

Issues of Planning Justice within Two Large Scale Urban (re)Development Projects in Seoul, South Korea

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“It is the responsibility of intellectuals to
speak the truth and to expose lies.”

Noam Chomsky

Abstract

The central aim of this research is to evaluate the justness of the Cheong-gye-cheon Restoration Project (CRP) and the Dongnam Distribution Complex Project (DDCP) with a primary focus on issues for merchants affected by the projects, and to use this as a lens to explore the possibilities of establishing a more just planning process in Korean society. Two main research question that try to answer throughout this thesis are: How can we evaluate the processes and the outcomes of the CRP and the DDCP from a justice perspective?; In the light of the theoretical review and empirical case study, if planning should pursue the public interest (or the common good) and often unavoidably harm minority interests, how can planning be more just in relation to the interests of the latter?

Cheong-gye-cheon (CGC) is a 5.8km length river running through Seoul city centre, which was covered up in the 1960s and 70s. Restoration of this historical river was acknowledged as being a public good for the general population. However, this restoration project would impact on one of the largest conventional markets in Korea and the restoration meant significant losses for many merchants without compensation. Severe conflicts occurred, and as a result of negotiations, it was agreed that a relocated market on a new site would be provided for the merchants with special privileges as *de facto* compensation. This was why the DDCP began. Yet, despite the ostensibly ‘democratic’ processes of both projects, the outcome of the DDCP turned out to be a failure. A large number of merchants could not or did not move into the new relocated market when it was completed, and most CGC merchants experienced significant losses. The failure of the DDCP also left considerable debts for the tax payers. These two projects are still highly controversial, especially in terms of the justness of their processes and outcomes, and thus requires further investigations.

In order to do so, review of theories of justice and justice in planning presented, with the work of Michael Sandel and Heather Campbell being particularly influential. Throughout the review, it is argued that justice is inescapably judgemental and can only be reasoned through a politics of the common good. Yet, due to the dark sides of the concepts of community and common good, this thesis proposes that both concepts are need further conceptualisation and judgements should be guided by universal values. Influenced by Campbell, this thesis argues that justice in planning is about situated ethical judgement through a politics of the common good guided by universal values. Subsequently, the applicability of the concept of justice in planning in planning practices is explored.

Based on this conceptual framework of justice in planning, the processes and outcomes of the two consecutive projects are scrutinised, focusing specifically on why affected merchants did not or could not move into the new relocated market in the end. The investigation shows that although the processes of both projects appeared on one level to be seemingly democratic, they were not in reality. As a result, there were misrecognitions about merchants’ economic circumstances and forms of exclusion, misinformation, and poor or non-decision decision makings. It is also shown that even though the agreements made between parties during the projects were perceived as being satisfactory at the time they were made, the fundamental reasons for the failure of the DDCP actually stemmed from these agreements; influenced by the institutional and political contexts of Korea. By examining situations and judgements in the processes of the projects, possibilities for better and more just planning practices are explored.

Dedication

I would like to dedicate this thesis to my parents, for their love, trust, understanding and support.

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The last four years has been a long (but at the same time a short) journey, and has been a very precious time in my life. I have felt I was a very fortunate person to have this kind of wonderful opportunity to study what I wanted to do in such a great environment. Certainly, this would not have been possible and probably would not be able to finish my work successfully if there were not many people's great help.

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Abbriations Used

BDB	Balanced Development Bureau
BPDRP	Bureau of Planning for the Dongnam Relocation Project
CBD	Central Business District
CC	Citizen's Committee
CCVPC	Cheonggyecheon Commercial Vibrancy Protection Committee
CGC	Cheong-Gye-Cheon
CGEH	Cheong-Gye Elevated Highway
CMCM	Committee for Measures for the CGC Merchants
CRMC	CGC Residents and Merchants Committee
CRP	Cheonggyecheon Restoration Project
CRPH	Cheonggyecheon Restoration Project Headquarters
CRRC	Cheonggyecheon Restoration Research Group
CRSG	Cheonggyecheon Restoration Study Group
CSC	Clothing Shops Committee
DDCP	Dong-nam Distribution Complex Project
FMCM	Federation for Measures for the CGC Merchants
GRG	Gwon-Ri-Geum
MR	Merchants' Representative
PCC	Policy Consultation Committee
RMC	Redevelopment Measures Committee
SDI	Seoul Development Institute
SHC	SH Corporation
SMC	Seoul Metropolitan Council
SMG	Seoul Metropolitan Government

CHAPTER 1: Introduction

1.1 An overview of research problems and motivations for this research

1.1.1 Two directly related large-scale urban (re)development projects that raised questions about justice in planning

1.1.1.1 Socio-economic context, and an historical river restoration project that was acknowledged as good for the public (or the community as a whole)¹

The South Korean economy has developed with an unprecedented speed since the 1960s and was accompanied by democratic transition in 1987. During this period of rapid economic growth, values of economic development, efficiency and function were prioritised over other values, such as preservation of history, liveability, democratic procedures, or recognition of different ways of life and of different values between groups. During the period, Cheong-Gye-Cheon (hereafter CGC), a river running through central Seoul was covered over to be used as a wide road (figure 1.1). An elevated express way was also built, which linked the CBD (Central Business District) area to other parts of Seoul (figure 1.2). Until the 1990s, the covered CGC and the elevated express highway (called the CGC Express Highway; hereafter CGEH) were widely regarded as symbols of Korean modernisation (Ryu, 2007, Rowe et al., 2010).

However, from the 1990s there was some degree of change in societal, political and urban governance priorities. . The previous focus on functions and efficiency was given less emphasis and values of liveability, environmental preservation, democracy and historical restoration gradually received higher attention. From the early 1990s, there were arguments, made mainly by intellectuals, about the desirability or necessity of restoring the CGC as an open river, although this was initially viewed as being a somewhat idealistic vision. In the CGC area, a large-scale conventional market with more than 60,000 businesses flourished, and the CGEH was one of the main roads in Seoul, with a very high volume of traffic use (figure 1.2). Despite anticipated difficulties, in 2002, the CGC Restoration Project (hereafter CRP)-to uncover the river became a main

¹ In most part of this thesis, the terms ‘public interest’ and ‘common good’ are used interchangeably. However, the two terms have subtle differences in their origins and meanings, and those are discussed in Chapter 2.

electoral issue in the mayoral election, and an advocate of the CRP was elected as the mayor. The project was expected to bring about a better environment, attract more visitors, and restore a covered and buried history. It was widely acknowledged at this time that the project was good for the public (or the community as a whole).



Figure 1.1 CBD, the covered CGC and the CGEH (Source: <http://www.roboman.co.kr>)



Figure 1.2 The CGEH (Source: Cheon, 2014)

1.1.1.2 CGC market and merchants

After the covering over of the CGC and building of the CGEH, accessibility to this area of Seoul had been enhanced dramatically. In this environment, a number of specialised markets, which were collectively called the CGC market, organically emerged along the covered CGC. A great number of merchants in the market were wholesalers, trading with other wholesalers or retailers from all over the country. Over a period of 40 years, the evolving market became very vibrant and one of the largest conventional markets in Korea (figure 1.3). By 2002 there were more than 62,000 registered businesses with 213,000 employees, formed into 66 business groups (Cheong-Gye-Cheon Restoration Project Headquarters, 2003). These businesses formed strong industrial networks and developed an industrial ecosystem with other businesses and services. Accessibility was a key element for the market to be successful.

In such circumstances, the restoration of the CGC was not acceptable for the CGC merchants. The restoration of the CGC and demolishing the CGEH would result in a dramatic decrease in accessibility to the market and the reduction of space for on-street car parking due to the significantly reduced car lanes (figure 1.4). In addition, during the

construction process considerable inconveniences were expected due to the noise and dust. Merchants were also concerned about the depreciation of a special premium, called Gwon-Ri-Geum (hereafter GRG). In Korea, the GRG exists in the most prominent business districts, and this is exchanged between lessor and lessee or a sublessor and sublessee (SBS, 2014, Yoon, 2008). This GRG is closely related to the expected profit that a lessee or sublessee can make in the future from the shop. The amount of the GRG is generally quite high in vital business districts, for example it was claimed by the merchants and property agencies that the amount of the GRG in some areas along the CGC St. was around £56,000–113,000 before the restoration. However, the GRG is not recognised by the law. Since the GRG is exchanged covertly and informally, only the lessor or lessee who exchanged the GRG knows the amount, and this is exchanged even though the parties are aware that the GRG would not be protected by the law. The CRP meant a decrease on the vitality of the market due to the inconveniences caused by the construction, temporarily, and the significant reduction of car lanes, which would be permanent. This, in turn, meant the likelihood of a considerable reduction of the GRG. Accordingly, it was generally acknowledged that the CRP would cause significant unavoidable losses to a large number of the CGC merchants.



Figure 1.3 The vibrant CGC market and the CGEH
(Source: <http://www.docuinside.com/>)



Figure 1.4 The CGEH, the CGC market and on street car park
(Source: Cheon, 2014)

Furthermore, it is important to note that around the time of the initiation of the CRP, the wider business environment in Korea changed rapidly and fundamentally with the emergence of e-commerce, which was called a ‘distribution revolution’ (Kim, 1997, Park, 1999). The effect of this change was not yet significant when the CRP began. However, during the course of the projects the growth of e-commerce further undermined

the primacy and competitiveness of conventional markets of relatively small scale businesses reliant upon walk-in visitors. This added to the challenged context facing the merchants who were to be affected by the restoration projects.

1.1.1.3 Safety

By the time when there was a debate over the CRP, it had been more than 40 years since the CGC had begun to be covered over and around 30 years since the CGEH was completed. Due to the lack of resources and unskilled building techniques in the 1960s and 1970s, by around 2002, the physical structures of the CGEH and the covered road were in a very bad condition, with pot holes frequently threatening users' safety (figure 1.5),. Moreover, under the covered CGC, there was a foul stench and rotten soil (figure 1.6). So it was recognised that significant maintenance work on the physical structures covering the CGC would be required in the future, as well as measures to prevent floods.

Accordingly, by 2002, it was necessary for the Seoul Metropolitan Government (hereafter SMG) to tackle the problems on both the CGEH and the covered CGC regardless of the restoration and uncovering of the river. Owing to the importance of the CGEH to Seoul's transport system and very complicatedly entangled interests with regard to the CGEH and the covered CGC – in particular the great number of the CGC merchants – it was decided that rather than demolishing the CGEH or restoring the CGC, comprehensive maintenance work on the CGEH would commence the second half of 2002. This meant that regardless of the CRP, a comprehensive maintenance project was planned and the disruption generated by this project would result in some financial losses for merchants.

Meanwhile, the restoration of the CGC emerged as a main electoral issue in 2002. The CRP meant the SMG could use the prearranged budget for the maintenance work on the restoration project instead. In addition to claimed benefits arising from historical preservation, enhancing liveability, or historical restoration if the CRP was undertaken, it was also argued by its advocates that the project would enhance the safety of the public. Therefore, the projects was conceived as being good for the public (or the community as a whole).



Figure 1.5 A maintenance work to fill a large pot hole (Source: <http://blog.donga.com/laputa4/archives/4>)



Figure 1.6 Under the covered CGC with full of a foul stench and rotten soil (Source: <http://www.docuinside.com/>)

1.1.1.4 Unavoidable losses that were not recognised in the legal system of the time

However, the anticipated unavoidable losses to the CGC merchants caused by the CRP were not recognised in the legal system of the time. The anticipated losses of the merchants were not linked to compensation mainly for the three reasons: firstly, the covered CGC was owned by the SMG; secondly, the CRP was a form of public undertaking, and the scope of recognition of losses caused due to a public undertaking was narrow. Thirdly, in spite of the great reduction of the number of lanes for cars on the highway, there still were two car lanes on each side and thus businesses were still able to run during and after the project. Legally, this type of anticipated loss of merchants was categorised as ‘indirect losses’. As the scope of recognition of indirect losses in the legal system at this time was particularly narrow, it was very difficult for the merchants to gain compensation. Moreover, as was wrote, the GRG was not recognised by the law. This meant that legally, the affected merchants would not receive any form of compensation but should accept the decision to pursue the project in the ‘public good’ and endure the anticipated losses. The merchants strongly opposed the project and formed groups to resist its implementation.

1.1.1.5 Two projects that were claimed to follow ‘democratic processes’, but ended up in failure

In the mayoral election of 2002, Mayor Lee, who supported the CRP, was elected. A large majority of Seoul citizens supported the project, and the CRP became a main project with a significant profile. An ostensibly ‘democratic process’ was followed with the participation of leaders of various social sectors and groups. The SMG, the Seoul Metropolitan Council (SMC), a local government affiliated research group, and other participants from non-government sectors formed a governance framework to deal specifically with the project, although this framework was not actually required by law. Within the governance, there were active deliberation processes with the active participation of members. Around the same time, outside this governance framework, there were also direct negotiations between the CGC merchants and the SMG. Even though there were significant conflicts within the processes of negotiation, in the end, the outcome in relation to issues for merchants appeared at the time to be generally satisfactory for the merchants, the SMG, and the public.

Despite the ‘democratic processes’ claimed by the SMG and proponent groups of the time, however, it is very important to note two things here. Firstly, the merchants were not allowed to formally participate in the established project governance structure, which raised issues of exclusion. Secondly, the CRP pushed forward rapidly. Soon after the inauguration of the new mayor’s term, the start date of construction was set as a year after his inauguration. Taking into account the complexity of the project, i.e. the complexity of entangled interests and values spatially, economically, institutionally and politically, there was a wide concern about the fast speed of the project. Nevertheless, following this time schedule, there was a strong drive to push forward the negotiation processes with merchants and also the discussions within the formal governance. These two issues raise questions about democracy and power in the planning practice, as well as their relationship with a just planning process.

As a result of the negotiations, it was agreed that the SMG would build an alternative shopping centre as *de facto* compensation for the unavoidable losses to merchants caused by the CRP. In accordance with the agreement, as soon as the construction of the CRP started, another project began, called the Dongnam Distribution Complex Project (hereafter DDCP). An official organisation for the participation of merchants was formed. However, despite the formal organisation for the collaboration between the SMG and the merchants, merchants complained that policies were still unilaterally implemented without sufficient discussion. They also argued that the size of

the market was reduced significantly from what was initially agreed, again without this change being subject to discussion. Nevertheless, after five years of ‘collaborations’ between the merchants and the SMG, the alternative shopping centre was completed.

