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## Kandidatspeciale

**Uddannelse:** By, Bolig og Bosætning

**Semester:** 4. Semester

**Titel på projekt:** Urban Development and  
Regeneration in Seoul: Adaptions to  
Globalization and the Growing Service Economy  
- The Case of Mulla-dong

**Projektperiode:** 10.02.17 – 14.08.17

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**Afleveringsdato:** 14/8-2017

### Resume:

Beginning in early 1960's, South Korea experienced rapid economic growth, and transformed from a country devastated by war into a wealthy and industrialized country. By applying an industrial strategy, which favored and nourished a few companies, the Chaebols, economic growth was pursued in the domestic markets. Urban areas was first and foremost seen as areas of growth and especially Seoul experienced a rapid urbanization. In later years, the strategy for economic growth has changed, and investments in research and development has increased. This thesis is about urban development and regeneration schemes in Seoul. Due to Korea's rapid economic growth, fast adaptations in urban development policies and implementation plans have been and still is a pressing issue for the government. Focus must constantly shift to accommodate the ever-changing circumstances. This is what makes Seoul and the area of Mulla-dong, the case of the thesis, interesting to study. Through analysis, four different urban development schemes is identified. It's highlighted, that early urban development schemes were characterized by strong government involvement, whereas later schemes have expanded the governance structures, so that parts of civil society also are included. In this regard it's concluded that urban development has tapped into the overall economic growth strategy, and early schemes has thus been characterized by a favoritism of the Chaebols. Focusing on the case of Mulla-dong it's highlighted that new approaches towards urban development in Seoul, favors a community-based approach. In contrast to previous schemes, the current scheme includes new stakeholders and thereby break with previous rationales. Effects of gentrification are so far mild - especially in comparison to previous schemes. However, problems can arise when, local residents have to leave, due to an increase in housing prices. Evidence from Mulla-dong indicates, that property owners and developers have starting to gain interest in the area, and some residents have already had to move out.

# Urban Development and Regeneration in Seoul: Adaptions to Globalization and the Growing Service Economy

THE CASE OF MULLAE-DONG

Simon Peter Kondrup Larsen

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Thesis



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## *Abstract*

Beginning in early 1960's, South Korea experienced rapid economic growth, and transformed from a country devastated by war into a wealthy and industrialized country. By applying an industrial strategy, which favored and nourished a few companies, the Chaebols, economic growth was pursued in the domestic markets. Urban areas was first and foremost seen as areas of growth and especially Seoul experienced a rapid urbanization. In later years, the strategy for economic growth has changed, and investments in research and development has increased.

This thesis is about urban development and regeneration schemes in Seoul. Due to Korea's rapid economic growth, fast adaptations in urban development policies and implementation plans have been and still is a pressing issue for the government. Focus must constantly shift to accommodate the ever-changing circumstances. This is what makes Seoul and the area of Mulla-dong, the case of the thesis, interesting to study.

Through analysis, four different urban development schemes is identified. It's highlighted, that early urban development schemes were characterized by strong government involvement, whereas later schemes have expanded the governance structures, so that parts of civil society also are included. In this regard it's concluded that urban development has tapped into the overall economic growth strategy, and early schemes has thus been characterized by a favoritism of the Chaebols. Focusing on the case of Mulla-dong it's highlighted that new approaches towards urban development in Seoul, favors a community-based approach. In contrast to previous schemes, the current scheme includes new stakeholders and thereby break with previous rationales. Effects of gentrification are so far mild - especially in comparison to previous schemes. However, problems can arise when, local residents have to leave, due to an increase in housing prices. Evidence from Mulla-dong indicates, that property owners and developers have starting to gain interest in the area, and some residents have already had to move out.

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## 1. Introduction and statement of problem

This thesis is about urban development and regeneration schemes in Seoul, South Korea. Due to Korea's rapid economic growth, fast adaptations in urban development policies and implementation plans have been and still is a pressing issue for the government, the Chaebols – the large Korean conglomerates, that dominate business and industry - and all the other stakeholders in society. With more at risk (because of strong growth) and much less time (Korea has transformed into a full member of the rich world in a generation) it is much costlier, compared to urban development in Western Europe. Nevertheless, policies and implementation focus must constantly shift to accommodate the ever-changing circumstances. This is what makes Seoul and the area of Mulla-dong, the case of the thesis, interesting to study.

### 1.1. Rapid Economic Development means Rapid Urban Development

The end of the World War II meant an end to the Japanese rule in South Korea, but also a time with shifting regimes. The Korean War erupted and the country was divided. A successful coup d'état in 1961 led to almost 30 years of rule by Park Chung-hee (Savada et al. 1992: 38). The regime was overthrown in 1987 after massive protests and the democratic nation of South Korea (Hereafter Korea) was born. During the Park Chung-hee era, Korea experienced one of the fastest economic growth ever seen and became known as an 'Asian tiger economy' (Kim 2011: 57). In 1960 per capita income in Korea was on par with Western African nations like Ghana, and in 1990 Korea surpassed Portugal. Focusing on light-industry and later heavy and chemical industries, the regime secured economic growth by protecting and nourishing a selection of large conglomerates, also known as Chaebols. (Kim & Park 2011: 265).

The rapid development in South Korea also meant a rapid urbanization and Seoul quickly became the central hub in the country. Today, a majority of the 50 million Koreans, live in the Seoul Metropolitan area (Reed 2010: 4). Seoul's first role, so to speak, was to be the locomotive of industrialization of South Korea, but since 1990, this has changed. Now Seoul is in the making of becoming a global city, in a nation dominated by high-tech and services. A major achievement was the organization of the Seoul Olympics in 1988. This and other major events have put Seoul on the world map. The image of a global, cosmopolitan city in competition with other global cities also affects the city itself and the residents within. The middle and upper classes now constitute a much larger share of the residents. On top of this, foreign companies and residents in increasing numbers settle in the city (Kim & Han 2011:146). This in turn accelerate the interest of developers to change and develop inner-city neighborhoods.

One of these neighborhoods which ripe for change and development happens to be the case of this thesis, namely the district of Mullaе-dong. Situated just south of the Han River and near one of Seoul's central business districts, the area has a long history as an industrial neighborhood, starting with textile factories during the Japanese colonial rule (Choi 2015: 36). During the Park Chung-hee regime, the area was transformed into a steel industrial park (ibid.). As a result, many factories were constructed in Mullaе-dong, and the area became the primary area for steel production in Korea (The Japan Foundation 2013). Residential neighborhoods were also constructed to house the labor force of the growing steel industry, but by the end of 1980's and start 1990's the industrial era of South Korea started to decline, and as a result, much of the industry in Mullaе-dong vanished (ibid.). Throughout the 1990's many factories were abandoned, and the area faced urban development through demolition of the empty grounds (Lee 2015: 9). By the beginning of the 00's a new group of creative people started moving into these empty buildings (Choi 2015: 37).

Today more than 200 artists are based in Mullaе-dong. The steel industry is still there – although on a much smaller scale. Several cultural events are now happening in the area. Most notable is the Mullaе Art Festival, but many music venues are also situated in Mullaе. The transformation of Mullaе-dong is visible both in the urban environment as well as in the rhythm of the area. Cafes and new restaurants are opening, and the area is visited by tourists and residents from other neighborhoods on weekdays as well as weekends.

The transformation of Mullaе-dong is a mirror of current urban development schemes in Seoul and even Korea in general. Industrialized inner-city neighborhoods successfully transformed into a culturally exciting and lively area, at least on the surface. Mullaе-dong can be thought of, as the forefront of the urban regeneration process in Seoul. By focusing on a district, which is not yet developed, it becomes possible to trace the dynamics of urban regeneration and thereby indicate what drives the process. However, to understand this process truly, we must view the transformation critically. The first object of this study is to understand the urban development and regeneration processes that have transformed Seoul and Mullaе-dong. In other words, the first question the thesis attempts to answer is:

*Which processes of urban development and regeneration from the 1960's and onwards have impacted Seoul and what are their characteristics in terms of purpose, tools, stakeholder engagement and adaption to the overall economic circumstances?*

Answering this question is an exercise, in analyzing physical changes in Seoul and Mullae-dong and changes in the role of the Korean government and Seoul Metropolitan Government (SMG). The question furthermore focuses on policy objectives and circumstances. These are the first items to be examined in the analysis. The following part will focus on the consequences of the transformation.

## 1.2. Gentrification, what gentrification?

The rapid urban transformation in Seoul has also caused a process of gentrification in inner-city neighborhoods (Kim & Han 2011: 146). Redevelopment schemes of the Seoul Metropolitan Government often favor large developers and thereby stress the consequences of gentrification in Seoul (Shin 2006) (Shin 2009). Other studies also find the same pattern, and conclude that gentrification in Seoul can be characterized as owner-initiated gentrification (Lee et al. 2003). Other scholars apply the methodical approach of case studies, and by focusing on the area of Gyeongridan in Seoul, they find that the gentrification in Seoul take a commercial form, whereby tenants are “forced” to move (Jeong et al. 2015). Another case study focuses on the district of Itaewon, but emphasizes the positive outcomes of the gentrification process, and concludes that it led to a revitalization of the district (Kim 2016). The academic scholar, Seong-Kyu Ha, is especially active in the study of gentrification and is critical towards the development. Ha stresses that the government policy has serious impact for the people who experience evictions as a consequence (Ha 2001). In another article, Ha highlights that the government policy lacks inclusion - especially of the most vulnerable groups (Ha 2004b). In a later article, Ha argues for a more sustainable urban development in Seoul, but highlights that this requires a mobilizing of residents and local governments (Ha 2007).

This is the consensus view found in the academic literature. Rapid urban transformation means rapid and vigorous gentrification imposed by the government in a top-down regeneration process, but most studies on gentrification have focused on North America and Western Europe. Gentrification is a relatively unstudied field in Seoul and because it is set in another cultural and historical context, we cannot expect the process of gentrification to be similar the experiences in the West. The term, gentrification, is not a fixed term, and the causes of gentrification is widely discussed in the academic literature. In general, most processes of gentrification involve the transformation of an urban area in regard to psychical environment and population. The results of gentrification are, just as the causes, also widely discussed. One of the most common consequences is the displacements of residents, due to rising property prices.

The rapid economic growth in Seoul has certainly led to a demographic transformation from low-income to middle-income; from blue-collar to professionals. Homeownership has been expanded vastly and property prices have risen. This has taken place within few generations, which has changed the psychical environment and the social environment of Seoul greatly. The impact of previous gentrification schemes has been covered by several academic scholars. However, the impact of current urban redevelopment schemes has received less attention. The second question of this thesis attempts to answer:

*Based on the case of Mullae dong, is gentrification as a term applicable to describe the current approach to urban development in Seoul?*

To answer this question, the thesis will examine the regeneration of Mullae-dong in Seoul since the start of the 00's and up until now. Previous research on urban development in Seoul have focused on districts, which have already undergone a redevelopment process, thereby applying a retro perspective. By examining a non-developed neighborhood like Mullae-dong, the process of urban development becomes more apparent. Mullae-dong is also an area, which stands out in contrast to the neighboring districts. The process may therefore stand out clearer - in both the psychical and demographic sense.

Put together, the following **statement of problem** is presented;

*Which processes of urban development and regeneration from the 1960's and onwards have impacted Seoul and what are their characteristics in terms of purpose, tools, stakeholder engagement and adaption to the overall economic circumstances? And based on the case of Mullae dong, is gentrification as a term applicable to describe the current approach to urban regeneration in Seoul?*

### 1.3. Thesis Structure

In chapter 2, the overall research design, methodological reflections and the use of data will be presented. The purpose is to highlight how data has been selected and used in order to answer the statement of problem. The choice of case study and interviews as a data source will be discussed as well as the overall scientific approach.

Chapter 3 highlights the theoretical framework used in the thesis. In order to understand gentrification in the context of Korea, a general discussion of the term is conducted. Introducing the theories of David Ley and Neil Smith, the driving forces behind gentrification are highlighted. Based on previous studies and Neil Smiths explanation of “three waves” of gentrification in the Anglo-American context, the urban development of Korea is shortly outlined in regard to gentrification.

Chapter 4 presents the historical, economic and demographic development of Korea and Seoul. Setting the context of Korea, the most important developments are presented, and thus contribute to the understanding of urban development in Seoul.

Chapter 5 introduces an analysis of previous and current approaches to urban development. By analysing the purpose, tools and stakeholder engagement of three different approaches, chapter 5 attempts to answer the first question of the thesis.

Chapter 6 is based on an in-depth analysis of Mullae-dong, which is regarded as the forefront of current approaches towards urban regeneration. Using the theories on gentrification, the outcomes of the current approach to urban regeneration in Seoul is analysed. The chapter ends with a short discussion of future perspectives.

Chapter 7 presents the conclusions of the thesis.

## 2. Methodological approach and research design

The following chapter focuses on the methodological approach - ranging from philosophy of science to the specific methodological reflections.

The purpose of this section is to give an overview of the whole process from selecting the specific case to interpretation of data. In this process, a discussion of the pros and cons of the chosen methods will be conducted, including alternative ways to overcome these and which precautions one should have, when reading the thesis.

### 2.1. Philosophy of Science

Before encountering on the specific methods chosen, the overall scientific approach will be presented. Discussing epistemology and ontology, the following section aims at giving insight to how knowledge is conceded, and in broader terms how reality is conceded.

The thesis is based on the philosophical approach called *critical realism*. This scientific tradition highlights a so-called realistic ontology, in which existence of a material reality, regardless of the human experience of it, is acknowledged. This approach is familiar in natural sciences, and in this regard critical realism is similar to the tradition of positivism. As the name implies, critical realism adapts a critical approach, whereas the positivistic ideal relies on the belief that science can achieve real objective knowledge of reality. Critical realism is of the belief, that we as people in society have an epistemological limited access to reality (Buch-Hansen og Nielsen 2005: 278). Due to the limited access to reality, it's the epistemological task of science to gain insight into this. Critical realism distinguishes between two dimensions of reality - the transitive and the intransitive. The transitive dimension consists of the objects present at a given time, which is necessary in order to create new knowledge. In this way, science must be based on the transitive dimension, as it has an epistemological insight into this dimension.

The intransitive dimension, on the other hand, consists of the objects in which science has no epistemological access, and it's therefore the task of science to gain insight (Buch-Hansen og Nielsen 2005: 285). Buch-Hansen and Nielsen define the objective of science in critical realism, as follows:

*"(...) conduct a movement from knowledge of observable phenomena on the surface of reality to knowledge of the structures and mechanisms that generate these phenomena"* (Buch-Hansen og Nielsen 2005.:285)

(Ed. Translated).

Science must be considered a socially produced product, and new knowledge must be based on existing knowledge. It is important, however, to keep in mind that knowledge is historically conditioned and at the same fallible (Buch-Hansen og Nielsen 2005: 285). As mentioned, critical realism states that it's important to uncover the deeper structures and mechanisms, which could lead to the assumption that critical realism applies a structural approach, in terms of the "structure-agency" relationship. In critical realism though, a "morphogenetic approach" is established, focusing on the interaction between agents and structures over time (Buch-Hansen og Nielsen 2005: 292). This combination must be understood as an endless series of cycles in which structural conditions, social interactions and structural developments take place. Critical realism therefore perceives structures as conditioning of social interaction, but never determinant (Buch-Hansen og Nielsen 2005: 293).

In relation to the more specific methods, the choice of critical realism implies that an abductive methodological approach is chosen (Buch-Hansen og Nielsen 2005: 304). The transitive dimension can already be observed, and a motion from conclusions to premises, which typically are at the deeper intransitive level, is preferred. Where an inductive approach allows insight into the transitive dimension, a deductive approach is also necessary to gain access into the intransitive dimension. A further implication of critical realism is the importance of extraordinary events, such as crises and transitions, which must be the focus of science (Buch-Hansen og Nielsen 2005: 306). In such events, key conditions in society become clearer and therefore a higher level of general knowledge can be generated.

The choice of critical realism implies a research process, which aims at uncovering the underlying structures that constitute urban regeneration in Mullae-dong. The first part of the research process therefore consists of the observed data in the transitive dimension - also called the actual domain. Presenting this domain allows an analysis of it and thereby makes it the actual domain the subject of the study. Through analysis, it then becomes possible to gain insight into the intransitive dimension and the underlying structures and processes. Focus will thus first be on the actual domain and later on the intransitive dimension.

In this process five steps can be applied. First an introduction and statement of the problem offers an immediate experience and understanding of why an examination of urban regeneration in Mullae-dong is important, and how it can be perceived. The next step is conducting a characteristic of the field of interest, which entails both an introduction to the overall context of Korea, Seoul and Mullae-dong, but also an introduction to the different processes and structures relevant to the subject, such as the political system, and how it works in relation to urban regeneration schemes.

The third step consists of the actual collection of data - both primary and secondary sources. The primary data consist of interviews with stakeholders, quantitative data, and an anthropological method in terms of



observation. Secondary data is of great importance for the thesis as well, because of the limited access to the field. The fourth step involves a methodological abduction, where the data is systematically analysed, and held against theory on the subject. By doing so, it becomes possible to identify the underlying mechanism in the field and how they affect the urban regeneration scheme in Seoul. Finally, a hypothetical conclusion is presented, which points at the tendencies and mechanisms that apply in relation to urban regeneration in Mullae-dong. The reason for the hypothetical conclusion, is that critical realism proclaims that causal relations aren't unambiguous and final.

## 2.2. Research design

In this thesis, a case study has been chosen as research design because it allows an in-depth and intensive analysis of urban regeneration in Mullae-dong. However, an implication of the case study, which is often highlighted, is the limited opportunity to generalize the findings. While acknowledging this, arguments can be found in the theories of Bent Flyvbjerg. According to Flyvbjerg, the purpose of social sciences is not merely to create generalization, but also an acceptance and acknowledgment of the context-dependent knowledge, which is generated when using case studies (Flyvbjerg 2010: 468). Opposite natural sciences, studies in social sciences are at an "eternal beginning", where only specific cases and context-dependent knowledge is available, and it's therefore not the purpose to search for predictive and universal terms and theory (Flyvbjerg 2010: 468-69). Flyvbjerg acknowledges that non-case studies have the ability to generalize, but at the same time argues, that the case study can be more useful in understanding a given subject. Flyvbjerg argues, that in the perspective of understanding and taking action, it's often more important to clarify the deeper causes behind a given problem and its consequences, than to describe the symptoms of the problem and the frequency with which they occur (Flyvbjerg 2010: 473). One important point which Flyvbjerg makes, is the importance of selecting the right case and clarify how it relates to the purpose of the research design (Flyvbjerg 2010: 475).

In this thesis, the case of Mullae-dong has been chosen, and using the terminology of Flyvbjerg, it's argued that Mullae-dong represents a pragmatic case. The purpose of the pragmatic case is to develop a model example within a given area of interest. In other words, the case serves as a reference point or as a way of shedding light on specific characteristics in the society as a whole. A strength of selecting Mullae-dong is therefore that it illustrates a basic development in Seoul, which a case randomly chosen couldn't.

Mullae-dong is interesting in a pragmatic way, because it's one of the few central areas in Seoul, which has not yet been subject to regeneration. The area is on the forefront of the development in Seoul, and the future of urban regeneration is therefore possible to observe here. Mullae-dong represents a set of general

urban development trends, where the approach is more reliant on cultural regeneration. In this regard, Mullae-dong is considered as a pragmatic case, which can be valuable to examine, in order to understand the future of urban regeneration policies in Seoul.

Although the theoretical framework of Flyvbjerg has served as a guideline in the selection of Mullae-dong as a case, the impact of network also has to be mentioned. I first learned about Mullae-dong, when I lived in Seoul during a semester abroad. In relation to this, my professor at that given time took the class for an excursion to Mullae-dong as part of the course. Drawing on the experiences of my professor, the selection of Mullae-dong was thereby biased, and my selection was partly influenced by second-hand knowledge. Another factor, which has to be taken into account, is convenience. Being a European in Korea, many barriers have to be overcome - also in relation to the academic world. One of these barriers is the language, which means that many locals don't speak or write English - this applies to public officials as well. Using your personal and social network therefore enables a privilege access, which not many visitors are offered. Relying on network can prove convenient when working in the field, but at the same time it entails a couple of challenges for the study: Being influenced by my professor's outlook, personal relations to people involved, and a less critical approach in situations of interviews etc. Because of the methodological challenges in selecting this particular case, a broad research on Mullae-dong has been conducted, as well as thorough research into urban regeneration in Korea.

I have furthermore sought to distance myself from the personal relations and networks and merely used them in the role as a gatekeeper. Finally, I've used a well-known and accredited theory, to gain insight, which has not been context-dependent. The theory has also been useful in situations of interviews, which implies a semi-structured approach where questions have been operationalized beforehand. In the following, a further explanation of the data used in this thesis will be presented.

### 2.3. Qualitative data

The following section describes the gathering of data, as well as the use of it. A variety of data has been gathered and generated, respectively: Expert interviews, informant interviews, statistical data, maps, reports, and articles regarding urban regeneration in Seoul - mainly from the Seoul Metropolitan Government.

One of these data sources is qualitative interviews - in the form of both expert and informant interviews. Interviews with academics, who have specific and detailed knowledge on the subject, as well as informants

and key stakeholders in the area of Mulla-dong have been sought. The process of setting up interviews has however been a great obstacle, and the many challenges herein will be explained.

### *2.3.1. Expert interviews*

Expert interviews on the subject of urban regeneration in Seoul and the East Asian context have been sought in order to retrieve new and detailed perspectives on the previous and current development of regeneration in Seoul. Given their expertise on the subject, the experts have contributed with knowledge about the overall processes, and the interviews have been sought in order to gain insight into the processes of regeneration and especially the composition of stakeholders in the process. The rationale behind conducting expert interviews is that information about processes and details about governance structures, economic dispositions, budgets etc. have been challenging to access through official channels. Official channels such as the SMG or other government related institutions only release information about the overall scope and vision of such projects - especially in the case of current approaches towards urban regeneration. The expert interviews have two purposes; 1) To gain insight into the newest research on the area and at the same time allow critical and follow-up questions, which aren't an opportunity otherwise. 2) Getting information, which has not otherwise been available to me.

Given the context of Korea and many cultural differences, the process of gathering information and data has had some challenges, the language barrier being one of them. Even though some data has been available in English, many Korean researchers and academics on the subject are only published in Korean with no translations available. The interview is therefore also a way of getting insight into the field of study, without the need of translation and the resources related with that. Even though there are tools, which can provide a translation from Korean to English, these translations are often filled with a certain amount of errors - especially when translating between languages as different as Korean and English.

Researchers selected for interview have been chosen based on their previous research on the area. In other words, there have been academic reasoning for the selection. Practically, this has meant that information about their research has been gathered through a literature review. Finally, 24 researchers were selected - In appendix 1, an overview is displayed, along with their contribution to this thesis. The first encounter with the interviewees was through a formal e-mail, in which the scope of the thesis was explained along with a set of hypotheses. The e-mail was rounded off, with an interview request - on their terms. Despite several emails, many researchers didn't answer, nor did they accept or decline the inquiry and as a

result the interview was cancelled. A substantial number of researchers answered, but many declined the interview and instead referred to articles or, in most cases, to public officials. Through these email exchanges, new data has been offered in form of non-published articles. Furthermore, several of the researches gave a short-written answer on email, in which their perspective on the current development of urban regeneration in Seoul was given.

The reasons for the vast majority of rejection, has to be taken into consideration. It's difficult to grasp upon the unanswered emails, but the importance of holidays has to be taken into account. Another lesson in this process is the importance of the language barrier and personal relations/contacts. While writing the thesis, I've been located in Denmark and the long distance to the field of Korea has furthermore presented itself as a challenge due to the time difference. In this regard, some interviews have been declined due to the distance. Others have mentioned time resources as an argument, while others haven't felt competent enough. For the transparency of this thesis, a table in appendix 1 indicates the inquiries for interviews and the outcomes of these. Furthermore, all e-mails are attached in appendix 7. Due to the lack of success with gathering research for expert interviews, focus has been put on documents and in-depth analysis of these. As the process of gathering interviews moved forward, the methodological approach in the thesis was adjusted, and more focus was put on other data sources. The lack of data in terms of expert interviews has to be taken into account, and the validity of the thesis must be regarded as lower. In the following section, the process of gathering informant interviews is presented.

### *2.3.2. Informant Interviews*

Where the expert interviews sought to get insight into the broader context of urban regeneration in Seoul and the East Asian context, the informant interviews has sought to gain insight into the specific context of Mulla-dong. It has been important to select stakeholders with a direct connection to the area and the development. The purpose of these has been to get insight into the roles and perspectives of the different agents involved in the process. This has been important, because availability of such information has been limited - either because of language barriers or simply that the material hasn't been published. Another purpose has been to get the perspectives of those directly involved, and learn about their experience of the project. This has especially been important for the agents in the civil-society. In these cases, focus has been on uncovering the "facts" about their involvement in the urban regeneration process, such as participation, rent level etc. Less focus has been on their phenomenological perspective.

In the process of selecting relevant informants, a set of institutions have been selected through research on the planning system in Seoul. In this process, one of the most important institutions has been the SMG and their think tank, Seoul Institution. As with the expert interview, the first inquiry was made through e-mail. Despite several requests, the only answer from SMG was a reference to the 2030 Seoul Master Plan. An attempt to establish contact with the Yeongdeungpo-gu was made but with the same outcome. Another key institution in Mullaedong is the Seoul Art Space Mullaedong, which is a government-led institution promoting art and culture in Mullaedong. Formal inquiries have also been made here, but with no outcome.

As an alternative strategy towards getting informants for interviews, a network approach has been applied. Through personal contacts in Seoul, three residents in the area with direct link to Mullaedong have been chosen. One interview was conducted using the video service Skype, while the others were sent a translated script of the interview guide. This was done because of limited English proficiency. The networking or snowball-effect approach has its strength, because getting in contact with the key stakeholders has proven difficult. This approach is also in danger of not getting the right informants, and an element of coincidence has to be taken into account.

An important agent in urban development in Seoul are the private developers. Gaining insight into their role, was quite difficult. The purpose of the interviews with these informants was to bring details of the private developers, which in the case of Seoul, has shown to be influential. In terms of the specific process of urban regeneration in Mullaedong, it seems that private developers aren't involved yet, as no physical development has taken place at this point. That being said, the perspectives of private developers could have given insight into the broader dynamics and the relations between SMG and the private developers. As a result, secondary data has been used to get information about this relationship.

### *2.3.3. Semi-structured interviews*

Semi-structured interviews have been conducted because of its ability to structure the interview, and at the same time open up for new perspectives. In this way, the semi-structured interview functions a methodological abduction, which combines the inductive and deductive character of the research design. An interview guide was formulated beforehand, but the interviews had an open character, and deviations from the guide was handled in an open manner. Furthermore, the interviewee was given the opportunity to fill in with their own words and counter-question.

The interview guide is based on the empirical knowledge gathered beforehand and on the theoretical framework. Interview-guides have been prepared and adapted to the specific context. Three different interview guides were made in order to cover three different groups of stakeholders: 1. Researcher interview guide 2. Interview guide for public informant 3. Interview guide for residents in Mullae-dong. As mentioned earlier, two of the interviews, were challenged by a language barrier, and a translation of the interview guide had to be made. The translation was conducted by social contact in Korea. Though not being a certified translator, the translation is regarded as valid, because of a process in which the terms used in the interview guide, were explained thoroughly to the person. The interviews are attached in the appendix. As mentioned above, the gathering of qualitative data has been exposed to several challenges. Most challenging has been the declines and unanswered inquiries to interview. This has been especially evident in relation to the public stakeholders. These challenges are of cause important to take into account, and explain the limits of the thesis. Concerning the validity, generalization and reliability of the thesis, several issues have to be discussed.

The validity of this thesis has to be questioned, because of the lacking representation of some of the main agents in the field. It's therefore a possibility that other causes than those which are given in the thesis are impacting urban regeneration in Mullae-dong. This problem was tackled through secondary data as well as quantitative methods.

As discussed earlier in this section, the aim of this study is not to make conclusions, which can be generalized into a broader context, but instead to give an understanding of the given context, and use it as a model example of a given development in the society. Generalization has therefore not been considered as a problem. Reliability concerns the replication of the study by other researchers. One way of improving the reliability is by being systematic and describe every step on the way - as it's done in this methodological section. This way, other researchers can replicate the same steps to some extent. Given the challenges of the qualitative interviews, replication can be difficult, because of its dependence on networking.

In closing remarks, it's important to describe the management of data after it has been gathered. The conducted interview was recorded with the consent of the interviewee. This was done in order to properly analyse the details of the interview, as well as document the steps throughout, in relation to good academic practice. In many cases, a transcription of the interview is performed, but this hasn't been relevant. The purpose of this thesis isn't to uncover the experiences of the informant's life, as known in a phenomenological approach, where it's important to notice deviations in the dialogue. Furthermore, the subject of this thesis cannot be regarded as a sensitive study, and deviations in language has not been deemed important. Notes from the interviews as well as the audio files are all attached in the appendix.

Given the many challenges of gathering qualitative data, which was first meant as the primary method, reliance of other methods has been prioritized. A quantitative approach has thus been applied.

## 2.4. Quantitative data

A method triangulation has been performed in order to cover weaknesses of other methods used, and at the same time use the strengths that a triangulation provides. Where the qualitative data provides an in-depth insight into the process' regarding regeneration in Mulla-dong, the quantitative data offers a broader perspective. Combined with the qualitative data, which have strengths in regard to validity and makes sure that given terms and process are measured correctly, the quantitative data can be used as a way of testing these statements. In this thesis, the quantitative data has been used to analyse Seoul and Mulla-dong - this involves statistical data on population, age distribution and the number of housing units in the area.

Several quantitative data sources have been used, but as with the qualitative data, the context of Korea has some challenges in regard to data gathering. In this respect, the language barrier has once again been a challenge, as some websites and databases are not translated into English. However, the central government of Korea supplies sufficient statistics through KOSTAT, which is a central organization under the Ministry of Strategy and Finance. The organization provides statistics on various issues in Korean society.

On a broader level, data from The World Bank and OECD has been used. Data has in these cases been processed, contrary to the data from KOSTAT and SMG, which have been available in "raw form". A last quantitative data source which has to be mentioned, is second-hand data produced by other researchers. By using this data it's important to look at the context, in which it has data been produced and how it has been used.



The quantitative data has provided important statistical data on a range of variables - typically in a time series. The challenges have been, that much of the data from KOSTAT or SMG, haven't been available on the administrative level of dong, which is where Mullae is located. Critical variables such as socio-economy and rent levels have not been available, and information about such has been sought through the qualitative interviews. The quantitative methodological approach therefore has its limits, but at the same time, provides information about the context which otherwise couldn't be gathered. Especially in the broad context of Korea, secondary quantitative data has deemed relevant in the analysis.

## 2.5. Other methods

In this thesis, a number of methods have been applied in order to make up for methodological challenges. One of these, is the method of mapping. Mapping is placed in the same category as other quantitative sources, but adds a geographical dimension, in which spatial variables can be presented. The simple use of map involves showing a present trend, but maps can also be used to show a given development over time. In this case, maps are used to present and describe a certain context - either in the case of Mullae-dong or in the case of Seoul. This was done, in order to give an intuitive representation of the area. Constructing simple maps is analytic in itself, as the maps only shows a part of "reality". By making maps, the researcher selects the spatial data for presentation, and in this case, it's important to consider what hasn't been selected. The maps used have been retrieved from satellite services, such as google.maps as well as from archives.

Another methodological approach has been observation and ethnological studies during a visit to Mullae-dong. While visiting the area in October 2016, an observational study of Mullae-dong was conducted. I visited the area as part of a lecture and I was therefore in the company of an informant who had insight into the area. The observations are therefore biased by this tour and the locations selected out. Despite that, I focused on creating my own impression of the neighbourhood, and applied a systematic approach, in which location, movement etc. were registered. Furthermore, photography was used as a way to register these observations. While carrying a notebook, observations were written down during the observation study. These notes are attached in appendix 8. In observational studies, the focus is on so-called thick descriptions and the relations between agents in the field of study. Doing so allows a nuanced and contextualized description of the field, which other data methods can't provide. An important reflection on this matter is the relation between distance and participation. In this thesis, the importance of distance has been favoured because of its ability to generate "external" observations of the field.

