In Japan, entering the 2000s, the reconstruction of national and local government finance became a matter of priority, and local tax allocation was greatly reduced via the cessation of borrowing from the tax allocation special account. The local government finance adjustment function has weakened, and has become a principal cause of the “overconcentration in Tokyo”. In the ROK, entering the 2000s, the local tax allocation was increased greatly via the raising of the statutory rate. In contrast to Japan, the local government finance adjustment function has strengthened, and accompanying the seepage of manufacturing industry to the areas adjoining the capital region, they are applying the brakes to the “capital region overconcentration”. [Translated by ERINA]