The outcome of the project, however, was far from the aims and claimed outcomes of the initial plan. Many merchants could not or did not move into the relocated market, and the market failed to become a vitalised new site of commerce for the merchants (figure 1.7). Merchants blamed the SMG for the unaffordable price of units in the new centre, the inappropriate design of buildings for their types of businesses, and inappropriate regulations. The SMG, conversely, blamed the merchants for breaking promises and not moving in to the new market. The SMG also claimed that the 2007 global financial crisis was the main reason for the failure (at least in terms of its outcome) of the DDCP. It was certainly the case that the Seoul property market entered a state of depression after the crisis, and arguably this could not easily have been forecast beforehand. Yet, even though the economic crisis was seemingly one of the reasons for the failure of the DDCP, it was not easy to assess how much could be attributed to this factor in explaining the overall failure of the project; particularly as another large-scale shopping mall in Seoul successfully opened around this time.

As a result of the CRP and the failure of the alternative shopping centre, merchants have suffered considerable losses. When the alternative shopping centre was completed, a small percentage of merchants who moved in have suffered serious losses due to the lack of vitality of the market, maintenance costs, and bank debt and interest on their loans to buy their shops. Merchants who decided not to relocate have also suffered due to the much less vibrant remaining CGC market (figure 1.8). Simultaneously, the DDCP also generated a considerable loss for tax payers. The project was entirely funded by the SMG. After the construction was completed, all the financial liabilities were left with the SMG. More than £774 million was invested, using tax payers’ money, but only £74 million was reimbursed by August 2009, which apparently was against the interests of the public. The outcome was a serious problem for the merchants, the public, and the SMG.



Figure 1.7 Vacant and unsold shops in the alternative shopping centre (source: author)



Figure 1.8 Closed shops on the main CGC road in a week day (Source: author)

1.1.1.6 An on-going controversial project that has not been thoroughly evaluated: do we know what the right thing to do is about this shopping centre and the depressed existing CGC market?

The DDCP is still an on-going and controversial issue. For both the SMG and merchants the completed grand shopping malls remain as a ‘white elephant’. The SMG has not yet found out how to deal with the buildings, sparsely occupied by merchants scattered across each floor and building. Since the shopping malls were opened, the SMG has been paying a considerable amount of maintenance fees. The SMG has also paid a considerable amount of financial expenses, approximately £57,800 per day for the bank interest only. Those merchants who did move to the relocation market are suffering deficits and debt due to the failure to generate a vitalised new market attracting many customers. Many merchants have subsequently left the new market site, exacerbating the problems for those merchants who remain.

There had been several efforts to investigate the reasons for the failure of the project, mostly by councillors and political parties. Most of the investigations, however, have focused on partial issues rather than investigating comprehensively all aspects of the entire process from the CRP to the completion of the DDCP. Consequently, the reasons for the failure had not yet been fully uncovered and remain fiercely contested. The lack of comprehensive research, especially from a justice perspective, and the continuing ambiguity of the reasons for the failure made it difficult to shed light on questions of

‘what is the right thing to do?’ and ‘which directions ought we to go?’ in relation to the on-going problems of the shopping centre. Formal records and documents have been gradually disposed of or lost as time has passed. Understanding the processes and outcomes of these projects was an urgent task for planning researchers who sought to use these projects as a lens for investigating how it may be possible to have better and more just planning processes and outcomes in major urban reconstruction developments.

1.1.1.7 Questions in relation to justness of the project: were the projects just? Could they have been more just?

The processes and outcomes of the projects have raised important questions in relation to their justness. The CRP was conducted on the basis of a perceived interest of the broader collective population of Seoul and Korea. However, at the same time, there were unavoidable losses for some groups that were not subject to compensation. If “planning (like politics) is about the collective, the common good” (Campbell, 2002), and if planning should pursue the public interest (not in a utilitarian sense of ‘the greatest interests for the greatest number’, see Campbell and Marshall, 2002) but often unavoidably harm minorities’ interests; how can planning be more just in relation to them? More broadly, if it is not possible to satisfy, or at least convince, all of the stakeholders in a real world planning practice, how we can understand justice in planning?

As a result of the projects, many merchants have suffered severely. Since the construction of the CRP began, the income of a large number of CGC merchants dramatically decreased, and it is claimed that a few merchants committed suicide mainly because of the economic hardships they encountered as a direct result of the projects. As a result of the DDCP, the debt of the SMG increased sharply. While at the same time, since the completion of the CRP, the number of visitors around the CGC area has greatly increased. This meant many businesses around the area have benefited from the CRP. Arguably, the broader collective population of Seoul and Korea has also benefited in an economic sense. In this complex socio-spatial network and change, can we simply regard the economic failure of the outcome of the DDCP, which was undertaken as a result of the negotiation in the CRP, as unjust? If not, how can we evaluate these two projects from a justice perspective? Furthermore, does justice in planning or urban (re)development

relate to both process and outcome? How can we understand justness when they do not come together?

The questions raised above are never easy to answer given the great number of complex, inter-related issues that the two large-scale urban (re)development projects were associated with: the involvement of a great number of stakeholders of different scales having different interests and values; and conducted within certain institutional, political and cultural contexts and local, nation and global economic circumstances. In evaluating justness in a planning practice that happened within complex situations, contexts, and inter-relations, it would not be appropriate if we do not attempt to take all of these factors into account.

1.1.2 Recurring similar ‘problems’ in Korean planning practices and urgent calls for researching justice in planning

Many public undertakings have been conducted under the name of the public interest. One example of this is building nuclear power plants, which are potentially very dangerous facilities that are often not located in proximity to the regions where the electricity they generate is mainly consumed. In other words, the interests of the wider beneficiaries of these developments, in the name of the public interest or collective good, are in tension with those whose interests are threatened by the siting and operation of nuclear plants. These kind of political and planning decisions often raise complaints and conflicts.

In Korea, under the authoritarian developmental regimes where the power of the state overwhelmed other social sectors, conflicts were frequently not visible. People who experienced losses tended to merely accept them, as it was virtually impossible to change the decisions within the prevailing political and institutional structures. Yet, since the democratic transition in 1987, these latent conflicts have come to the surface. People have started to raise their voices more actively. After the democratic transition, procedural democracy, including periodic election to local and national governments and citizen participation in planning processes, have been rapidly developed and institutionalised. It can be argued that planning decisions are now made ‘democratically’, in a formal sense, in South Korea, although it should be noted that there are several models of democracy (see Held, 2006).

It seems that the institutionalisation of democratic process in Korea cannot resolve conflicts in public undertakings successfully, and still raises questions about justice. Conflicts in Miryang in Korea over building transmission towers, which are being constructed to transmit electricity from the Shin-Go-Ri nuclear power plants currently being constructed to the Capital Region² (Kwon, 2013), is one on-going example (figures 1.9 and 1.10) but there are many others. In many similar cases, administrative actions have been undertaken, and in the end, the state has attained its aim in a majority cases. In the case of Miryang, compensation was provided to adversely affected parties, but the amount was much less than their actual losses (Lee, 2014c). It also required final enforcement without securing the agreement of affected local residents. The tower construction work was recently completed in 2014. Meanwhile, two residents committed suicide and many were injured during the opposition activities.

Similar problems have been occurring in Korean planning practices repeatedly. As was wrote earlier, if planning should pursue the public interest and often unavoidably harm minorities' interests, how can planning be more just in relation to the interests of the latter? More fundamentally, what is justice in planning? What would have been the right thing to do within the situations of these projects, particularly as a planner, and how can we make more just planning systems and institutions in Korea? Arguably, it is an urgent mission for researchers to study justice in planning in Korea.



² Seoul and surrounding areas where more than 1/4 of the entire South Korean population is habiting.

Figures 1.9 (left) and 1.10 (right) Protestors of transmission tower building projects
(source: People's Solidarity for Participatory Democracy, 2013)

1.2 Research objective and primary research questions

My primary focus in this research is evaluating the two very controversial projects – the CRP and the DDCP – from a justice perspective taking into consideration the complex contexts and situations within which the projects occurred. As argued previously, the projects call for a thorough and comprehensive investigation from a justice lens to find out ‘what is the right thing to do?’ and ‘which directions ought we to go?’ in relation to the on-going problems of the shopping centre. Searching for a more just planning practice is also an urgent mission in contemporary Korean society, and the outcome of this research is intended to provide important implications for more just planning in Korea.

Two things are important to note. First of all, in this research primary focus is given to issues for merchants. One reason for this is because one of the primary motivations of this research is find out the reasons for the suffering merchants and the significant loss of tax payers’ money as an outcome of the projects. Another reason is that it would be too complex to deal with many other, though important, issues in the confines of one thesis. The final reason is that this type of conflict – conflicts between a perceived collective majority interest and a minority interest – in public undertakings are very common in Korean society and raise similar questions in relation to justness of their processes and outcomes. Nevertheless, the aforementioned complexity, in particular the issues of scale for each issue, are to be taken into account in the evaluation process. Second of all, a further focus is given to planners amongst a great number of participants in a large scale urban (re)development project. This is based on an assumption that although planners may not be ultimate decision makers, they are taking key roles in planning practices and have the potential to make practices better and more just (see Forester, 1999).

Consequently, the objective of this research is: to evaluate the justness of the CRP and the DDCP with a primary focus on issues for merchants, and to use this as a lens to explore the possibilities of establishing a more just planning process in Korean society. There are two primary research questions:

- How can we evaluate the processes and the outcomes of the CRP and the DDCP from a justice perspective?
- In the light of the theoretical review and empirical case study, if planning should pursue the public interest (or the common good) and often unavoidably harm minority interests, how can planning be (more) just in relation to the interests of the latter?

It should be noted that these are primary research questions, and there are more specific research questions examined as I scrutinise the process and outcome of the projects. This is discussed in more detail in the methodology chapter, Chapter 5.

1.3 Structure of this thesis

This thesis is divided into nine further chapters. Chapters 2 and 3 establish the conceptual framework for this research in order to analyse and evaluate the two projects from a justice perspective. Theoretical grounds for normative and potentially prescriptive research are also reflected upon. In Chapter 2, the literature on justice and justice in planning is reviewed. Chapter 3 explores how to apply this concept of justice in planning in planning practices within urban politics, with, particular focus given to the role of planners.

Chapter 4 examines the contexts of local politics and planning in Korea and Seoul within which the two projects were undertaken, and the Korean public administration system in relation to planning is briefly examined. In Chapter 5, based on the concept of justice in planning and the reviewed Korean planning contexts, research questions for the second research objective are established, and important methodological issues are examined. In Chapter 6, before I scrutinise the processes and outcomes of the two empirical projects, the backgrounds of these projects are examined in detail. The backgrounds consist of three parts: the political and economic environment of Seoul, a history of the CGC since the modernisation, and the conditions of the CGC market of the time.

Chapters 7, 8, and 9 are the empirical parts of this research. In Chapter 7, the process and outcome of the CRP between the start of the project until the commencement of construction are analysed mainly in chronological order and the main planning

decisions during the period are also evaluated from a justice lens. In Chapters 8 and 9, the process and outcome of the DDCP are analysed mainly in chronological order, and the main planning decisions are also evaluated from a justice lens. Chapter 8 focuses on the period between the start of the construction of the CRP, which was the start of the DDCP, and the end of Mayor Lee's term in office. Chapter 9 focuses on the start of the successor mayor's term to the end of the exclusive sales of shops to the CGC merchants.

Finally, in Chapter 10, findings from the theoretical and empirical chapters are summarised, and implications for both theory and practice are suggested.

CHAPTER 2: Conceptual Framework

2.1 Introduction

In this chapter, I review theories of justice and justice in planning in order to build an analytical and evaluative framework for the two urban (re)development projects. This starts from a basis that justice is one of the essential values that the state ought to seek through its intervention. Justice is one of the topics that has been explored the most throughout human history either explicitly or implicitly, particularly in political philosophy. Yet, although these debates on theories of justice in political philosophy provide important insights into looking at issues in planning, it is often difficult to translate them directly into planning, where it deals with particular cases, which often involve various stakeholders, having different values and interest, and severe conflicts (Campbell and Marshall, 2006) within the great complexity. Therefore, an appropriate framework for the analysis and evaluation of the projects needs to be developed, which will be examined in this chapter and Chapter 3. In building the conceptual framework, although various perspectives of justice and justice in planning are reviewed, this work is mainly influenced by Michael Sandel (inter alia, 2009) and Heather Campbell (inter alia, 2006). This was because amongst literature I have read, including conceptions of justice developed by utilitarian, Rawls, and Young, all of who are going to be reviewed in this chapter, the conceptions of justice and justice in planning developed by them were most convincing to me. I also thought those conceptions of justice were most appropriate to develop a conceptual framework to analyse and evaluate the CRP and the DDCP. It is important to note that in relation to the various agents in planning processes, a particular focus in these chapters is given to planners and their ethical grounds towards more just planning.

In the next section, I start this journey by reviewing theories of justice developed by utilitarian theorists and John Rawls (inter alia, 1999). This is not only because they are hugely influential in the public policy arena, but also because they provide important insights for justice in planning. In the subsequent sections, by utilising Rawls' account of justice as a 'foothold', further arguments are made by recognising its deficiencies and limits for justice in planning. Section 2.3 focuses on deficiencies and theoretical problems in Rawls' account of justice, and by reviewing critiques from different accounts of justice,

the deficiencies and theoretical problems are to be complemented. It will be argued that justice cannot be achieved through principles, but is inescapably judgemental based on our values. Section 2.4 specifically focus on justice in planning based on the earlier discussions and review of planning literature.

2.2 Reviewing utilitarianism and Rawls: contributions, limits and their implications for planning

2.2.1 Justice as maximising community's happiness: utilitarianism, its critics, and its on-going influence in planning

2.2.1.1 Utilitarianism and its moral limits

I shall start reviewing from utilitarianism, developed mainly by Jeremy Bentham and John Stuart Mill in 18-19th Centuries in Britain, not only because it was for a long time the key basis for the predominant conception of justice within the Anglo-American liberal tradition (see Campbell and Fainstein, 2012), but it is still exerting significant influence in public policy decision making, including planning (Campbell and Marshall, 2002, Alexander, 2002). Bentham's original logic concerning moral *consequences* of action is quite simple: overall balance of pleasure over pain. He used a term "utility", which is according to him whatever generates pleasure or happiness and whatever prevents pain or suffering, and argued that what is the right thing to do is whatever maximise the overall utility (Sandel, 2009, p.34). He applied this principle of maximising utility as moral consequences of action not only to individuals but also to the political and public policy area. According to this principle, a government should do what maximises the utility of the community as a whole, as can be seen from his writing:

"The right and proper end of government in every political community is the greatest happiness of all the individuals of which it is composed. Say in other words, the greatest happiness of the greatest number." (Bentham 1989, cited in Burns, 2005, p.56)

It is worth noting the meaning of community he wrote. According to him, it is a fictitious body composed of the mere aggregation of individuals (Sandel, 2009, p.34).