The last set of data used is documents - both primary and secondary. The primary documents consist of official statements and reports from the SMG and other relevant institutions. This approach has taken the form of a document analysis, where motives have been uncovered. One example of such data has been the Seoul Master Plan 2030, which outlines the vision for the urban regeneration in Seoul. In analysing these primary documents, it is important to take into account the motive of the sender. SMG will have certain motives in releasing documents and statements and the data should thus be seen in that light. The selection of which document to publish and how to frame them becomes clear in the light that many documents haven't been published.

As secondary documents, reports and articles by academic scholars have been used to shed light on the urban development in Seoul. While only few scholars have researched the area of Mulla-dong, a few scholars have approached urban development in Seoul in different ways. Their conclusions and perspectives are useful in both broadening out the context and relying on previous research. The use of secondary data has first of all been important, because of the lack of other kinds of data. This has therefore been crucial, in order to get insight into the process, which I otherwise couldn't. By relying on data conducted by other scholars, it's important to be critical towards those. Using a wide range of different and peer per view sources, this can however be addressed.

### 3. Theoretical framework

Gentrification is a term, which is widely known and examined in the context of Western Europe and North America, but less attention has been put on this phenomenon in other parts of the world. The aim of the following section is to dig deeper into the term, gentrification, and explore its use in different contexts and which implications this can have.

#### 3.1. Understanding gentrification

The process of gentrification was first described by Ruth Glass in her classic article, *London: Aspects of Change* in 1964 (Glass 2010). Glass examined how the old working-class neighbourhoods of London had changed and highlighted the influx of middle-class residents (Glass 2010: 22). Glass described this process as an invasion, and thus put the class conflict as a central element in gentrification. According to Glass, the process of gentrification also entails a displacement of the former occupiers (Ibid.). The displacement takes place because of an upgrading of the old neighbourhoods, which implicates that the working-class residents either are evicted, or forced to move out because of increasing housing prices and rents. A further implication of this process is what Glass describes as the social character;

*“The current social status and value of such dwellings are frequently in inverse relation to their size, and in any case enormously inflated by comparison with previous levels in the neighbourhoods. Once this process of “gentrification” starts in a district, it goes in rapidly until all or most of the original working-class occupiers are displaced, and the whole social character of the district is changed”* (Glass 2010: 22).

According to Glass, this new social character differs from the former and may be the reason for the gentrification process. Glass describes how the “new” residents possess other preferences, compared to the former inhabitants and e.g. puts greater value on cultural offers. Glass furthermore describes how the process of gentrification also entails a change in households, due to earlier marriage and an increase in divorce rates (Glass 2010: 24).

According to Glass, the process of gentrification can be ascribed to new forms of occupations, which are located in inner-city areas and attract a new type of professionals. In this sense, gentrification is part of a change in the occupational class structure, which entail changes in population composition as well as changes in the psychical environment. Chris Hamnett supports this proposition, by arguing that

gentrification largely can be described by economic factors and the transition from industrialism to post-industrialism (Hamnett 2003: 5). According to Hamnett, this transition entails changes in occupational structure, income structure, housing market as well as social and ethnic compositions (Hamnett 2003: 7-12).

Glass wrote her famous article in 1964, and since then, there has been an on-going debate on the causes and consequences of gentrification. Before embarking on the issue of context, the main traditions of gentrification will therefore be examined.

### *3.1.1. Gentrification, why and where?*

One of the main scholars on the subject of gentrification is Neil Smith. Smith represents the rent-gap theory, in which gentrification is explained as a producer-led process (Smith 1979: 541). According to the rent-gap theory, developers are the main agents behind gentrification. Private developers will invest in profitable neighbourhoods and thereby the name - the rent-gap. The rent-gap is a term used to describe the gap between the actual ground rent and the potential ground rent. According to Smith's theory, agents will invest and develop a neighbourhood when the rent-gap is "big enough". Agents will look for neighbourhoods, where the actual ground rent is low, and the opportunity for a higher potential ground rent is possible (Ibid). Smith's thereby denotes movement of capital by private agents, as the root of gentrification processes.

In contrast to Smith, is David Ley and his focus on cultural explanations. According to Ley, modern society can be conceived as a post-industrial society, which is characterized by a decline in industrial jobs and the growth of the service sector (Ley 1996:13). Ley argues that this shift also implies the growth of a new social group - namely well-educated "white collar" workers. This social group represent a different set of lifestyle preferences. More specifically, they are orientated towards an urban life-style and enjoy central city living. Ley's main argument is therefore that gentrification is part of people's lifestyle, and it should be conceived as a specific consumer choice. Ley argues that gentrification will happen in inner-city areas, which represents the de-selection of the suburbs. The opportunities of the inner-city areas attract this new social group, because of the diversity of consumer choices represented here (Ley 1996: 21).

The theories of Smith and Ley stands out in contrast, and represents respectively producer -and consumer led explanation on the process of gentrification.

Definitions of gentrification are widely discussed in the literature. Eric Clark, who focuses on a broad definition of gentrification, offers one definition. According to Clark, gentrification can not only be applied to inner-city neighbourhoods, but must include all populated land areas (Clark 2010: 25). Clark claims that the process of gentrification can be seen in even small rural villages. Clark furthermore adds, that gentrification doesn't necessarily has to include residential areas, but that workspaces are also areas of gentrification (ibid). Clark offers the following definition:

*“A process involving a change in the population of land-users such that the new users are of a higher socio-economic status than the previous users, together with an associated change in the built environment though a reinvestment in fixed capital”* (Clark 2010: 25).

Despite Clark's changed definition, the core of gentrification is still clear. Gentrification is a process of social class change caused or followed by a change in the built environment. A thing which this definition doesn't offer, is the role of the different agents involved in gentrification. As a predominantly western concept, gentrification and its agents have been researched in the context of the western world. In the following, the role of different agents in gentrification will be uncovered. In relation to this, a further investigation and explanation of gentrification in the context of South Korea will be conducted.

### *3.1.2. The development of gentrification, according to Neil Smith*

According to Neil Smith, gentrification can be separated by three different waves, which each entail a transition. The first wave of gentrification is the one described by Glass in the 1960's. The process entails old working-class neighbourhoods, which are invaded by the middle-class who prefers these areas, because of consumer-preferences. In this regard, the process of gentrification is not driven by private developers, but by an active state, which develops inner-city neighbourhoods. These areas had experienced economic decline in the start 1970's, due to industrial changes. (Hackworth & Smith 2001: 466). The second wave of gentrification occurred in the late 1970's, followed by an economic recession (Hackworth & Smith 2001: 467), where private developers used the downturn in property-prices to buy up land and houses in deprived neighbourhoods (ibid). The main characteristic of the second wave is that gentrification has to be understood in a broader context which include an *“(...) economic, social and spatial restructuring”* (Smith and Williams 1986: 3). Another characteristic is the increasing influence of the private developers, which in partnership with the local governments invest in inner city neighbourhoods, in the search of urban development as a mean to attract middle class citizens (Kyung & Kim 2011: 3). The state acts as a facilitator

with a purpose of granting the opportunities for the private sector to develop. Another characteristic is the displacement of people due to the processes of gentrification, and as a result, political struggles occurs (Hackworth & Smith 2001: 467). Describing the second wave of gentrification, Smith highlights his theory of the rent-gap, where private developers are the main agents.

The third wave of gentrification takes place from the mid-1990's and onward. It's first of all characterized by the scale of gentrification, which has expanded. Where gentrification earlier was largely concentrated around inner-city neighbourhoods, areas further from the city centre now experience processes of gentrification (Ibid.). Furthermore, the private developers involved in gentrification have become bigger, due to their expanding markets in globalization. The increasing involvement of private developers, means that they are involved earlier in the process and become more dominant, being the driving force in the process (Hackworth & Smith 2001: 468). The state is however still directly involved in the process, and takes on an entrepreneurial approach. The state aims at creating economic growth in urban areas, which the local governments highly prioritizes, because of the increasing competition among cities (Hackworth & Smith 2001: 470). The state therefore engages in close partnerships with private developers, and create favourable conditions for the private sector to invest in urban areas. Smith highlights the political resistance, which was seen in the second wave, and has now declined due to the fact that most of the remaining working-class residents of the inner-city neighbourhoods have been replaced by middle-class residents (Hackworth & Smith 2001: 468). In relation to this, the state begins to actively involve the civil society in the process. Several other academics have uncovered the role of the civil society in urban renewal process. Sharon Zukin and Richard Florida are two of them.

### *3.1.3. The role of civil society and the creative class*

Sharon Zukin describes young and bohemian-styled groups, as people who serves as "critical infrastructure" in the cities (Zukin 1991; 215). According to Zukin, these people provide information about a distinctive culture, which is important in times of mass production and mass consumption. This critical information can therefore be used as means of social differentiation (Zukin 1991; 203), and the attraction of upper-middle class residents. According to Zukin, young and bohemian-style groups, therefore act as cultural producers who attracts gentrifiers.

In the same turn, Richard Florida describes how these cultural producers are important in relation to the transformation of urban neighbourhoods. Inspired by the emergence of the post-industrial society, Florida describes how the creative class is of specific importance to urban development. Creativity is, according to Florida, the root of economic growth in the post-industrial society, in which focus have changed from goods

to people as the means of economic growth (Florida 2005b: 35). By identifying the creative class, Florida distinguishes this class from other classes, and highlights the economic contribution that the creative class generates in the post-industrial society.

Florida distinguishes between different groups of the creative classes:

- The creative core: People who are able to create and design new forms of technology and furthermore have the capital to implement it (Florida 2005b: 34).
- The creative professional: People who are involved in facilitation and developing new technology (Ibid.).
- The creative bohemians: Alternative artists and musicians, who have the ability to attract the two other creative classes, because of their human capital, which appeals to the rest of the creative class (Florida 2005: 116).

According to Florida, the creative core is of most importance, as these are the people who generate the most economic growth in the post-industrial society (Florida 2005b: 34). The creative class has similar cultural preferences and consumer choices and Florida identifies a common set of values of the creative class. These include diversity, individuality, self-expression and meritocracy (Florida 2005: 101-104). The attraction of the creative class therefore involves specific attributes, which Florida describes as the three T's: Technology, Talent and Tolerance (Florida 2005b: 37). The three T's are bound to specific locations, and explains why certain areas, such as Silicon Valley, experiences growth (Ibid). Creating areas which provides these attributes, are therefore of great importance, according to Florida, and explains the importance of the creative bohemians. Certain 'place qualities' thus attract the creative class - among these the role of authenticity and place identity, as well as a diverse population and the opportunity of social interaction (Florida 2005b: 40).

Since his formulation of the creative class, Florida has been exposed to criticism. Andy Pratt is among the critics of Florida's formulation. Pratt criticizes Florida for *mis-identification of causality*, and argues that Florida is neglecting the importance of the creative underclass, which is the actual frontrunners of the process. According to Pratt, the creative underclass differs from the creative bohemians, in that they don't possess capital or formal education. The creative underclass is however already in the area, and often create the foundation (Pratt 2008: 9). Secondly, Pratt criticized the operationalization of the creative class and especially the creative bohemians. According to Pratt, Florida's operationalization doesn't recognize "(...) the whole production chain, and its ways that it is variously embedded in space." (Pratt 2008: 17).



Florida's operationalization overrates the creative class and the value it creates. Thirdly, Pratt criticizes the separation of production and consumption and doesn't recognize the complex relationship, which Pratt describes as a cyclic relationship, instead of the dualism created by Florida (Pratt 2008: 4).

In this thesis, the theories of Smith, Ley, Zukin and Florida, serve as framework in which the context of Korea will be put. Focusing on the three waves of gentrification put forward by Neil Smith, the following section will shortly outline gentrification in the context of Seoul.

### 3.2. Three waves of gentrification in the context of Seoul

Transferring the concept of gentrification to the context of East Asia and Korea is not straightforward and it's important to look at the economic, social and spatial conditions in the giving country.

Gentrification in Korea has only drawn few academic scholar's attention, compared to research carried out elsewhere in the world. In the Korean context, most studies were carried out, in the beginning of the 00's. Notable is Seong-Kyu Ha, an academic of the Chung-Ang University in Seoul. In several articles, Ha focuses on the evictions, caused by urban development projects in Seoul (Ha 2000, Ha 2004b). Ha's focus is on large-scale squatter clearances, which occurred during the 1960-70's (Ha 2000: 388). In contrast, some of the first studies carried out by Ruth Glass, focused on the new class "invading" the inner-city areas.

Nevertheless, the process described by Ha and others, indicate that a gentrification process has occurred in Seoul, with the displacement of people and a change in the build environment.

Kyung and Kim (Kyung & Kim 2011), presented in 2011, Smith's three waves of gentrification in the context of Seoul (Kyung & Kim 2011). Identifying three waves of gentrification, Kyung & Kim conclude that state-led initiatives have driven processes of gentrification in Seoul.

While a further exploration of previous urban regeneration schemes in Seoul will be conducted later, the framework applied by Kyung and Kim is outlined in the following. This framework acts as a summary of previous researched conducted on the subject, and furthermore highlights the need for research into current urban regeneration schemes in Seoul. The framework applied by Smith and Kyung & Kim will also be used in regard to the uncovering the applicability of gentrification in the case of Mullae-dong, which will be presented later in the thesis.

### *3.2.1. The first wave - State-facilitated squatter clearance*

In the wake of the Han River Miracle, Seoul experienced a rapid urbanization, which meant a high demand for housing. Seoul was seen as a central hub in regard to economic development, and the migration of cheap labour was important. Seoul's infrastructure and especially housing, was however not geared to handle this, and as a result, many illegal settlements were built (Shin & Kim 2016: 545). These illegal shantytowns constituted, more than one-third of the total housing stock in 1966 (Ibid.). The central government tried to address the housing shortage, by building large-scale housing estates. These new housing estates were built in inner-city areas and evidently cleared some of the shantytowns in the process (Kyung & Kim 2011: 9). In this first wave, the state played a major role as it was initiating, planning and funding the projects in the downtown areas. The government's effort slowed down due to the oil crisis in 1973 (Kyung & Kim 2011: 9). While the first wave represents an ongoing new-build gentrification process, the social class in these areas didn't change much, as the middle-class in Korea at that time was very small. The existence of shantytowns were thus merely a result of massive housing shortage. Furthermore, a government law from 1973 prohibited any upgrading of existing dwellings, and thereby created unfavourable conditions for people, to reinvest in their own properties (Shin & Kim 2016: 547). The government was in support of home-ownership, which in the eyes of the Korean government played an important welfare role (Ronald & Doling 2010: 236). The so-called five-year rentals were thus prioritized by the government. This first wave of gentrification in Korea, cannot be directly compared to the first wave of gentrification in the Anglo-American tradition as the middle-class households as individual gentrifiers were prevented and discouraged. The process instead took the form of new-build gentrification, in which housing-shortage was the main priority.

### *3.2.2. Second wave - State-facilitated gentrification - Joint redevelopment program*

At the beginning of the 1980's, the government changed its approach to urban development in Seoul. Contrary to the dominant role of the state in previous processes, it applied an approach that relied more on the private sector. They did this by introducing the so-called Joint Redevelopment Projects (JRP). The JRP was planned to solve the problem with financing, which had been a challenge for the scarcely resourced government (Ha 2004b: 382). This new model presented a scheme where all the financing was initiated by the private sector. The core in the programme was a joint contract between the property owners and the development companies. The state played a more indirect role in designating areas for renewal, and creating favourable conditions for the developers (Ibid.). The role of the private developers was to provide the capital, and the property owners had to form an association, from which 2/3 approval was needed in

order to initiate the process. The property owners were furthermore secured the right to buy a new apartment in the redeveloped estate (Kyung & Kim 2011: 10). The private developers were allowed to build more apartments than in the existing estate, and therefore able to make substantial profit. The JRP also had substantial impact on the housing prices in Seoul. The suppression of development prior to the implementation of the JRP had created a massive rent gap, which the private developers through the JRP tried to close (Shin 2009: 906).

Furthermore, the middle-class was brought in and not many inhabitants returned to the designated areas, due to rising housing prices (ibid.). The 1980's also marked an increase in the GDP per capita in Korea and a new middle-class started to form, from which these developers tried to gain.

Following the approach presented by Smith, the second wave of gentrification in Korea can partly be compared to the Anglo-American tradition. The role of private developers increased as the Korean government engaged in partnerships and acted merely as a facilitator. It also entailed the displacement of people, as the middle-class in Korea was slowly starting to form. The JRP were mainly focused on the built environment, and few investments were made in welfare services or community.

### *3.2.3. Third wave - Large scale state-facilitated gentrification*

In the wake of the Asian financial crisis in 1997, the government started to focus on the imbalance, which had been created in the capital region. They were specifically concerned about the gap between the developed Gangnam south of the Han River, and the less developed Gangbuk north of the river. The strategy was to redevelop medium-rise housing estates, but contrary to the JRP, the approach was to regenerate high - density neighbourhoods through large-scale master plans (Shin & Kim 2016: 548). This new approach was called New Town Development Projects (NTDP). The NTDP was promoted as a comprehensive urban regeneration, but regardless of that, it was characterized as even more "aggressive" than the JRP (Kyung & Kim 2011: 13). This was mainly because of the scale of the projects that involved larger areas which had not been designated as deprived earlier. Another reason was that the private developers still were the main agents in the NTDP. Despite the government's purpose, of creating a more comprehensive approach, NTDP failed to secure public welfare benefits and involvement of the local communities.

Contrary to the second wave of gentrification, some of the resistance towards the process had declined. Tenants and inhabitants had acknowledged the need for redevelopment and many people from the working-class, had at this point been driven out of the city, due to the extensive displacement in the JRP. The NTDP also entailed the replacement of people, and data shows that the return-rate was as low as

20 % (Kyung & Kim 2011: 13). The NDTP was however mainly criticised for its lacking involvement of the civil society, and its failed attempt to implement the projects.

Smith's characterization of the third level of gentrification can partly be compared to the context of Korea. In this wave, private developers gained power and got involved in large-scale urban regeneration. The approach applied relied more heavily on upgrading of existing building, rather than demolition as seen in the JRP. The NDTP failed to apply an actual comprehensive approach though, and can therefore not be characterized as process of comprehensive regeneration.

#### *3.2.4. Market-based gentrification -A New social class with locational preferences*

When looking at the previous research on urban regeneration in Seoul, one thing that stands out, is the new-build gentrification that has taken place. Contrary to the process in Western Europe and North America, Korea's first wave of gentrification was caused by a housing shortage. The second and third wave of gentrification can to some extent be compared to processes in Western Europe and North America, as private developers are getting more and more dominant in the process. The process is however characterized by a small governance structure, in which economic growth is highly prioritized. Comprehensive approaches towards urban regeneration have thus failed.

Looking forward at the purpose of this thesis, the future extent and direction of urban regeneration in Seoul will be uncovered. With the downfall of the NTDP, the SMG is facing new challenges, and Mullaedong could be at the forefront of a new urban regeneration strategy, with more emphasis on the civil society. The strategy could also be a component in revitalizing the neighbourhoods, and creating urban growth. The following section will focus on the economic and political context of Korea.

## 4. Setting the context

Before encountering the analyses of Mullae-dong, a presentation and discussion of the broader political and economic Korean context will be conducted. This will help clarify the scope for the reader who isn't familiar with the specific circumstances of Korea

Exploring the broader context can take many forms, and it's necessary to start off by setting the overall scope and go from the global to the local. Concentrating on the general context, only relevant areas of interest are included in order not to broaden the scope of the thesis. The contextualisation will first focus on the geographical context. In this process, the importance of the overall geography of Korea will be outlined. This include Koreas position in the East Asian region and its relations to the neighbouring countries. This will be covered briefly and thus focus will be put on the geographical context of Seoul and Mullae-dong. The geographical context is strongly interconnected with the historical, political and economic context, which in the following section will be uncovered along with other areas of interest.

### 4.1. A central hub in East Asia

Located in East Asia, South Korea occupies the southern half of the Korean peninsula. The country is bordering North Korea which is connected to the Asian mainland. The relationship with North Korea is well-known, but is also of great importance for the understanding of South Korea. The Korean Peninsula used to be one sovereign state - Korea.

Following a brutal war in the start of the 1950's, the Korean peninsula was divided by the 38 parallel. Following an armistice agreement between the involved parties in the war, a demilitarized zone was established, and is of today still heavy guarded (Text of the Korean War Armistice agreement 1953<sup>1</sup>). South Korea, or the Republic of Korea which is the official name, never signed the armistice

**Map 1 - East Asia**



**MAP 1. GOOGLE MAPS 2017**

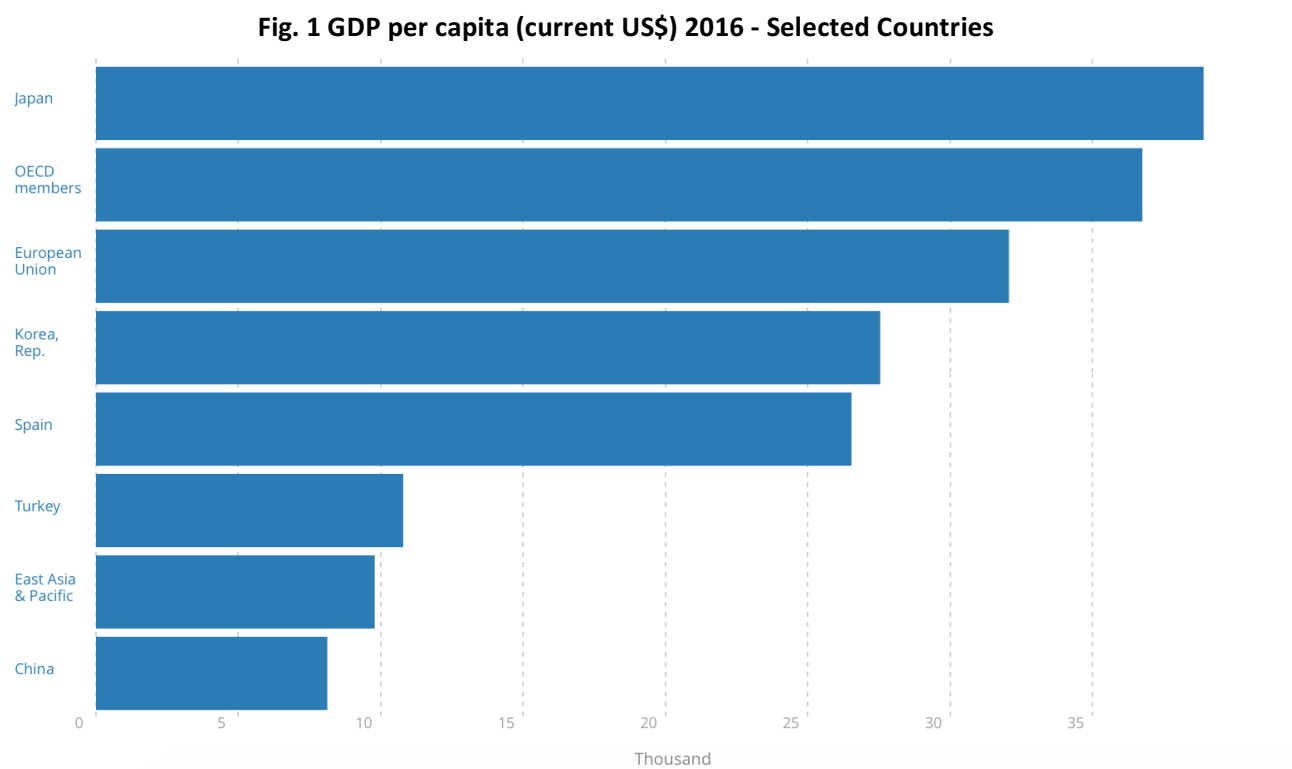
<sup>1</sup> <http://news.findlaw.com/cnn/docs/korea/kwarmagr072753.html>

agreement though, and doesn't officially recognize the existence of North Korea. In practice, the two states are separated and almost no political and economic interactions take place.

South Korea's eastern neighbour is also a well-known acquaintance. Separated by the Sea of Japan or East Sea, Japan has played and still plays an important role in South Korea. Being occupied by the Japanese empire for more than 30 years, the influence of Japan is still very evident in South Korea - in the physical environment as well as in the political and administrative structures (Douglass 2013: 9). Japan still plays a vital role in the economy of South Korea as it's the country's 2nd biggest important partner and the 5th biggest export partner (Michigan State University 2017).

To the west, separated by the Yellow Sea, the Asian mainland and the dominant state in the region - China is located. As with South Korea's other neighbouring countries, the relationship with the one-party state has been defined by conflict, but a relaxation of the relationship happened in 1992, formulated in the normalization of relations (Chong 2007: 78). China is also South Korea's most important trading partner with a 26.6 % export and 21.5 % import of all goods (Michigan State University 2017).

Despite South Korea's geographical position that makes it largely isolated and not directly accessible by land, South Korea has established itself as an economic dominant country in the East Asian region.



**FIG. 1. THE WORLD BANK - GDP PER CAPITA (CURRENT US\$) 2016**

Comparing the GDP per capita, the country exceeds many others in the East Asian region and ranks close to European countries, as shown in figure 1. This current economic growth is, as I will argue later, an applied strategy in which Korea is trying to establish itself, as a central hub in the region. Part of the strategy is establishing Seoul as global hub in the Asian region, and as a global city. A further explanation of South Korea's growth paradigm will be uncovered later in this thesis.

#### 4.2. Shaped by dirigistic economic development

South Korea (Hereafter Korea) only covers 99,720 km<sup>2</sup> and ranks itself as one of the smaller countries in the region. When looking at Korea's topography, it's clear that it's largely dominated by mountains, which means that a vast majority of land is non-arable (CIA - World FactBook 2011). Despite the small amount of arable land (15,3 %), Korea has been able to create a growth regime, which means that the country is ranked no. 14 in relation to total GDP in the world (CIA - World FactBook 2016b). The availability of natural resources was



### MAP 2. UNIVERSITY OF TEXAS LIBRARIES 1973

especially evident after the Korean War, where the main parts of arable land was “lost” to North Korea. For this and other reasons, agriculture and the exploration of natural resources hasn't been dominant in the modern economic development (The World Bank - Agriculture, value added (% of GDP)). The shift towards a manufacturing economy was especially evident from the 1960's and onward, where GDP added by agriculture has declined from over 40 % in 1965 to around 15 % in 1980 (Ibid). The rapid shift is one of the main characteristics of Korea, and is among other factors, one of the reasons why Korea can be defined as one of the Asian Tigers.

Map 2 illustrates economic activity in Korea anno 1973, and as it's shown, natural resources are scarce.

Korea has therefore been dependent on import of fossil fuels as well as alternative energy sources such as



nuclear facilities. Today, oil and mineral fuels account for 23.7 % of all imported goods in Korea (Michigan State University 2017), and comparing to other OECD countries, Korea ranks above average with 15,8 % of all energy sources coming from alternative energy sources (The World Bank - Alternative and nuclear energy (% of total energy use) 2014).

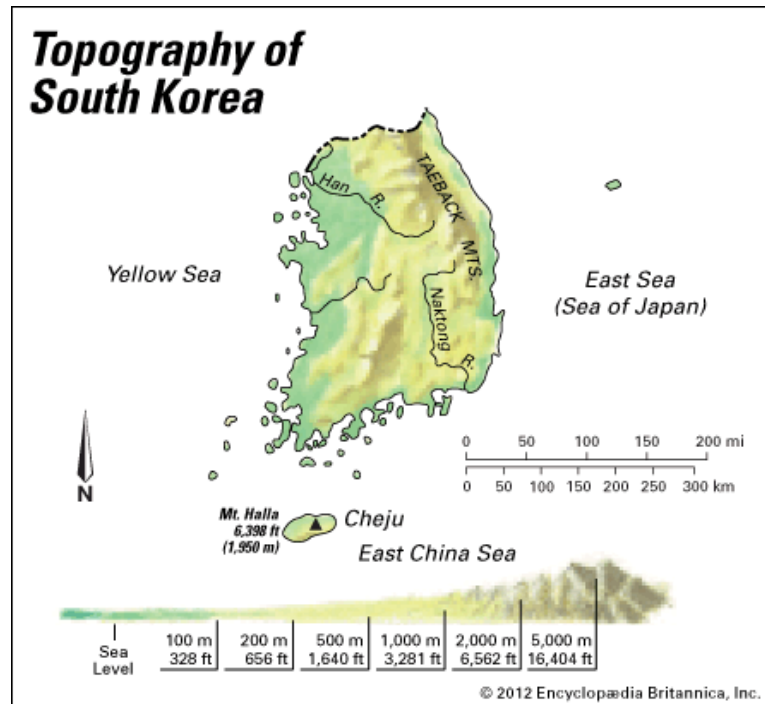
During the rapid years of economic growth in the late 1970's and 1980's, Korea pursued an industrial strategy, relying on heavy and chemical industries. Rather than extracting and exporting natural resources, the industrial approach focused on processing and manufacturing material goods. The presence of these industries is especially evident in the southeast region of the country, where the cities of Busan, Ulsan and Pohang host some of the biggest industrial complexes in the region (Hart-Landsberg & Burkett 2010: 416).

The industry is still active, but it's shifting from a focus on car and ship manufacturing to a service-based industry (Ryu 2004: 1).

Korea can roughly be divided into four general regions, topographically speaking. The northeast region consists mostly of high mountains and coastal plains. The northwest region consists of river basins and small hills. In the south, the Nakdong River and the surrounding basin dominate the eastern region. The southwestern region consists of mountains, valleys, and a vast area of lowlands. The topography of Korea is also reflected in the pattern of settlement. The northwest and southeast regions are thus the most populated regions, and the mountainous regions in the northeast is depopulated (Savada et al. 1992: 71-72). The trends of settlement have been heavily influenced by political decisions. An example of such decisions, is the construction of the Gyeongbu expressway in 1968, which connected the major cities of Seoul And Busan (Kim 2015: 10). Besides linking the two most populous cities in Korea, new development also occurred in the spheres of the expressway (Savada et al. 1992: 180).

In the following section, a further exploration of the demographics of Korea will be conducted.

