. D. (2003). Feung-sui (wind and water) Geography and Transfer of the Capital of Gaekyung (Gaesung) and Seokyeong (Pyongyang) Koryo Dynasty Period. The Proceeding Paper of Korean History Society, Seoul.
- Kim, Y. Y. (2003). The Prospect and Movement of Tourism Development in North Korea. The Seminar of Tourism Academic Conference, 66.
- Nam, S. U. (2003). Efficient Gaesung Industrial Complex Development and an Outlook. Seoul.
- Protection Office of Cultural Properties, (1985). Actual Condition and Present Condition of North Korea Cultural Asset. Seoul : POCP.
- Ministry of Justice, (May, 2003). The Analysis of Gaesung Industrial District Law in North Korea. Seoul : Ministry of Justice.
- Ministry of Justice, (May, 2003). The Analysis of North Korea Kungang Mountain Tourist Resort Law. Seoul : Ministry of Justice.
- Seo, H. S. (1994). North Korean's Company Life and Labor. Seoul : Ministry of Information.
- Lee, B. D. (1980). A Study of Korea Dynasty Period. Seoul : Ulumoonhwasa.
- Lee, K. G. (Jun 3rd 2002). *How does Gaesung Industrial Complex develop?* Chosun Daily Newspaper. Seoul.
- Lee, G. J. (2003). Tourism Cooperation of South and North Korea for Center of North East Asia. The Seminar of Tourism Academic Conference, 31.
- Lee, T. J. (2000). Propriety and Problem of Gaesung Special Economic Zone Development. Unity and Country. Korean Land Construction.
- Lim, G. T. (1999). Link Possibility of Gaesung Industrial Complex and Seoul-Inchon Industrial Area. Unity Korea, Peace Problem Research Institute.
- Choi, C. J. (1992). Philosophy of Korean Feungsui Geography. Seoul : Mineumsa.
- KNTC (Korea National Tourism Corporation), (2000). The Comparative Analysis of Tourism Industry Opening Pattern of North Korea: Case Study of Cuba and Vietnam. Seoul : KNTC.
- KNTC, (2001). The Extension Possibility of Special Economic Zone of North Korea. Seoul : KNTC.

KNTC, (2002). Feasibility Study of Gaesung and Pajoo Tourist Development -Development, Preservation, Tourism Resources. Seoul : KNTO.

KNTO, (2004). The Device of Gaesung Sightseeing Rearing for The Preparation of Gaesung Industrial Complex Development. Seoul : KNTO.

Hwanghaebukdo(2002). Place Name Dictionary, Pyongyang : Science Encyclopedic Dictionary Publishing Company.

Gaesung Topographical Map (1918). 1:50,000 Scale. South Korea.

Gaesung Topographical Map (2000). 1:70,000 Scale. South Korea.

Gaesung Satellite Picture.

About the Author

Younghee Lee has done her Ph.D. Tourism Geography, The Graduate School, Dongguk, University, Seoul, South Korea and worked as Post-Doctoral Research Fellow with Tourism Research Group, University of Exeter, U.K. She is Research Assistant Professor in Institute of Korean Culture, Korea University, South Korea.

Evaluation of Propriety of Resort Complex Development