However, this utilitarian principle – maximising utility – has invited severe criticisms. The first weakness of the principle is its failure to respect human dignity and individual's rights. According to the principle, they can and should be violated as long as it contributes to increasing the community's utility as a whole. The second weakness is the way it calculates happiness. According to Bentham, the happiness and individual's preferences are measured and calculated with a 'single scale' of pleasure and pain (Sandel, 2009, p.41). In real life including areas of public policy and business, this way of calculation – translate all the social complex choices and values into a single scale, mostly into a monetary value – has been very often used with forms of various types of cost-benefit analysis. However, this reductionist nature of the utilitarianism often causes 'mis-scaling' problems, i.e. calculating all other important types of values, for instance moral or environmental values, into a single scale of pleasure and pain, which in real life mostly are converted into monetary values.

With regard to these convincing critics, John Stuart Mill (1861) tried to defend utilitarianism by suggesting a more humane and less calculating version of utilitarian principles. As to the first criticism, he asserts people's freedom, and this cannot be violated unless they harm to others (Mill, 1999). This might seem like suggesting different moral basis from the Bentham's. Yet, Mill denied and insists that this still rest entirely on utilitarian consideration, in that respecting individual's liberty will maximise the utility *in the long run* (Sandel, 2009, p.50). Moreover, regarding the second criticism, Mill introduced a qualitative distinction, what he called higher and lower pleasures (Mill, 1861), between the simple distinction of pleasure and pain. Despite his efforts to solve the problems of Bentham's principle by elaborating, not renunciation, however, the criticisms proposed to the utilitarian doctrine were not entirely solved (Sandel, 2009, pp.50-52). Mill's argument about respecting individual's liberty does not always fit into the utilitarian principle, but they often conflict with each other. Furthermore, his argument about qualitative distinction of scale is difficult to apply in a practical sense (Campbell and Marshall, 2002, p.175).

2.2.1.2 Implications for planning

In spite of these moral weaknesses, utilitarianism's impact on public policy making, including planning, has been enormous, particularly through the notion of public

interest (Campbell and Marshall, 2002, Alexander, 2002, Moroni, 2004). Whereas utilitarianism in theory concerns individuals' preference, their pleasure and pain, in practice in public policy, the utilitarian principles are used as a means of determining public choices within situations that public and private interests conflicts (Campbell and Marshall, 2002). In this case, called modified utilitarianism, "trading off one person's utility against another's" measured and calculated objectively, and subsequently making a public choice "is an *ethical judgment* made by someone who is assigned the role of defining the common good" (ibid, p.175, emphasis added). Various types of cost / benefit analysis is widely used in the decision making process, and within the various types of cost / benefit analyses, they often reflect non-monetary or non-material values in the formula based on welfare economics (Alexander, 2002). In this utilitarian account, it is *outcome* or *consequences* that justifies proposals or actions. This is discussed further in 2.4.1.

2.2.2 Justice as Fairness: Rawls' right-based justice and its implication to planning

2.2.2.1 Justice as fairness in the distribution of 'primary goods': reviewing Rawls' a theory of justice

John Rawls' 'a theory of justice' (1999) is perhaps the most popular conception of justice in the contemporary academy, and provides compelling assertions towards more equal society through fair processes. For Rawls, justice is not just another value that ought to be pursued but is the "first virtue of social institutions" (Rawls, 1999, p.3), and therefore seeking justice is the primary role of the state. Within a pluralistic society in the real world, where wide social arrangements exist, according to him, it is necessary to set up a "basic structure of society", which is "the way in which the major social institutions distribute fundamental rights and duties and determine the division of advantages from social cooperation" (Rawls, 1999, p.6) to make a just society. In other words, his main concern in justice was setting up a fair system of *distribution*, particularly for "primary goods"¹ (Ibid, pp.54-55). Moreover, his major concern in the major social institutions are 'political constitution', 'principal economic' and 'social arrangements' (Ibid, p.6).

¹ Rawls (2001, pp.58-59) specified the primary goods: 1.the basic rights and liberties; 2. Freedom of movement and free choice of occupation; 3. Power and prerogatives of offices and positions of authority and responsibility; 4. Income and wealth; and 5. Social bases of self-respect.

Mostly indebted to Kant for the philosophical foundation of his theory, Rawls developed his theory based on the liberal tradition of an assumption on human nature as, what Sandel termed, ‘unencumbered self’ – a free, rational, and autonomous self, free to detach itself from moral ties to whatever community were antecedent to it (Sandel, 1984b). Based on this perspective of human nature and his conviction that a “moral person is a subject with ends he has chosen, and his fundamental preference is for conditions that enable him to frame a mode of life that expresses his nature as a free and equal human being as fully as circumstances permit” (Rawls, 1999, p.491); he argues our *capacity* to choose is prior to the *purpose* or *ends* of what we choose. In other words, the right is prior to the good. This prioritising the right to the good can be summarised in the following two senses (Sandel, 1984b): Firstly, individual rights cannot be violated for the sake of the welfare of society as a whole, which opposes utilitarianism. Secondly, “the principles of justice that specify these rights cannot be premised on any particular vision of the good life” (p.82), which opposed teleological conceptions in general.

In viewing human society, Rawls distinguished private and public realms. In a private realm, each individual has their own values and thus has their own conception of the good. However, in a public realm, in the world of plural society, those conceptions of the good sometimes cannot reconcile. In this situation of conflicting individuals’ conception of the good, he does not trust human intuitions about good social outcomes, as he think they are indeterminate and unreliable (Nussbaum, 2001). Instead, his primary interest is, as mentioned earlier, setting up a fair *system* for distribution. For him, what is necessary for society to be able to be just is *fair and impartial principles* which do not presuppose any particular conceptions of the good. It will be, then, citizens who choose between different conceptions of good. Therefore, the question moves on to what are and how to develop the fair and impartial principles that “establish a shared basis for citizens to justify to one another their political judgements” (Rawls, 2001, p.27). In addition, this is the reason why the Rawlsian conception of justice is mainly concerned with processes and procedures through which choices are made (Campbell, 2006).

In this regard, he starts from setting up principles of justice which specify the “fair terms of social cooperation” (Rawls, 2001, p.7). These principles are independent of all other different comprehensive doctrines and are based on all other social institutions. For this reason, his principles of justice are inevitably *abstract* (Campbell and Marshall, 2006). The fundamental question for generating the principles of justice was:

“[W]hat is the most acceptable political conception of justice for specifying the fair terms of cooperation between citizens regarded as free and equal, and as both reasonable and rational, and ... as normal and fully cooperating members of society over a complete life, from one generation to the next?” (Rawls, 2001, pp.7-8)

The way Rawls arrived at an answer was in line with liberal theorists who advocated social contract theories, for instance John Locke’s tacit consent or Immanuel Kant’s hypothetical consent, and supplements their weaknesses (Sandel, 2009, pp.140-141). Rawls acknowledges the likelihood of an unfair contract deriving from the difference in bargaining power in the contract, for example their social status, knowledge, race or religion (Rawls 1999, p.122).

For this reason, Rawls imagined a hypothetical situation to set fair terms of social cooperation: *free, equal, reasonable* and *rational* persons who have roughly the same bargaining power, decide to agree on principles without knowing how and where anybody is placed in society, following his term at the ‘original position’ behind the ‘veil of ignorance’ (*Ibid*). In this hypothetical situation, “rational persons can adopt within the world. And having done so, they can ... arrive together at regulative principles that can be affirmed by everyone as he lives by them, each from his own standpoint. Purity of heart, if one could attain it, would be to see clearly and to act with grace and self-command from this point of view” (*Ibid*, p.514).

Here, there are two things worth noting. Firstly, Rawls (1993, pp.50-51) distinguishes between rationality and reasonableness. He refers to ‘rational’, similar to what Habermas called ‘instrumental rationality’, as choosing the best means to achieve the persons’ own (long run) self-interest (Stein and Harper, 2005). Rawls (1993, p.49) uses the term ‘reasonable’ to mean an acceptance of a fair system of cooperation with free and equal citizens, acceptance of the duty of civility, recognition of the burdens of judgements and acceptance of their consequences, and a commitment to abide by them. In this sense, this conception of reasonableness embodies rationality and morality, and contains the notion of reciprocity (Stein and Harper, 2005, p.161). In reasoning justice in the public realm, it is ‘*reasonable*’, not ‘*rational*’, plays a crucial role (Rawls, 1993, p.53). This concept of ‘reasonableness’, with his notion of ‘public reason’, has important implications in politics and public policy, including planning, where multiple conceptions of the good exist. The public reason is a process of public deliberations with un-coerced

reasoning (Campbell, 2006), seeking to identify principles of cooperation by justification processes of “appealing to beliefs, grounds and political values it is reasonable for other citizens to acknowledge’ (Rawls, 2001, p.27).

Secondly, Rawls drawn out principles of justice from *idealised* agents and circumstances. This can be found through the notion of the ‘free and equal, and as both reasonable and rational’, ‘original position behind the veil of ignorance’, ‘purity of heart’, and later on ‘well-ordered society’ (Campbell and Marshall, 2006). This ‘thought experiment’ brought about significant criticisms, in particular in relation to applicability in the realm of public policy including planning which abide in everyday contestations. These two issues are further discussed in the later part of this chapter.

According to Rawls, the principles that free, equal, reasonable and rational individuals within the hypothetical situation would agree on for the role of justice consist of two parts, which is widely known as Rawls’ two principles of justice (Rawls, 2001, pp.42-43):

- (a) Each person has the same infeasible claim to a fully adequate scheme of equal basic liberties, which scheme is compatible with the same scheme of liberties for all; and
- (b) Social and economic inequalities are to satisfy two conditions: first, they are to be attached to offices and positions open to all under conditions of fair equality of opportunity; and second, they are to be to the greatest benefit of the least-advantaged members of society (the difference principle).

According to Rawls, the first principle is prior to the second, and the first of the second principle is prior to the second of the second.

Firstly, as can be seen in the first principle, Rawls argues that the basic liberties that each individual has are infeasible and the most fundamental aspects for justice. This also derives from the idea of the veil of ignorance: that no one knows his or her place in society, including their race, gender, religion, or status. Therefore, he argues that they would not take risks to choose less liberty as no one would want to be oppressed or lose freedom when the veil of ignorance rises and real life begins. He specified the basic liberties that are given priority in the first principle and should be protected at the constitutional level. Those are: political liberties, liberty of thoughts, liberty of conscience,

freedom of association, and liberty of person (Rawls, 2001, pp.112-113). All other liberties, including property rights are not basic liberties which are to be defined by legislation within the institutional structure (Stein and Harper, 2005, p.163).

Although basic liberties are essential and inalienable, Rawls also acknowledges that “[n]o basic liberty is absolute” and these liberties may conflict to each other in particular cases (Rawls, 2001, p.104). In these cases, there are priorities in the whole scheme of basic liberties, and they can be limited under adjustments which “must be fit into one coherent scheme of liberties” (Ibid.), only when the basic liberties cannot be compromised and it is unavoidable. Subsequently, the final scheme must be applied equally to all citizens (Ibid., p.111). To reiterate, according to Rawls, the restriction of basic liberties (in fact any liberties) must not be sacrificed for the sake of the good. This first principle provides a strong basis for arguing against utilitarian ideas which justify sacrificing individual rights, including basic liberties, so long as greater utilities are produced. In this regard, Rawls (1999, p.3) wrote “[e]ach person possesses an inviolability founded on justice that even the welfare of society as a whole cannot override”.

The second principle consists of two parts, the first is about equal opportunity and the second is about benefiting the least well-off, called the difference principle. In particular, the latter – the difference principle – provides a strong background for pursuing equality through redistributing primary goods. This second principle is not derived only from the ‘thought experiment’, but it also stems from moral argument – moral arbitrariness (Sandel, 2009, pp.152-153). By suggesting the fair equality of opportunity, Rawls argues that a caste system is unfair and thus unjust, which is seen as quite obvious in today’s society, since it distributes income, wealth, and power according to the accident of birth. In a market society, much of this inequality is improved, in that the society assures to citizens equal basic liberties and outcomes are redistributed through a market mechanism, not according to the accident of birth. This market system with *formal* equal opportunity is compatible with a libertarian theory of justice (Ibid, p.153). Yet Rawls’ notion of *fairness* goes beyond this formal equality of opportunity. Even though citizens are given formal equal opportunity, the real chance to utilise the opportunity varies significantly and it is strongly influenced by “natural and social contingencies”, e.g. family’s income, parents’ education, school catchment place, and natural talents and ability (Rawls, 1999, pp.62-63). According to Rawls, “the most obvious injustice” of the

libertarian system “is that it permits distributive shares to be improperly influenced by these factors so arbitrary from a moral point of view” (*Ibid*, p.63).

In this context, the difference principle, the second component of the second principle, is proposed in order to provide a fairer and more equal opportunity to citizens beyond its formal form. His remedy to deal with the *de facto* existing inequalities of opportunity stemming from the natural contingencies does not aim to level out people’s talents or abilities. On the contrary, he argues that we should encourage their gifts, as long as this is on the grounds that social systems and institutions provide the greatest benefit to the least well-off. According to Rawls, their natural talents and abilities are not achieved by their effort but *fortune*, and thus do not have any moral value. Therefore, rewards ought to be shared with the society as a whole, as he wrote (*Ibid*, p.87):

The difference principle represents, in effect, an agreement to regard the distribution of natural talents as in some aspects a common asset and to share in the greater social and economic benefits made possible by the complementarities of this distribution. ... No one deserves his greater natural capacity nor merits a more favourable starting place in society. ... the basic structure can be arranged so that these contingencies work for the good of the least fortunate.

Moreover, his notion of *fairness* goes beyond the mere *formal* equality. Rawls argues that the social contingencies should be mitigated through social systems and institutions. Examples of these are the provision of “compensatory and preventive institutional measures”, like social welfare systems, public education, or public counselling services under the principle of benefiting the disadvantaged (Daniels, 2003, p.250). For these grounds, his philosophical position is often categorised as ‘liberal egalitarianism’.