**Map 3 - Topography of South Korea**

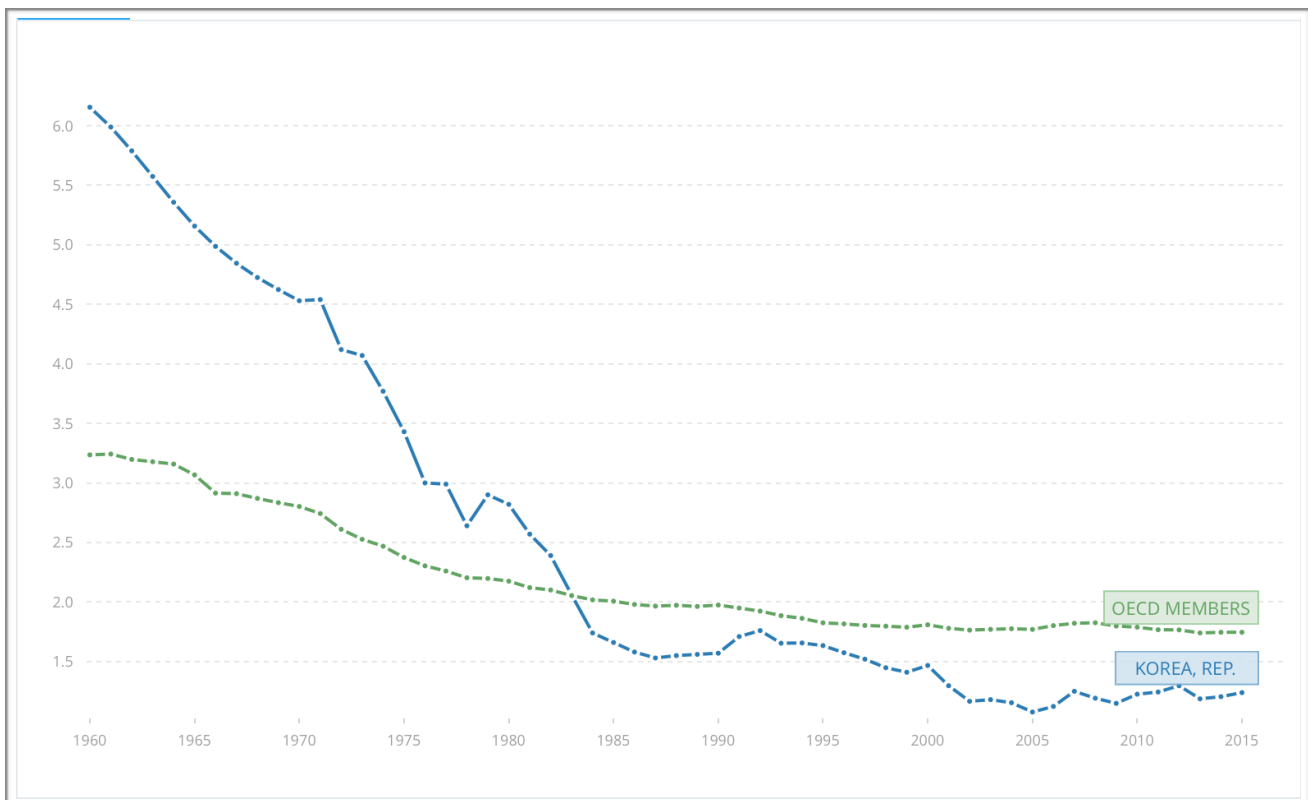


**MAP 3. ENCYCLOPEDIA BRITANNICA, INC. 2012**

#### 4.3. From emerging to developed economy in just one generation: Zooming in on the demographic development

With a population of just over 50 million people (CIA World Factbook 2016c), Korea ranks as one of the 30 most populated countries in the world (ibid.). The population of Korea grew significantly after the end of World War II and until the start of the 1980's. As figure 2 illustrates, the fertility rate per women declined from over six births per women in 1960, to below the replacement level in the early 1980's. The graph depicts some important parameters of the Korean demographics, namely the huge fertility birth-rate in the early years of development, and then the low birth-rates from the 1980's and forth. The fertility rate can be

**Fig. 2. Fertility rate, total (births per woman) - Korea and OECD members 1960 -2015.**



**FIG. 2. THE WORLD BANK - FERTILITY RATE, TOTAL (BIRTHS PER WOMAN) 2015**

used as an important parameter, when uncovering the economic development of countries. There is generally an inverse correlation between income and fertility, which means that when GDP per capita is increasing, fertility rates are decreasing (Colleran et al. 2015: 1). The declining fertility rate in Korea throughout the years thereby indicates the increasing wealth in the country. Another trend, which

becomes visible, is the rapid transformation when comparing to other OECD countries. As table 1 depicts, the causal relationship seems evident in the case of Korea. Table 1 shows how Korea experienced huge annual GDP growth rates during the period 1960-90, followed by a decline of 4.3 in total fertility rate. This demographic development has been more rapid than other OECD countries but it follows the trends of the so-called “Asian Tigers”. Because of the big fertility rates during the early years of economic development, Korea is experiencing a large proportion of elderly people today, while the population in the employable ages is shrinking. This development is presented in figure 3. The reason for this development has been the subject of several demographic studies, where both longer life expectancy plays a part, but also employment conditions and preferences by the individual. In a western context, the theory of the first and second demographic transition is widely researched. The first demographic transition is characterized by a decline in the fertility rate and mortality rate (Lesthaeghe & Lopez-Gay 2013: 78). Looking at Korea, this seems to have occurred in the early years of the economic development from 1960 and up until the early 1980’s.

**Table 1. Economic growth and demographic transition in selected East Asian countries over a 30-year period**

Country	Period	Average annual growth of GDP per capita (percent)	Increase in life expectancy over period (years)	Change in total fertility over period (births per woman) <sup>a</sup>
The “tiger” economies				
Taiwan	1955–85	6.2	11	–4.6
South Korea	1960–90	6.9	17	–4.3
The second wave <sup>b</sup>				
Thailand	1965–95	5.4	10	–4.2
Malaysia	1965–95	4.5	14	–2.9
Indonesia	1965–95	4.1	19	–2.8
“Market-Leninist” economies				
China	1970–2000	4.9	9	–4.1
Vietnam <sup>c</sup>	1980–2000	4.3	12	–2.8

<sup>a</sup>End points taken as averages of estimates for the two neighboring intervals.  
<sup>b</sup>For the Philippines (1965–95), the three right-hand columns would read 1.0 percent, 12 years, and –2.3 births.  
<sup>c</sup>20-year period.  
 SOURCES: Economic data: Maddison (2003); demographic data: United Nations (2005) and endnote 7 (for China and Taiwan fertility).

**TABLE 1. MCNICOLL 2006: 2**

Lesthaeghe and Lopez-Gay developed another term for describing the demographic changes in developing countries in the late 1990’s and forward - The second demographic transition (Lesthaeghe & Lopez-Gay 2013: 78). This transition is, among other things, characterized by a declining fertility rate among young women, and a growing fertility rate among older women. At the same time, more and more are not having children at all. As figure 2 shows, the fertility rate in Korea was declining until the start of the 00’s, where it stabilized again. Supporting the appearance of a second demographic transition in Korea, is the postponement of having children. The mean age is 31 years for the mother, when having her first child (CIA World Factbook 2014). As mentioned, the demographic development implicates that the Korean population is aging, with the possibility of challenging the sustainability of the Korean society. Figure 3 shows the well-known population pyramid, but the shape is

far from pyramid-shape. Instead a development, in which few people are being born, combined with the previous high fertility rates, it almost takes the form on an inverted pyramid. As fewer people have to support an increasing elderly population, the pressure on the Korean welfare system and the ability to maintain high economic growth rate is challenged.

Fig. 3. Population Pyramid, South Korea 2016

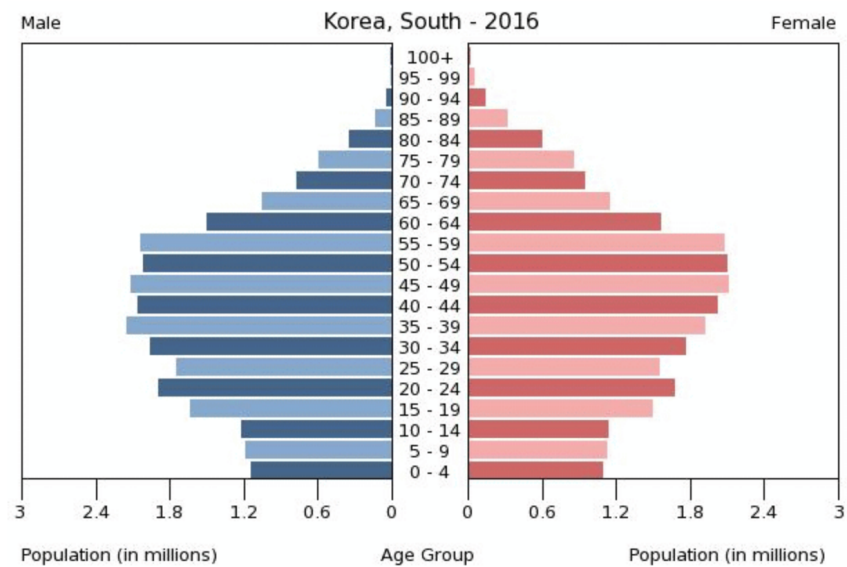


FIG. 3. CIA - THE WORLD FACTBOOK 2016

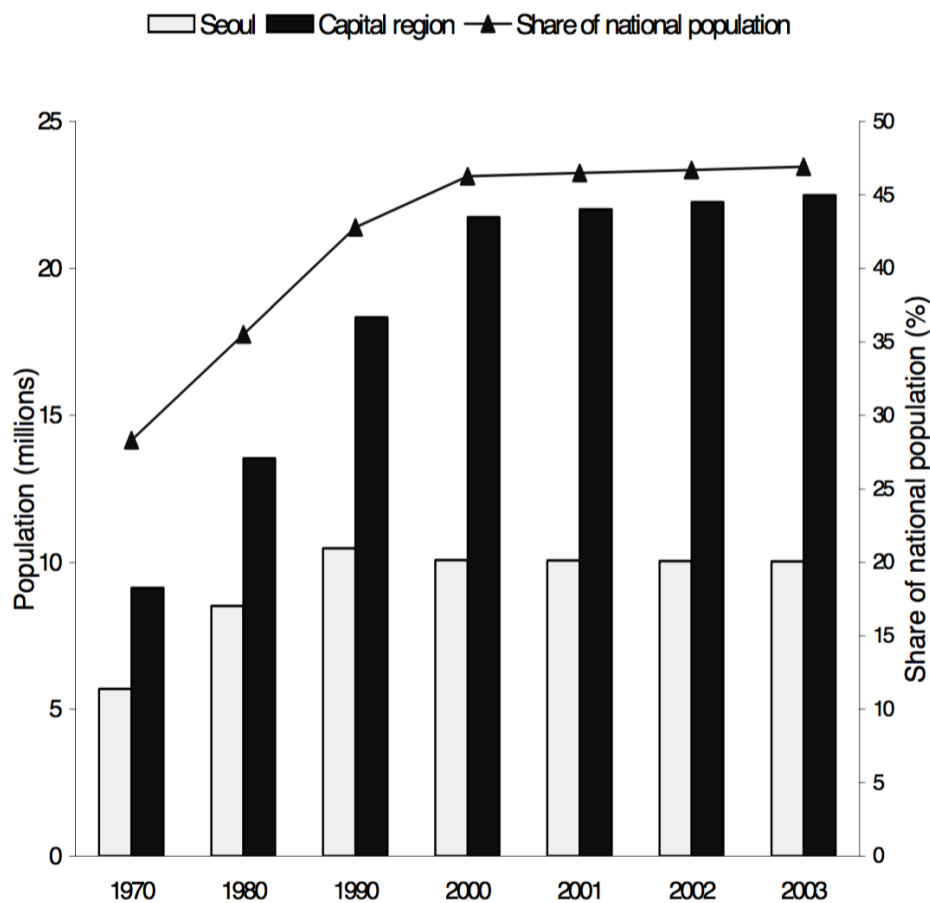
#### 4.4. Rapid urbanization

Korea is a highly populated country, and when compared to the area, one thing that stands out, is the population density. The density of Korea is among the highest in the world, with 525.7 people per square kilometre (The World Bank - Population density (people per sq. km of land area)). This can be compared to an OECD average of 37.4 per sq. km, and other highly dense countries such as Japan (348.35) and the Netherlands (505) (ibid.).

The high levels of density can largely be ascribed to the high level of urbanization in Korea.

The focus on cities as “growth engines” throughout history has resulted in cities being characterized by the

**Fig. 4. Population growth in Seoul, 1970-2003**



**FIG. 4. OECD 2005: 25**

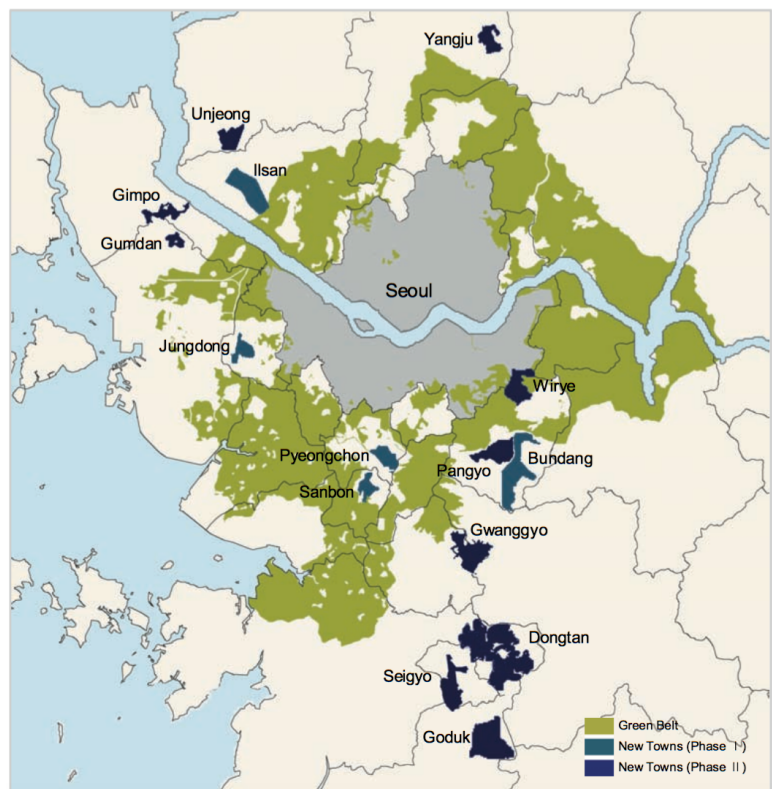
industry, which operated in that specific area. One example is the area of Dongdaemun in Seoul, which during the 1970's -1980's had many textile factories. As a result, the area housed and attracted a great number of young women from the rural areas (Savada et al. 1992: 149).

During the economic development of Korea, many people moved to the cities and especially Seoul experienced huge urbanization during the industrialization. Today more than 10 million people live in Seoul and when including the capital region, Gyeonggi, that number more than doubles (Seoul Metropolitan Government (2) 2017). Figure 4 shows the population growth in Seoul, and the capital region. Here it's shown, that the percentage of the population living in Seoul has been stable since the 1990's, while the capital region has continued to grow.

Despite the stagnating population growth, Seoul is by far Korea's largest city and exemplifies the trend of Korea as a highly urbanized country. At the national level, 82.5 % of the Korean population lives in urban areas (CIA - The World Factbook 2015), which ranks Korea as one of the most urbanized countries in the world. Throughout Korea, several million-plus cities are situated, such as Busan, Daegu, Gwangju and Ulsan. The capital region is by far the biggest, and continues to increase in population. There seems to be a spill-over from Seoul and into the capital region. Incheon, a city located one hour west of Seoul, is today considered to be the third largest city in South Korea - and this has all happened in just 37 years (Business Wire 2016). Several other cities in the

capital region have the same potential as Incheon and the region is therefore expected to grow even more. The capital region is also heavily interconnected, and many people commute across the region every day. As map 4 illustrates, SMG is planning to expand further outside the greenbelt, which surrounds Seoul, and into the capital region. Because of an expanding capital region, urban planning in the capital region is coordinated, and a masterplan for the capital is created centrally to ensure coherence. Later in this thesis, a further exploration of the planning system of Korea and Seoul will be conducted. Following a top-down approach, an introduction to the Capital, Seoul, is necessary for the broader understanding.

**Map 4. New town in the capital region**



**MAP 4. SEOUL METROPOLITAN GOVERNMENT 2009: 83**

#### 4.5. Seoul - The unrivalled capital

Located in the northwest of the country, near the border to the north, Seoul occupies an area of over 600 sq. km. Seoul is divided by the Han River, which historically has played an important role for the city. The Han River was previously an important trade route into the Yellow Sea, and from there to China (Savada et al. 1992: 4), but today it's mostly used as a recreative place, from where the citizens of Seoul can get a pause from the buzzing city.

Seoul's history is long and stretches back to Manchuria, where it was an important city in the three Kingdoms of Korea - Baekje, Silla and Goguryeo (Savada et al. 1992: 5). The history of Seoul is thereby more than two thousand years old. The city served as home to the Joseon Dynasty, which in many ways have shaped the city to where it is today. During the Joseon Dynasty, the Korean peninsula was characterized by

**Map 5. Population distribution by district(gu) in Seoul, 2010.**

**그림 3-1. 구별 인구현황 2010**

**Figure 3-1. Current Population by District(gu), 2010**



**MAP 5. SEOUL SOLUTION - THE SOCIAL MAPS OF SEOUL 2010**

conflicts between different dynasties and kingdoms, but the strategic position of Seoul served as an important fortress for the dynasty. This is still evident today, where the old fortress wall surrounds the northern part of the city (Ibid.). The wall is not the only structure, which serves as defensive mechanism, and the central part of Seoul is surrounded by four mountains and further eight mountains border the city on its outskirts.

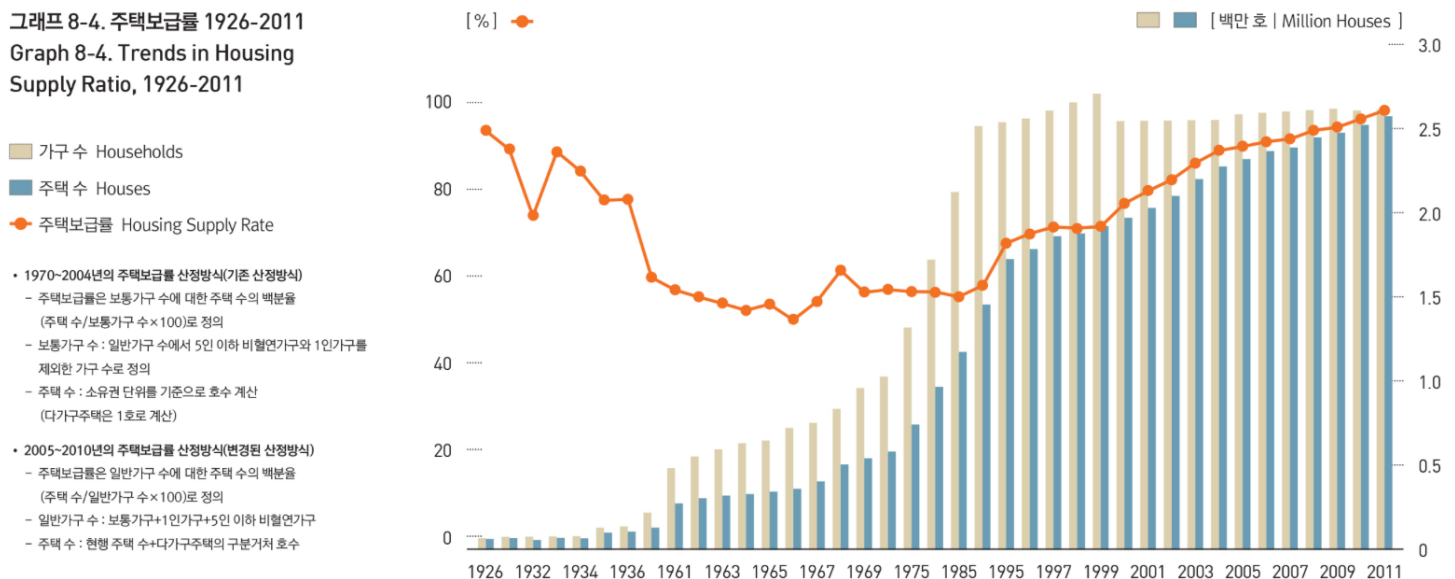
The old capital of the Joseon Dynasty was located north of the Han River in the districts of Jongno and Jung (Ibid.). Today the historical centre is still visible in this area, and the main political institutions are located here. The early history of Seoul has meant that Seoul grew from north of the Han River and then eroded south of the river in modern history. Today, many central parts of the city have expanded south of the river, and the main financial districts are located here, mainly in the districts of Yeongdeungpo and Gangnam. The city can therefore be divided into an older part in the north, and a newer part in the south. In map 5, the current population distribution of Seoul is depicted. The map shows how the most populous districts of the city are located south of the river. In contrast, the old districts of Jongno and Jung, north of the river, are the least populated in Seoul. The area south of the Han River is also the area where most redevelopment took place during the period of rapid urbanization, which partly explains the population distribution.

Another way of describing Seoul is by the housing supply ratio depicted in figure 5. The housing ratio in Seoul has throughout the years researched almost 100 %, but was for a long period of time lacking behind. Meanwhile, the number of households have increased as well, even though the population of Seoul has been stable. This indicates that the composition of households has changed.

Another way of looking at the urbanization in Seoul, is by looking at the population density. As earlier mentioned, the topography of Seoul is largely mountainous, which has led to urban development schemes pursuing high-rise buildings, in order to fit the growing population of the capital. In a later section, the

**Fig. 5 Trends in Housing Supply ratio, 1926-2011, Seoul**

**그래프 8-4. 주택보급률 1926-2011**  
**Graph 8-4. Trends in Housing Supply Ratio, 1926-2011**



**FIG. 5. SEOUL SOLUTION - THE SOCIAL MAPS OF SEOUL 2011**

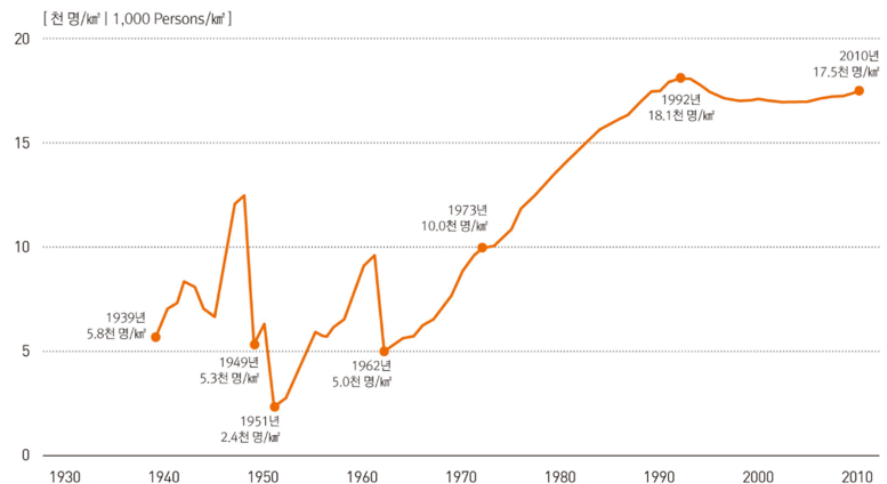


previous development schemes applied by the SMG will be uncovered in greater detail. Figure 6 shows how population density in Seoul peaked in 1992, with 18 100 people pr. Sq. km. The fact that the density in Seoul hasn't increased since 1992 confirms the trend of a stabilizing urban population around the beginning of the 1990's. The declining density indicates that the city has expanded its territory, and worth noticing in figure 6, is the rapid development from 1962 and onwards to 1992. Characteristic for Seoul is that the urbanization was concentrated on few sq. km, which furthermore confirms the clustering of industries and thus the need for employees in Seoul during the industrialization.

**Fig. 6. Trends in Population Density, 1939-2010, Seoul**

그래프 3-4. 인구밀도 변화추이 1939-2010  
Graph 3-4. Trends in Population Density, 1939-2010

• 인구밀도=인구/서울시 면적



**FIG. 6. SEOUL SOLUTION - THE SOCIAL MAPS OF SEOUL 2010**

Another factor that has to be taken into account when trying to understand the overall development of Seoul, is the Japanese influence. In 1910 Japan annexed Korea and thereby affected many spheres of society (Savada et al. 1992: 20), including the renaming of Seoul, which hereafter was to be known as Gyeongseoung (Savada et al. 1992: 23). The Japanese also influenced the spatial structure of the city, which entailed that the old city walls was removed, and a more westernized and modern infrastructure was constructed. This included paved roads and modern buildings such as railway stations. The colonial time thereby created the basis for the Korean planning system, which is seen today (Veen 2008: 250). The understanding of modern Korea is thus closely related to the understanding of the colonial rule. The Japanese rule managed and controlled the market by creating connections to a few selected companies, which were favoured (Križnik & Cho 2017: 16). Some scholars therefore argue that there are strong connections between the Japanese rule and the rule of Park Chung-hee, which will be further explained.

The Korea-Japan relations is a study in itself and will not be unfolded in further detail, but it's important to note the extent of Japanese influence in almost all spheres of the Korean society.

The end of World War II also meant an end to the colonial rule in Korea, and the city was quickly renamed Seoul. Shortly after, the status of Seoul was highlighted, as it in 1949 was designated as a special city. Having this status meant that the city was granted the highest administrative rank and should be treated equally to the provinces of the country. (Savada et al. 1992: xxii).

### **Japanese influence in Seoul - Seoul City Hall**



(SEO 2008)

Another important implication for the development of Seoul, is the outbreak of the Korean war in 1950. During the war, Seoul changed hands between the rivalling forces, which left the city damaged and with lots of important infrastructure destroyed. It's estimated that over 200.000 buildings lay in ruins after the war, and a huge task of reconstructing the city was at hand at the end of the war. In addition to the damaged city, many refugees fled to Seoul, expanding the population of the city. This meant that Seoul after the war was facing serious issues concerning housing (Kim & Han 2011: 149).

In the beginning of the 1960's, the era of Park Chung-hee began. Following a coup, Park Chung-hee took office, and during the 1960's the Korean economy started to grow rapidly. Concentrating on a light industry at first, such as textile and later electronics, Seoul became an industrial hub (Kim & Han 2011: 144). In the following section, focus will be on the modern history of Korea and the developmental state.

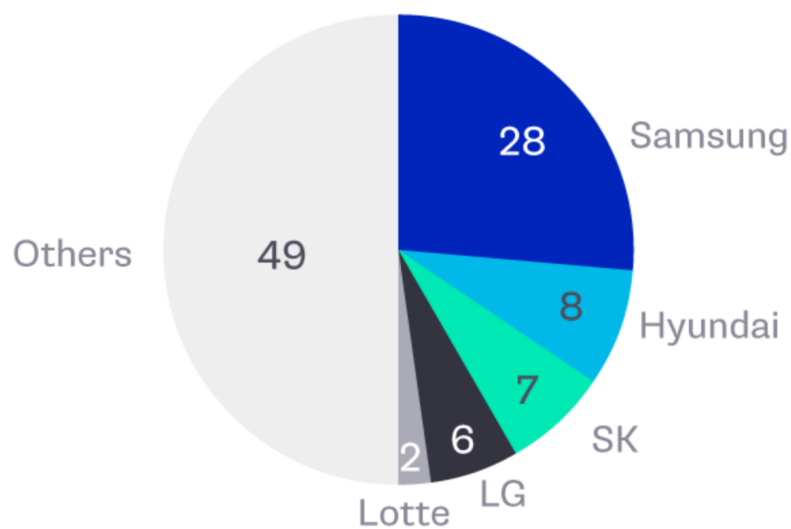
#### 4.6. The Han River Miracle and The Developmental State

The Han River Miracle refers to the Park Chung-hee regime, which rose to power in 1963. The name refers to the economic growth that followed and the rise of the modern state Korea. As the name implies, Seoul played an important role in this economic growth (The Han River). Furthermore, many academics ascribe the Han River Miracle to the rise of the developmental state in Korea, and the authoritarian regime under Park Chung-hee (Kim 2011: 57).

In the literature, a developmental state is often referred to as a form of government, which exercises great control with the macroeconomics of the country, including those of private businesses.

The first to define the developmental state as a term was Chalmers Johnson who in 1982 published the article *"MITI and the Japanese Miracle"* (Johnson 1982). The article clarified the characteristics of the developmental state, and defined it as a state where economy is the single-minded priority of state action.

**Fig. 7. Five biggest Chaebols share of the Korean Stock Index 2017**



**FIG. 7. BLOOMBERG L.P 2017**

The market is "guided" through different instruments, which is created by an elite economic bureaucracy consisting of both state bureaucrats, but also private businesses (Johnson 1982: 24). Johnson wrote his book in the context of Japan, and although there are some similarities between the two countries, one cannot apply the definition directly to the state to Korea.

Alice Amsden has translated the developmental state into the context of Korea. Amsden highlights the high level of government intervention in the market logic, and characterizes Korea as a prime case of a guided market economy. In this way, Amsden argues that Korea has been characterized by priorities of industrialization, where the government, through support and discipline, controlled large conglomerates into the desired industrial policy (Amsden 1989: 8). Another feature of the developmental state is the restraint towards foreign companies within the domestic. Robust Korean companies are thereby dominating the domestic and first later exposed to competition in foreign markets (Wade 1990: 19). By protecting domestic companies, and letting them grow inside the domestic market, these companies had huge growth rates, and furthermore exceeded into a wide variety of businesses. Companies such as Samsung and Hyundai are involved in most markets - including construction. Today, the dominance of these companies is still evident, and as figure 7 illustrates, the five biggest companies in Korea make up for 51 % of the Korean Stock Index.

As mentioned above, the developmental state of Korea had a feature in the authoritarian rule of Park Chung-hee. Although Park was democratically elected in 1965, the course of the government took an authoritarian turn in 1972, where the adoption on the Yushin constitution gave Park effective control over the parliament and the presidency (Križnik & Cho 2017: 28). The authoritarian regime made effective state intervention possible, and created the perfect conditions for strategic industrial policies (Evans 1995: 74). According to Evans, this was done through a two-tailed strategy:

1. Public-private cooperation, which was based on tight policy networks between state bureaucrats and private businesses. Furthermore, these businesses had been created and nourished thorough state intervention, which gave them favourable conditions.
2. Bureaucratic autonomy, which secured that an elite bureaucracy had coherence, which was secured through high standards of entry (Ibid.)

It can therefore be stated, that one of the main reason for the Han River Miracle, was the intensive relationship between state and the private businesses, in which the state, through continually negotiations of goals and policies remained its autonomy.

According to the Mike Douglass, the autonomy of the government in the early years of Koreas modernization, can be explained by three factors. First a number of land reforms after the end of World War II eliminated many elites in the rural area, and thereby centralized the power (Douglass 2013: 24). In 1949, the first land reforms were conducted, which meant that nearly 1 million people became

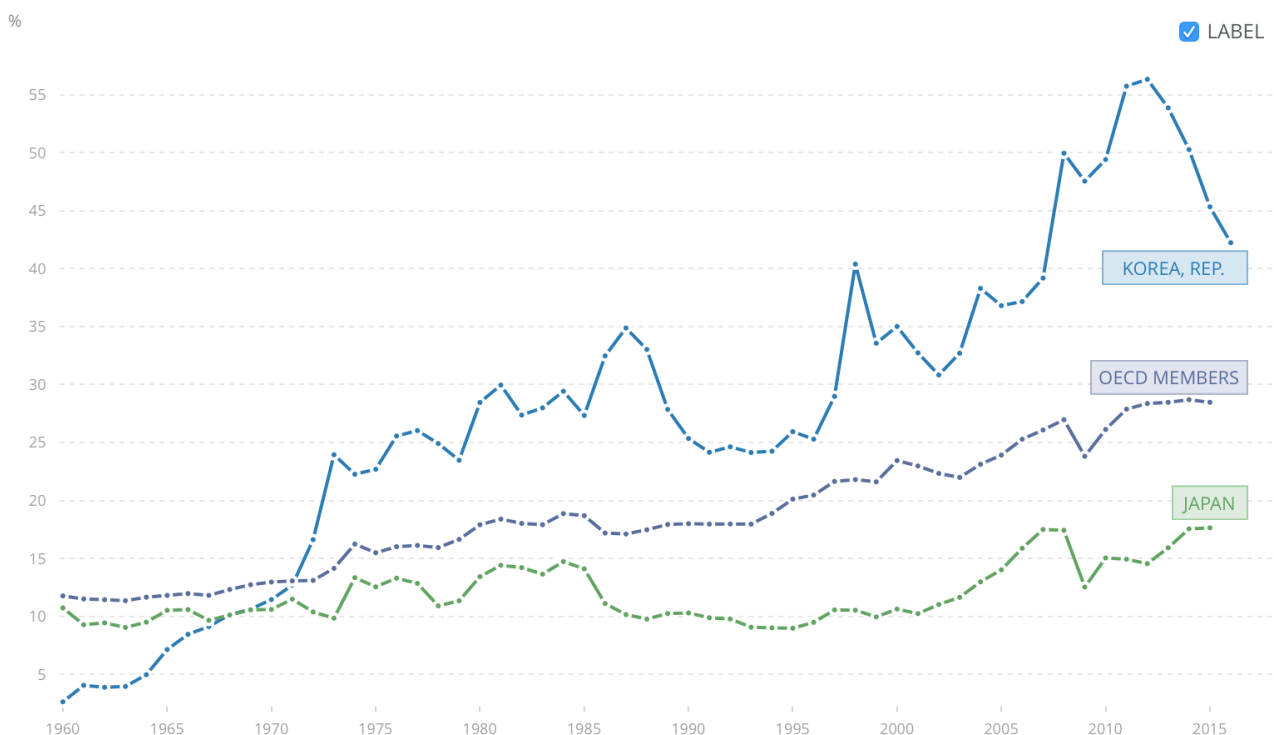
landowners, breaking down the rural elites who had gained the land during colonization (Savada et al. 1992: 35)

Secondly, in the 1960's after the military coup, all commercial banks were nationalized. It thus gave the government great influence over businesses. Thirdly, the size of the private businesses, hadn't achieved a size or scale that could challenge the state (Douglass 2013: 24).