Three things are important to note here. Firstly, this distributive justice through the difference principle is not a matter of rewarding *moral desert* or *virtue*. The difference principle can only be justified when incentives or a larger amount of distribution given to people for their merits or talents are used to benefit ‘the least fortunate’ (Sandel, 2009). The basis for this argument for Rawls is that because the merits or talents, as well as the time it happens, are products of, or at least hugely influenced by, natural or social contingencies moral values cannot be claimed for these. Still, Rawls acknowledges a reward for time and efforts of individuals, which is in his term called ‘entitlements’ and ‘legitimate expectations’ (2001, §20). The difference from the desert is that entitlements

or legitimate expectations “can arise only once certain rules of the game are in place”, although he did not explain how the rules are set in the first place (Sandel, 2009, p.160, differences between the moral desert and the entitlement, see Cummiskey, 1987).

Secondly, rights without some sense of obligations are meaningless (Campbell, 2006), and hence, it is necessary to review the notion of obligations in Rawls’ conception of justice. For Rawls, whose theory of justice is based on the hypothetical social contract, there are only two types of obligations (Sandel, 2009, pp.223-225): natural duties and voluntary obligations we incur by consent. Natural duties are what we owe to persons as a human being. They are imposed universally, and consent is not necessary. Since they are based on a hypothetical social contract in Rawls’ conception of justice, they do not need any act of consent. The natural duties include not to kill or harm somebody, to treat persons with respect, and to do justice. The duty of civility is also included in the boundary of natural duties (see Rawls, 1999, p.312). In contrast, voluntary obligations differ from natural duties: they are particular, not universal, and only valid when it comes from voluntary consent. For Rawls (1999, p.98), “there is ... no political obligation, strictly speaking, for citizens generally”, and thus ordinary citizens do not have voluntary obligations. Politicians (when elected) or political officers (when appointed) have voluntary obligations, and they thus must fulfil a number of moral responsibilities beyond the natural duties expected of ordinary citizens. However, this liberal account of obligations are criticised as too ‘thin’ (Sandel, 2009, p.224), and this is discussed further in next sections

Finally, it is necessary to distinguish between the concept of equality and equity, the two similar but different concepts that will often be mentioned in the later parts of this thesis. Both equality and equity are distinctive concepts. As Bronfenbrenner (1973, p.9) wrote, “The equality of a distribution of income or wealth is basically a matter of fact and is, therefore, basically objective”, whereas “The equity of the same distribution is basically a matter of ethical judgment and is, therefore, basically subjective.” In other words, the concept equality is used in a mathematical or statistical sense, while that of equity is used when something is in accordance with entitlements or legitimate expectations (in Rawls’ account of justice) or moral desert (as will be discussed in Sandel’s account of justice). As can be seen in Rawls’ two principles of justice, *equality* of basic liberties are essential, whereas social and economic *inequalities* are *equitable* so long as when the equality of opportunity is given and the result of the inequalities benefit

the least well-off. Based on these relations, in Rawls' conception of justice, Bronfenbrenner (ibid, p.22) demonstrated them as "equity as equality", by imitating Rawls' expression of 'justice as fairness'.

2.2.2.2 Implications for planning

The influence of Rawls' theory of justice based on political liberalism has been very influential in legislation and public policies, including planning, particularly that of the post-'rational planning' era (Stein and Harper, 2005, p.152). In particular, the difference principle provides a compelling argument for welfare states promoting a more equal society. This principle influenced significantly on various public policies including planning, especially redistribution policies and planning within the progressive tradition. For example, Krumholz and Forester (1990, p.51) applied this principle in their planning model, called 'equity planning'. Susan Fainstein also suggested equity in her theoretical model called 'Just City' as one of the core values (Fainstein, 2010, pp.35-42), and her concept of equity is influenced by Rawls.

Moreover, emphasising the importance of the right and individual liberty also have particular implications in planning, in that it can be a buttress of interest or value of minority against the claim of collective ones under the name of the 'public interest' (Campbell and Marshall, 2002, p.179). These individual rights and liberty are in general secured by fair processes based on the concept of *procedural justice*, and therefore setting up fair processes and legislation are indeed crucial to make a just society, particularly in the contemporary complex and pluralistic society where different versions of goodness exist and are respected. This is particularly important due to the risks that the notion of public interest or common good entails, and this is discussed further in 2.3.3.

Rawls' notion of 'reasonableness' also provides potential for resolving or alleviating conflicts, which goes beyond mere *modus vivendi* or compromise of interests (Stein and Harper, 2005, p.161). According to Rawls, reasonable persons can agree on a reasonable comprehensive doctrine, which is a 'true overlapping consensus' (see Rawls, 1993, p.147), through open, un-coerced reasoning processes of public deliberation. He assumes the outcome of this fair and open public deliberation, which in this regard shares considerable commonality, though not total accord, with Habermas' communicative rationality, will be just (Campbell, 2006, p.97). This perspective on achieving justice has

been very influential in planning theories. In particular, communicative planning theories (see, inter alia, Healey, 2006, Forester, 1999), which have been the most influential for around the last 25 years in the field of planning, have emphasised public deliberation in planning processes by creating arenas for open and un-coerced dialogues. These theories are built on an assumption that the result of the open, un-coerced reasoning processes of public deliberation will be just, and the assumption is based primarily on Rawls and Habermas', respectively, justice as fairness and discourse ethics (Campbell and Marshall, 2006).

However, a number of criticisms have been raised to his notion of reasonableness and the assumption that fair procedure will produce just outcome. In particular, the assumption is criticised by the hollow out of substances, in other words careless of what is actually agreed and what is actually produced throughout the processes (Campbell, 2006, p.97). Empirical research shows that some types of conflicts are very difficult to resolve even if fair open processes are followed, and the outcomes are often not just (see for example, Campbell and Marshall, 2000b). This relation between process and outcome is discussed further in 2.4.1.

2.3 Beyond utilitarianism and Rawls: towards a 'desirable justice'

2.3.1 Deficiencies: 'recognition' of differences in a 'situated' context

2.3.1.1 Recognition of group differences and their culture in a situated reality

Rawls' concept of justice, focusing primarily on setting up fair system of distribution based on impartial principles of justice drawn out from a 'thought experiment', has been challenged by, philosophers of culture, race or gender, influenced by Post-structuralist understandings of social systems, post-modernist epistemology, and the social production of space (Connolly and Steil, 2009, pp.4-5). As stated by Young (1990, p.15), "[w]hile distributive issues are crucial to a satisfactory conception of justice, it is a mistake to reduce social justice to distribution", unlike liberal theorists who are mainly concerned with ideal scheme and process of distribution, their main focus were on exploring 'real impediments of mal-distribution' based on empirical studies (Schlosberg, 2007, p.14).

Young (1990) challenges Rawls' theory of justice which primarily focusing on setting up impartial universal principle of distribution in a hypothetical realm, by referring to the neutrality or impartiality of principles as "idealist fiction" (p.104). In this regard, instead of focusing on the best model for distribution, her main focus concerned *why* and *how* the distributive injustice is produced in *situated reality*. Firstly, she asserts that we must reason justice in *situated* reality, by taking into account the existing social context where the distribution actually occurs. She states "It is impossible to reason about substantive moral issues without understanding their substance, which always presupposes some particular social and historical context: and one has no motive for making moral judgements and resolving moral dilemmas unless the outcome matters, unless one has a particular and passionate interest in the outcome" (p.104).

This emphasis on *situated reality* in reasoning justice has significant implications for planning. As Campbell and Marshall (2006) argue, planning concerns space related everyday city life, dealing with *particular* cases, very often entangled with severe conflicts. Based on these characteristics of planning, Campbell and Marshall (2006) argue that Rawls' concepts of justice is inappropriate to apply in planning for two reasons: Firstly, as Rawls (2001) repeatedly states that his main concern, in his principles of justice and public reason, is 'constitution and basic laws'. For this reason, his account of justice inevitably stays at the abstract level, and therefore is not appropriate in a situated activity like planning (Campbell and Marshall, 2006). Yet, we still need abstract and universal values, although these are not enough to apply in planning. According to Campbell and Marshall (2006, p.249), what is more problematic is not the abstraction, but the *idealisation* of agents and circumstances that he assumed in drawing out the principles². This idealised thought experiment may be necessary to draw out universal values but is not sufficient to everyday activities like planning *per se*.

Moreover, with regard to *why* and *how* the mal-distribution occurs, Young focuses on existing social domination and oppression and lack of recognition of *group difference*, as she wrote (1990, p.3): "where social group differences exist and some groups are privileged while others are oppressed, social justice requires explicitly acknowledging and attending to those group differences in order to undermine oppression". She also

² Stating again, the notion of the 'free and equal, and as both reasonable and rational', 'original position behind the veil of ignorance', 'purity of heart', and later on 'well-ordered society' that he uses when he develop his theory of justice.

asserts that it is necessary to concern with the *institutionalised context* where the distribution is taking place, which includes rules, norms, language, symbols, institutions of state, family, and civil society, and workplace (Ibid, p.22). Accordingly, in her concept of justice, she asserts that we also need a focus on the elimination of institutionalised domination and oppression, as well as a fair distribution of primary goods (Ibid, p.3).

This recognition of group differences in situated reality provides valid critiques and ample implications to the Rawlsian conception of justice which mainly focuses on distribution. This does not contradict the importance of distribution; rather it argues that distribution alone is not *enough* and the mal-recognition of the group differences is the underlying reason for the mal-distribution. In recognising the group differences, it is important to recognise the institutionalised patterns of cultural values and cultural subordination within the society, as it is likely to undermine political power of certain social groups. In this respect, certain processes may be necessary to empower certain groups to alleviate power differences. More fundamentally in planning, promoting the value of diversity starting from tolerance and respect of difference way of life is important. This call for recognition does *not* subsume justice as fair distribution that Rawls and other liberal egalitarian theorists proposed. On contrary, recognition is suggested as mutually irreducible aspect of justice, both of which are necessary precondition of the *truly inclusive procedural justice* (Schlosberg, 2007).

2.3.1.2 *Recognition of different forms of knowledge and rationality*

Recognition of group differences and inclusion of the groups in public policy making are closely linked to the recognition of different forms of knowledge. This started with the breakdown of the modernist consensus on knowledge. From the modernist perspective, knowledge is produced by experts ‘objectively’ in distinct institutions (Rydin, 2007). In policy decision making based on this perspective, there used to be a predominance or elitism of scientific rationality. However, with the breakdown of the consensus, there has been a recognition that “knowledge is constructed through social processes and that the institutions that generate knowledge will not necessarily ensure neutrality” (ibid, p.52). Based on this recognition, post structuralist or constructivist perspectives allow possibilities of multiple forms of knowledge derived from multiple epistemologies, “each with their own ways of making sense of observations and

experiences, resulting in particular logics and ‘rationalities’ through which arguments and claims for collective action may be structured and legitimated” (Healey, 2007, p.244). Based on these perspectives Healey (2007) categorised different forms of knowledge into four groups according to whether they are explicit or implicit and also whether they are systematised or experiential (or practical) (figure 2.1).

Communicative rationality provides theoretical grounds for replacing positivist notions of rationalism and allows respect for multiple forms of knowledge built on multiple domains. In this approach, previously predominant scientific knowledge is not entirely dismissed but is reconceptualised as an inter-subjective, argumentative process, which in turn leads to mutual understanding, consensus and action (Campbell and Marshall, 1999, p.472). What is important here is that scientific knowledge is not regarded as superior to other forms of knowledge but one of them. Moreover, “[m]orality, aesthetics and cultural experience are all assumed to be equally valid with the most appropriate course of action arrived at through a process of open discursive interaction” (Ibid).

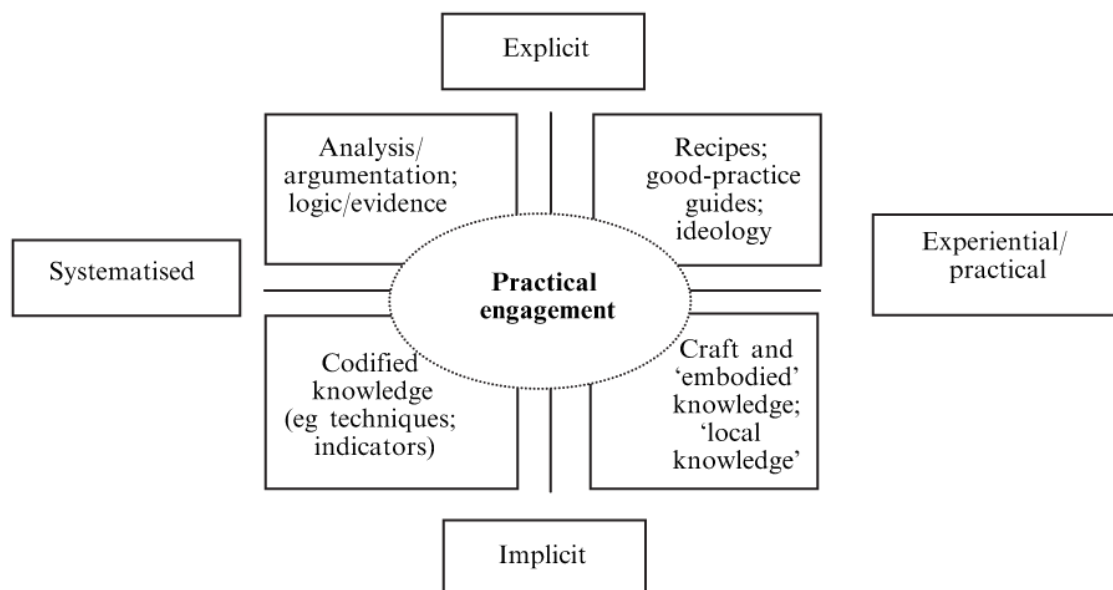


Figure 2.1 Forms of knowledge (Source: Healey, 2007, chapter 8, figure 8.1)

In planning, Healey (2006) proposed the collaborative planning³ model developed upon this communicative rationality and postmodern critiques (Campbell and Marshall, 1999). She (2006, 2007) asserts the importance of appreciating such implicit and experiential knowledge, so-called ‘local knowledge’⁴, which used to be dismissed and disrespected as irrational and subjective, and argues that ‘local knowledge’ should be treated as as equally important to other scientific expertise in planning processes, particularly in contemporary complex and fragmented society. In ‘systemic institutional design’ for collaborative planning, Healey (2006) argues that it is important to empower relevant people or groups, what she calls ‘stakeholders’, so that their voices can be heard and be treated respectfully.

However, significant criticisms have been raised at this point. Campbell and Marshall (1999, also see Rydin 2007) argue that communicative planning theories fails to provide institutional arrangements to handle these equally important multiple forms of knowledge after all the voices are heard and respected. This is particularly problematic when there are significant conflicts in a planning process since all the rationales should be treated equally at all times. Furthermore, in a postmodern perspective, which denies any universal and collective values and thus leaves ethical considerations as entirely relative: there is no ethical ground for action for planners even if outcomes appears unjust (Campbell and Marshall, 1999, pp.472-473). Alexander (2005b) also contradict the idea that all forms of knowledge should be treated equally at all times. Instead, he argues that depending on the scale of planning, i.e. neighbourhood, local, metropolitan, national, we should ‘weigh’ on different types of knowledge differently. He argues that, in general terms, as the scale of planning becomes smaller, lay knowledge should be respected more importantly, whereas as the scale of planning becomes wider, scientific expertise should be more respected.

Yet, even though there are significant weaknesses in the communicative planning theories, respecting and listening to the subjective, experiential, and implicit form of knowledge is crucial. As Petts and Brooks (2006) argue, local ‘lay experts’ have special knowledge accumulated from their everyday experience that others do not have or are not allowed to access. They are important not only in a procedural sense, but also because

³ Healey’s (2006) collaborative planning model is developed under the label of communicative or argumentative turn (Campbell and Marshall, 1999), and therefore, in this thesis, the terms ‘collaborative planning’ and ‘communicative planning’ are used interchangeably.

⁴ This is also called ‘lay knowledge’.

they provides useful and important knowledge that outsiders with scientific expertise do not have. In today's complex and fragmented society, scientific expertise is certainly not *enough*, and hence it needs to be supplemented by this local knowledge. Furthermore, depending on situations and the scale of planning, this local knowledge may be treated even more importantly. This is one of the reasons why previously 'government' types of top down decision making under traditional representative democracy with appointed experts has changed towards a 'governance' type of decision making with the participation of multiple stakeholders (Healey, 2006). This is discussed further in the next chapter.

2.3.2 Fundamental: justice through a politics of the common good

More fundamental challenges were proposed from communitarian theorists (e.g. Sandel (2009), MacIntyre (2007), Walzer (1983) and the like)⁵. In this sub-section, I mainly review Sandel's (1984b, 1998, 2009) concept of justice which provides important implications for justice in planning. Sandel's challenges on Rawls' account of justice are twofold: Firstly, he challenged Rawls' assumptions on human nature by calling it 'unencumbered self', which is free to detach itself from moral ties to whatever community were antecedent to it. Secondly, based on this critique, he suggested that setting up neutral principles of justice is *neither possible nor desirable*:

"[T]he attempt to find neutral principles of justice seems to me misguided. It is not always possible to define our rights and duties without taking up substantive moral questions; and even when it's possible it may not be desirable" (2009, p.220)

2.3.2.1 The rights and the good revisited

Sandel (1984b, pp.85-86) argues that Rawls' conception of justice is based on Kant's idealist metaphysic and is made viable in the real society by recasting 'within the canons of a reasonable empiricism'. In this way, the Kantian foundation of the right,

⁵ Although they are widely labelled as 'communitarian', they are reluctant to be labelled as such, in that the communitarian, in a conventional sense, contains majoritarian and moral relativist characteristics that sometimes justify immoral policies or acts under the name of the 'common good' (see Sandel, 1998, pp. ix-xvi).

which is prior to the good, can be situated in the world. Starting from their assumptions about agents, Sandel (1998) points the limits of justice, or more precisely speaking, limits of justice as fairness in our real community through universal principles hypothetically agreed by free, equal, reasonable and rational human beings. According to Sandel, there are significant flaws in the assumption of agency and thus in the Rawls' argument about the neutral principles of justice.

Firstly, persons, in the imaginative original position behind the veil of ignorance, “choose to govern our society if we were to choose them in advance, before we knew the particular persons we would be ... before we knew even our interests or aims or conceptions of the good” (Sandel, 1984b, p.86). Persons, behind the veil of ignorance, are required to be distinct from the values they have from themselves to make just principles, and this distinction requires putting “the self *itself* beyond the reach of its experience, to secure its identity once and for all ... and rule out the possibility of what we might call *constitutive ends*” (Sandel, p.86, emphasis from the original text). The principles of justice that do not presuppose any particular conception of the good are to be generated through *reasoning processes* among the aforementioned selves. Yet, in this process, “[w]hat they *do* presuppose is a certain picture of the person, of the way we must be if we are beings for whom justice is the first virtue” (Sandel, p.86, emphasis from the original text). Here, the fact that persons accept that justice is the first virtue means their “identities can be established prior to the good” (Gutmann, 1985, p.311). However, Sandel (1984b) argues that their identities are constituted within certain communities by their *ends*, and therefore, justice cannot be prior to the ends or the good.

Secondly, based on similar reason he also points a logical contradiction in drawing out the difference principle. As long as there are not some *prior moral ties* among the *others*, the difference principle, a principle of sharing, cannot be a principle of justice. The moral ties are to pre-exist with “fellow participants in a way of life with which my identity is bound” (Sandel, 1984b, pp.89-90). Yet, due to the agents that liberalism assume, which again is the basis of their logic, the difference principle cannot accept “some way of identifying those *among* whom the assets I bear are properly regarded as common, some way of seeing ourselves as mutually indebted and morally engaged to begin with” (Sandel, p.86, emphasis from the original text).

2.3.2.2 *Constitutive account of community and cognitive and narrative sense of agency, and obligations of solidarity*

Instead, Sandel proposed a different perspective on agency and community. He categorises the conception of community into three accounts (1998, pp.147-153): instrumental, sentimental, and constitutive accounts. The instrumental account of community is comprised by self-interested persons, which corresponds to what Rawls refer to as 'rational'. This community would have a similar image to 'private society', where individuals think the social arrangements a necessary burden and the co-operation is made only to pursue their private interests.

The sentimental account of community, according to Sandel (1998), correspond to Rawls' notion of (good) community. It consists of persons who have certain shared 'ideas of society as a fair system of cooperation' and 'final ends' and think these as beneficial for themselves (and therefore they *choose* the system and ends for themselves). In this account of (good) community, individual interests sometimes conflict, but they may also be complementary. The motivations of individuals may come from benevolence as well as selfishness. In this sense, in Rawls' notion of (good) community, individuals do not only seek direct benefits from social co-operation as in the instrumental account of community, but they also share some *feelings* and *sentiments* within the social co-operation, which may also be their motivation, they are involved in. However, there is still a limit for Rawls' account of (good) community: it consists of persons who are antecedently given and "related self to ends by agency in its voluntarist sense, as willing subject to objects of choice" (Sandel, 1998, p.152). Priority is still given to the self over its ends, and therefore, "it cannot be so thoroughgoing as to reach beyond the motivations to the subject of motivations" (Ibid., p.149).

Therefore, what Sandel (1998) suggests is another understanding of community and agency, called the constitutive account of community and cognitive sense of 'storytelling' agency (2009, Ch.9). Whereas Rawls' notion of agency is antecedent being, willing subject to objects of choice, and individuals choose their ends voluntarily, in Sandel's view, individuals are not antecedent, but their *identity* is (at least partly) shaped by the community of which they are a part. In this sense, community is a mode of self-understanding, providing reflections of individuals' own ends which is tied to 'stories' of their communities that they belong to. For them, "community describes not just what they *have* as fellow citizens but also what they *are*, not a relationship they choose ... but an

attachment they discover, not merely an attribute but a constituent of their identity” (1998b, p.150, emphasis from the original text).

In accordance with this account of community and agency, Sandel (2009, ch.9) accepts MacIntyre’s (2007) narrative understanding of community and its members: a community and its members shares telos, history and obligations. MacIntyre (2007, p.219, emphasis added) argues that the “unity of a human life is the unity of a *narrative quest*”. In this view, the human life has two key co-existing characteristics: *teleology* and *unpredictability*; “like characters in a fictional narrative we do not know what will happen next, but nonetheless our lives have a certain form which projects itself towards our future” (Ibid, p.216). Human life is a quest for the good, runs from one’s birth to death, with other members who share stories, give reflection and have accountability *to each other*. In this sense, it is impossible for individuals to seek the good on their own; it is closely linked to membership and belonging. Moreover, it is not a journey with closed given telos. Although there is, at least partly, determined telos imposed at the start of one’s journey of life, it is open and unpredictable. This openness and unpredictability can be reflected in the public realm where we meet ‘multiple truths’ or plural conceptions of the good in today’s pluralistic society. However, it is important to stress here that the telos is at least *partly* given at the start of an individual’s journey, but still it does not define the person’s entire telos.

Accordingly, MacIntyre argues for the *moral particularity* of certain community and its members, and *particular obligations* to them (Ibid, pp.220-221, emphasis added):

“[W]e all approach our own circumstances as bearers of a particular social identity. ... I *inherit from the past* of my family, my city, my tribe, my nation, a variety of debts, inheritances, rightful *expectations and obligations*. These constitute the given of my life, my moral starting point. This is in part what gives my life its own *moral particularity*. ... For the story of my life is always embedded in the story of those communities from which I derive my identity. I am *born with a past*; and to try to cut myself off from that past, in the individualist mode, is to deform my present relationships.”

In this view, universal and neutral principles of justice cannot exist; justice can only be reasoned by members having and sharing certain identity and particular obligations. All the features of members are inevitably reflected in the process and outcome. It is

important to note that this moral particularism does not mean moral relativism (Friedman, 1994).

Moreover, these particular obligations – a particular moral responsibility we owe with members sharing (at least partly) a certain history, present, and future – cannot be accounted for within the voluntarist conception of the agency proposed by the liberal tradition. Again, these particular moral obligations differ from natural duties, which is the first obligation in the table 2.1 and is universal, and it also differs from voluntary obligation, which is the second obligation and is the particular, requiring consent. This the third account of obligation, what Sandel (2009, p.225) called obligation of solidarity, membership or loyalty, which is particular and does not requires consent, meaning that this is not a matter of choice or will. This is, at least partly, *given* or *determined* since we were born and is discovered during our quest of life. Yet, proposing the third type of obligation does not mean denying the first and second types of obligations. Instead, it is an additional type of obligation stemming from the constitutive and narrative understanding of community and agents. Arguably, after Sandel, these concepts of community, agents and obligation provide better understanding about our real life and community and provides appropriate grounds to overcome the two logical flaws in Rawls' principles of justice and the shallowness of his explanations of community and obligations. Therefore, we shall take the third obligation into account in building the conceptual framework of justice and justice in planning.

Table 2.1 Three categories of moral responsibility (Source: Sandel, 2009, p.225)

1. Natural duties: universal; don't require consent
2. Voluntary obligations: particular; require consent
3. Obligations of solidarity: particular; don't require consent

2.3.2.3 *Justice through a politics of the common good*

In Rawls's concept of justice, and that of liberals' more in general, individual rights must not be overridden even for desirable ends for collectivity or community. People have their own versions of good lives, but they should not be reflected when we set principles of justice. According to Sandel (1998b, 2009), as was reviewed with the two logical flaws, drawing out neutral principles of justice that do not presuppose any particular conception of the good is not possible.

Moreover, even if it was possible, there still are two deficiencies. Firstly the society governed under the principles of justice may not be desirable. In other words, ‘fair’ processes do not necessarily guarantee generating desirable outcomes, even though in the Rawlsian sense it might be seen as ‘just’. Moreover, will it be a good, desirable society that we are seeking and pursuing, following the justice as the ‘first virtue of social institutions’? This is also acknowledged by a number of liberal advocates, including Amy Gutmann (1985, p.320):

“People do not form ties of love and friendship (or they do so only insofar as necessary to developing the kind of character that respect liberal rights). They do not join neighbourhood associations, political parties, trade unions, civic groups, synagogues, or churches. This might be a perfectly liberal, arguably even a just society but it is certainly not the best society to which we can aspire.”

Secondly, Rawls’ account of justice cannot provide sufficiently explanations about unjust social events. Is the huge amount of bonuses given to the executives of some companies received considerable bailouts in the 2008 global financial crises a just way of distribution⁶? What if the bonuses was provided following relevant rules and laws, and thus satisfied the condition for the ‘entitlements or legitimate expectations’? It is clear from this example that ‘entitlements or legitimate expectations’ are not sufficient as a basis for a just distribution. The reason why people were furious about the news was not because the bonus was given to the rich and did not given to the least-advantaged, either. As was mentioned in 2.2.2.1, Rawls do not explain how ‘the rules of the game’ are set at the first place, and this is the reason why Rawls’ account cannot provide sufficient explanations about reasons for seemingly unjust cases, like the bonus, occurring in our worlds.

Instead, Sandel (2009) explains that the primary reason why people were furious about the bailout was because the executives were not *deserve* to receive the bonus. Mainly stemming from Aristotle’s philosophy, this moral desert is at the core of Sandel’s account of justice. There are two main ideas in Aristotle’s political philosophy (Sandel, 2009, p.186, emphasis from original text):

⁶ The bailout example was initially suggested in Sandel (2009, Ch.1).

- (a) Justice is teleological. Defining rights requires us to figure out the *telos* (the purpose, end, or essential nature) of the social practice in question.
- (b) Justice is honorific. To reason about the *telos* of a practice – or to argue about it – is, at least in part, to reason or argue about what virtues it should honor and reward.

Accordingly, reasoning justice requires us to think about *telos* of the social practice and what *virtue* it honours, with asking questions:

- What is something for?
- What virtues does the *telos* honours, and thus, who deserves what?

In this account, justice inescapably involves moral questions about *particular* cases, about their *telos* and *virtues*. Justice in distribution of certain goods, offices, honours, or rights is about honouring or rewarding what people deserve. The moral desert is decided based on the *purpose* of the one subject to be distributed and *virtues* the purpose honours. For this reason, Aristotle's account of justice is teleological.

This way of reasoning justice also applies in the public realm, where we are seeking for justice in planning. Regarding justice in politics and public policy, we shall first ask 'what is the *telos* or purpose of the politics and the state'? For Aristotle, the purpose of politics is "to form good citizens and to cultivate good characteristics", and the *telos* of the state is leading its citizens to "good lives" (Sandel, 2009, p.193). Accordingly, this inescapably requires deliberation about meanings of 'good life' for the community as a whole. Consequently, justice in politics and public policies can only be reasoned through a politics of the common good.