Another factor that also has to be mentioned is Park's strong relationship with the military, which gave Park the authoritarian power. The Park Chung-hee regime though didn't last and in 1979 Park was assassinated (Savada et al. 1992: 278).

As mentioned above, one of the keys for Korea's success from the 1960's and onward, was the developmental state and the autonomy of the government. This created a platform, from where the government could use strategic industrial policies to support a few companies, which then later could compete in the global market. Today, private businesses such as Samsung, Hyundai and LG are world-

**Fig. 8. Exports of goods and services (% of GDP) - Korea 1960 - 2016**



**FIG. 8. THE WORLD BANK - EXPORTS OF GOODS AND SERVICES (% OF GDP) 2015**

known, and operate in most parts of the world. The policies towards this have been to lead an export-orientated strategy, and shift into markets where these companies could have clear advantages in comparison to others. Figure 8 shows the development of export in Korea. As the graph indicates, the

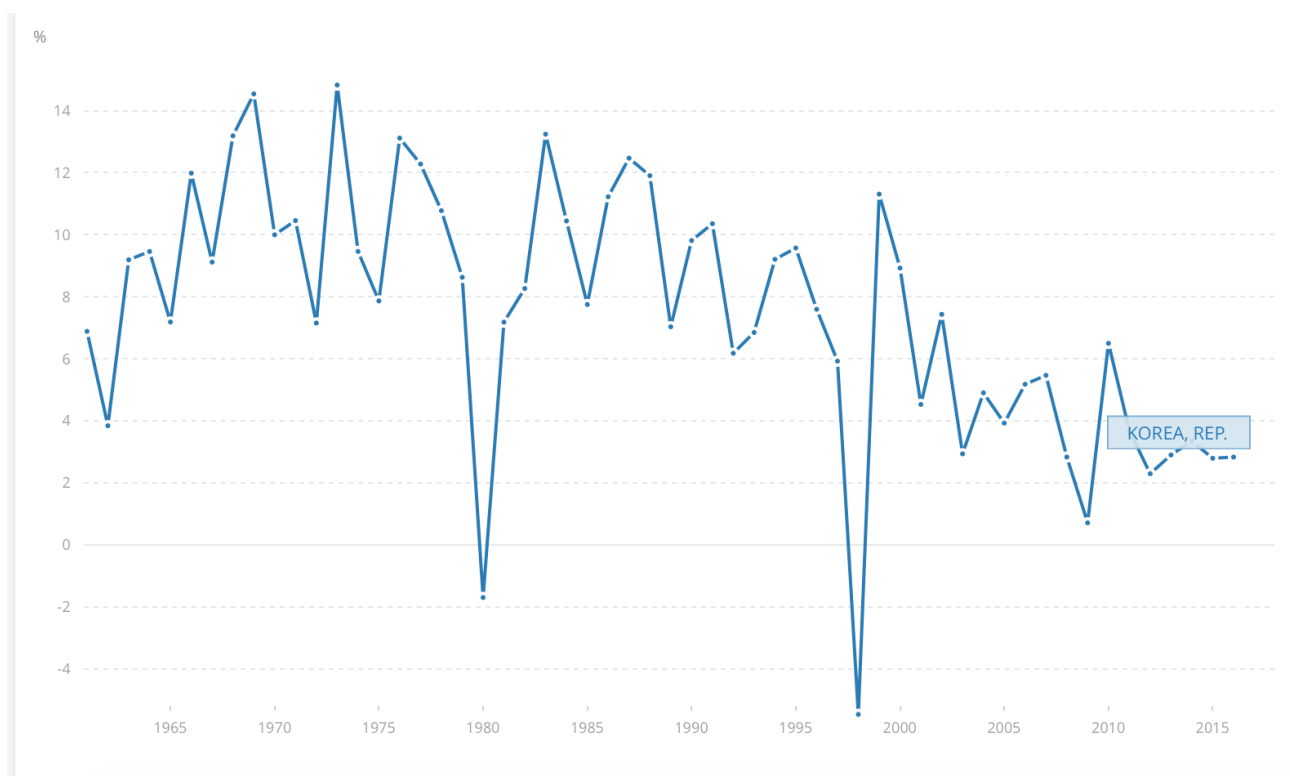
development was especially rapid from the 1960's and onward to the early 1970's. Today, Korea is still a large exporting economy, but the goods that are being exported have changed over time.

The rapid economic development did however not come without cost, and especially during the early years of moderation, working conditions and wages were critical.

Following Park's assassination in 1979, students rose in the city of Gwanju and the regime was for the first time under pressure. The regime acted violently and one of the worst crackdowns on its own population happened in Gwanju, with more than 3000 people killed (Douglass 2013: 22). The regime stayed and Park's successor Chun Doo-hwan continued as president of a military junta (Ha 1984: 18). Despite the uprising and civil unrest, which slowly started to show in Korea, Chun held office in 8 years before he stepped down and signed the first democratic constitution of Korea (Križnik & Cho 2017: 3).

Meanwhile the economic development of Korea continued, and in 1988, Seoul hosted the Olympics. The economic growth rates continued up into the 1990s, where a slow stagnation started. It ended with the 1997 Asian financial crisis, which affected Korea hugely. The crisis showed the vulnerabilities of the developmental state and the focus on export. Figure 9 shows the annual GDP growth rates in Korea, and it is especially noteworthy to see the rapid development from the start 1960's to 1975. Furthermore figure 9

**Fig. 9. Annual GDP growth rates in Korea (%) from 1961 -2016**



**FIG. 9. THE WORLD BANK - GDP GROWTH (ANNUAL %) 2016**

indicates some of the problems which Korea faced in the late 1970's and ultimately ended in recession. It is also noteworthy to reflect upon the recovery of the economy, which also must be regarded as quick. One explanation for this could be that the conglomerates quickly moved capital to other markets.

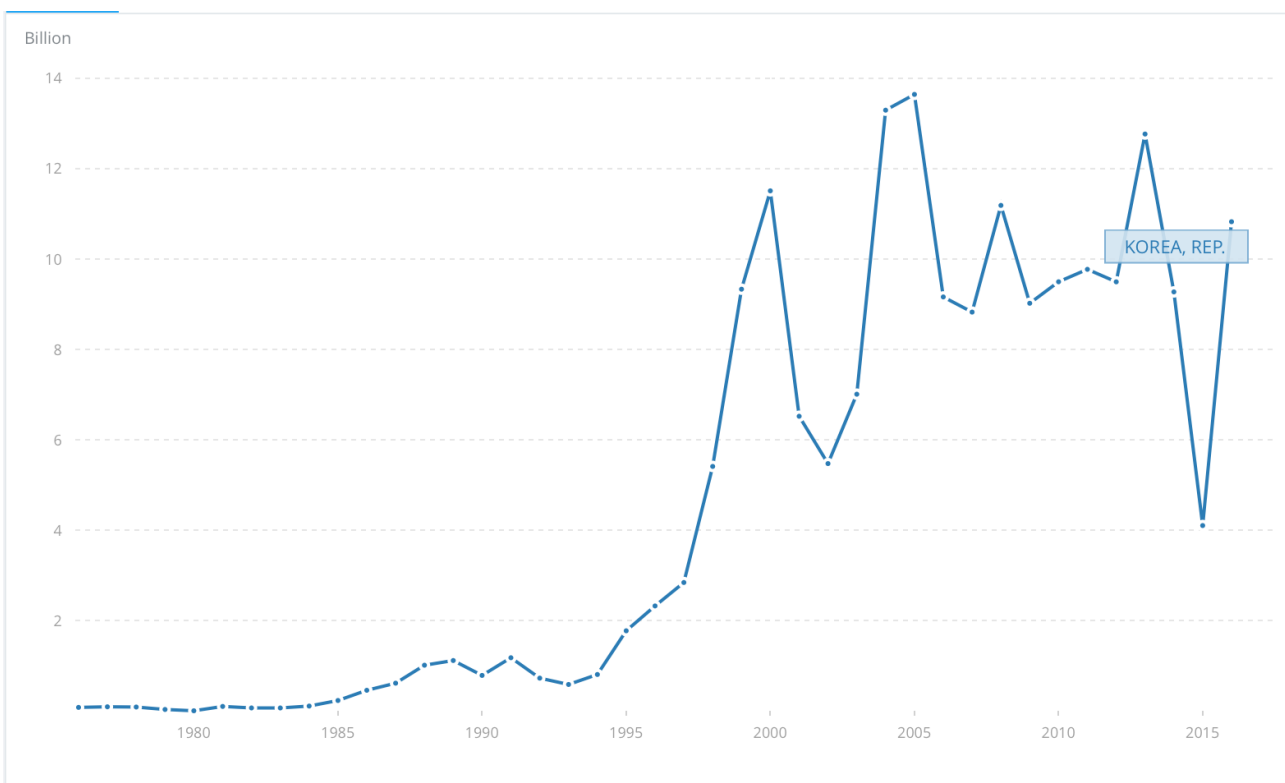
The 1997 crisis affected the Korean economy significantly, and the economy slipped into recession.

Therefore, the government had to reach out to the international community for help. The International Monetary Fund (IMF) had to bail the country out, as many of the big chaebols started to seriously decline.

In 1998, Kia Motors, the third biggest company at the time, filed for bankruptcy, but was bought by Hyundai (Chang 2009: 145). When IMF intervened in Korea, demands followed (Križnik & Cho 2017: 42).

IMF wanted to open the country up to the world, and raised the ceiling for foreign investment in a company from 26 % to 100 % (Ibid). At the same time, demands were given so that the ties between government and the Chaebols had to loosen up. As a result, the foreign investment in Korean companies grew, as figure 10

**Fig. 10. Foreign direct investment, net inflows (Current US\$) in Korea from 1970-2016**

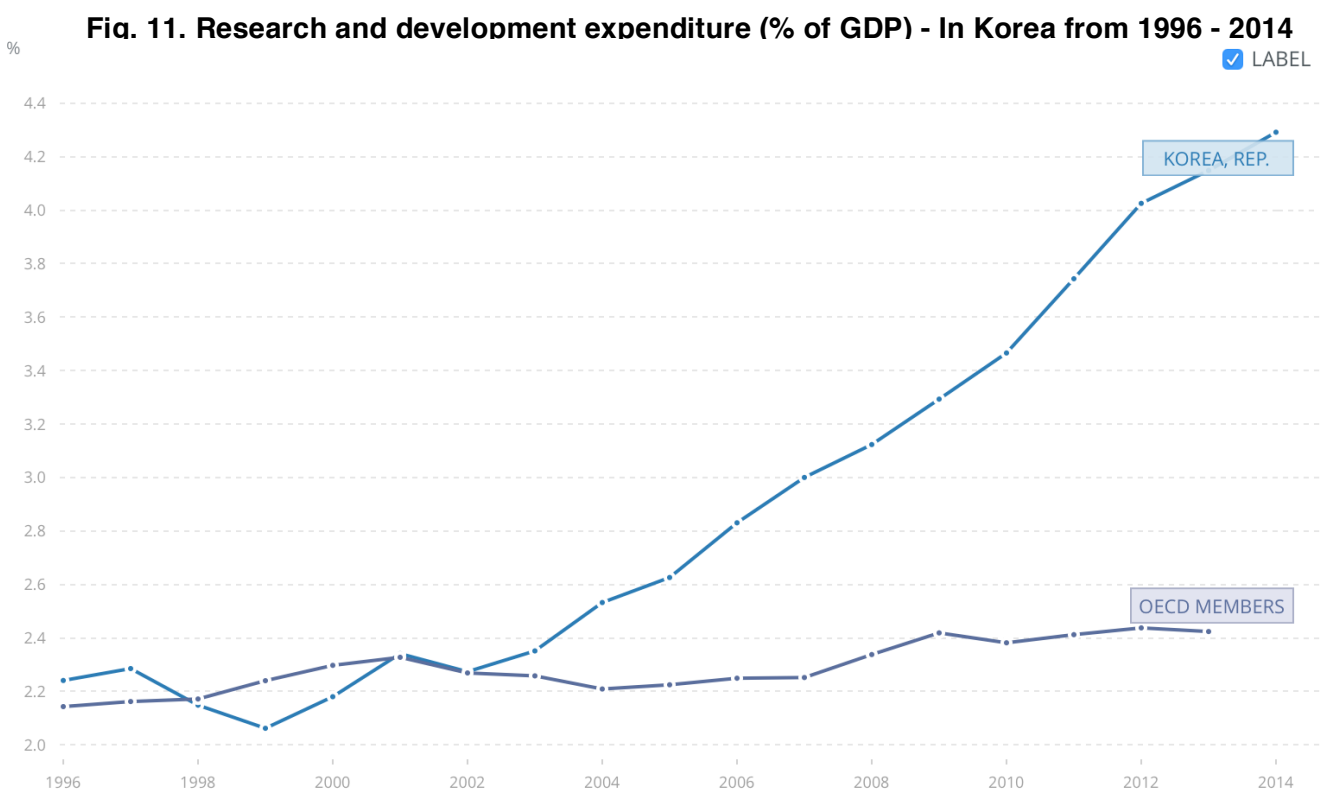


**FIG. 10. THE WORLD BANK - FOREIGN DIRECT INVESTMENT, NET INFLOWS (BOP, CURRENT US\$) 2016**

clearly shows. It is especially evident that 1997-98 is a year of transition, and the foreign investment increased exponentially in the following years. Figure 10 also shows the closedness of the Korean market before the 1997 financial crisis. The reforms were implemented and followed through, so that the IMF reached its goals of opening the Korean market up.

Because of the close relationship between the chaebols and the government, many typical welfare benefits, were in the mix between the two parties. This counts for retirement benefits, medical insurance, unemployment benefits etc. With the introduction of the demands giving by IMF, many Koreans lost their benefits due to the liberalization of the market and Korea as a whole (Križnik & Cho 2017: 34). At the same time, the Chaebols remained strong, and although they lost ties to the central government, the Chaebols had at this time grown so much, that they were largely dominant in most spheres of business. The liberal reforms implemented by the IMF only benefited them (Hart-Landsberg & Burkett 2010: 408). At the same time, the Korean state had to ensure basic welfare benefits for its citizens, and the public expenditures grew as a result.

Meanwhile, the ever-growing Korean cities started to experience urban stagnation. During the 1990's, the steadily growing economy of Korea meant that industries, which were formerly located in Korea, had to move out because of lower expenditures elsewhere in the world (Križnik & Cho 2017: 44-45). A structural-shift was on its way, and the government made huge investments in the service-job industry. High-level service jobs were on the rise, and especially technology came to play an important role. In this process, government and private businesses invested hugely in R&D as well as education. Figure 11 shows the

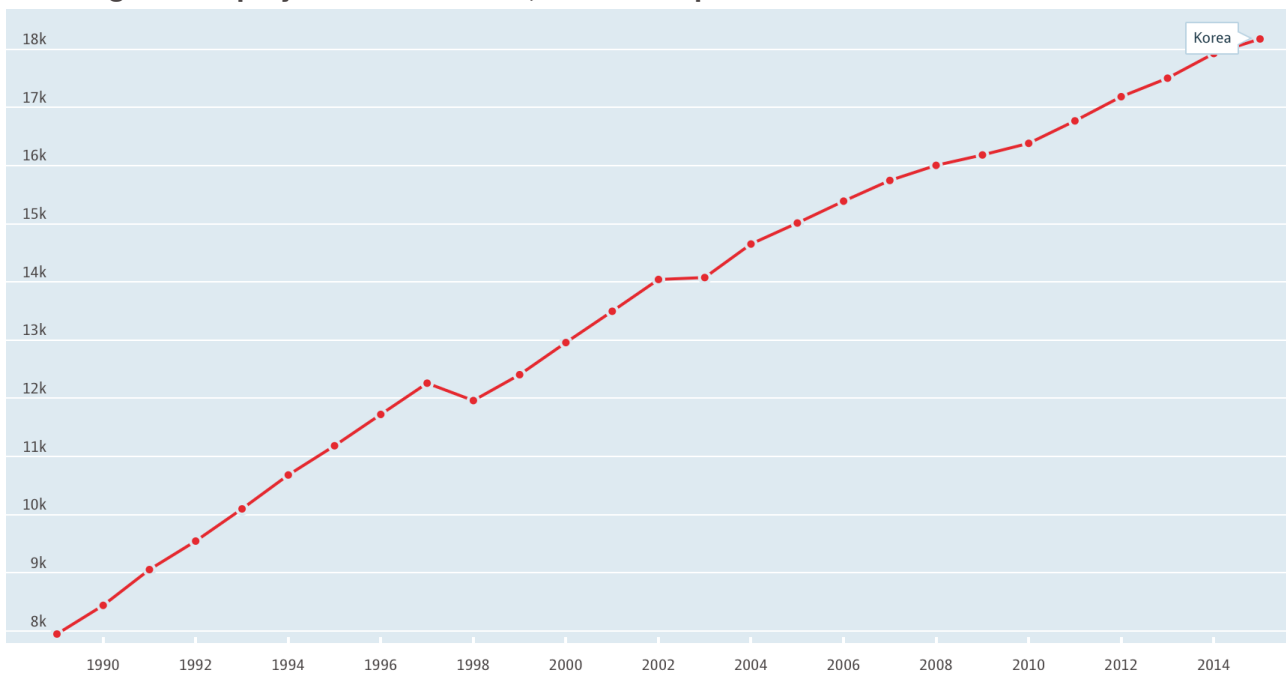


**FIG. 11. THE WORLD BANK - RESEARCH AND DEVELOPMENT EXPENDITURE (% OF GDP) 2014**



expenditures in research and development - from both the public and the private sector. The curve is especially increasing from 2002. Korea has since the beginning of the 2000's relied heavily on creating the right environment for a service-based economy, with focus on high-technology products and a highly educated workforce. So far, the strategy has worked. Korea has over 200 universities (StudyinKorea 2017), and the amount of people employed in the service-sector has been steadily increasing since the 1990's (Fig. 12). It is therefore safe to say, that a new sector of white-collar jobs has been created in Korea. The transformation of Korea from an industrial society into a modern society characterised by a highly-skilled workforce, is happening rapidly, and especially Seoul has been able to adapt to the structural changes. At the same time, welfare improvements have been made, and legacies of the past regimes are slowly starting to fade away, most recently with the impeachment of President Park Geun-hye (daughter of Park Chung-hee).

**Fig. 12. Employment in Services, Thousand persons - In Korea from 1989 to 2015**



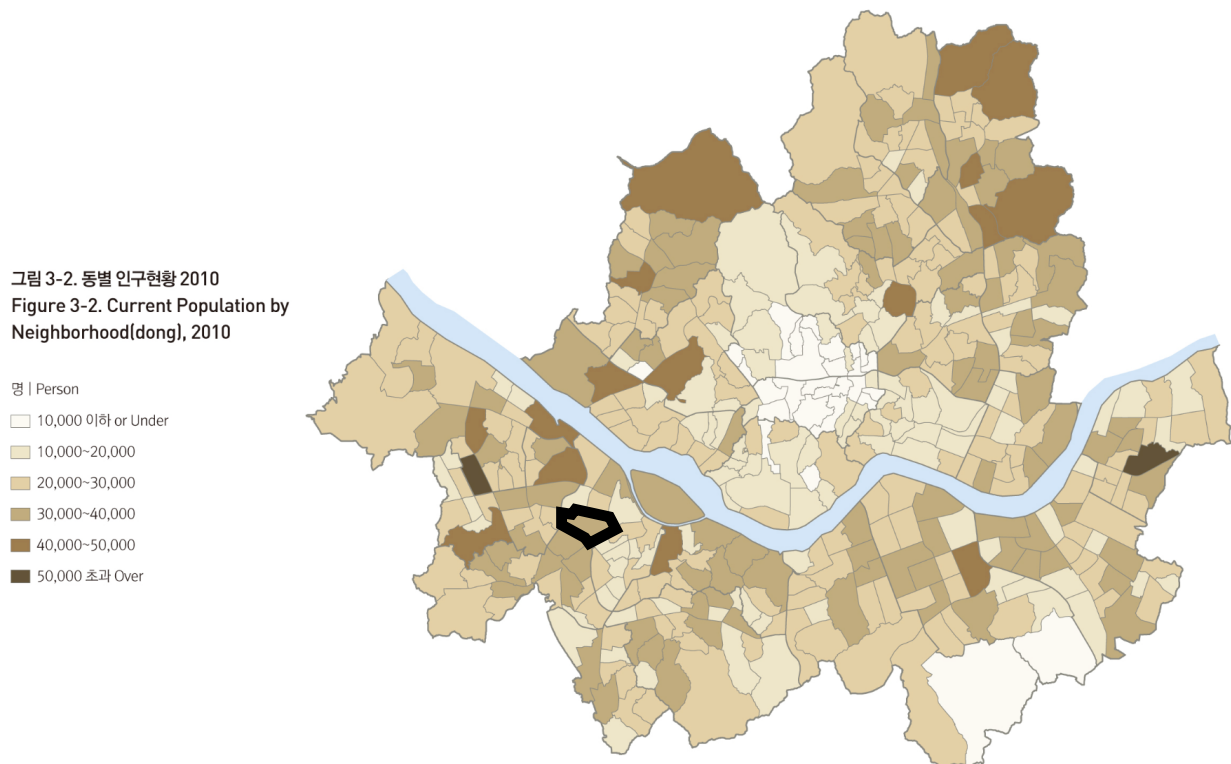
**FIG. 12. OECD EMPLOYMENT BY ACTIVITY - 2015**

Because of this structural change, Seoul's physical environment has changed as well. High-rise office buildings or shopping malls characterise most downtown areas today. Despite that, few areas are still left relatively untouched - Mullae-dong is one of them.

#### 4.7. Mullae-dong

Mullae-dong is located just south of the Han-River in the district of Yeongdeungpo-Gu. Yeongdeungpo is one of the biggest districts in the Seoul Metropolitan municipality, when it comes to population. Following the overall trend of Seoul, the area surrounding Mullae-dong is highly populated. Mullae-dong and its population anno 2010, is shown in map 6. Until the late 1970's, Yeongdeungpo was relatively undeveloped and many squatters occupied the area. Furthermore, the area was characterized by a mixed use of industry and housing for the workers. During the 1980's, the area was developed and especially the development of Yeouido-dong established the area as a prominent district in Seoul (Seoul Metropolitan Government 2009: 22). Being referred to as the Wall Street of South Korea, the island of Yeouido hosts some of the biggest banks and investment companies in the country. The national assembly is located at the Yeouido, and the area has an important financial and political role. This has had huge impact on surrounding dong's in Yeongdeungpo-Gu, which have experienced rising housing prices and a demand for redevelopment. The development has primarily concentrated on developing Yeouido-dong, while the other surrounding dong's have been left relatively untouched. Yeouido to the north therefore stands out in contrast to the area of Mullae-dong. The development of the area surrounding Yeouido is designated as a strategic important

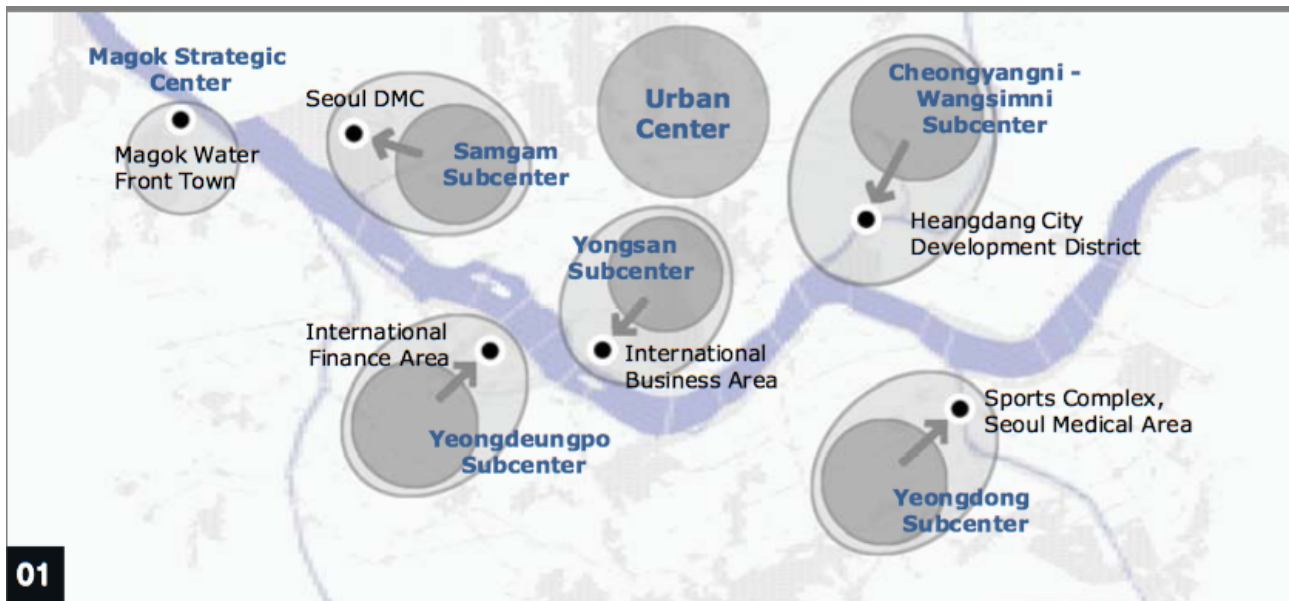
**Map 6. Population distribution by Neighborhood(dong) in Seoul 2010**



**MAP 6. SEOUL SOLUTION - THE SOCIAL MAPS OF SEOUL 2010**

area. In the latest urban plan, the area is designated as an international finance area, and as map 7 shows, the surrounding area of Yeouido, is designated as a sub-centre. The designation follows the recent development of expansion of urban centres in Seoul. The current approach to urban development in Seoul will be uncovered in greater detail in a later section.

**Map 7. Extension of Urban Centers to the Han River - Hangang Renaissance**

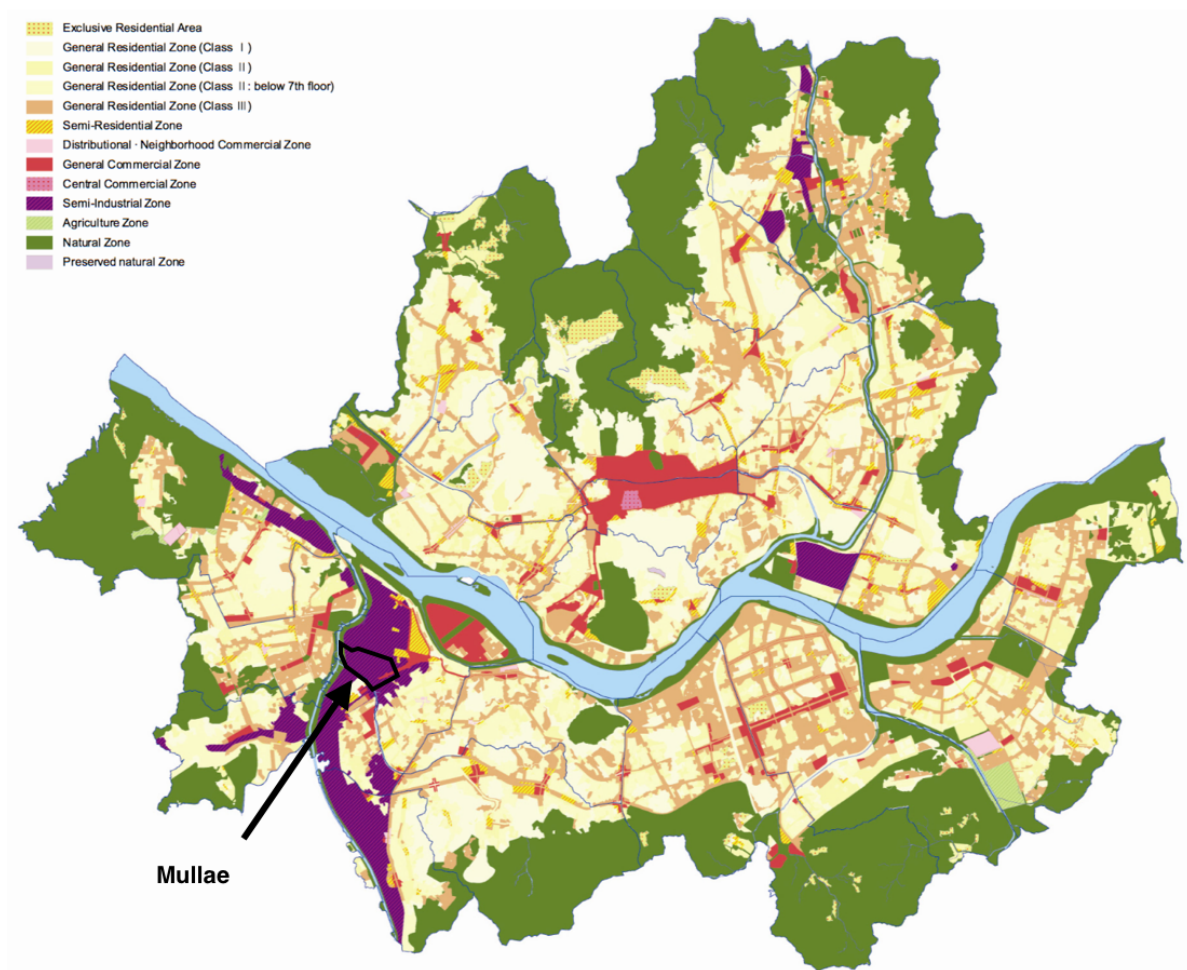


**MAP 7. SEOUL METROPOLITAN GOVERNMENT 2009: 73**

Mullae-dong has a long history as an industrial neighbourhood, starting with textile factories during the Japanese colonial rule (Choi 2015: 36). In the beginning of the Park Chung-hee regime, the area was transformed into a steel industrial park (ibid.). As a result, many factories were established in Mullae-dong, and the area became the primary area for steel production. Residential neighbourhoods were established in the eastern part of the district, in order to house the labour force of the growing steel industry. By the end 1980's and start 1990's, the industrial era of Korea started to decline, and as a result, much of the industry located in Mullae was closed down. Leaving empty spots, residential apartments and small businesses began to appear in Mullae-dong (Choi 2015: 37).

When establishing the urban master plan of Seoul, the SMG applies a zoning system, which divides the city into land parcels and classifies the use of the area into residential, commercial, industrial, and green space zones. Each zone is divided further, as map 8 illustrates. It's apparent that many areas in Yeongdeungpo are designated as semi-industrial zones, with the exception of Yeouido, which has been designated as a general commercial zone. Where the general commercial zone area is characterized by commercial and business

**Map 8. Zoning system in Seoul**



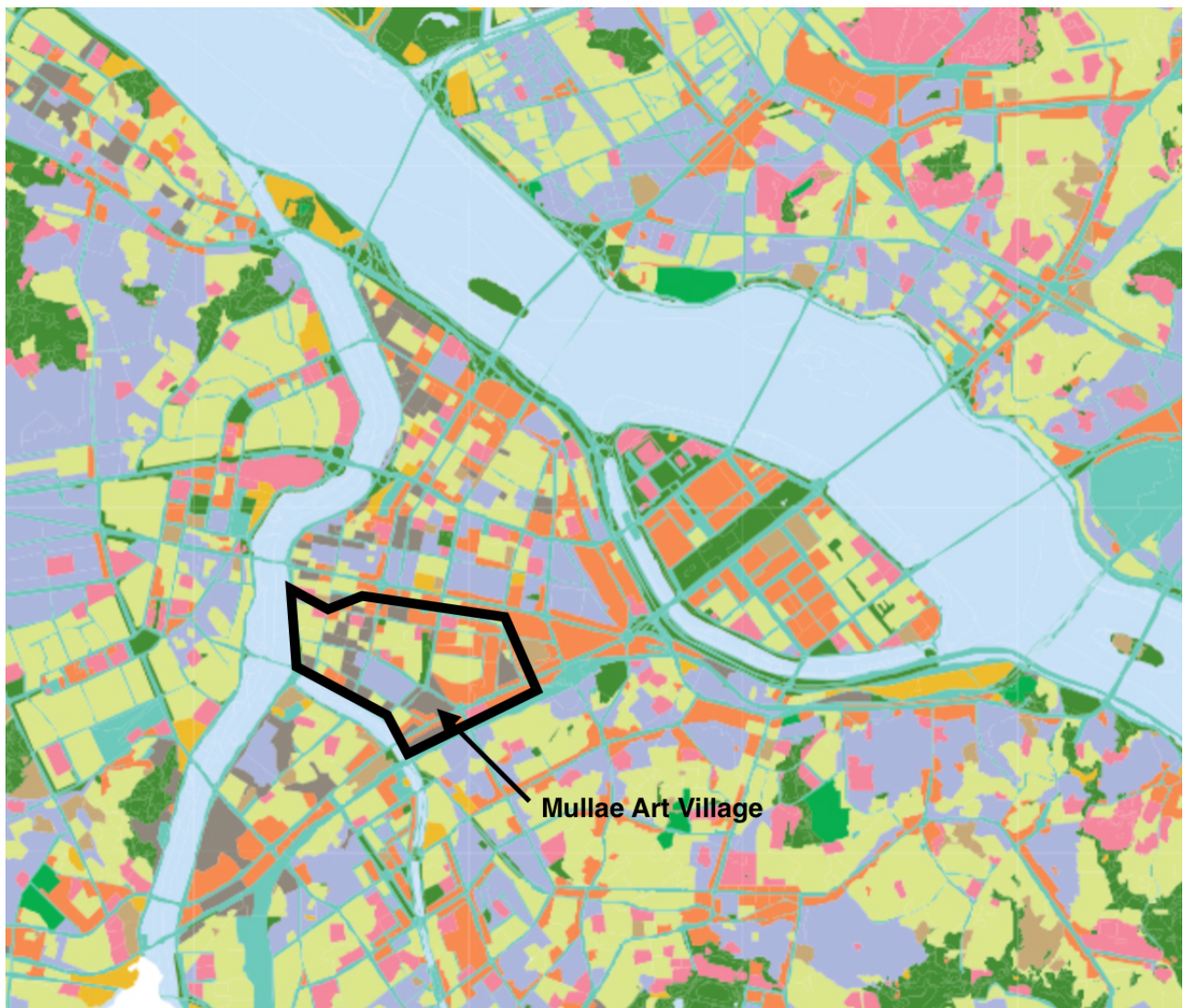
**MAP 8. SEOUL METROPOLITAN GOVERNMENT 2009: 47**

functions, the semi-industrial zone “Accommodates light and other industries, complementing some residential/commercial functions” (Seoul Metropolitan Government 2009: 46). The area of Mullae-dong has been designated as an industrial area by the SMG, but as it was shown earlier, the area has a quite large population, which indicates that residential areas must be located in Mullae-dong. Presenting a map of land use offers a deeper insight into the concrete use of Mullae-dong. Map 9 shows a zoomed-in map of the land use in the area. Map 9 shows the diversity of Mullae-dong, which involves the mixture of residential areas, commercial/business areas and industrial areas. Most residential areas are located to the west near the river. In the east, commercial areas are dominating and in between, industrial areas occupy plots of land. The area of interest is marked on the map. This is the area that have attracted several artists in the recent years, and the area where the steel industry is still active. Throughout the years, Mullae-dong has been subject to redevelopment. It indicates that some of the commercial areas to the east are these newly developed sites. This was also confirmed during my observations in the field.



Because of the many old industrial workspaces that were abandoned during the 1990's, a new influx of people started moving into these empty buildings in the 2000's. (Choi 2015: 37). Artists found the cheap localities useful as work-studios, and a new community started to form. The first artist, who moved in, took

**Map 9. Land use in Yeongdeungpo-gu**



**MAP 9. SEOUL SOLUTION - THE SOCIAL MAPS OF SEOUL 2010**

- 주택지 Residential Area
- 상업 및 업무시설지 Commercial and Business Area
- 혼합지 Mixed Residential and Business Area
- 공업지 Industrial Area
- 공공용도지 Public Facilities Area
- 교통시설지 Transportation Facilities Area
- 도시부양시설지 Urban Infrastructure Facilities Area
- 나지 Denuded Area

advantage of the existing steel industry located in the area. Working with steel as their primary material in their artwork, the artists enjoyed the close relation to the steel industry (Lee 2015: 9).

The seemingly different communities of Mullaedong therefore worked together, and as of today they still coexist. Currently more than 200 artists are based in Mullaedong and the creation of the so-called art community is a reality. Meanwhile the steel industry is still there - though on a small scale. The emergence of artists in Mullaedong has furthermore drawn outsiders, such as tourists to the area. This is mainly due to the different events now happening in the area - most notable is the Mullaedong Art Festival, but many music venues are also situated in Mullaedong.

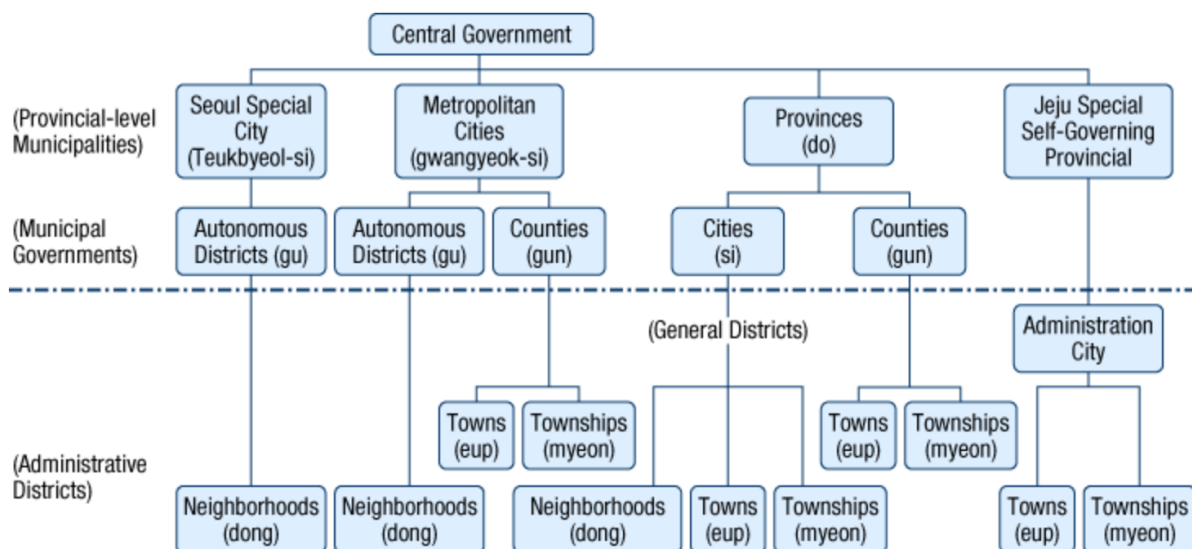
The SMG has also realized the transformation of the area, and they are now engaging in the process. A government-sponsored art space has been built and today it functions as a workplace and exhibition hall for the area (Choi 2015: 37). The transformation of Mullaedong is slowly getting visible in the psychical environment as well as in the rhythm of the area. Coffee shops have opened up in the old industrial workspaces, and the area is visited by people in weekdays as well as weekends. A further exploration of these new tendencies in Mullaedong will be conducted in a later section. Before digging further into this subject, it's important to explain the basis of planning in Seoul.

#### 4.8. Urban planning in Korea - a process of decentralization

In order to understand urban planning in Seoul, it's first of all important to understand the administrative hierarchy itself. Figure 13 depicts the administrative levels in Korea, ranging from the highest administrative level of the central government, followed by a provincial level (Si and do), a municipal level (gu and gun (si)) and lastly an administrative level (dong, eup, and myeon). The designation of Seoul as a special city implicates that it's regarded on the same levels as the provinces of the country, but is referred to as a si. Yeongdeungpo is located at the municipal level and are therefore defined as gu. Lastly, Mullae is defined as a dong at the administrative level.

Giving that Seoul is defined as a 'special' city, it functions as a province, and the mayor of Seoul has autonomy to some extent. In the context of urban planning, SMG therefore enjoys relatively big autonomy,

**Fig. 13. Administrative levels in Korea**



**FIG. 13. MINISTRY OF LAND, INFRASTRUCTURE, TRANSPORT AND TOURISM, JAPAN (MLIT) 2008**

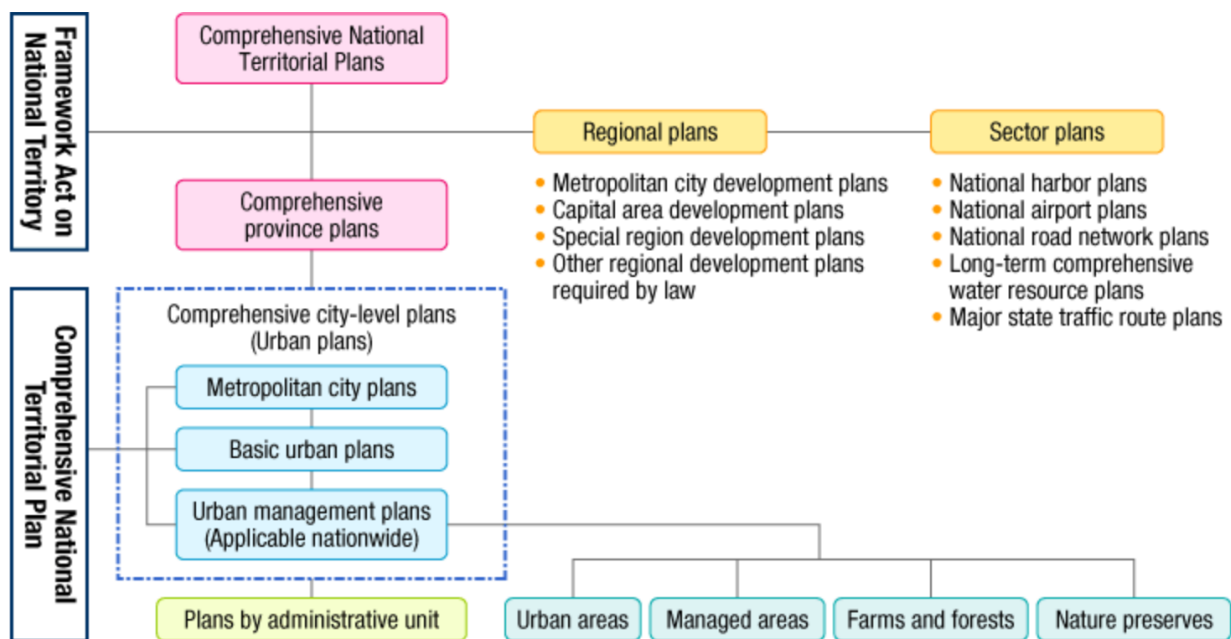
but still has to adapt to overall national plans. As with the administrative division in Korea, the planning system functions in a hierarchical manner and all lower administrative levels are planned and developed in relation to higher level plans. National planning in Korea goes all the way back to 1962, where a five-year plan for economic development was established. Behind the plan was the very powerful Economic Planning Board (EPB), which by some academics is referred to as having super ministerial status (Kim 1992: 201). EPB's formal powers were in the control of the federal budget and foreign loans and their main objective was to lead an export-oriented policy (Kim 1992: 199). This was ensured by a close relationship with the

chaebols, and a centralized approach to planning through the five-year plan for economic development. This overall approach to planning was ensured in a structure, where most authority was gathered in the central government. While other plans evolved throughout the years, this approach to national development was first replaced in 2004, when the acting president at the time, Roh Moo-hyun, established the Special Act for Balanced National Development(SABND). This legal framework was also based on five-year plans, but introduced a decentralization of the national planning, and put more autonomy on the provinces and cities. The purpose of the plan was to:

*“(...) address imbalance between regions and enhance regional competitiveness and the quality of life of local residents by facilitating region-specific development and inter-regional connectivity and cooperation, thereby contributing to balanced development” (Special Act on Balanced National Development: 2014<sup>2</sup>)*

SABND was aimed at creating greater coherence between the overall national planning, and the local planning in the si and do (Ibid.). In this process, the si and do also gained increasing autonomy. SABND

**Fig. 14. National planning in Korea**



Source: "2008 Annual report on the planning and use of national territory", Ministry of Land, Transport, and Maritime Affairs, Korea

**FIG. 14. MINISTRY OF LAND, INFRASTRUCTURE, TRANSPORT AND TOURISM, JAPAN (MLIT) 2008**

<sup>2</sup> [http://elaw.klri.re.kr/eng\\_service/lawView.do?hseq=31914&lang=ENG](http://elaw.klri.re.kr/eng_service/lawView.do?hseq=31914&lang=ENG)



furthermore involved a wide range of public spheres, ranging from education, economic growth, tourism and health, and the plan is therefore characterized as comprehensive and visionary (ibid.). Where SABND acts as the overall framework, The Framework Act on National Territory, concerns the use of territory in Korea and makes up the spatial plans (Framework Act on The National Land: 2016<sup>3</sup>). Based on this act, the Comprehensive National Territorial Plan (CNTP) was established. (Kim 2015: 96). The CNTP was first established in 1972, and is now in its fourth edition, with a revision every 4th year. The CNTP determines the content of the lower level plans at the provincial level, which furthermore determines plans at the municipal level. National planning in Korea is structured in a hierarchy where lower levels plans always have to be linked to higher level plans. Figure 14 shows the national planning system in Korea and the legal framework. A characteristic for the high-level plans is that these are vision-oriented, and typically concerned with the overall and long-term development of the country. The urban plans, on the other hand, focus on developing specific areas, and only have to be in coherence with the national vision. The following will shortly outline the main characteristics of urban planning in Seoul.

#### 4.8.1. Three levels of planning

The “special” city of Seoul consists of 25 gu’s, which are furthermore divided into numerous dongs. As earlier mentioned, the development occurred from north of the Han River towards south of the river, during the year of rapid economic growth (Kim 2015: 257). Urban planning in Seoul consist of three-levels, in which the lower levels have to be in accordance with higher-level plans. The highest level is the Urban Master Plan (UMP), which in a visionary style outlines the long-term perspectives of the city (Seoul Metropolitan Government 2009: 24). The UMP deals with a vast variety of subjects including

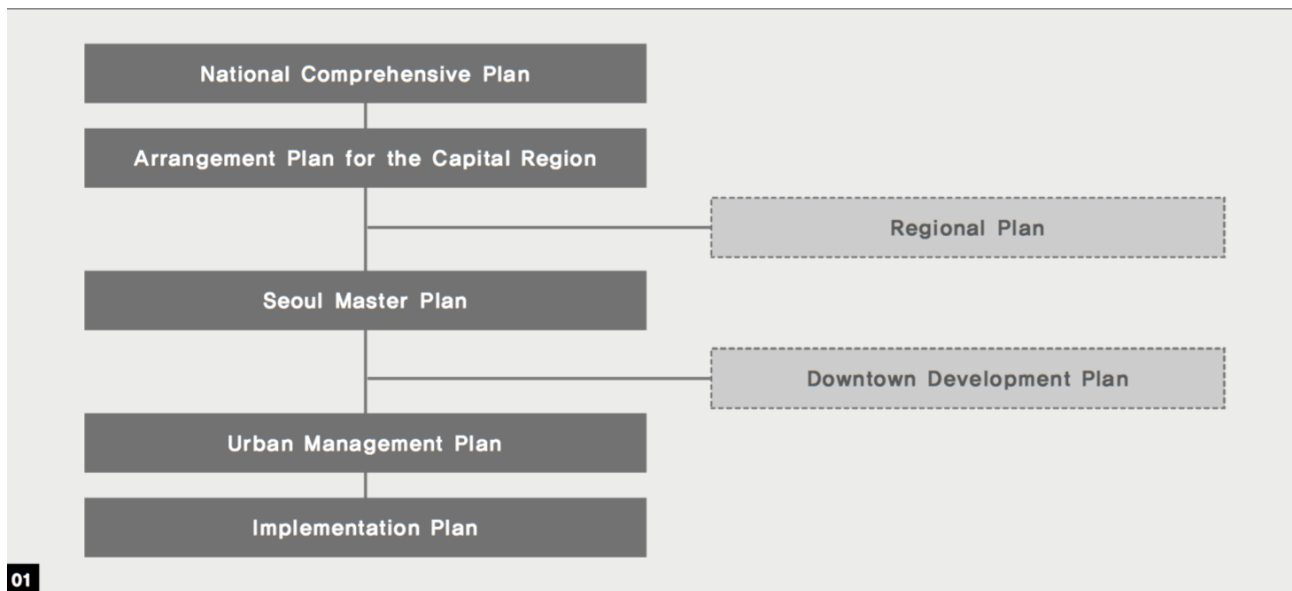
*“(...) sub-regional development; land use; reconstruction and redevelopment; housing supply; improvement of traffic and material distribution system; development of information and communication services; development and promotion of economy, industry, society, and culture; environmental conservation and management; parks, landscape, and green space; disaster prevention and safety; and financing necessary for implementation” (Seoul Metropolitan Government 2009: 24).*

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<sup>3</sup> [http://elaw.klri.re.kr/eng\\_service/lawView.do?hseq=40203&lang=ENG](http://elaw.klri.re.kr/eng_service/lawView.do?hseq=40203&lang=ENG)

Due to the comprehensive nature of the UMP as well as the importance of Seoul in Korea, the plan is made in close connection with relevant ministries and planning institutions.

**Fig. 15. Planning System of Seoul**



**FIG. 15. SEOUL METROPOLITAN GOVERNEMENT 2009: 25**

Following the UMP, is the so-called Urban Management Plan (UMAP) that concerns the concrete details of the Urban Master Plan (Ibid.). The UMAP is drafted by the local gu's but need to be approved by the SMG. The UMAP is "measure-oriented", meaning that it acts as guidance for the Urban Implementation Plan (The lowest level). Concretely, the UMAP covers areas such as zoning, designation of urban development and redevelopment projects and detailed district plans (Seoul Metropolitan Government 2009: 24). At the lowest level of urban planning in Seoul is the Urban Implementation Plan(UIP), which concerns the actual implementation(Ibid.).

Figure 15 illustrates the planning system of cities in Seoul. Before engaging in an analysis of the current development of Seoul, a short historic outline of the most important trends related to urban planing will be made.

#### 4.8.2. Key Milestones in planning Seoul

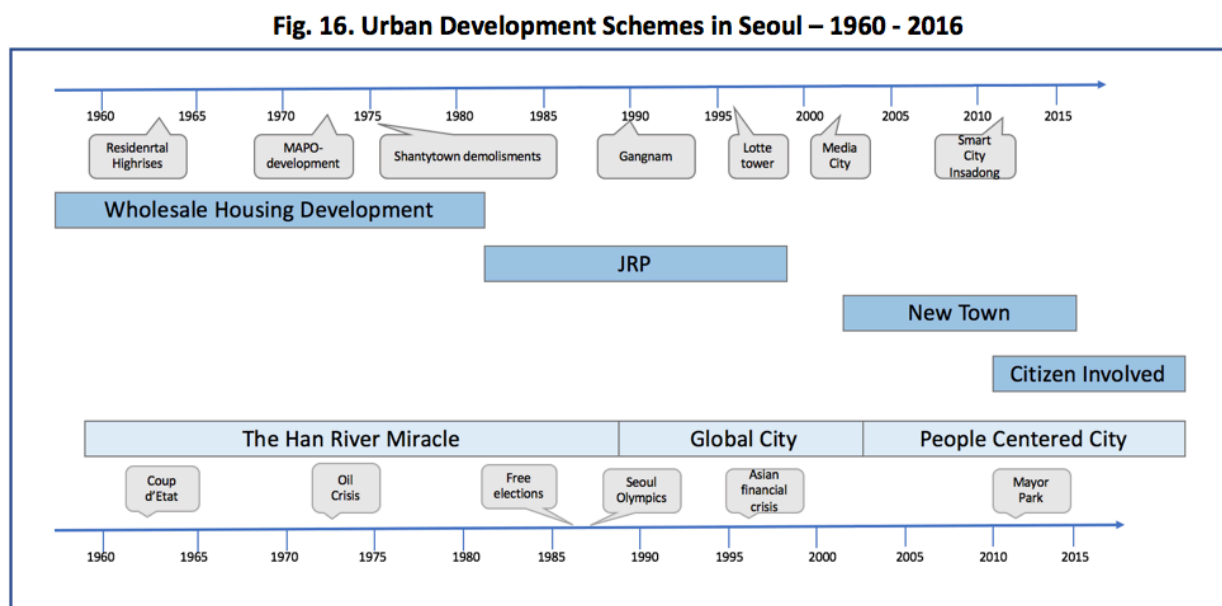
The year of 1966 marked a turning point in the urban planning history of Seoul, as the first master plan was established (Kim 2015: 12). The plan aimed at improving the spatial structures of the city, but also included socio-economic variables. The basis for the plan was the influx of people, which was believed to reach 5 million by 1985 (ibid.). As a consequence, one central and five sub-central areas were designated. The plan

aimed at connecting these six areas, and focus on high-rise residential development (ibid.). In 1970, the plan was revised, as the population had already surpassed 5 million. As a result, further sub-central areas were added - including Yeongdeungpo. Yeouido was in this process designated as the new business area and home to the parliament as well (Kim 2015: 14). The next milestone came in 1978, where a new master plan was drafted. Focusing on 2001 and a population of 7 million, the aim of the plan was to cope with problems of overpopulation as well as promoting balanced urban development (ibid.). Among other things this meant that the area of Gangnam was developed, and Seoul started to develop onto south of the Han River. The 1978 plan was already revised in 1980, and adjusted at targeting a population of 9.45 million in 2001 (Kim 2015: 16). Until 1990 the city centre of Seoul was designated as Gangbuk, north of the Han River, but beginning in 1990, the SMG focussed on creating multiple city centres (Kim 2015: 18). The decentralization of the SMG also concerned the planning structure and in 1995, some of the planning authority was applied to the gu's (Ibid.). The spatial structure of the previous plan, with one centre continued all the way on into 2010's. The master plan of 2006, which targeted at 2020, took a more comprehensive approach than previous plans, but the goal was still a balanced development (Kim 2015: 22). In 2014, the plan was revised with a target of 2030. The content of this plan will be outlined in a later section, but for now it's just worth noticing that the plan established three city centres, and finally broke with former plans of a mono centric city (ibid.).

Before encountering the specific content of the 2030 Seoul Plan, it's important to uncover which strategies and tools the SMG has applied previously in regard to urban development. In the following sections, an analysis of these will be made.

## 5. Urban development schemes in Seoul - Previous experiences and future developments

The following chapter will focus on urban development in Seoul. Presenting previous approaches towards urban development, details of these will be analysed. Following the path dependency of previous schemes, the current approach will be presented and analysed, before encountering the question of gentrification in Mullae-dong. Before going into further detail in the various development schemes, figure 16 illustrates the development of these. The figure furthermore shows important landmarks in the history of Korea, and key examples of the urban development.



**FIG. 16. MADE BY THE AUTHOR**

As previously mentioned, the developmental state of Korea prioritized economic growth in which urban development was an important factor (Park 1998: 274). Economic growth has shaped the spatial environment of Seoul with its focus on rapid industrialization, accompanied by an influx of people. New industries in Seoul especially attracted young unskilled people from the rural areas and in a decade, the population in Seoul doubled (Kim 1982: 32). Seoul was not ready for this huge influx of people and shortage of housing became a big problem. As table 2 illustrates, the housing supply ratio in Seoul in 1970 was only about 50 %. As a result, many Koreans lived in poor housing conditions - either in overcrowded apartments or in shanty towns on the hillslopes of Seoul. The squatters lived under bad conditions - without electricity, water and with a constant fear of being evicted, because of the illegal status of the settlements (Ha 2001: 388). Most of these shantytowns were built in downtown Seoul, and the SMG saw these settlements as a challenge to the economic growth of the city and was concerned with the poor living conditions (Kim 2010:

138). The strategy applied by the SMG were evictions resulting from the demolition of the shanty towns. Most inhabitants didn't receive any compensation and were left alone to find housing elsewhere (Ibid.). Furthermore, the constant influx of people to Seoul meant that new shantytowns continued being built, and the attempts to control this by the government were not sufficient at all.

**Table 2. Housing stock in Korea and Seoul - 1970 – 2005**

	1970	1980	1990	2000	2005
<b>Households ('000)</b>					
- Korea	5,576	7,470	10,167	11,928	12,491
- Seoul	1,029	1,724	2,518	2,548	2,588
<b>Housing stock ('000)</b>					
- Korea	4,360	5,319	7,357	11,472	12,491
- Seoul	584	968	1,458	1,973	2,322
<b>Housing supply ratio (%)</b>					
- Korea	78.2	71.2	72.4	96.2	105.9
- Seoul	56.8	56.1	57.9	77.4	89.7

**TABLE 2. KYUNG & KIM 2011: 8**

In the 1970's the discontent with the Park Chung-hee regime started to unveil, which resulted in the government imposing the Yushin constitution in 1973. President Park needed political legitimacy - especially in the cities where his popularity historically was smaller. Park originated from the city of Daegu (Douglass 2013: 26), and had with great success organising the so-called Saemaeul Undong in rural parts of the country. This was a village movement, which tried to improve the quality of life by developing the rural villages with self-help and community spirit (Douglass 2013: 21). Park tried to turnaround his declining approval rate in the cities by, among other things, improving the housing conditions for the urban poor. Thus, the government took the initiative to similar communal actives in Seoul, but these attempts have in the literature been described as having had limited impact (Ibid). Other attempts were tried without success, until a new approach was applied in 1983. Instead of defining the shantytowns as illegal settlements, the government included the owners of the land plots in so called Joint Redevelopment Projects (Kim 2010: 139). This will be the focus of the following section.

## 5.1. Joint Redevelopment Projects

Since its implementation in the Urban and Residential Environment Maintenance Act of 1983<sup>4</sup>, Joint Redevelopment Projects (hereafter JRP), has been one of the main approaches towards urban development. As the name implies, JRP consists of a partnership between property owners, the government and private developers. In the process of JRP, the city government, and in this case the SMG, designate a specific area as a redevelopment area. The private developers then provide the capital and carry out the construction. The property owners form an association which must approve the project by 2/3 vote (Ha 2001b: 41). Initially the JRP focused on the shantytowns, which were occupied by tenants with no right to the land. By including the landowners in the process, the SMG had the legal framework to clear the shantytowns. As a result, thousands of houses were demolished and replaced by high-rise apartments (Ha 2001b: 41). These new buildings offered better living conditions in terms of square-meters and compared to other areas of Seoul, the housing conditions were better. Because of the large-scale demolition and the non-existing representation of the tenants in the JRP, thousands of people got evicted.

In his research, Ha has shown that over 700,000 squatters got evicted between 1985-1988 (ibid.). Since 1983 nearly 300 areas have been designated as JRP areas in Seoul, which has transformed the spatial landscape. Table 3 shows the development in sites designated as JRP. It's evident that, many sites were designated in the mid 1980's, and no public housing was built at the same time on these sites. This indicates that the private developers were the dominant part in the JRP during the mid-1980's. The demolishing of old houses and shantytowns, made room for new high-rise building which offered more square meters, and the government thereby increased the housing supply (Ha 2007: 120).

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<sup>4</sup> ([http://elaw.klri.re.kr/eng\\_mobile/viewer.do?hseq=25618&type=sogan&key=4](http://elaw.klri.re.kr/eng_mobile/viewer.do?hseq=25618&type=sogan&key=4))

One of the problems facing the JRP projects was the eviction of tenants who didn't own the right to the land, either because they squatted it illegally, or because they rented it. In the case of illegal shantytowns, these covered 57 % of the JRP areas and almost half was on public land (Ha 2001b: 42). In these cases, inhabitants could buy the land from the government, but due to financial challenges, this didn't seem possible. In cases of JRP areas owned by private property owners, the government offered compensation for the owners of the land plots, but no compensation was provided for the tenants (Ibid.). As a result,

**Table 3. Progress of Seoul's squatter policies - Including JRP**

	Demolition			Legalization (tenure rights) and Improvement	Joint Redevelopment Project	
	Demolition	Demolition and relocation	Demolition and providing low cost apartment		Demolition and building mid-size apartment (usually for the upper class)	Number of public rental housing built on the site
Plan of 1960s <sup>a</sup>						
Plan of 1970 <sup>b</sup>		<b>132,850</b>	28,270	16,434		
Revised Plan of 1974 <sup>c</sup>	26,600 With little compensation			<b>94,400</b>		
1983 <sup>d</sup>					334	
1984					984	
1985					1858	
1986					7703	
1987					5269	
1988					3925	
1989					1967	
1990 <sup>e</sup>					2958	1692
1991					2610	3257
1992					3330	3574
1993					10,364	13,163
1994					10,775	9107
1995					8731	7452
After 1996					24,010	22,866

<sup>a</sup> Neither the plans nor the records from the 1960s are confirmed. Since 1968, however, squatter demolitions began in full scale, as did massive relocation policies such as at the Gwangju Grand Complex.

<sup>b</sup> The plan established in 1970 mainly concerned with demolition and massive relocation of **187,554** squatter housing units. This overlaps with the plan for formation of the Gwangju Grand Complex.

<sup>c</sup> In 1973, however, as the Temporary Measure Act for Housing Improvement Promotion was approved, the squatter policy quickly changed to the site improvement method. According to the plan established in 1974, the intention was to organize **121,000** squatter housing units through legalization and improvement methods by 1981. This was in fact carried out.

<sup>d</sup> Since 1983, joint redevelopment methods have been employed, and about **85,000** housing units were the subject of organization. These were to be demolished, and new apartment complexes containing about **230,000** residences were to be constructed.

<sup>e</sup> Since 1990, public rental housing for tenants from squatter redevelopment projects have been built, with the ultimate goal being about **60,000** residences. Source: Reconstituted from Chang & Yoon (2000) and Kim (1996), which are based on records of the City of Seoul.