Here, there are two things worth noting. Firstly, Sandel's teleological account of justice differs from the utilitarian account of justice which calculates justice on a single scale of pleasure and pain. In fact, he (2009) challenges the utilitarian account of justice for the same reason I wrote in 2.2.1.1. Secondly, although the terms 'common good' and 'public interest' are widely used interchangeably, there are subtle and sometimes meaningful differences stemming from the origins of the terms (Jennings et al., 1987). The term 'common good' stems from the communitarian tradition, where individuals' identity and well-being is bound with other members constituting the community. In contrast, the term 'public interest' is based on liberalism, utilitarianism, or democratic pluralism, which consider each individual as a rational being and therefore tend to see

public interest as an aggregation of self-interests. Despite the differences, the terms share significant common ground and they are widely used interchangeably. Often in the academic literature, the term ‘public interest’ is used as a comprehensive term that contains the meaning of the common good (see Moroni, 2004, Alexander, 2002). Therefore, in most of times in this thesis, I use the terms interchangeably, and thus in this thesis, the term public interest I use means more than mere aggregation of individuals’ interests but incorporates the concept of the common good. In some sentences, however, the terms public interest and common good are specifically used to express the notions and meanings of, respectively, individuality and community that those terms entail.

Moreover, justice is also morally *particular*, which means case by case. As Aristotle wrote (Aristotle, *The Nicomachean Ethics*, Book II, Chapter 2, cited in Sandel, 2009, p.198):

“Matters concerned with conduct and questions of what is good for us have no fixity, any more than matters of health ... The agents themselves must in each case consider what is appropriate to the occasion, as happens also in the art of medicine or of navigation.”

In this account, justice is not drawn out from universal principles. Rather, justice is essentially judgemental based on ‘practical wisdom’ (which is also called practical reason), which is about *how to act* (Sandel, 2009, p.199). Both action and practical wisdom are primarily concerned with particulars (Ibid).

Accordingly, justice in politics, public policies, and planning, justice is inescapably judgemental with our values pursuing the common good. This cannot be achieved through fair procedures or principles, but from reasoning about, for example, what is telos, what virtue should be honoured, who deserve what, how much they deserve, which right should be recognised, within given situations.

“It is tempting to seek a principle or procedure that could justify, one and for all, whatever distribution of income or power or opportunity resulted from it. Such a principle, if we could find it, would enable us to avoid the tumult and contention that arguments about the good life invariably arouse. ... But these argument are impossible to avoid. Justice is inescapably judgmental. ... [Q]uestions of justice are bound up with competing notions of honor and virtue, pride, and recognition. Justice is not only

about the right way to distribute things. It is also about the right way to value things.”
(Sandel, 2009, P.261)

2.3.3 Critical review of the politics of common good and community and examining the importance of universal values for justice

2.3.3.1 Risks entailed in a concept of common good

Sandel’s argument is convincing in that he provides better understanding of agency and community. We cannot reason an appropriate account of justice without having a correct understanding of the individuals and the community that they belong to. Subsequently, it was argued that it is neither possible nor desirable to draw out neutral principles of justice. Justice is inescapably judgemental, and justice in political realm can only be reasoned through a politics of the common good. We also have particular moral values to other members of the community, which is not chose, but (at least partly) given.

However, two things need to be examined. Firstly, the concept of the common good, and thus a politics of the common good, unavoidably entail significant risks, in that it may include imposing certain values to certain people oppressively and it may be uncritical of established privilege. Secondly, the concept of community is not clear, and it is questioned whether the conventional concept of community is still valid in the contemporary society, where there has been unprecedented global and domestic migrations, as well as the vast exchanges of information including in virtual society derived from the development of information technologies and mass media. In this subsection, the first point is examined, and the second one is examined in the following subsection.

It is not difficult to find examples of the dangers of the common good and teleological ways of reasoning justice in human history. Aristotle’s advocating slavery is a widely known case, arguing that the telos of the persons (slaves) are fit for the telos of the slavery as a social institution, and therefore they deserve it. Gutmann (1985, p.319) also points out, from a liberal perspective, the hazard of the concept of the common good which possibly invades (particularly) minorities’ interests, liberty, and rights. She argues that respecting the tradition of community might cause oppression to minority or powerless groups, which in history were related to issues in sexuality (gay), gender

(women), race (black), ethnicity, and so on, in the name of the common good (p.319). For similar reasons, Sen (2003) refutes the notion of 'Asian values' based on, in particular Confucianism, which are used to justify the authoritarian types of government, to impose disciplines on their citizens, and prioritise states' right over individuals. He asserts that freedom and individual rights should be "taken as entitlements of every human being" (p.29). These arguments are quite convincing, particularly when we see some stories such as honour- killing in Islamic culture or witch-hunting in medieval times in Europe under the name of the common good or following a community's traditional values. Accordingly, O'Neil (2000, p.145) wrote, "cultural specificity confers no automatic normative weight".

Postmodern theorists (inter alia, Young, 2000, 1990) also criticise the concept of the common good from a slightly different angle. Young (2000, p.43) points three problems of a concept of the common good: 1. Under circumstances of social inequality, it serves as a means of exclusion; 2. It might narrow the possible agenda for deliberation and thereby may silence some points of view; 3. Too strong a commitment to consensus as a common good work as a suppression of deep differences or conflicts of interest among groups. As can be seen in her criticisms, the concept of the common good may have characteristics of exclusion and suppression, and may have weakness in incorporating different values of different groups, especially social minorities or socially disadvantaged. Rather, the concept may merely privilege values or interests of the haves or who dominates. It is worth noting that in a sense that individuals as well as groups' rights and freedom are paramount in Postmodernism, their critiques have much in common with liberalism (Campbell and Marshall, 1999).

Foucauldian theorists (inter alia, Flyvbjerg, 2003, Richardson, 1996) also express concern with the notion of the common good in relation to power, knowledge, discourse and (strategic) rationality. Based on a well-known case study of Aalborg, Flyvbjerg (2003, p.318 ; quotation from his original writing) wrote "Institutions that were supposed to represent what they themselves called the "public interest"", as well as public interest that they used as a justification of particular planning projects or actions, "were revealed to be deeply embedded in the hidden exercise of power and the protection of special interests". According to Foucauldian theorists, rationality, knowledge, and discourse are inter-related, as Richardson (1996, p.280) wrote "power appropriates knowledge, and weaves

it into discourses”. For this reason, the notions of public interest or common good which are used to justify government policies are often distorted by power in reality.

Nonetheless, it is important to reiterate that justice is inescapably judgmental and can only be reasoned through a politics of the common good (Sandel, 2009, p.261). Similarly, “planning (like politics) is about the collective, the common good” (Campbell, 2002, p.281). If we cannot avoid the concept and the politics of the common good in discussion of justice in planning, and thus the risks are to certain extent unavoidable, then our efforts should focus on how to *reduce* or *minimise* the risks that the concept of the common good entails.

2.3.3.2 Re-examination of the notion of community and particular moral obligations

The concept of community is also criticised by numerous researchers. Harvey (1997, p.69) wrote an overview of the dark sides of community, the notion of which has been worked out as, used as a tool for, or a key site of oppression, exclusion, social control or surveillance:

“from the very earliest phases of massive urbanization through industrialization, “the spirit of community” has been held as an antidote to any threat of social disorder, class war, and revolutionary violence. “Community” has ever been one of the key sites of social control and surveillance, bordering on overt social repression. Well-founded communities often exclude, define themselves against others, erect all sorts of keep-out signs (if not tangible walls).”

Talen (2000) also suggests that ‘building’ neighbourhood or local community through the construction of physical environment oriented policies, such as new urbanism, have frequently resulted in social homogeneity and exclusion. The community that certain locality or interest groups form, often generates communities’ self-centeredness (which is often called, including negative meanings, as NIMBYism) (Mathews, 1999, pp.130-131).

Another issue that we should look at is whether there is such thing as community or whether the notion of community is still valid in a contemporary highly pluralistic, competitive and fragmented society. The term ‘community’ is widely used in the public policy arena, yet the meaning of it is quite blurred and is used, according to Duffy and

Hutchinson (1997), with 94 different interpretations. In contemporary cities, the conventional notion of community, which “corresponds to the classic notion of a common bond between inhabitants sharing the same territory” rarely exist (Duffy and Hutchinson, 1997, p.355). This tendency has been stimulated by the advent of transnational processes, such as globalisation and increasing transnational migration, and the development of telecommunication and transport technologies. These in turn resulted in “a growing awareness of socio-cultural diversity”, which lead to a discussion that “[c]ommunities can exist without a territorial base (geography), and territories can exist without any communal ties or cohesion (social connection)” (Clark, 2007, p.8). In these regards, is the notion of community useful in contemporary planning or discussions of justice?

I argue that even though a conventional notion of community formed by territories has become weakened, it is still part of our identity and affects our values. This is the case for, even, second generation immigrants, not to speak of first generations. Empirical research about Korean second generations in the U.S. shows they retain their ethnic identity and values (see Kibria, 1997), and some important factors, such as language (Lee, 2002b) or religion and social networks within the religious groups (Chong, 1998) particularly affect this retaining of their ethnic identity. Sandel (2009, chapter 9) also illustrated a number of convincing examples, e.g. debates over reparation for slavery in the U.S., similar debates in Australia over moral responsibility to indigenous groups, and German descendants’ apologies about the Nazi era that show moral ties that we have not chosen. Although the conventional notion of community, particularly formed by territories of local or neighbourhood level, is becoming weakened, we still have certain identity that we cannot detach from ourselves formed by religion, language or national territories. Derived from these (at least partly given) moral ties, communitarian theorists justify patriotism and states’ particular obligations to their citizens more than other people having other nationalities, as “we have a special obligation for the welfare of our fellow citizens by virtue of the common life and history we share” (Sandel, 2009, p.232).

Subsequently, focus has to be given on how to *minimise* the risks and dark sides that the concepts of the common good and the community entail. Here, I suggest three ways: 1. Re-conceptualising notion of the community with an understanding of the complex, multi-dimensional, multi-level aspects of the notion entails, which in turn is followed by a re-conceptualisation of the common good; 2. Importance of the notion of

fairness and reasonableness, and importance of institutionalising procedural justice; 3. Importance of other universal values that can guide judgements pursuing common good.

Firstly, as was reviewed, a territorial sense of community has been weakened in today's society concurrently with the rapid increase in global and migration, and emergence of the various types of community that do not necessarily based on a certain territory. These communities are rather formed based on various types of *interest* (Duffy and Hutchinson, 1997). More importantly, people are involved in multiple communities, for example related to their work, neighbourhood, hobby, religion or their children (e.g. school committee), and thus have some sense of obligations from each community (also see O'Neill, 2000). Sense of community also consists of multiple meanings: social interactions and an affective component in a psychological sense⁷ (Talen, 2000, pp.174-176). The territorial boundary of a community is not stated clearly either, in literature written by both communitarian (e.g. Sandel, 1984a, 2009) and planning theorists (Talen, 2000). Sandel, for example, uses examples of community of neighbourhood level when he discusses pornographic bookstore (1984a); family level when he discusses family obligation (2009); and national level when he discuss Germany and Japan's apologies (2009). Accordingly, as Talen (2000, p.181) stresses, it is important to understand the "multidimensionality in the notion of community (multiple meanings) and differentiation of sociospatial context (multiple levels)".

All of us are a member of a family, a neighbourhood, a city (or town / village), a nation, a region⁸ (e.g. Europe, Far East Asia), and a global, so called earth community. We also belong to various communities not only bound by territory but by other reasons such as interests or values. Accordingly, we do have multiple particular obligations. We also have non-reciprocal obligations such as to our ancestor and descendants, and hence, we have obligations to nature as we have obligation to bequeath a good natural environment to our future generations. We share history and fate not only with our fellow citizens in the same state but also, to a certain extent, with others living in different countries. Environmental issues often go beyond the urban or national level but are linked globally, as can be seen in global warming. Economy is also not limited within nations but is global, and as can be seen conflicts between Germany and south European countries,

⁷ Talen (2000, p.176) provides four categories of psychological sense of community, which beyond overt social interaction: membership, influence, integration and fulfilment of needs, and shared emotional connection.

⁸ Here, I mean region as supra level of a nation but below the global level.

e.g. Spain and Greece, a trade imbalance within the EU region also threatens solidarity among the EU ‘citizens’ and countries (Offe, 2013). Similar cases can be easily found in planning. The concept of community is much more complex than often used as political rhetoric or in a romantic sense in literature. Therefore, it is important to acknowledge this *inter-related* multiple particular obligations deriving from multiple communities at multiple levels.

Yet, what we also recognise is priorities that may exist among them. If there are two drowning people, one is my family and the other is a stranger, and if we can only save one person in the situation, it would be not convincing if saving my family member is unjust or morally wrong. We do have stronger particular moral obligations to certain members of community who are more meaningful to us. At the same time, however, as Harvey (2000, p.240) wrote, it is also critical to understand that “community ‘for itself’ almost invariably degenerates into regressive exclusions and fragmentations”. In contemporary complex, pluralistic, multi-cultural, and fragmented society, where various conceptions of good exist for various communities, call for ‘community for itself’ will result in destructive conflicts, feeling of discontent, collapse of solidarity of members of wider communities, and possibly can developed as social disorder.

We shall recognise that in this contemporary complex and diverse society, conflicts are inevitable (Hampshire, 2000). Subsequently, how can we achieve justice for a wider community? This is a very difficult question to answer, and there would be no ‘the’ answer. Yet, we can find some important insights from Rawls’ concept of reasonableness and fairness. What we are required to understand to achieve justice for a wider notion of community is that ‘community for itself’ is likely to be against to the common good of higher levels of community and is also likely be harmful to other communities and their members who also are, to certain extent, sharing history and fate in other levels of community. Various levels of community show that we are somehow interconnected and interdepend to each other.

Therefore, even though certain priorities derived from particular moral obligations inevitably exist, within a process of a politics of the common good, we should make an effort to think *reasonably* in the Rawlsian sense, which embodies rationality and morality, and contains the notion of reciprocity (Stein and Harper, 2005, p.161): in a narrow sense, from other’s point of view, as a proverb teaches us “putting yourself in other’s shoes”;

and in a wider sense, from wider communities' perspective with consideration that 'community for itself' is eventually not good for every member. This would be a 'situated thought experiment'. It is worth noting that this does not mean that interests of wider communities always prioritise than that of individuals or narrower communities. It is always *balance* between the good of the community and individuals, and this thesis is about in search of the morally and ethically *right* balance.