**TABLE 3. KIM 2010: 138**

tensions rose, as tenants and property owners came into opposition. The tenants were left to find housing elsewhere, and the SMG didn't supply many options (Ha 2007: 120). The property owners were lawfully guaranteed housing in the JRP areas after development, but due to rising housing prices, many found it difficult and had to find housing elsewhere. The profiteers of the JRP were indeed the private developers, who after a redevelopment could sell the housing units on the market (Shin & Kim 2014: 547). In the urban development projects and the JRP, the chaebols were the main private developers, as they had the necessary capital, and the state had an incentive in strengthening these companies (Ha 2007: 120). The urban development was therefore seen as an economic growth strategy, and profit was to be maximized in the JRP. With a rising middle-class during the 1980's and 1990's, these new high-rise building in JRP areas were in high-demand. Combined with favourable conditions for the chaebols and huge amount of capital, the chaebols invested heavily in urban housing and housing prices in Seoul increased 32.9 times from 1974

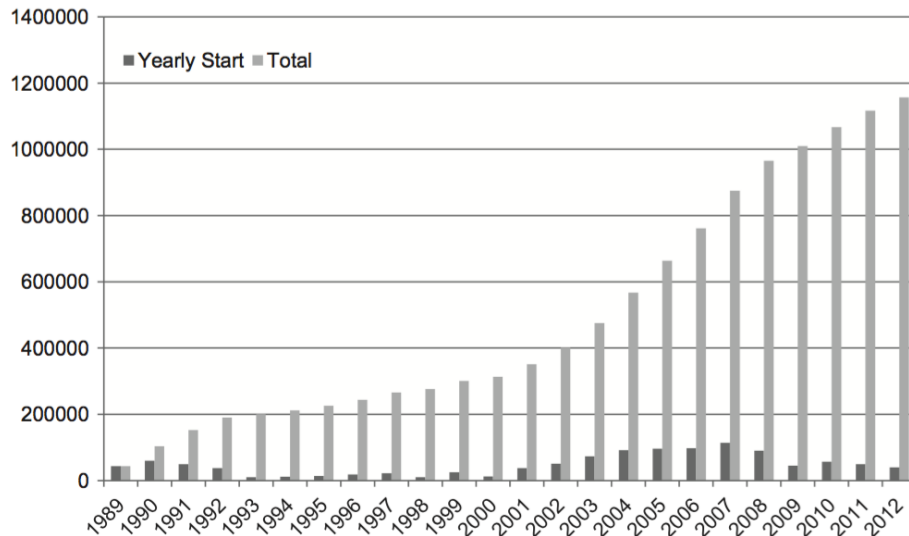
- 1996 (Shin 2009: 908). The Chaebols saw this opportunity for investment, and because of the great surpluses which were made elsewhere in their industries during the 1970's, many companies focused on investments in housing and real estate. The scholar Hyun Bang Shin defines this process as property-based urban development (Ibid.), which focusses on the short-term economic growth of the Chaebols, and using the urban development as a tool of economic growth. Less focus was instead on the social challenges, which arose from the JRP. As earlier mentioned, only property owners were offered the rights to housing in the new apartments complexes. Most of the former residents were therefore not able to return, and it's estimated that around 80 % relocated (Ha 2007: 123). The process of eviction in the JRP gained increasing focus in the late 1980's, and pressure increased on the government to provide housing for the former inhabitants. As a result, the government took the challenge of providing housing for low-income groups into the agenda (Shin & Kim 2016: 547). In 1990, the government introduced compensation for evicted tenants and started to build public housing, which was intended for low-income groups (ibid.). Since the 1960's, The Korea National Housing Corporation (KNHC), has been set up, with the purpose of supplying housing for low-income groups in Korea (Ha 2004: 161). The focus of the KNHC has since its beginning been to promote home-ownership, by constructing rentals, which in a short period would be up for sale (Ibid.). Newly constructed housing was thus eligible for sale after a five-year rental period and prices on public housing therefore quickly rose, and didn't benefit the low-income groups, which had been evicted from the shantytowns.

In 1990, they KNHC constructed the first permanent rental-housing units. In a few years the government constructed 190.000 units, which supplied urgent housing for the low-income groups (Kim 2014: 101). These apartments were specially aimed at supporting the evicted tenants, who were offered an apartment that normally had a 25-30 % lower rental fee than the average rental apartment. However, the supply of Permanent rental housing stopped in 1993 (ibid.). The reason was the heavy financial subsidies needed to supply these low rental dwellings. Figure 17 shows the overall trends in the public housing supply on the



national level in Korea, which has been steadily on the rise since the early 1990's, and today more than 1

**Fig. 17. Trends in supplies of public housing by year in Korea - 1989 - 2012**



**FIG. 17. KIM 2014: 99**

million public housing units have been built. The composition of those differentiate, which have great impact on the availability of affordable housing.

Instead of permanent rental housing, the KNHC developed new types of public housing, where private developers played a bigger role (Kim 2014: 100).

As a result, the biggest

portion of public housing today are the five-year rentals. As table 4 shows, five-year rentals account for 57 % of the total public housing stock. Several similar programs have contributed to the public housing stock throughout the years, and especially the construction of the 30-years rental in the starts of the 00's, contributed largely to the public housing stock (Ha 2008: 353). Generally, for the public housing in Korea, is that the private sector has gotten more and more involved, and as a result demands a larger proportion of the return. Most rentals can therefore be sold to the owner after a given period. In this process, the tenant

**Table 4. Public rental housing stock by types in Seoul**

	Rental period					
	Permanent rental	Fifty-year rental	Kukmin rental (30-year)	Five-year rental <sup>a</sup>	Workers rental (5/10/50 years)	Maeip rental (3-year)
Total 1,150,054 (100.0)	190,077 (16.5)	92,850 (8.1)	47,203 (4.1)	655,908 (57.0)	38,506 (3.4)	125,450 (10.9)
Housing size (floor area in m <sup>2</sup> )	45 or less	60 or less	50 or less 50-60 60 or more	Mostly 60	Mostly 60	Mostly 60

**TABLE 4. HA 2008: 352**

typically must deposit a very large sum, a so-called Chonse, which covers the rent for the rental period.

The Chonse is hereafter used to invest and create profit for the private investor (Ronald & Lee 2012: 126).

In the case of JRP as an urban development scheme, during the 1980's and 1990's, it can be summarized, that traces of the developmental state are still very clear, and the public housing schemes also represent that picture (Park 1998: 280). Following the democratization in 1987, the growth-driven approach to urban development has seemed to continue, and during the 1990's and 2000's, Seoul has been trying to establish itself as a central hub in the East Asian region. The first step on this path was the Olympics in 1988, which was a prestige project for the city (Porteux & Kim 2016: 381). The Olympics drew enormous attention to Seoul, and set the standard for the next decade. Trying to establish itself as a global city, competitions among other global cities increased, and Seoul has tried to attract new investments, create tourism favoured spots etc. Combined with the outcome of the 1997 financial crisis, which opened Korea to foreign investments, the late 1990's and start 00's has been characterized by many "prestige projects", while the government has had a clear focus on new areas of business in the service and high-tech industry, in which clusters have been promoted (Choe 2005: 65). In this development, both domestic and foreign private developers have constructed projects such as the International Financial Centre in Yeouido and the Digital Media city. Another project worth mentioning is the Cheonggyecheon Restoration.

#### 5.1.1. The Cheonggyecheon Restoration

Cheonggyecheon is a river running through downtown Seoul. Being covered by a heavily trafficked highway in many years, the government decided to open the river in 2003 (Lee & Anderson 2013: 4). The opening of the Cheonggyecheon, shed the first light on SMG's focus on cultural branding, as a way of creating economic growth and international reputation (Lee & Anderson 2013: 8). The area around the Cheonggyecheon river was formally designated as one of the areas in Seoul up for redevelopment (Ibid). The restoration of the river thereby also characterized a new approach in urban development, where urban regeneration was given value as a way of promoting an area. Because of the Cheonggyecheon restoration, the area around the river is now characterized by commercial buildings as well as expensive apartments. The clearest sign on the impact of the restoration is the land prices, which have increased by 30-50 % within 50 meters of the river (Lee & Anderson 2013: 16). In the process of restoration, the mayor at the time argued for a more inclusive approach, where the opinions of all stakeholders were to be taken into account, and as a result, public hearings were held. The mayor, however, saw the project as a flagship project and despite criticism led the project to be finalized, arguing a discourse on environmental protection and beautification of Seoul (Cho 2010: 163-64). Even though steps were taken in the process of involving citizens and other stakeholders, the process was led by a small group of stakeholders, who excluded critical voices (Cho 2010: 152). In this sense, the public hearing was only used to legitimize decisions, which had been taken in advance.

### 5.1.2. Cultural Districts – The cases of Insadong and Hongdae

The restoration of the Cheonggyecheon river, is only one example of SMG's new approach towards policies favouring regeneration of areas. In the case of the Cheonggyecheon river, it has been used to create international reputation and economic growth at the same time. This approach can therefore still be characterized as growth-driven urban development. Other examples are the designations of areas as cultural districts. The downtown area of Insadong was designated as such in 2002 (Kim 2011b: 143). Following government initiatives that promoted commercial businesses, the area now functions as a cluster for the cultural economy and as a tourist spot as well (Kim 2011b: 144). Table 5 shows the composition of shops in Insadong during the years as a cultural district.

**Table 5. Change in space uses in Insadong between 1998 and 2009.**

Use	Number of shops			Changes in number of shops	
	1998	2002	2009	2002–1998	2009–2002
Antiques	172	72	48	–100	–24
Traditional mounting	87	57	47	–30	–10
Rice paper	85	42	33	–43	–9
Handcrafts	32	96	195	64	99
Galleries	108	105	180	–3	75
Subtotal	484	372	503	–112	131
Korean cuisine	–	39	20	–	–19
Traditional tea shop	–	47	28	–	–19
Korean dress	–	15	29	–	14
Picture frame	–	12	14	–	2
Subtotal	–	113	91	–	–22
Others	–	1434	1182	–	–252

**TABLE 5. KIM 2011B: 144**

While there was a decline in traditional shops before the designation, the initiative by the SMG resulted in an increase in traditional shops in the area. This increase, however, was mostly explained by an increase in small handcraft shops, and when looking at other shops, a large decline is visible. As in the case of the Cheonggyecheon River, a variety of stakeholders were involved in the process of Insadong, but their voices once again didn't transform into actual policy, which seemed to have been taken in advance (Kim 2011b: 147).

The area of Hongdae is another example of SMG's approach towards urban regeneration in the 00's. Hongdae became specifically noticed in the late 1980's and early 1990's, where it attracted young artist. This was, among other factors, due to its close proximity to the Hongik Art College, which is well known for its art school (Cho 2010b: 332). Up through the 1990's the area started getting more and more attention, with music venues settling in the area (Ibid.). In 2003 Hongdae was designated as a cultural district, but the receptions were not positive. Disputes started erupting around the definition of culture and the outcomes of a designation of Hongdae (ibid.).

The designation of cultural districts is bounded in the Culture and Arts Promotion Act. The act states that:

*“The purpose of this Act is to contribute to the development of national culture through the succession to the traditional culture and art of Korea and the creation of a new culture, by supporting projects and activities for promoting culture and art”* (Culture and Arts Promotion Act 2000).<sup>5</sup>

The Culture and Arts Promotion Act’s initial focus has been on preserving and developing non-economic art and culture, but by incorporating the spatial element, the act also aims at contributing to the development of an area, which is described as:

*“(...) an area in which cultural facilities, folk craft stores, antiques stores and other business facilities prescribed by the Presidential Decree (hereinafter referred to as “cultural facilities, etc.”) are concentrated or other area planned to be developed for that end”* (Culture and Arts Promotion Act 2000)

When designating an area, such as Hongdae, as a cultural district, the act allows the government to use different tools to promote the area. This include tax regulation, grants, facilitation of processes and the construction of cultural facilities (Ibid.). Furthermore, the act also aims a supporting business’ in the so-called cultural industry. This act therefore has a wide range of tools to promote a cultural district. In Hongdae, the designation as a cultural district sparked a conflict between the government and some of the local agents. Given the strict planning hierarchy in Korea, visions from higher plans must be incorporated in lower division plans and as a result, the designation of Hongdae as a cultural district tapped into the higher-level object of branding Seoul as a global city. In 2002, Seoul had just hosted the Football World Cup, and this was largely considered an opportunity to repair the economy after the finical crisis in 1997 (Cho 2010b: 334). The designation of Hongdae as a cultural district led to a politicization of the area, and the promotion of certain kinds of culture and arts (Cho 2010b: 343). As a result, several artists moved from the area and the streets of Hongdae are now filled with brand-stores and cafes. One reason for that is the rising levels of rent, which has moved alternative cafes and music venues out of the area (Ibid.). The process of designating Hongdae as a cultural district has many traces of a gentrification process, with a change in both population composition and in the build environment. In the governance structure, the government remained dominant, without including the civil society, but instead relied on private developer. As a result, the gentrification of Hongdae happened rapidly.

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<sup>5</sup> [http://elaw.klri.re.kr/eng\\_service/lawView.do?hseq=2721&lang=ENG](http://elaw.klri.re.kr/eng_service/lawView.do?hseq=2721&lang=ENG)

Leaving the JRP behind, the government applied a new approach towards urban development during the 2000's, which relied more on area regeneration, and considered social, environmental and economic factors as well. This new approach was called the New Town Development Project (NTDP) (Seoul Solution 2017).

## 5.2. New Town Development Projects

The New Town Development Project was an initiative created in the wake of the Balanced Development Promotion Project in the beginning of the 2000's (Seoul Solution 2017). The NTDP mainly focused on urban areas, in which unequal development had occurred and the city pursued a more balanced development. Some academics argue that the NTDP also aimed at boosting the construction and real estate industry and furthermore created economic opportunities for property owners (Kim 2010: 142). Data implies that the statement might be true. As table 6 indicates, the NTDP increased the housing prices, depending more on houses for sale, instead of rentals. Introduced in 2002 for the first time, NTDP's focus was to balance the

**Table 6. Comparison of housing levels before and after NTDP**

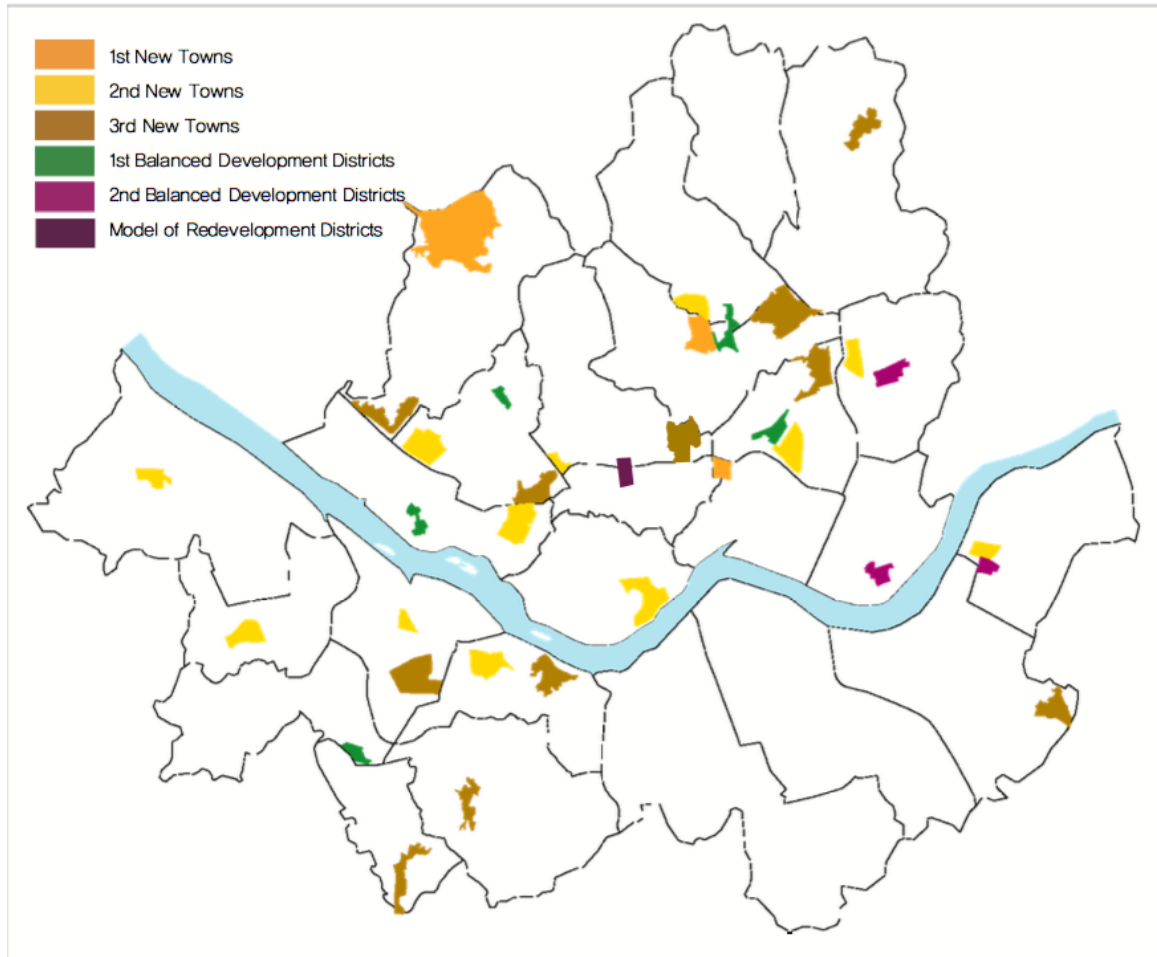
Classification	Before project	After project
Ratio of housing under 60 m <sup>2</sup> (exclusive area)	63%	30%
Ratio of housing under 500 million KRW of sale price	86%	30%
Ratio of housing under 40 million KRW of rental deposit	83%	0%
Average housing size (exclusive area)	80 m <sup>2</sup>	107 m <sup>2</sup>
Average housing price	390 million KRW	540 million KRW

**TABLE 6. KIM 2010: 142**

development of Gangnam south of the Han River and Gangbuk north of the river. Gangnam had since the 1980's experienced high economic growth rates, which made the area a high-end neighbourhood. Gangbuk on the other hand hadn't developed in the same way, as the core service-industries which were located in Gangnam. Gangbuk where characterized by poorer housing conditions and a lack of basic social welfare services in the area (Kang 2012: 154). As map 10 shows, NTDP started north of the Han River with three pilot projects, but continued south of the river and spread to the rest of Seoul in the following phases. A NTDP in the second phase was established on the brink of Mulla-dong, but the area hasn't been designated as one. Focusing on larger districts in Seoul, NTDP quickly became the new main approach towards urban development in "deprived" neighbourhoods. Areas which were designated for NTDP included parameters focusing on social and economic variables, but also considered the commitment of the gu's and residents in the area (Seoul 2017). Another factor taken into account is the distribution of the projects among all gu's in Seoul. Almost every gu in Seoul, therefore had a NTDP designated, apart from the most developed neighbourhoods such as Gangnam. In contrast to the JRP, the NTDP focused on larger scales and through the use of zoning, areas were designated. In 2010, 35 districts had been designated,

covering 6 % of Seoul's area and involved 350,000 households and 850.000 inhabitants (Shin & Kim 2016: 549). The vast majority of these households (230.000) were occupied by tenants, underlining the goal of

**Map 10. New Towns and Balanced Development Districts in Seoul**



**Map 10. Seoul Metropolitan Government 2009: 62**

the NTDP to reduce this share to 19.2 % (Ibid.). As table 7 shows, this again highlights the interest in using urban development as a vehicle for economic growth, in which homeownership is preferred because of the bigger profit margin. The large-scale focus was also an attempt to avoid the “fragmented” development, which was one of the outcomes of the JRP. Due to the large dependence on private developers in the JRP, the urban development had resulted in a lack of public goods like parks and schools (Kim 2010: 140). The role of the SMG was therefore increased in the NTDP and especially the local gu’s, which was to deliver plans for managing, evaluation and the implementation process. Furthermore, it was expected that public investments were made in social welfare services such as schools, community centres and parks (Seoul Solution 2017).

Despite the intentions of a broad involvement and decentralization of the governance structure, the goals of the NTDP were not met, and the approach has been criticized since. The inclusion of residents and resident's organization was largely neglected, and instead the government promoted the interest of the private developers and the property owners. At the same time, the Chaebols had great interest in the NTDP, as the potential profit was big due to the designation of new development areas on a larger scale. Many scholars argue that the process of NTDP was the main reason for its limited success. Due to political gains of launching the project quickly, pressure was put on the local gu's, and they acted by relying on the private sector (Shin & Kim 2016: 549). Turning to the Chaebols, the government secured the necessary capital, and didn't burden the public budget in the wake of the financial crisis (Ibid.). The 1997 financial

**Table 7 Number of households in New Towns, Seoul**

Number of households before the project			Expected number of households after the project		
Total	Owners	Tenants	Total	For sale	Public rental
291,772	97,466	194,306	283,010	185,880	44,780

**Table 7. Kim 2010: 142**

crisis and the implementation of the demands given by the IMF, had eased many of the bureaucratic procedures - e.g. building density and heights. This led to more profitable business opportunities for the Chaebols. The NTDP therefore had many of the same outcomes, as the JRP, like tenants and low-income groups getting evicted because of the decrease in affordable housing (Shin & Kim 2016: 550). Similar to the JRP, the NTDP was also based on large-scale demolition, which were supported by the property owners involved in the process (ibid.). While the property owners expected gains for selling their property, they didn't occupy the housing, and around 70 % of the households which were affected by the NTDP, were tenants, who had limited rights (Shin & Kim 2016: 550). As mentioned before, most tenants were either evicted or offered rehousing on the outskirts of the city. A further implication, was that many tenants worked in small businesses in the local NTDP areas. As a consequence, many small businesses and industries also had to close (Kang 2012: 167). As in the JRP, the ratio of residents who returned to the neighbourhoods after the redevelopment, was low (Shin & Kim 2016: 550). This was due to rising property prices and the decrease of affordable housing in form of rentals. The NTDP also focused on upgrading the housing stock, which meant, that the average m2 was expanded, and modern installations were made (Kim 2010: 142). Thus, the NTDP can be described as a process in which a low-income class has been replaced by the middle and high-income classes. The actual implementation and impact of the NTDP looks very much



like the ones found in the JRP, but with the focus on large scales areas, the NTDP has pushed the development more rapidly and affected more residents in the urban area. Even though the intentions of the NTDP were to involve more stakeholders in the process, the implementation has shown that the private developers have been prioritized, and together with a relaxation of regulation and government bureaucracy, the private developers have more flexibility to pursue their aims. The NTDP has therefore been criticized, for not involving relevant stakeholders in the process (Kriznik & Cho 2017: 62), and by 2006 the criticism of the NTDP, started to get vocal in the mainstream media(Ibid.). Much of the criticism concerns the two-faces of the government, which on the one hand promised the involvement of a various stakeholders in the process, but at the other hand didn't actively involve these stakeholders. An explanation for this is the weak position of the local gu's that the decentralization of the planning authority caused. In the NDTP, much of the planning and management authority was laid out to the local gu's and the property owners, which had to manage the project. However, some scholars argue that these only acted on behalf of the private developers who had the upper hand (Kriznik & Cho 2017:65). Another way, which the NTDP intended to involve citizens, was in formal process through public hearings etc. These has though since been described as poorly planned and lacking human and financial capital, resulting in low participation. Furthermore, the process has been criticized for involving citizens at a late stage in the process, where plans already have been made, and the impact on the process was small (Kriznik & Cho 2017: 65-66).

The outstretch criticism lead to an understanding of the project as a failure, in which the given aims were not reached. The criticism has come from both politicians and NGO's and the public opinion also turned on the project. Another thing that contributed to this was the global financial crisis in 2008, which largely affected the Korea real-estate market. The market had been more globally orientated since the late 1990's, and FDI had grown particularly in the real-estate market in Korea. Together with a process largely controlled by the private developers - represented by the Chaebols - meant that many NTDP slowed down, and didn't develop as planned (Kim 2013: 136). As a consequence, many property owners began criticizing the project, as they had expected profit and were influenced by the positivism in the economy when the NTDP started in 2002. The criticism is aimed at the SMG, which have acknowledged the problems facing the NTDP. As a result, the SMG announced the following:

*"In retrospect, the Seoul government announced its measures for the new town in January 2012 and searched for a way out of the new town and redevelopment projects according to residents' opinions, and have searched for various ways by introducing new regeneration methods such as Human New Town or residential environment management project" (Seoul Solution 2017).*

As of 2015, 28 NTDP have been cancelled but others are still in construction (Kriznik & Cho 2017: 65-66). In the wake of the NTDP, new and more including approaches have been developed. But how are these implemented, and are they inclusive? The following section will focus on these new approaches, and leads to a further analysis of these approaches in the case of Mullae-dong.

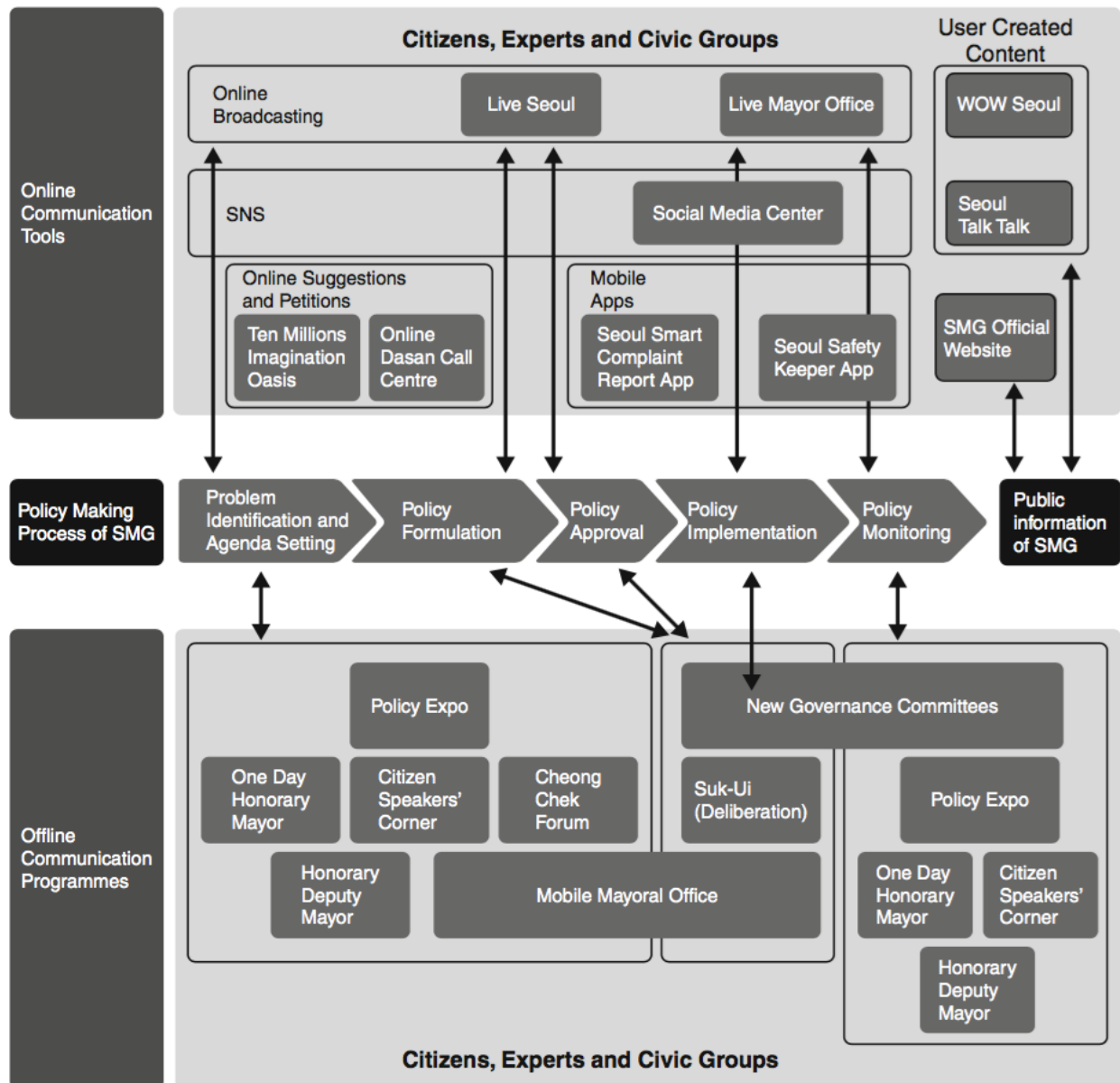
### 5.3. Current approaches towards urban planning

The growth-driven urban development from the 1980's and onward seemed to change during the start of the 2010's. The explanation for this can largely be ascribed to a policy change in the SMG, where new political figures have changed the political landscape. Some scholars argue that the urban development approaches during the past, have contributed to more polarization in Seoul, resulting both social and economic segregation (Kriznik & Cho 2017: 99). Thus, social coherence in Seoul has declined due to the imbalanced urban development and trust in public institutions has declined. Kriznik & Cho argue that these are among the factors resulting in public criticism and a demand for a higher level of involvement of the civil society (ibid.).

The debate following the NTDP led to the mayor at the time stepping down due to a referendum, which was passed by public vote, demanding an excision of welfare benefits (The New York Times 2011). The new mayor, Park Won-Soon, led an election campaign in which he promised a shift in the governance structures, from a growth-driven scheme to a citizen-centered scheme (Kriznik & Cho 2017: 100). Park promised initiatives where citizen participation would be secured from the start of the policy process while involving the citizens actively (Kim et al. 2015: 172). This new approach was implemented through a series of procedures, which had the purpose of involving citizens and recruiting them for participation in governance structures. These initiatives included a broad communication strategy with both offline and online initiatives. Figure 18 illustrates the different approaches made by mayor Park in 2011. Citizens are involved in many different stages of the policy process, and the approaches by mayor Park therefore marked a new beginning not seen before (The Korea Times 2011). These new initiatives are all grounded in mayor Park's aim of promoting active citizenship and *"(...) transform Seoul into what they call 'a city for the citizens and by the citizens'"* (Kriznik & Cho 2017: 101). Park's activist approach was well received, and he won the re-election in 2014, building further on the citizen-centred city of Seoul. Park had been a civil activist himself and had no prior experience in politics when he first entered in 2011. Park therefore also represented a new persona that deviated from previous political figures tangled into politics. The evidence of Park's new agenda and policy has been visible, and contrary to previous initiatives of involving citizens, Park's approaches have shown results. Since Park took office, 47 citizen committees have been formed, in which citizens are actively engaged in e.g. budgeting (Seoul Metropolitan Government (3) 2017). During the budgeting process, citizens have been invited to propose projects in their local communities, and a citizen committee has furthermore reviewed the proposals. (Ibid.).

The decentralization of the local government is also a part of the new initiatives taken by the administration. As earlier mentioned, the previous growth-driven urban development had been criticized for making social and economic imbalance in Seoul. Park therefore designated the neighbourhood the key

**Fig. 18. SMG's online and offline communication tools and programmes**



**FIG. 18. KIM ET AL. 2015: 179**

of his policies (Seoul Metropolitan Government (1) 2015). The Neighbourhood Community Project (NCP) is an example of such a project, where focus has been on empowering the local neighbourhoods. The NCP is an example of bottom-up citizen participation, and the government is instead acting as support, thereby

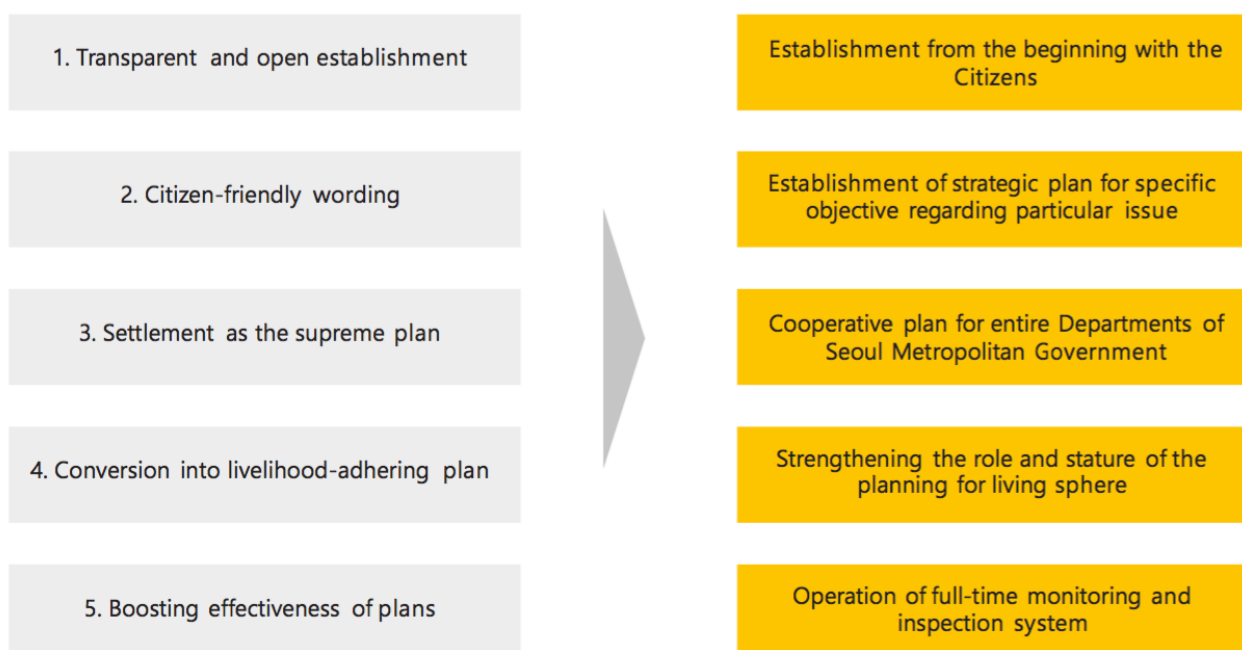
empowering the local communities - by providing institutional bases and providing administrative resources (ibid.). The government acts as a facilitator and not as a project-manager. Similar to the NTDP, the NCP applies a comprehensive approach involving economic and cultural community projects. Among other thing, these aim at supporting local art and local enterprises - typically with a social scope (Kriznik & Cho 2017: 102).