Moreover, in this contemporary complex, pluralistic, multi-cultural, and fragmented society where various conceptions of good exist and therefore conflicts are unavoidable (Hampshire, 2000), judgements for the common good have to be supplemented by fair processes and procedures. Unfair processes frequently raise discontentment and distrust and undermines legitimacy of the outcomes of the processes, which would, again, eventually harms the solidarity of the entire community. Furthermore, we also can easily see human fallibilities, particularly when various types of interest or the third type of moral obligations (table 2.1) are involved. Even though people might understand based on their reason that their behaviours would be morally wrong, it is not difficult to find cases that they still act only 'rationally' in a way to maximise their interests. Speculation in real estate and illicit admission would respectively be good examples showing cases related to interests and the third type of moral obligations.

Hence, setting up a fair system and institutionalising procedural justice are crucial to make a just and a good society. This can be done so based on reconceptualisation of the notion of community, and based on understanding of multiple communities at multiple levels we are obliged, as well as inter-connectedness and interdependency of human nature. These would reduce the risks and dark sides that both concepts of community and the common good entail, and would also enhance solidarity among members of a community. These are first (reconceptualisation of the notion of the community) and second (fair system and procedural justice) ways of reducing the dark sides and risks.

2.3.3.3 Importance of universal principles and fair rules for deliberating justice in the politics of common good

The third way is about accepting the importance of universal values. Until now in this chapter, Rawls' (1999) and Sandel's (2009) accounts of justice, who respectively are

widely categorised as liberal egalitarian and communitarian, have been mainly reviewed. Yet, it seems that both accounts are not adequate or appropriate for justice in planning. It was argued that although Rawls provides crucial insights about the importance of values of liberty and individual rights, fairness, reasonableness, and equality, there are neither sufficient nor appropriate for the concept of justice and justice in planning. After Sandel, it was argued that the most fundamental reason for the inappropriateness stems from their insufficient understandings of community and agents, and the moral obligations derived from them. It was argued that Sandel's account of justice provides better understanding about community and agents. He also provides valid critiques on Rawls account of justice, or that of liberal in general, arguing that drawing out neutral principles of justice that do not presuppose any particular conceptions of good is neither possible nor desirable. He argues that justice is inescapably judgemental, and in the case of justice in public realm, it only can be reasoned through a politics of the common good. Although Sandel's account of justice provides compelling ideas of justice, however, the concepts of the common good and community entail severe risks and dark sides. Two ways of reducing the risks and dark sides were examined.

Furthermore, it is important to note that Sandel's account of justice, seeking justice through a politics of the common good, does not disagree with the importance of securing individual's rights and liberty, setting up fair and democratic procedures, and making more equal society. On the contrary, Sandel (1984a) also 'worries' about the risk of a politics of the common good and also advocates those values, although based on a different grounds. He (1998, pp. ix-xvi) also acknowledges the importance of liberty and rights, although he does not agree that justice can be neutral to the communal (or in his example, religious) values and substantive moral questions. In fact, his main question in seeking justice is how it is "possible to acknowledge the moral weight or community while still giving scope to human freedom"? (2009, p.221). He also supports values of equality based on a different rationale: neither it is because it would be agreed by free, equal, rational, and reasonable persons, in the original position behind the veil of ignorance nor because benefitting the poor through taxation system increase utility of the entire society. Rather, it is because more equal society is good for the entire community, in that it increases solidarity among members (*Ibid*, pp.265-268). In this respect, it can be found that there are some universal values in his account of justice, at least implicitly although they may not be absolute to be met at all times or given always the same weight.

It has been argued that setting up a universal principle of justice without any preconception of the good in the original position behind the veil of ignorance is impossible, not only practically but also theoretically. We cannot choose or agree on principles without any conception of good of their own. However, with consideration to the risks of the politics of common good, Gutmann (1985, p.318) rightly argued that “worry” is not enough to prevent or minimise the risks. If we accept that respecting liberties and individual rights are very important in deliberating justice, as Gutmann (1985, p.311) argues we may agree on securing individual rights and liberty as a principle of justice “not because justice is prior to the good, but because our search for the good requires society to protect our right to certain basic freedoms and welfare goods”.

Similarly, Bellamy (1998) also points out in criticising Walzer’s (1983) account of justice, which defends pluralism and equality based on a communitarian account of justice, “fails to offer a full account of either pluralism or equality” (p.158). Both of them, as well as democracy which Walzer also approves of, are in fact universal values which operate ‘across spheres’, not ‘between spheres’, (*Ibid*, p.177) that cannot be violated by particular manifestations. In this sense, universal values or principles can be a buttress for securing justice from potential harms justified under the name of local variation. Moreover, these universal values or principles provide direction (not the other way around) to the particular cases to achieve justice such as benefiting the poor and vulnerable and valuing pluralistic society (Campbell, 2006).

Accordingly, the communitarians’ account of justice through a politics of the common good has significant risks, and therefore it has to be guided by universal values which we generally agree on as core of justice. It has been reviewed in this sub-section that **liberal values**, particularly **basic human rights**, are *crucial* for a good human society. Both Rawls and Sandel, based on different grounds, suggest that **equity and greater equality**⁹ are also crucial values for justice. Postmodern and gender theorists stress values of **diversity** and **tolerance**, and this value is also advocated by communitarians (see

⁹ More precisely speaking, as was wrote in 2.2.2.1, for Rawls (1999), *equality* of basic liberties and opportunities are essential, whereas social and economic *inequalities* are *equitable* only when the inequality benefits the least well-off. Yet, even though inequality is accepted in his account of justice, because the hypothetical agreement would not be made in the original position behind the veil of ignorance if the gap between the rich and poor would be too wide, “the degree of inequality sanctioned in the Rawls system would be substantially smaller than that which prevails in American or Western European capitalism ... or in any of the “people’s democracies”” (Bronfenbrenner, 1973, p.22). In contrast, Sandel (2009, pp.265-268) argues that “Too great a gap between rich and poor undermines the solidarity that democratic citizenship requires”, and therefore it is against the common good and not just.

Sandel, 2009, Chapter 7), although the grounds of advocating the values is different. Moreover, it seems there is in general a consensus among scholars that **democracy** is one of the crucial values (see Fainstein, 2010, Innes and Booher, 1999). Similarly, **intergenerational justice** is also advocated from various accounts of justices, including liberal, communitarian, and relational view of justice, derives from slightly different rationales (see Barry, 1999, Sandel, 2009, Campbell, 2006).

It is crucial to note that I do not mean those values should be considered as the universal values of justice in an intrinsic sense, meaning they are right in themselves. After Sandel, I argue that they are necessary values for a good community. Therefore, together with those values, we shall also include the **value of solidarity among members of community**, which arguably is a necessary condition for a good community, in the universal values that we must take into consideration in a politics of the common good. Yet, it was identified that there are dark sides and risk in the notions of the common good, community, and the obligation of solidarity. Therefore, in order to minimise them, securing **procedural justice** was also suggested and also should be included as a universal value of justice. It is important to note that procedural justice does not merely refer to ritual processes of formal decision making, but it goes beyond, as was mentioned in 2.2.2.1. Moreover, as was discussed in 2.3.1.1, recognition of group difference is suggested as a mutually irreducible aspect of justice, and thus is a necessary condition for a truly inclusive procedural justice. There is another necessary condition for procedural justice, which is undistorted communication and information, and this is discussed further in the next chapter.

It is very important to note that there may be conflicts among the universal values. As Fainstein (2010, pp.48-54) demonstrates, the tensions among universal values of democracy, equity and diversity often have trade-offs effects among them. Therefore, it would not be possible to meet all the universal values at the same time and with the same importance, and the decision would remain in the realms of judgement. Nevertheless, we should regard the pursuit of universal values as a task, a *demanding task* that we cannot always be fully achieved, but nevertheless is crucial and should be tried to be attained as much as we can.

Accordingly, these values should be agreed or acknowledged as a universal values in reasoning and achieving justice through a politics of the common good. They are not

absolute but strongly recommended to meet. The domain of justice that we pursue, which I call ‘desirable justice’, then is located within the common area of the universal values of justice and the common good (see figure 2.2). Yet, we still have another question to ask: is this understanding of justice suitable for a conceptual framework for evaluating particular cases in *planning*, which is the *telos* of this chapter? In the next section, the answer for this question is explored and preceding arguments are rearranged for building a conceptual framework for the evaluation of particular planning cases from a justice perspective.

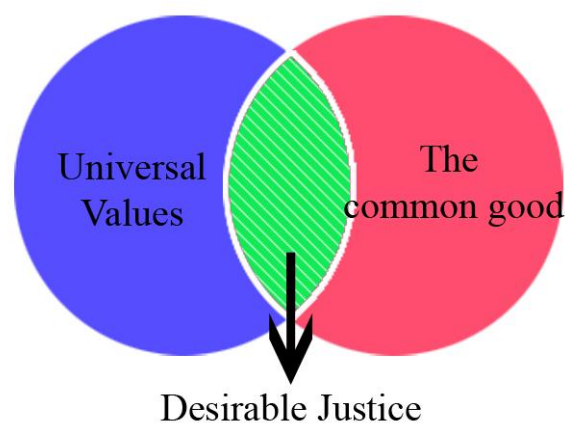


Figure 2.2 Conceptual domain of ‘desirable’ justice (source: author)

2.4 Building a conceptual framework of justice appropriate for evaluation of planning practices

2.4.1 *Telos of planning and relations between planning processes and outcomes*

2.4.1.1 *Telos of planning: creating ‘better’ outcomes for the community as a whole*

In order to look at justice specifically in planning, this section shall start with two questions: how does ‘planning’ matter in particular; and what is the *telos* of planning? With regards to these questions, Campbell and Marshall (2006, also see Campbell, 2002, Campbell, 2006) provide important insights, arguing that planning concerns space related everyday city life, dealing with *particular* cases, very often entangled with severe contentions. Therefore, concept of justice in planning should not focus on “constitutional essentials and moral norms” (Campbell, 2006, p.101), which Rawls account of justice is

primarily focusing on (Campbell and Marshall, 2006), but should focus on *possible actions* within the given situation. In addition, “While retaining technical analytical and design components, planning has come to be seen also as intensely political and value laden” (Wachs, 1995, p.xiii; cited in Campbell, 2012a, p.380), and based on this ‘political’ nature of planning, planning activity is essentially about making an *ethical choice* about “good and bad, right and wrong, with and for others” (Campbell and Marshall, 2006, p.240).

Planning activities generally incorporate state interventions and taking *actions* in / at *particular* places. During these processes of incorporating state interventions, individuals’ rights may be limited, and this can be justified, arguably, when the intervention is expected to generate “better place-based outcomes than would be achieved otherwise” (Campbell, 2012b, p.135). In other words, “the outcome should be”, or at least expected to be, “better than it might have been without this intervention” (Campbell and Marshall, 2006, p.240). Here, it is important to note that the ‘better outcome’, in general, should be for the community as a whole, not for specific individuals or groups. Therefore, planning cannot be detached from the notion of the public interest or the common good¹⁰ (Campbell and Marshall, 2002). In this regard, I argue that the ultimate *purpose* or *telos* of planning is to make a *better outcome* for the *community as a whole*. Since the notion of community incorporates obligations to members of future generations, the good outcome should not be defined in the short-term but, rather, over the long-term which can consider future generations.

It is, however, imperative to note that, as was noted in 2.3.3.2, this does not mean that individuals or minorities should always be sacrificed for the interests of the majority. As Campbell (2002, p.281) wrote, after Durkheim’s observation, society is always more than a mere aggregation of individuals, and “there is no continuum from the individual to society”. Arguably this applies to the concept of the public interest adopted in this thesis; public interest is not a mere aggregation of individual’s interest, the concept of which applied in utilitarianism (Campbell and Marshall 2002, Sandel 2009), but it is always more than that (see also Pennock, 1962). Public interest should *not* merely mean the ‘interest of the many’. Simultaneously, however, ‘individuals’ are the main components that constitute the ‘public’, and therefore, protecting individuals’ interest is also very

¹⁰ As was wrote in 2.3.2.3, the two terms are used interchangeably unless it is specified, and I use the term ‘common good’ later in this chapter.

important for the members of the community to be a good community. The reasons for this were already reviewed in 2.2.1.1 when the weaknesses of utilitarian account of justice were discussed. In emphasising the importance of respecting individuals' rights and interests, however, this is not based on the Rawls' account that argues individual rights cannot be violated for the sake of the welfare of society as a whole (see 2.2.2.1). Rather, the reason why respecting individuals' rights and interests are important is because a society in which individuals' rights and interests are easily violated without a just reason is not a good society. As was discussed in 2.3.3.2, in planning as well, it is always a *balance* between the good of the community and of individuals (or members of the community). Accordingly, this thesis, which evaluate justness of two urban redevelopment projects, is about the search for the morally and ethically *right* balance.

2.4.1.2 Relations between planning processes and outcomes revisited

Subsequently, the question moves on to how can we make a 'better' outcome, particularly in a moral or ethical sense? As was reviewed in 2.3.1, in the planning arena for the last three decades, communicative planning theories have been the most influential. They focus mainly on creating fair and impartial processes and arenas for open, un-coerced reasoning processes of public deliberation, based on Rawls' and Habermas' theories, with an assumption that the result of the open, un-coerced reasoning processes of the public deliberation will be reasonable, and hence good and *just* (Campbell, 2006, p.97). However, numerous literature from various perspectives criticises this assumption and argues that 'fair processes with deliberations by reasonable people' does not necessarily generate desirable or just outcomes (Fainstein, 2000, 2010, Campbell, 2006, Richardson, 1996, Young, 1990, for empirical study, see Wilson, 2005, Campbell and Marshall, 2000b).