The basic urban plan outlines the vision-oriented perspectives for the future of Seoul, and also implies the community-based approached. The 2030 Seoul Plan was adapted in 2014 with the following stated purpose:

*“To do this, Seoul needed to consider the following: i) more stringent democratic procedures that do not exclude the citizens, as opposed to the old habit of relying on administrators and experts; ii) more focus on future values, such as sharing innovation, co-existence, and convergence; and iii) urban restoration and urban planning that reflects the actual lifestyle of the city and considers demographic changes and regional characteristics” (Kim 2014: 197).*

As the quote above illustrates the 2030 Seoul Plan’s aims at involving different stakeholders in the policy processes. Doing so, the 2030 Seoul Plan establishes five overall goals, displayed below in figure 19. The plan differs from previous plans, in the sense that the participation of stakeholders is an intrinsic goal

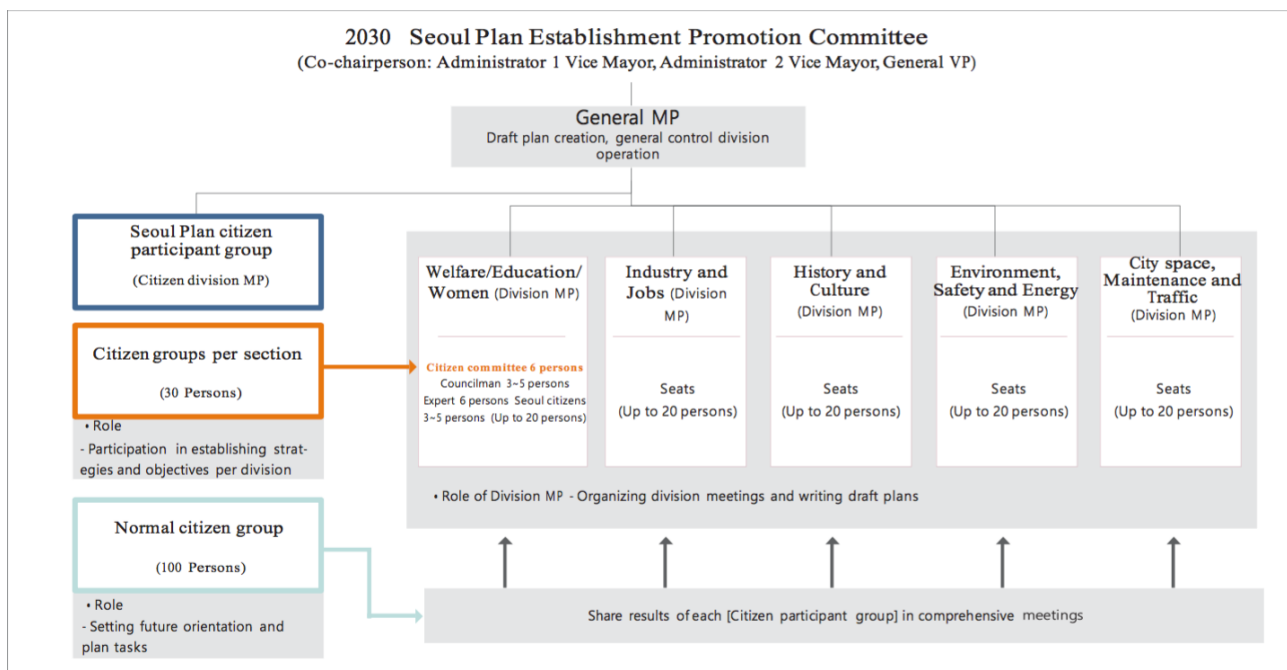
**Fig. 19. Overall direction of the 2030 Seoul Plan**



**FIG. 19. KIM 2014: 195**

incorporated in most policies. The process of plan-making therefore also plays a role. Another goal is the collaboration across ministries, and opposed to previous urban plans, which mostly focused on the spatial and physical element, the 2030 Seoul Plan incorporates elements of welfare, education etc. By doing so, the 2030 Seoul Plan also doesn't solely focus on growth and global competitiveness, but introduces an "(...) *emphasis on the quality of life*" (Kim 2014: 200). Because of this, the government has cancelled a series of urban redevelopment projects, such as JRP and NDTP, and replaced them with new and more inclusive approaches (ibid.).

**Fig. 20. Implementation Structure of the 2030 Seoul Plan**



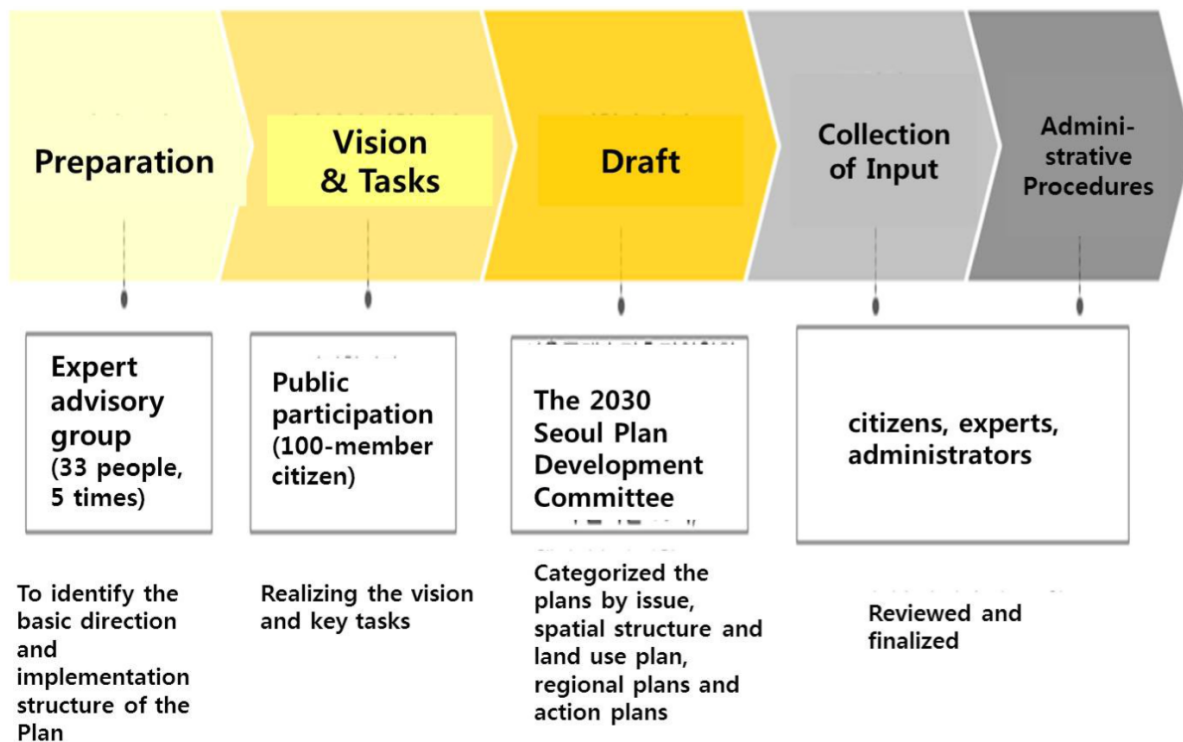
**FIG. 20. KIM 2014: 202**

In the 2030 Seoul Plan, the key task and issues for the coming development of the city is identified in a board governance structure, which includes experts, public officials and citizens. At the overall level, and setting the vision for the orientation of the plan, is the Seoul Plan Citizens Group (The Committee) composed of 100 citizens. The committee identifies five core issues, in which a sub-committee for each area is established - also with a broad governance structure. The purpose of these subcommittees was to create more concrete strategies and goals for each key issue. Figure 20 presents the overall structure of the 2030 Seoul Plan.

The notion of the process as citizens-driven is not completely true, since an "expert" group is gathered before the involvement of The Committee. The expert group sets out the basic direction of the plan, and furthermore decides the implementation process as well as the inclusion and recruitment of the broad

governance structure. The role of the Committee is afterwards to draft the 2030 Seoul Plan, which hereafter will be reviewed in a public hearing, before being finalized in the government administration. Figure 21 shows the process of involvement of different stakeholders in the creation of the 2030 Seoul Plan.

**Fig. 21. Process of the 2030 Seoul Plan**



**FIG. 21 KIM 2014: 203**

As table 8 shows, the 2030 Seoul Plan focuses on five key issues, which are being translated into 17 goals. The 2030 Seoul Plan concerns a wide variety of issues from health and education to spatial planning. In that sense, the plan can be perceived as a more holistic approach. It is furthermore worth noticing the focus on improving social welfare tasks. The policies therefore include the establishment of minimum income, as well as the increase of health and educational facilities. Gender issues are just as well prioritized in the policy goals. Regarding the later discussion of urban regeneration in Mulla-dong it's notable that creativity and innovation are placed as goals so that the status as a global city is secured (Key issue 2). In general, culture seems to be prioritised by both the goal of gaining status as a global city, but also by prioritising welfare benefits for the population. Culture in this respect, is then seen both as a tool to generate a cultural economy with focus on tourism and the creative/innovative economy and to create social coherence and trust in public institutions.

A further implication and interesting point in the display of the future goals in the 2030 Seoul Plan, is the absence of the private corporations - the so-called Chaebols. The close relationship between the state and the Chaebols hasn't been mentioned in the formulation of the citizen-centred city.

Looking at the spatial structure of Seoul as displayed in 2030 Seoul Plan (Map 11), it's however possible to

**Table 8. Goals & Indices in the 2030 Seoul Plan**

Key Issue	Goal	Index
Key Issue 1 People-oriented city of equal opportunity	Develop a welfare system prepared for a super-aged society	Guaranteed minimum income
	Create an environment where citizens lead a healthy life	Number of local public health clinics
	Build a social system that helps eradicate polarization and discrimination	Number of welfare facilities for senior citizens
	Design an education system that offers lifelong learning opportunities	Number of lifelong education facilities
	Promote gender equality and social care	Quality/quantity of childcare service provided by national/public childcare centers
Key Issue 2 Global city of cohabitation, with abundant jobs and vibrancy	Recognition as a global economic city built on creativity and innovation	Percentage of creative community to the whole
	Promote shared growth between economic entities and regional mutual development	Social/economic job rates
	Promote economic vibrancy with an emphasis on people and jobs	Employment rate
Key Issue 3 Exciting city of culture and history	Create a city of living history	Satisfaction rate with the cultural environment
	Manage an urban landscape embraced by the population	Number of cultural facilities
	Create a diverse urban culture enjoyed by all	Number of foreign tourists/residents
Key Issue 4 Safe, environmentally-friendly city	Build an eco-friendly city of parks	Percentage of regions with access to parks
	Build an energy-efficient city	Percentage of renewable energy use
	Create a safe city where everybody looks out for each other	Change in the number of crime/disaster victims
Key Issue 5 City of close community, residential stability and easy mobility	Promote urban restoration with an emphasis on the balance between home and work	Journey time between home and work
	Create a green transportation environment where the dependence on cars is minimal	Green public transport share
	Provide more residential spaces where people have stability coupled with a wide range of choice	Percentage of public lease housing

**TABLE 8. KIM 2014: 205-206**

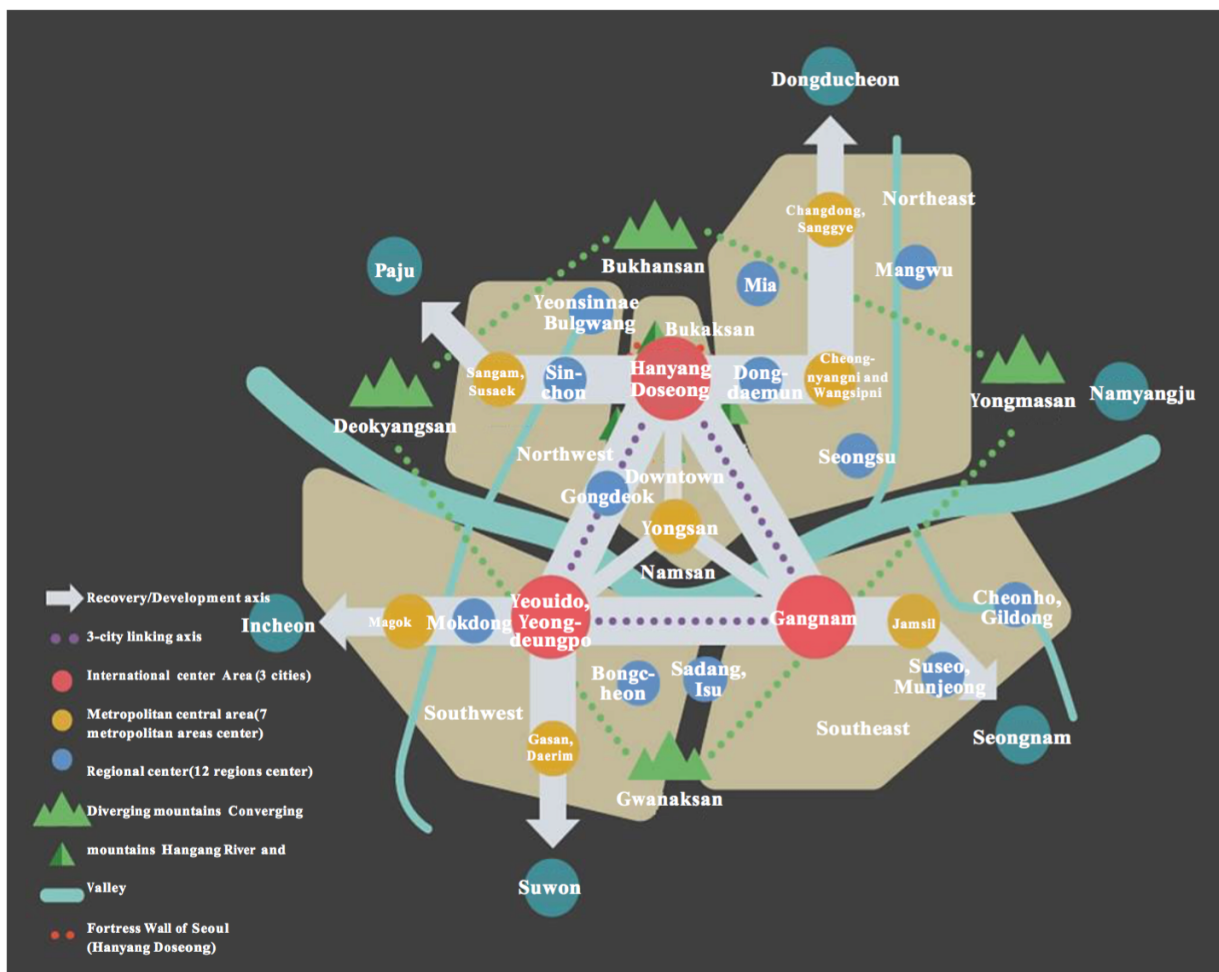
see the growth-oriented factors in the urban development. Furthermore the 2030 Seoul Plan aims at establishing the following components:



*“1) Aggressive management and maintenance of the natural, historical and cultural heritage of Seoul; 2) Restructured CBD areas for enhanced urban competitiveness and balanced regional development; and 3) The axis of development to be in the metropolis for better communication and cohabitation” (Kim 2014: 206)*

By defining the importance of the CBD, the 2030 Seoul Plan highlights the need for economic development in the inner-city areas. Establishing the CBD's also denotes the competition among global cities, in which Seoul is also trying to establish itself as a financial hub. This spatial structure is furthermore aimed at bringing a more balanced economic development to Seoul, and the CBD is in this case valued. The city's spatial structure is furthermore split into international centres, supporting sub-centres and regional centres. The importance of decentralization is therefore worth noticing, and the 2030 Seoul Plan is a clear break with previous spatial structures of the city.

**Map 11. Spatial Structure of the 2030 Seoul Plan**



**MAP 11. KIM 2014: 207**

#### 5.4. Towards a sustainable model of urban regeneration?

Since mayor Park took office in 2011, the approaches towards urban development in Seoul have changed radically, and many scholars argue that these new initiatives, have made the necessary changes. In the process of gathering data for this thesis, scholars, which I've talked to, indicated that the current approaches towards urban regeneration, have a more inclusive scope, and at the same time, the embedment of such initiatives in lawful acts, are creating a foundation on which a new ground is established.

However, how is this new approach towards urban development, implemented in reality and how is it perceived, by the agents involved? The goal of creating a global city and at the same time supporting the foundation of strong communities can go hand in hand, but there's also the risk of failure –on behalf of the community and civic life or the economic growth. Creating a city-centred city, which at the same time have the ability to create economic growth, has throughout the history of Korea, proved otherwise. The natural approach towards economic growth in Korea, has been through strict government control and prioritization of private companies – at the expense of civil society. The initiatives presented by Park, therefore presents a set of challenges, by reforming the governance structures. By defining the community as the “vehicle” of economic growth in the post-industrial society, culture and the creative class becomes important components, because of their influence and ability to create growth and attract other creative groups in society.

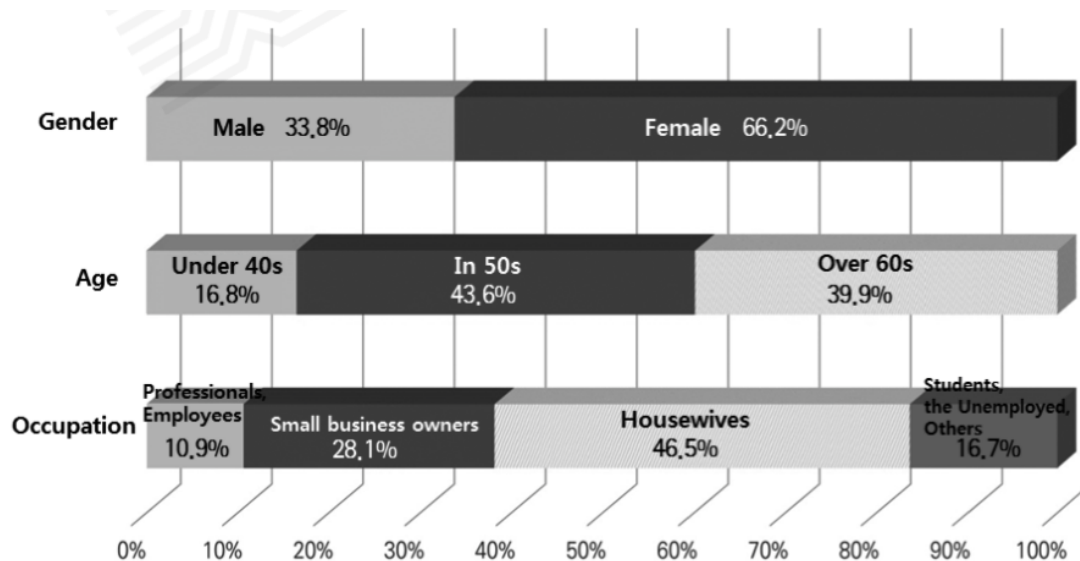
In this regard, the role of the Chaebols and their part in the entrepreneurial governance structures is important to reflect upon. In the literature, the role of the Chaebols, has been described as even more interlocked after the 2008 international financial crisis (Douglass 2015: 149). Douglass describes how the Chaebol's influence has become even greater after the financial crisis because of governmental support, and the legacy of previous urban development schemes is still visible(Ibid.). The Chaebols have furthermore grown so big, that they dominate the urban landscape of Seoul while competing with other Chaebols over territory. Douglass describe this pattern as “(...) *a feudal pattern of dividing territory into fiefs, each dominated by a specific chaebol*” (Douglass 2015: 149). In the urban landscape of Seoul, the Chaebols occupy different areas, and build prestigious headquarters. This is exemplified through the company Lotte's new skyscraper in Jamsil. In this area, the company has already located many of its other prestige buildings, such as the Lotte World. In the same way, Samsung, Hyundai and LG occupy other parts of the city. In this sense, the Chaebols are still very evident in the physical environment of the city. Mayor Park's new approach towards citizen involvement has been followed by actual policy, and citizens are involved in many spheres. However, the role of the Chaebols seems difficult to neglect, even in the light of these new

approaches. The Chaebols are involved in most areas in Seoul, and combined with their huge surplus and a strategy towards a global city, their influence doesn't seem to disappear from one day to the other.

In this citizen-based approach, creativity is a key because of its innovative character that affects both psychical aspects as well as communal aspects in the community.

As mentioned earlier, the theories of Richard Florida contribute to the understanding of creativity as a key element in the post-industrial society. Creative bohemians act as important agents attracting other creative people, and thereby contribute to urban development. Creative communities are therefore essential as they become subject to the cultural industries and creative cities. SMG recognized the existence of a creative class, and in a report from 2015, the SMG analyses the creative class in Seoul, using the terms of Richard Florida (Kim et al. 2015b: 122). The publication finds that Seoul is the leading city in Korea, when ranking the population of the creative class with nearly 1,5 million regarded as being in the creative

**Fig. 22. Participation in The Community Plan - Gender, Age and Occupation**



**FIG. 20. KIM & NAM 2016: 242**

population (Ibid.). Using Florida's categories, the report finds the following distribution; 44, 1% in the creative core, 40, 6 % creative professional and 15,2 % Bohemians(ibid.). Furthermore, it was found that the bohemians is the group, which annually has the highest growth. Evidence of the creative class' contribution to the economy is also noted with the creative core earning nearly 2 times the wages of the non-creative class. (Kim et al. 2015b: 123). The report is concluded with five recommendations to attract and develop the creative class. In this, the role of culture is noted as important, as necessary to attract the creative population (Kim et al. 2015b: 124).

So how have the recent evaluations of the citizens-based approach been so far? Seoul Institute, which is a government-run think tank, has made a couple of evaluations of the content of the approaches so far. One of the challenges mentioned is the lack of a clear policy on resident participation (Kim & Lee 2015: 120). Such a policy should promote self-governing, and establish a divide between resident and administrative affairs (ibid.). One example of such was the Community Plan, which was introduced in 2012 (Yang & Nam 2016: 238). The Community Plan was established as an attempt to link the Urban Master Plan and the Urban Management Plan, and further secure the element of civic participation (ibid.). In the Community Plan, 4000 residents were involved in workshops around the development of the local districts in Seoul (Yang & Nam 2016: 241). In this process, the local gu's were responsible for recruiting the citizens for participation. 10 residents were recruited in each dong in compliance with a set of parameters with the aim of making the process representative (ibid.). Figure 22 shows the distribution in the Community Plan, and there's a clear lack of representatives below 40 years. Furthermore, there's a gender bias and housewives are overrepresented. In their report, Kim & Nam explain that most of the citizens had previous experiences with work in community centres etc. (Kim & Nam 2016: 242). This is important, because the local community centres in the dong were responsible for recruiting citizens for participation, and 75 % were recruited through these centres (ibid.). Even though the community plan worked as a clear policy initiative of involving citizens, it has been subject to criticism due to the lack of representation as well as policy initiatives concerning other areas than recruitment of citizens. Some workshops have therefore been criticised for being a mere formality, rather than actual involvement (Kim & Nam 2016: 245).

## 6. Mullae-dong as a community

Located on the outskirts of the central district of Yeongdeungpo-gu, Mullae-dong has for a long time been both an important residential area as well as an industrial cluster. This is evident in the internal divisions in Mullae-dong, which today marks the division between a residential area and an industrial area. Regarding Mullae-dong, I'll focus on the current industrial part of the Mullae-dong, which is also where the creative community is unfolding. In doing so, it's worth noticing that there are residential areas of Mullae-dong, which have been included in statistics, and these must be taken into the conclusions drawn. The area marked on map 12 will therefore have the focus, because of its designation as the Mullae Art Village. On the satellite picture in map 13, the structures of this neighbourhood become more evident. The area is characterized by old sub-standard dwellings built in two floors. The surrounding area of Mullae-dong is, on

**Map 12. Mullae-dong - Area of focus marked**



**MAP 12. GOOGLE MAPS 2017**

the other hand, characterized by high-rise buildings. The urban development has thus affected Mullae-dong, but some of the old industrial clusters of Mullae-dong have not been developed, and are therefore of interest. Just outside the neighbourhood of Mullae-dong, the surrounding area of Yeongdeungpo-gu is



situated. Mullae-dong is in this sense located near the Yeongdeungpo station, which is one of the biggest and busiest central train stations in Seoul (Korea Tourism Organization 2017). Furthermore, the Times Square Mall, one of the biggest malls in all of Seoul (Korea Tourism Organization (1) 2017), is located just outside Mullae-dong.

**Map 13. Mullae-dong - Area of focus marked**

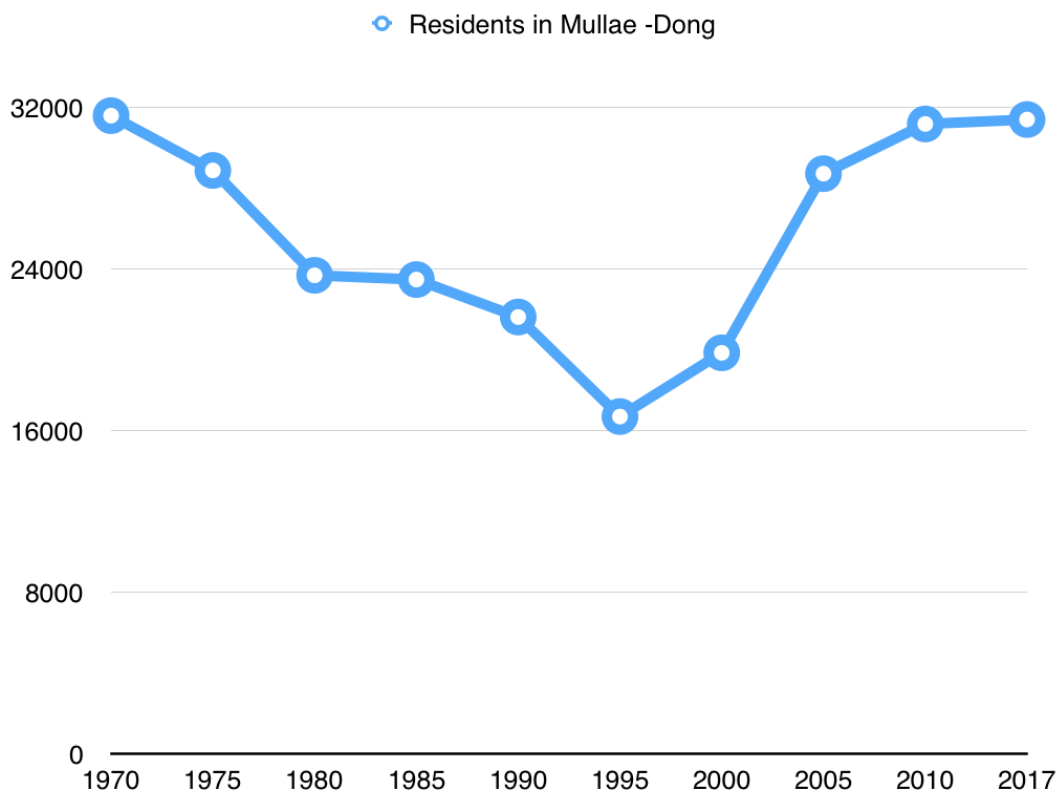


**Map 13. Google maps 2017**

The development of Mullae-dong dates back to the colonial era where it was used as a site for textile factories and a residential area for the textile workers at the same time (Choi 2015: 36). The Japanese constructed vital infrastructure, and in the 1960's the area continued to develop as part of Korea's economic growth. In this relation, Mullae-dong was an important steel industrial area, and during the 1970's many steel factories moved into the area. It's estimated that around 800 small to mid-size factories were located in Mullae-dong in that period, and it was recognized as one of the biggest steel industrial

areas in the country (The Japan Foundation 2013). As a result, the area experienced an influx of inhabitants, and surrounding areas were build (Ibid). During the 1990's many of the larger factories moved out of Mullae-dong, due to changing industries. In this relation, Mullae-dong was subject to urban development in

**Fig. 23. Overall Population in Mullae-dong - 1970 to 2017**



**FIG. 23. MADE BY THE AUTHOR. DATA FROM KOSIS 2017.**

some areas, and factory sites were demolished to make room for residential housing and commercial buildings (ibid.). Some of the steel industry didn't get directly affected by the redevelopment programs, and as of today, there's still a steel industry in the area. Walking through Mullae-dong, reveals many small steels workshops, in which two-three people are working. Overall, the industry has declined and affected the area of Mullae-dong. Looking at the overall population data from the area, in figure 23, the decline of residents from the 1970's becomes clear. By 1995, the population of Mullae-dong had almost declined by 50 %, and the decline in the steel industry can be argued as the cause of that.

During the late 1990's, and especially the early 00's, redevelopment of Mullae-dong took place and the area saw an increase in apartment units, which were built between 2000-05. In table 9, it becomes clear that 2500 new apartments were built in Mullae-dong in that period. Another interesting thing to notice, is

that there's not much increase or decrease in the other housing units in the same period. Detached houses declined, indicating that these were demolished in order to make room for the high-rise apartments. The

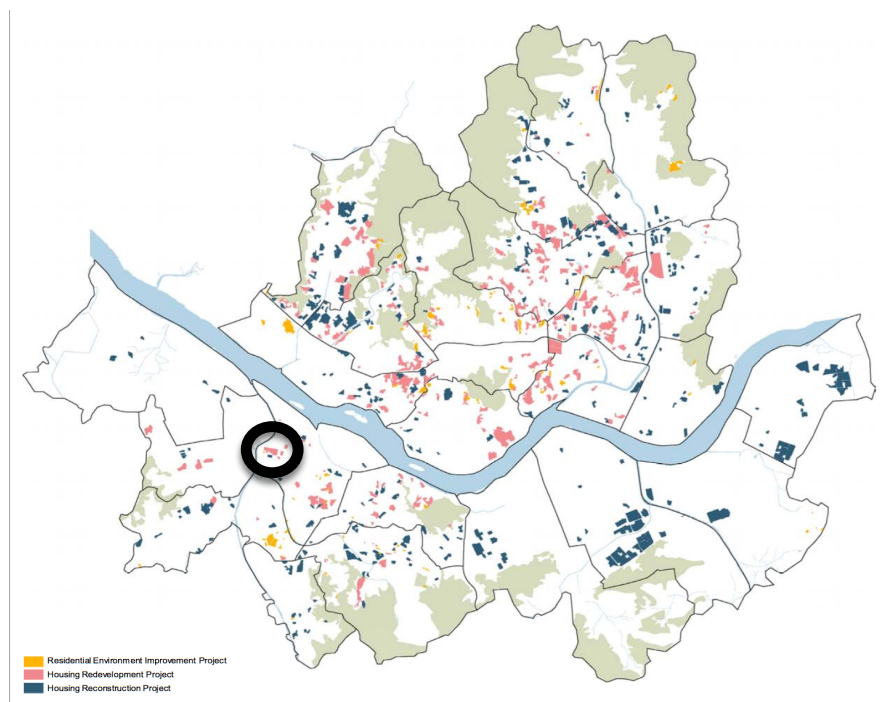
**Table 9. Housing units in Mullae-dong - 2000 to 2015**

Housing type/Year	2000	2005	2010	2015
Detached dwelling	414	234	229	258
Apartment	4,536	7,120	7,623	7,669
Row house	101	56	56	36
Apartment unit in a private house	8	0	0	0
House within commercial building	212	85	60	49

**TABLE 9. MADE BY THE AUTHOR. DATA FROM KOSIS 2015.**

development of Mullae-dong can therefore be related to the emergence and decline of the steel industry in Seoul. In this regard, the area is similar to much of the development in Seoul, as it has experienced decline in traditional industries and redevelopment as a result. The old industrial area, where the steel-industry is still visible, was also in a decline and government initiatives to redevelop the area were already put in place

**Map 14. Redevelopment projects in Seoul**



**MAP 14. SEOUL METROPOLITAN GOVERNMENT 2009: 52**



in the late 00's. The area marked on map 14, indicates a housing redevelopment project in Mullae-dong. The area is located on the brink of Mullae-dong, and represents the current residential area, surrounding the area of interest in the thesis.

Followed by the development of Mullae-dong, a new type of residents moved into the old industrial areas, and further redevelopment projects were set on hold. In the following section, I'll elaborate on Mullae-dong as a creative community.

### 6.1. Mullae-dong as a creative community

The emergence of artists in Mullae-dong was first observed during the early 00's. The movement happened slowly, and increased more rapidly during the late 00's. In 2008, it was reported that around 150 artists were living in the old industrial neighbourhood of Mullae-dong (Lee 2015: 9).

Most of the artist were young and mostly living on scarce resources. The movement towards Mullae-dong has therefore been characterized as motivated by the declining rent prices, which the area experienced (Ibid.). The emergence of artists in Mullae-dong, has previously been described as an already existing community of artists, which had faced the consequences of gentrification elsewhere, and therefore moved location. In this way, many of the artist moving to Mullae-dong formerly lived in Hongdae which, as earlier mentioned, was a big cultural hub in Seoul during the 1990's. The proximity to Hongdae has therefore played a role in the artists relocation.

Another reason for the move to Mullae-dong, is the existence of small steel workshops. The first artists moving to Mullae-dong saw opportunities in living in a neighbourhood with an existing industry. The artist moved into the old industrial buildings,

**Map 15. Mullae Arts Village Map**



**MAP 15. SEOUL FOUNDATION FOR ARTS AND CULTURE 2013**

typically on the top floor and benefitted from the small steel workshops, which provided materials etc., used by the artist. In this sense, a mutual relationship between the two contrasting groups was established from the start. A characteristic about these first movers is that they worked with art involving steel. This is also visible in Mullae-dong today, where steel sculptures are exhibited in the streets, and express the history of Mullae-dong, and at the same time represents the new inhabitants. The influx of the new inhabitants was mostly described as a positive influx in the beginning. The area, on the verge of being subject to a redevelopment scheme, was quickly recognized by the local government, which set the redevelopment plans on hold. Mullae-dong which was characterized as a less attractive district, therefore suddenly experienced a revival which was not initiated by the local government, and thus stands out in the context of Korea (Lee 2015: 9).

The migration of artists to Mullae-dong can thus be explained by the lowering housing rents in the declining industrial area. In this way, the area has many similarities to other cases around the world, where

### **Steel-workshops in Mullae-dong**



**PICTURE BY THE AUTHOR 2016.**

especially old industrial neighbourhoods, such as meatpacking districts are attracting artists. In this perspective, the initial wave of artist moving to Mullaе follows a well-known trend. Every context is different, and the proximity to the area of Hongdae plays a vital role. Even though Hongdae changed rapidly during the 1990's, it still hosts many music venues, art galleries and so forth. These venues and galleries are of cause of a bigger scale, but being near the cultural hub plays a role (Korean Tourism Organization (2) 2017). From Hongdae, Mullaе-dong can be reached within 10 min by metro. The two areas are thus connected by the same metro line (Exploremetro 2017). A further explanation for the initial move of artist to Mullaе-dong, is the role of network and the significance of a relatively small experimental art society in Seoul. Grouping together in a community has its advantages, and can maybe be regarded as an explanation, even though the issue must be researched further. It's clear, that the first wave of artist moving to Mullaе-dong were attracted to the area, because of "like-minded" people (Lee 2015: 9). With the influx of new residents into Mullaе-dong, a different community started to form, which stood out in contrast to the existing community of small steel workshops. Looking around Mullaе, a characteristic is that the ground-floor usually consists of industrial workshops, while rooftops are being used by the new inhabitants. Rooftops are often decorated or painted in various colours, just as many sculptures are visible throughout the area.

### Bar in Mullaе-dong



PICTURE BY THE AUTHOR 2016

The observations made in Mullaе-dong brings forward a mixed picture. On the one hand, the area seems segregated and not much interaction seems to happen between the two different groups. At the same time, they coexist and express the same story of the old industrial neighbourhood. The artwork displayed in Mullaе-dong is therefore also engaged in a process of place-making. The story about Mullaе-dong becomes visible through the artworks, and this highlight one of the main characteristics and strengths of the art community. Through art, the history of Mullaе-dong is being displayed, analysed and interpreted by a

whole new segment. In this bottom-up process, the artists have been the main actors involved in displaying the history. The case of Mullae-dong therefore differs from Hongdae, where the definition of the cultural district led to conflict between the SMG and the inhabitants in the area.

The artists living in Mullae-dong work individually on a series of different artistic genres ranging from painting, sculpture, photography, dance etc. As mentioned, the first artists who moved there were mostly involved in steel sculpturing (Choi 2015: 37). The wide range of artistic genres shows how an artistic neighbourhood has slowly formed, and that it's the community of artists that brings them together, rather than the interest in same spheres of art. Furthermore, music venues have started to pop-up in the area, and small bars and restaurants as well. The scene of Mullae-dong, has in this relation turned into a scene of alternative art, but also of alternative preferences.

The art community also collaborates on a series of projects. These projects go across boundaries and actively engage with the citizens of Mullae-dong. The projects include a local magazine, flea markets, a climbing club and urban farming (Choi 2015: 37). The area has also attracted academic scholars, who work with art and its connection to society in e.g. The Institute of Art and Society, which investigates the history and development of Mullae-dong (ibid.). The influx of artists in Mullae-dong has therefore also affected the existing community, and as a result created interest from governmental institutions. A report from 2008 thereby stated that the artistic community had *"(...) a positive impact on the local environment, noting it was entirely self-generated and was a community that the local government would be unable to develop on its own"* (Lee 2015: 9). Furthermore, the report stated, that the influx of artist helped regenerate the area, which was in decline, and the report thereby approves the influence of artists (Ibid.). Some of the initiatives initiated by artists were in collaboration with the local schools where art-classes were offered to the



### Overview of the industrial cluster in Mullae-dong



PICTURE BY YOLANTA C. SIU 2017

students. Local residents in the area were also offered these classes. These initiatives were taken by the artists themselves, without governmental interference (ibid.). The initial movement into Mullae-dong was therefore initiated by the artists themselves, who organized in networks such as the “Mullae Alternative Network” (The Japan Foundation 2013). By the end of the 00’s, more and more artists started moving to Mullae-dong, and the area also experienced an influx of visiting international artists, whom in a period settled in the area. One of the reasons for that was the increasing attention the area received. The founding of Mullae Art Festival created publicity, especially in Seoul where the local government started getting interested in the area as well (Choi 2015: 37). With the government intervention followed capital-funding and formalization of the processes.

## 6.2. Governmental involvement

In the late 00's, the SMG actively began supporting the promotion of art in Mullae-dong. The support dates to 2008, where the central government launched a program called *Seoul Art Space*. The purpose of the program, was to use public buildings as community bases for art and culture (Seoul Foundation for Arts and Culture 2016). The program was launched in different areas of Seoul, and is today operating in 11 different places (ibid.). All of them are operated by the Seoul Foundation for Arts and Culture(SFAC) which is a government-led institution. Being initiated as a program under the previous mayor, Oh Se-Hun, the purpose of the program was to combine culture and economics, and regenerate communities through this approach. With the changing administration in Seoul in 2011, the discourse about Seoul Art Space also changed, and it was hereafter noted that the program was founded with the purpose of supporting artists

**Map 16. Seoul Art Spaces in Seoul**



**MAP 16. SEOUL FOUNDATION FOR ARTS AND CULTURE 2013**

and activists, and to facilitate a process connecting art and communities while providing opportunities for locals to engage in these. The official mission-statement of the SFAC is as follows:

*“(...) with the goal that Seoulites and artists create a happy city, rich with culture, is supporting the creation and spread of culture and the arts, art education and the people of Seoul’s cultural and art activities”* (Seoul Foundation for Arts and Culture (1) 2016)

SFAC taps into the governments overall vision of establishing a citizen-based approach, and can be regarded as the institution implementing culture as a community-based tool. Besides operating the Seoul Art Spaces, SFAC runs a wide variety of festivals and offers funding for both individuals as well as organizations in the field of art and culture (ibid.). Furthermore they *“(...) Support to foster professional art companies and artists”* (Ibid.), and the culture-economics thereby becomes visible in the vision of the institution. Characteristic for SFAC is the bottom-up approach they apply. Most of the activities rely on supporting or facilitating processes. In doing so, they also define the boundaries of culture in Seoul, and thereby engage actively in the creation of culture. SFAC adopts a civic approach, in which many of its actives are aimed at including citizens in processes of culture (ibid.). When engaging in the promotion of culture, it’s worth noticing the interaction between the different acts in the legal framework. The basic master plan thereby incorporates a wide variety of policies, and in the 2030 Seoul Plan, culture and citizen involvement is at the top of the list. In this regards SFAC, plays an important role - also in the urban regeneration scheme which SMG has applied since the early 00’s. In official reports from the government, the program of Seoul Art Spaces is also described as “Culture-driven Urban Regeneration”, and the agenda is therefore not hidden (Seoul Foundation for Arts and Culture 2013). The project is described as;

*“The Seoul Art Space is a cultural art’s project under the Seoul Metropolitan City’s ordinance for the renovation and redesign of its urban infrastructure (...) Seoul’s Creative City Area approach is designed to provide its civilians with art enjoyment and leisure within the city to stimulate communication between artists and diverse art communities.”.* (Seoul Foundation for Arts and Culture 2013)

As the quote above states, Seoul taps into the global UNESCO network of creative cities, which among other things aim at *“(...) promoting industrial exchange to cooperatively overcome the challenges of the information era”* (Creative Cities Network – Seoul n.d.). Put in this context, the approach laid out by the government through SFAC, can be considered as an initiative of stimulating and developing culture as the means to growth. In doing so, this agenda taps into the theory of especially Richard Florida, but also others. The role of culture in urban regeneration has also been recognized by the SMG, which has supported various cultural industries, with the goal of stimulating the economy (Baik et al. 2016: 137). In this

approach, focus is also on empowerment of citizens and inclusion. In this way, the programs aim at encouraging citizens to participate and furthermore educate citizens (Seoul Foundation for Arts and Culture 2013).

Each of the eleven different Art Spaces have contextual visions. Seoul Art Space Mullae (SASM) is located on the outskirts of Mullae-dong, in close proximity to the old industrial neighbourhood of the area. Though located in the old industrial area, the area surrounding SASM, is characterized by other public institutions, such as schools and a tax office. The site is marked on map 17. The purpose of SASM is to function as a supportive base for the artists and citizens living in Mullae-dong, but at the

same time an international variable is added (Seoul Foundation for Arts and Culture (2) 2016). SASM defines itself as a creative supportive centre, and most of its facilities provide such. The facilities include recording studios, ateliers and facilities for presentation (ibid.). Furthermore, it hosts a small hostel, in which international or visiting artists can rent cheap rooms (ibid.). SASM also provides equipment that can be rented.

Besides the psychical facilities, SASM runs several programs which provides facilitation or funding. The MEET program is aimed at creating relations and *“(...) to activate arts and cultural activities of the local arts ecosystem by backing creative practices and presentations, exchanges among artists, and programs to communicate with the citizens and local business people”* (Seoul Foundation for Arts and Culture (2) 2016). As the MEET program states, the approach applied by the government relies strongly on actively supporting a bottom-up approach in the local area. The government still plays a vital role in facilitating the process. SASM acknowledges the diversity in art and especially in Mullae-dong, the focus has been on supporting the alternative art scene. The Mullae Arts Plus project, which is also run by SASM, focuses on supporting *“(...) experimental, creative projects of young artists in interdisciplinary arts, music/sound, and tradition-based creative arts who have been active for 10 years or below since their debut”* (Seoul Foundation for Arts and Culture (2) 2016).

By doing so, SMG recognizes their role in not defining culture according to its own perception, but acknowledges the diversity in art. The experiences from processes in the cultural districts program are in

**Map 17. Seoul Art Space Mullae-dong**



**MAP 17. GOOGLE MAPS 2017**



this way recognized.

Another focus is education and fostering of a “creative ecosystem”, by establishing a sustainable development, and the acknowledging the challenges of previous approaches toward urban regeneration, which has focused largely on cooperate-public relations. It’s believed that a sustainable development is more dependent on a bottom-up approach. As previously mentioned, SASM is not only focusing on supporting local citizens and artists. Through a variety of programs, SASM tries to attract foreign artists to Mullaedong. One of these programs is the *Global Exchange Program*, in where collaboration between foreign artists and local artists are sought (Seoul Foundation for Arts and Culture (2) 2016). SASM provides cheap housing in the SASM building for visiting artists. Another indicator of the international approach, is the translation of most street signs etc., related to Mullaedong, as well as information material in English. The focus on international corporation is an example of the governmental intervention, and how it has changed after the government got involved in Mullaedong. Before government involvement, the focus in Mullaedong was merely on the local processes and collaboration between artists and the local residents. As a result, government involvement has been criticized. The artists have criticized the initial materialization of the government intervention in the building of SASM and the funding, which has been deemed as unnecessary (Lee 2015: 10). SASM has further been criticized for intervening in a creative community already proven to create sustainable process within the local community (Ibid.). Government involvement has therefore been seen as an intervention in which they have tried to formalize the process and engage in the definition of culture. One example of such formalization is the Mullaedong International Arts Festival (MIAF). The festival aimed at creating awareness around the cultural scene in Mullaedong - nationally and internationally. This goal was however not coordinated with the local artist. The process was therefore criticized, and as a result, the festival changed name to the Mullaedong Art Festival. This is an example of how the government’s involvement has created conflict around the definitions of culture and the development of Mullaedong. Government involvement also shows the strong dependency and involvement of public authorities in urban regeneration in Seoul. As earlier mentioned, Mullaedong was designated for redevelopment, and the means to that was largely based on demolition of many buildings. By engaging in Mullaedong with SASM, these plans were put on a hold in recognition of the existing community in Mullaedong (Lee 2015: 10). Most of the objections made by citizens and artists in Mullaedong also concern the allocation of the funding. The funding by SFAC to visiting artists, without a long-term commitment or connection to Mullaedong have been criticized with reference to a strategy which prioritizes the local community (Lee 2015: 11). Some of the funding and allocation of them have been based on decisions taken in a broad governance structure, and the SFAC thereby follows the rationale of including citizens in budgeting (ibid.). Committees have been established, which is composed by local

artists, residents and representatives from the steel industry. The committee has the decisive power in broad artistic project such as the Mullae Art Festival. Even though this represents a representative approach where all agents are included, the process also shows that the government sets the overall scope and direction of the project, which is stimulating an artist community, and creating urban regeneration through it. The governmental involvement has also had its direct payoff. The Mullae Art Festival was a big success and brought attention as well as growth to the area. The festival has also been promoted highly by the government and was featured in official statements from the Korean Tourism Agency (Korea Tourism Organization 2013). In this case, Mullae-dong is used outside the local area and enters in place-making and taps into the broader policies of Seoul. The local district of Yeongdeungpo-gu, is also actively involved in branding Mullae-dong. Where SFAC is a central governmental institution in Seoul, the cultural department in Yeongdeungpo-gu has promoted Mullae-dong as a tourist site in the gu. Yeongdeungpo-gu actively promotes the Mullae Art Festival on its websites, aimed at tourist (Yeongdeungpo-gu 2017). Furthermore Yeongdeungpo-gu created the name Mullae Art Creation Village for the area of Mullae-dong, and offers daily tours to the area.

Mullae-dong is in this way branded as an attraction in the local gu (Yeongdeungpo-gu (1) 2017). The local gu has also been actively engaged in developing street signs in Mullae-dong, and thereby acts as the SFAC extended arm. This involvement of different agents also shows the contrary intentions of the different governmental actors. While the purpose of the central governments is broader and concentrates on developing and supporting a cultural economy by inclusion and bottom-up approaches, the local gu is interested in attracting tourists to the area of Mullae-dong. Many residents are concerned about this development and especially the workers in the steel industry are intrigued by the visits of tourists. Government intervention has therefore also created tensions among the residents in Mullae-dong. Tensions, which were not present before the government's involvement.

The development of Mullae-dong has been characterized as a process that started and was created by artists moving to Mullae-dong in search of cheaper rent as well as contextual variables such as the existence of a steel industry and the proximity to Hongdae and downtown areas in Seoul. With the government's involvement, and especially the opening of SASM in 2010, conflicts have however started to erupt. Most of them concerned the development of the area, and in which way it should develop. In relation to this, some residents in Mullae-dong have raised concerns about an escalation of gentrification processes in Mullae-dong.

Most research of gentrification processes in Seoul, has recognized the government-led gentrification process, in which large scale redevelopments projects have characterized the process of people being

displaced, and new people moving in. Designation of cultural districts in Hongdae has also shown traces of cultural gentrification. The same has happened in Insadong. These processes have still had a strong government involvement, and are therefore not comparable to Mullae-dong. The process in Mullae-dong was initiated by artists themselves, moving into empty houses. With the government's involvement in the late 00's, traces of gentrification have though become visible. Since the involvement of the SMG, capital has flown into the area with regards to funding and support to local artists and business. The funding has affected the local business environment as well as the composition of residents living in the area. What differs Mullae-dong from other areas, is the previous state of the area. The area was in decline and designated for redevelopment. The influx of artists, however, revived the area and made new use of it. In the classical sense of a change in the build environment, not much has happened, but in recent years, property owners and private developers have become interested in the area. In the interview conducted for this thesis as well as the observations done on site, it became clear, that a change has happened in the area. In the interview with Hasan Hujairi, it was stated that some of the initial artists have begun moving out of the area, due to rising rents. This is due to property owners, who have seen a potential in the area. This is exemplified through the Urban Guest House Mullae, which is located in central Mullae. Formerly, this estate hosted an art gallery but has now become a hostel for visiting artist. Around the same area many restaurants and cafes have also sprung up. Some of these have the same owner and stand out in contrast to the previous restaurants in the area. The new influx of restaurants differs, and offers international food such as pizza and burgers, which is not usual in the Korean cuisine. One of these restaurants is the *Yankees* pizza and *Yankees Burger* (TimeOut Seoul 2017). The influx of such restaurants indicates a new demand and a process which Sharon Zukin famously described as pacification by cappuccino, in which a gentrification of an area can be measured by the number of coffee shops located in the area. While Mullae-dong didn't previously have many cafes, the influx of artist and the designation as a cultural area, has resulted in the opening of such venues. Furthermore, these shops are not run by the locals themselves, but by private developers who see a growth potential in the area. The same thing is the case for international franchises such as Starbucks, which has also opened in the area. While the old buildings haven't been up for demolition yet, it's questionable how long this is going to last. The interest in Mullae-dong is strong from many different agents, and the interest has largely been created by the government, as a deliberately approach towards the regeneration of a declining neighbourhood. It's arguable that the processes initiated by the government has had a positive outcome for the neighbourhood, which has attracted citizens in recent years. As a neighbourhood, Mullae-dong has benefitted, but the question is if the process of government-led development is now "disguised" in the

form of a bottom-up approach, that prioritizes culture as the means for urban growth. Another question is if SASM is responsible for translating the process into the context of Mullae-dong.

In the light of previous urban development schemes such as the JRP and NTDP impacts of gentrification have been researched and documented. In the case of government-led gentrification processes, academics such as Seong-Kyu Ha and Hyun Bang Shin, have shown how these previous urban development schemes have led to mass eviction and displacement of citizens, as well as demolition of housing and change of the urban environment (Ha 2001, 2004, 2007, 2008) (Shin 2006, 2009, 2016). This has largely been done in favour of using urban development as a “vehicle” of economic growth, in which homeownership has been favoured. With the rise of a service-based economy, the focus on economic growth in Korea has furthermore shifted, with heavy investment in R & D. In the same turn, the urban development of Korea has shifted towards a communicative approach where involvement of citizens is pursued. This has furthermore been a break with the previous top-down approaches, which have been criticized of being hierarchical and bureaucratic. Focusing on the case of Mullae-dong, arguably being on the forefront of these new approaches, it's shown that new approaches towards urban development in Seoul take the form of regeneration, in which the community plays a central role. In relation to this, art and culture are valuable means to achieve the goal of creating actively and thriving communities. In the case of Mullae-dong, the government intervened in the area, providing support in the form of facilitations of process as well as funding. As a result, the area has experienced increasing attention from a variety of stakeholders including the local gu, property owners and private developers. Another consequence has been criticism from the local artists who are unhappy with the government's intervention and designation of the area of Mullae-dong.

### 6.3. Future perspectives

Going into his second term, mayor Park want to foster a creative economy in Seoul. Mayor Park's vision for 2018 is; "(...) *turning Seoul into a "Safe, Warm, Dreaming, and Breathing City"* (Seoul Metropolitan Government (1) 2017). In doing so, urban neighbourhood regeneration is the means of resolving the future challenges of the city. Furthermore, urban neighbourhood regeneration consists of creating a so-called "culture-city" in which the creative economy thrives (Ibid.). The pursuit of an economic growth is necessary for a city as Seoul, which engages in regional competition in East Asia.

However, the (un)intended effects of urban regeneration through culture need to be considered. In the context of North America and Western Europe, the process of culture-led urban regeneration has been widely researched, and prime examples such as London and New York could serve as references points. This is especially evident in regard to gentrification, which other large metropolises around the world have been subject to. In the case of Korea, it's argued that the process of gentrification has been more rapid because of the close relationship between the government and the Chaebols. The involvement of citizens in urban development has historically been minimal, and the implementation of the 2030 Seoul Plan is therefore a major policy shift, when comparing to previous plans. The 2030 Seoul Plan have though been criticised for not following through, with the intended policy. In the case of Mullaee-dong, it has furthermore been noticed that the actual involvement doesn't necessary translate into actual decision power, but merely takes the form of a formalized process.

The impacts of culture-led urban regeneration have also been recognized, and public awareness about the consequences has started to erupt. An editorial in The Korean Times, one of the oldest newspapers in Korea, explains the process of how culture-led regeneration leads to commercialization of inner-city neighbourhoods (The Korea Times 2016). Similar articles have been made by the Korea JoongAng Daily (Korea JoongAng Daily 2015), in which the role of the government is criticized, for not providing the needed framework for protecting tenants. As a result, few academic journals have made research on the subject, but the extent of that is still minimal (Places Journal 2017) (Chang 2016).

The administration of Korea also seems to recognize the need of providing the necessary grounds for protecting tenants and other vulnerable groups in the Korean cities. As newly elected president of Korea, one of Moon Jae-in' pledges was to initiate an urban regeneration program, called "New Deal for Urban Regeneration (The Korea Economic Daily 2017). The initiative aims at spending 44.2 billion US\$ over a five-year period on urban regeneration projects in 500 designated areas, spread across major cities in Korea (Ibid.). The initiative will focus on small-scale projects while refraining from using demolishment as a tool. The areas selected for regeneration have been designated as "(...) *decrepit residential areas*" (ibid.), and by focusing on upgrading of the psychical environment as well as constructing public institutions, the policy

aims at regenerating deprived neighbourhoods (Ibid.). The public spending in the project is 67 times more than previous administration have used on similar projects, and the government therefore invests more heavily (ibid.). An important part of the deal, is the increase of low-cost housing of 170.000 annually. In comparing to previous administrations this also surpasses by 69 % (Ibid.).

Another, but similar approach was initiated by SMG in 2015 (Seoul Metropolitan Government 2015). Doing so, the SMG recognizes the existence of gentrification processes in Seoul, and plans to intervene in areas of gentrification, to “protect” local resident. The policy was first initiated in seven downtown neighbourhoods, but the aim is to expand the policy to the rest of the city (Ibid.). The policy consists of seven points of focus, ranging from maintaining levels of rent for tenants to providing cheap localities for small business owners (Ibid.). Lastly, funding for renovation of buildings have been provided, as well as institutional basis’ for providing administrative and legal support (Ibid.).

## 7. Conclusion

Since the 1960's, Korean society has transformed dramatically - from a nation devastated by war into a wealthy industrialized nation. This transformation has happened in a very short time, and can be ascribed to the rapid economic growth from the 1960's and onward. Pursuing economic growth, the Park Chung-hee regime, established a growth regime by creating an industrial strategy favouring large conglomerates – the so-called Chaebols. Concentrated on the urban areas, this industrial strategy led to a rapid urbanization in which especially Seoul experienced a huge influx of people. However, during the 1990's, the occupational structures of Korea started to change – as did the industrial strategy applied by the government. Following a democratization in 1987, the governance structures slowly started to expand and focused on making Korea a service-based economy. Investments in research and development increased along with foreign investments.

In the development of Korea, cities have played an important part, and as the capital, Seoul has served as a centre of growth, throughout the years. In this regard, the following statement of problem has been set:

*Which processes of urban development and regeneration from the 1960's and onwards have impacted Seoul and what are their characteristics in terms of purpose, tools, stakeholder engagement and adaption to the overall economic circumstances? And based on the case of Mullaee dong, is gentrification as a term applicable to describe the current approach to urban regeneration in Seoul?*

In general, the urban development and regeneration schemes in Seoul have been characterized by a strong government involvement, and has been part of the growth strategy applied by the developmental state. In doing so, urban development has been used as a “vehicle” of economic growth, in which the Chaebols has been prioritized. Urban regeneration trends in Seoul, has gone from a top-down process prioritizing the Chaebols, to a broader governance structure in which groups from the civil society have gained influence in later years, and a bottom-up approach has been applied.

Answering the questions of this thesis, the following table has been made:

**Table 10 – Urban development schemes in Seoul – 1960 -2017**

	<b>Urbanization</b>	<b>JPR</b>	<b>New Town</b>	<b>Citizen- involved urban planning</b>
<b>Period</b>	1963- 1983	1983 – start 2000's	Start 2000's – Start 2010's	2011 - now
<b>Main rationale</b>	Providing housing	Economic growth	Creating balance between Gangbuk and Gangnam	Creating active and creative communities
<b>Description</b>	Housing shortage in Seoul due to urbanization	Urban development through partnership	Comprehensive planning. State-facilitated urban regeneration	Community-based urban regeneration
<b>Focus on</b>	Construction of new housing units	Clearance of shantytowns	Top-down urban regeneration	Bottom-up urban regeneration
<b>Built environment</b>	Public High-rise public housing. 5-year rentals	Private high-rise housing. Mostly demolition and new-build housing.	Development of dwellings into high-rise buildings.	Comprehensive urban regeneration of housing and areas
<b>Main stakeholders in gentrification</b>	State	Private developers facilitated by state	Private developers facilitated by state	State, private developers and civil society

**Table 10. Made by the author.**

Up until the 1980's Seoul was characterized by housing shortage, and the urban development scheme applied by the government, focused on providing housing and thereby promoting labor mobility for the industrialization. The state acted as the only stakeholder in this process, initiating the project as well as providing the capital. The result was a "one-size fits all" strategy, in which a vast amount of five-year rentals were built in downtown areas of Seoul. This scheme partly solved the housing shortage, but because of the continuous urbanization, housing shortage remained a problem up into the 1980's. Another problem of the scheme, was the funding which were expensive and relied solely on the government. In 1983 a new urban development scheme was introduced, called Joint redevelopment projects. This new scheme was characterized by a shift towards the a property-driven urban development, in which the government acted as a facilitator. The purpose of this scheme was to use urban regeneration as a tool for generating economic growth, and thereby strengthening the Chaebols. At the same time, the scheme



addressed the housing shortage, by clearing shantytowns and building high-rise apartment complexes. A consequence of the methods applied in the JRP were evictions, and the scheme marked a process of gentrification. 700.000 people, mainly tenants, were evicted due to the demolition of shantytowns in Seoul. Furthermore the tenants didn't receive compensation or rehousing. The introduction of JRP as a urban development scheme can be characterized as part of the overall development strategy of Korea, at the given time, in which the government ensured favorable conditions for the chaebols and thereby making them "national champions". This strategy was favored, as the chaebols at the given time had created a huge surplus, which they now invested in urban development. JRP solved the problem of government spending, greatly strengthened the profits of the chaebols, but also contributed to militant insurgency and protests that helped to overthrow the regime and introduce democracy.

During the first part of the 1990's, in response to the problems of evictions in the JRP, the government reinstated the previous approach towards urban development, and aimed at building two million apartments, in a government controlled top-down manner. This approach was indented to run alongside the JRP, which continued into the 1990s. Contrary to previous schemes, the government-sponsored apartments, were built as permanent rentals and thus didn't promote homeownership, but instead aimed at providing affordable housing for vulnerable groups. At the same time, tenants were secured legal rights in the form of compensation and the right to rehousing. The scheme was though quickly shut down, as the public spending was too costly. As a result only 200 000 permanent rentals were build.

In 1997 the Asian financial crisis erupted, affecting Korea heavily. This meant that most urban development schemes in Seoul was sat on hold. At the same time, the financial crisis resulted in an opening of the Korean market to the world and foreign investments started to flow into the Korean market.

In the early 2000s, a new urban development scheme was applied, called the New Town Development Project(NTDP). Based on the experiences of previous schemes, NTDP aimed at addressing imbalance in Seoul. By adopting a comprehensive approach, NTDP took into account the role of the civil society and included public-service institutions in urban regeneration. NTDP also marked an end to the traditional role of the government as seen in the developmental state. The prioritization of chaebols was no longer the sole item on the agenda and the strategy applied in the NTDP was the making of the Seoul as a global - meaning a focus on prestige projects and investments in high-tech services.

At the time of NTDP implementation, the housing shortage in Seoul had been solved, and the NTDP therefore aimed at upgrading the existing housing stock, which led to an increase in the average m2 in Seoul.

Despite the intentions, NTDP never worked as planned. As a consequence, NTDP resulted in processes of gentrification, where housing prices increased and the stock of rentals was cut down on the behalf of

homeownership. The reasons for the limited success of the NTDP, can largely be ascribed to a decentralization to lower administrative levels, which did not have the competence nor the resources to implement the scheme. Instead they relied on old governance structures, in which the partnership with Chaebols were prioritized, and the legacy of the JRP scheme thus continued. NTDP was largely criticized from a broad spectrum of stakeholders including politicians and the civil society. As a result, many NTDP were closed down around the 2010's.

Beginning in 2011, with the election of mayor Park, the city of Seoul introduced a new urban regeneration scheme, focusing on involving community and civil society. This scheme relies on a clear and comprehensive strategy and vision on how to involve the civil-society by bottom-up approaches. The government is now pursuing a scheme, with the purpose of supporting and facilitating active communities. Taken into consideration is also gentrification processes, which is addressed through policy initiatives and expansion of affordable housing. Furthermore, an attempt is made by the government to create new partnerships around the Chaebols and thereby correct the failures of the NTDP and JRP. The underlying rationale is, as before, to support economic growth, but unlike earlier, the process is less top-down with government and chaebols in the driver's seat. Looking ahead, it is unclear if the initiatives taken so far, actually works. Examining the case of Mulla-dong has shown, that many of the initiatives is implemented, and the scheme has been well received so far. However, the scheme has also been criticized of being state-led in regard to the process. In creating a bottom-up regeneration of local communities, evidence from Mulla-dong shows that it actually works as intended. The area of Mulla-dong has attracted new residents, tourist as well as businesses - without consequences for the local residents compared to previous schemes. The effects of gentrification are so far mild - especially in relation to previous approaches. However, problems can arise when local residents have to move out due to an increase in housing prices. Evidence from Mulla-dong indicates that property owners and developers have starting to gain interest in the area, and some residents have already had to leave. Applying the theoretical framework by Neil Smith, urban regeneration scheme in Seoul, can partly be compared to the developments in what Smith characterizes as the first wave of gentrification. The influx of a bohemian group in an old industrial area, creates an attractive environment, which attracts other people from the creative class, but also commercial activities. This form of gentrification is characterized by minor changes in the built environment, and a change of residents. In contrast to the first wave of gentrification, the case of Seoul though shows, that urban regeneration is government-led, and a clear agenda of cultivating the community and using it as the means of creating economic growth is visible.

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