Very briefly, in terms of theoretical sense, Campbell and Fainstein (2012) criticises the 'myth' of impartiality in planning processes. Fainstein (2010, 2000) criticised communicative theorists' lack of understanding or consideration of (particularly political economic and class related) *structural* positions. She argues that language *alone* is not enough, as "the power of words depends on the power of the speakers" (2000, pp.457-458), which is deeply rooted in social, economic, and institutional structures. Communicative planning theories are also criticised for their impracticality. Fainstein

(2000) criticises inefficiency caused by the lengthy time and cost required to create and operate participatory democracy. From a Foucauldian perspective, Richardson (1996) points out the power-blindness of the communicative planning theories based on Habermasian conceptions of discourse ethics. Connelly (2004) also criticises communicative planning model's ideal that the participatory democracy process should be inclusive to all different stakeholders. He argues that this is neither possible nor desirable in reality, and we should think about necessary exclusions of participants and agendas for making effective participation. Accordingly, we can summarise the aforementioned criticisms of communicative planning: that in planning, for various reasons, greater democracy and fairer process does not guarantee a more desirable, better or more just outcome.

Yet, this does not mean that creating a 'good' process is not important. On the contrary, it is very important in a sense that: the more inclusive and deliberative planning process suggested by the communicative planning model increases ability to deal with uncertainty and complexity in a fragmented and pluralistic society (Wagenaar, 2007); democratic process that can reflect 'stakeholders' voice may well increase legitimacy and reduce opposition, which results in increasing long-term efficiency (Healey, 1998); the process itself has its own merit deriving from the experience of engagement (Healey, 2003), even when it fails to reach agreements (Innes and Booher, 1999), and finally, as was reviewed in 2.3.3.2, making fairer processes can reduce the risks and dark sides that notions of the common good and community entail.

Nevertheless, the *telos* of planning is creating 'better outcomes than would be achieved otherwise', and therefore good process itself without pursuing better outcomes cannot be justified and would be meaningless. There would be "no account of planning, politics and the public can be of value if it is empty of all substantive content, of what is at stake" (Campbell and Marshall, 2002, p.182). However, it is important to note that this account of justice in planning should not be understood as sheer consequentialism. As Healey (2003, p.111) wrote, "substance and process are co-constituted, not separate spheres", and a planning project is constituted by a series of processes and their outcomes of planning issues. Similarly, Davoudi (2013, p.4) wrote "without just processes, there are hardly any just outcomes and without seeking to achieve just outcomes, just processes are little more than empty formalities" and argues that dichotomising a planning project into process and outcome and focusing on one part separately is not meaningful.

Yet, there are a number of cases that more democratic processes and more desirable or just outcomes do not necessarily come together. For example, as Fainstein (2013) shows with a case of Singapore that a less democratic process sometimes generate more just outcomes. As Forester (2009) note, focusing only on substantive outcome does not guarantee good result either. Rather, much more cases shows that less democratic processes generate less just and less desirable outcomes (as an example, regarding relationships between national political structure and economic development, see Sah, 1991). Accordingly, it would be meaningless if we separate process and outcome and focus only on one part: not only do they co-constitute a planning project, but also focusing either of one does not guarantee a good planning result. However, I would argue that it is still meaningful to analyse ‘separately but together’ with consideration that enhancing one part does not necessarily improve the other. This means seemingly less desirable or less just outcomes should not be treated only as outcomes, but should be evaluated comprehensively. As Campbell and Marshall (2006, p.250) stressed, planners should concern with *both* process and substantive outcome for just planning, after Harvey (1973), which are respectively “justly arrived at” and “just distribution”.

2.4.2 Justice in planning: the art of situated ethical judgement¹¹ guided by universal values

What is also important in building conceptual framework of justice in planning is that planning is a situated activity, and in the process of state intervention and making ethical choices, there is always scope for discretion and “moral improvisation” (Forester, 1999). Therefore, as Campbell (2006) asserts, it is not possible to draw out an algorithm or determinate principles, or similarly what Forester (1999, p.224) called an “ethical cookbook”, which lead to just outcomes.

“The just is not determined by an algorithm, particularly with respect to a situated activity such as planning. There is always scope for discretion, which in turn emphasizes that practical reasoning is essentially about judgment.” (Campbell, 2006, p.104)

¹¹ The title of this sub-section is owed to Campbell (2006)

As was argued earlier, abstract universal values or principles are necessary, as they provide normative directions. Yet, they themselves are not sufficient for situated activities like planning (Campbell and Marshall, 2006). Instead, ‘particularities’ are to be taken in to account. Here, the particularities mean, firstly, characteristics of planning cases, and secondly, certain contexts and situations that the cases are located in. More specifically, among various characteristics, the telos of a planning case and virtues the telos honours should be considered the first. Taking into account the story or meaning of the particular cases for some people or groups is also important. Moreover, I mean ‘context’ as historical, spatial, institutional, legal, and / or political backgrounds of a certain locality that the particular case is located in. I mean situation as, for instance, characteristics, values, and capacities of planners, those of the planners’ superiors and politicians who have larger authority and can strongly influence planning processes and decisions, and financial and personnel circumstances that can be mobilised for the case at the time.

Planning activities – dealing with *particular* cases of everyday space related city life where various stakeholders have different values and interests are involved and resources are limited – are very often entangled with severe contentions. Moreover, in planning, win-win situations are relatively rare, rather win-lose cases are likely to be generated, as Campbell (2002, pp.276-7) wrote:

“planners are frequently burdened not with seeking ‘win/win’ solutions, but the ‘least worst’ option in the face of the flux and flow of circumstance ... ‘Both/and’ is not an option when either a road, factory, retail ‘experience’, or wind farm is built or is not”

Planning problems, stemming from this political nature, are also “wicked” (Rittel and Webber, 1973, see also Campbell, 2002, pp.276-7), not in a sense that they are evil, but in a sense that they difficult to define and resolve. This is because a planning issue is located within a very complex societal network, and hence, they are multi-faceted, and interconnected with other social processes and issues. Therefore, defining planning problems are value laden processes and are difficult. Moreover, because they are interconnected, tackling one issue may cause other problems in other issues, and therefore, planning problems are rather ‘resolved’ than solved like mathematics problems (Rittel and Webber, 1973).

Considering that choices and decisions are inevitable in public policies in general, and more specifically in planning, it would be impossible to satisfy every stakeholder in

dealing with these “wicked” problems. This is not only because resources are limited, but also because, firstly, ‘stakeholders’ have different interests and values, and secondly, satisfying or resolving the issues of the ‘stakeholders’ may generate other problems or issues to other groups, outside of the ‘stakeholders’. In addition, as was mentioned in 2.3.3.3, there are tensions and trade-off relationships even among the universal values that are regarded as core values for justice. For these reasons, seeking the ‘best’ outcome would be rather problematic (Campbell, 2012a). Yet, even though there would be no absolutely just or ‘best’ planning practices, there still are *more just* and *better* outcomes as such (Campbell, 2006, 2012a), and this is what planners ought to pursue. In this regard, feasibility and practicality are also a very important values that we should take into account. It is important to note that for the desirable justice that what we should pursue as a planner, it should be *both* better and more just planning practices, and not a separate one.

Furthermore, as was written, there would be no determinate algorithm or principles that can lead us to the just outcome. Similarly, beyond arbitrary or/and partisan decisions, judgements through a politics of the common good based on moral particularism also has significant risks and dark sides. If planners and politicians believe that they have duty to pursue social justice and the common good (the second type of duty in table 2.1 as an official), what is necessary is making a ‘good’ judgement to make a more just and better society. In contrast to careless, arbitrary or/and partisan decisions, a ‘good’ judgement is “founded upon knowledge, understanding, and experience” and both sensitive to the universal values and the particularities (Campbell, 2006, p.102). A ‘good’ judgement in real public policy, including planning, should also be ethical and practical, based on what Aristotle called ‘practical wisdom’, as was discussed in Sandel’s (2009) account of justice. Accordingly, Campbell (2006, 2002) proposed an ‘art’ of “*situated ethical judgement*” taking both the universal and the particular into account.

In making ethical judgements for the common good, the utilitarian approach has also its value. Although maximising utilities of an entire community cannot be the moral standard on its own, it does not mean that numbers of people and the amount of utility summed do not matter in public policy including planning, or more fundamentally, how we conceptualise the common good or the public interest. On the contrary, they still ethically and practically *matter*. Furthermore, planning practices are frequently accompanied by severe contestations. In this situation, empirical research shows that

participants, both the public and politicians, are often not convinced by others' discursive arguments themselves unless they are combined with so-called 'scientific knowledge' (see Campbell and Marshall, 2000b, pp.336-337). The emphasis on the importance of deliberation and discursive or argumentative processes, mainly by Rawlsian, Habermasian and Communicative planning theorists (see 2.3.1.2), often does not operate as they are theoretically proposed in real planning processes.

In this situation, well-designed, 'objectively' produced information or knowledge can be a useful source of public justification and mutual understanding. Those objective information or knowledge is produced by someone, usually called experts, "who is assigned the role of defining the common good" by assessing issues from an outsiders' perspective (Campbell and Marshall, 2002, p.175, Alexander, 2002). This is called *modified utilitarianism*, which differs from the conventional utilitarianism reviewed earlier. Based on this grounds, various types of cost-benefit analyses that have been developed and actively used as justifications of public choices in public policy. If, arguably, roles of a planner are to mediate among stakeholders, to resolve (or alleviate) conflicts, and to make judgements based on the common good, taking into account the feasibility and practicality, those well-designed, objectively assessed cost-benefit analysis may be important elements for planners in making ethical judgements, although they should not be a sole ethical standard of judgement.

2.5 Summary

In this chapter, I have built a conceptual framework of justice in planning to analyse and evaluate the two particular planning cases from a justice perspective. In order to do so, utilitarian, Rawls, and Sandel's account of justice has been mainly reviewed, and deficiencies and inappropriateness of each account has been pointed out. It was argued that utilitarian account of justice has significant moral weaknesses. Despite the weaknesses, however, in making planning judgements and public justification, well-designed cost and benefit analysis, which is based on the utilitarian concept of justice, can be considered and also can have ethically values.

Moreover, it was argued that Rawls' right-based account of justice has theoretical deficiencies and is not suitable for planning either. Rawls concept of justice started from

an assumption of human nature, which is free to detach itself from moral ties to whatever community were antecedent to it. However, it was argued that it would not be possible to agree on the difference principle ‘behind veil of ignorance at the original position’ without having any prior moral ties among the others. Therefore, it was argued that making neutral principles of justice which do not presuppose any particular conception of the good is not possible. It was argued that this would not be desirable, either. Moreover, its *idealised* circumstances of drawing out principles of justice is not suitable for planning, which deals with everyday situated activities.

In contrast, it was argued that Sandel’s account of justice provides better explanations about human nature and a community. He proposed narrative understanding of human nature who shares identity, values, history, interests and fates with other members of community. These are not chosen, but (at least partly) given, and therefore, the members have particular moral obligations to other members of the community, called obligations of solidarity. Regarding justice and ethics, he challenges Rawls and Kant’s account, which seek universal principles that can apply to all particular cases. Instead, after Aristotle, he proposed teleological account concerns with particular cases. Two primary questions for seeking justice were discussed:

- What is something for?
- What virtues does the telos of the something honours, and thus, who deserves what?

In this account, justice in politics or public policies can only be reasoned through a politics of the common good.

However, the concepts of the common good and community have severe risks and dark sides. However, justice is inescapably judgemental, and thus it is inevitable to make judgement based on these concepts. Therefore, it was argued that these concepts need to be reconceptualised, and three ways of reducing or minimising the risks and dark sides were suggested. Firstly, we should understand the complex, multi-dimensional, multi-level aspects of community, and also we should understand each individual is involved in multiple communities and thus has multiple particular moral obligations. Based on this notion of a community should be reflected in the concept of the common good. Secondly, importance of the notion of fairness and reasonableness, and importance of institutionalising procedural justice were asserted to reduce the risks and dark sides.

Thirdly, it was argued that a politics of the common good should be guided by universal values. The universal values include individual liberty and rights, procedural justice, democracy, greater equality and equity, and diversity and tolerance. It is important to understand that it is not absolute to secure all those values, though securing them is strongly recommended (O'Neil, 2000). Accordingly, a conceptual domain of justice was presented, which was named as 'desirable justice' and is located at the common ground of the universal values of justice and the common good. It was argued that universal values of justice presented by liberal and postmodern theorists on their own do not guarantee a desirable society. Therefore, solidarity among members was suggested in order to make a society both good and just.

Finally, based on the literature review of justice, a conceptual framework appropriate for planning was examined. It was argued that the telos of planning is creating better place-based outcomes than would be achieved otherwise. Here, 'better' refers to the outcome for community as a whole, not for a few individuals. For this reason, planning cannot be detached from the notion of the public interest or the common good. However, it is crucial to note that the public interest or the common good should not simplistically mean the 'interest of the many'. Society is always more than a mere aggregation of individuals, and so is, therefore, the public interest which is more than the aggregation of the interests of individuals. Simultaneously, however, individuals are the main components constituting a community, and therefore, in order to achieve a good community, their interests should be respected and protected unless there are a just reason not to do so. Justice in planning is about seeking a right and good balance between the interests of individuals and the community as a whole.

Moreover, based on the telos of planning which is creating a better place-based outcome, a good process without aiming to make a better substantive outcome cannot be justified. However, a process and an outcome co-constitute a planning project, and hence should be analysed and evaluated 'together, but separately'. Stemming from political nature of planning, planning problems are "wicked", in a sense that it is multi-faceted, and difficult to define and resolve. In resolving planning problems, it was argued that there is no 'ethical cookbook' that we can arrive at the just outcome. Justice in planning is, again, inescapably judgemental based on our values. In making judgement, we should pursue the common good, and should be guided by the universal values. In situated activities like planning dealing with particular cases, we should take into account the

characteristics of planning cases, contexts and situations. Regarding the characteristics of planning cases, it was argued that the telos of a planning case and virtues the telos honours should be considered the first.

Accordingly, after Campbell (2006), it was argued that justice in planning is about situated ethical judgement pursuing the common good guided by universal values. Given limited resources, choices are inevitable, which is likely to generate winners and losers. However, it is nevertheless crucial to pursue better and more just outcomes within the given situation. The preceding discussions are summarised and presented in table 2.2. In the next chapter, applicability of the aforementioned discussions in actual planning practices are examined.

Table 2.2 Conceptual framework of justice for the evaluation of planning practices (source: author)

Domains of planning practices to be evaluated	Both process and outcome, ‘together but separately’. Justice in planning ought to be concerned with both ‘justly arrived at’ and ‘just distributions’.
Domains of justice to be pursued in planning through a politics of the common good	At the common ground of the universal values of justice and the common good. Universal values of justice refer to individual rights, procedural justice, greater equality and equity, democracy, diversity and tolerance, intergenerational justice, and solidarity among members of a community.
How to discover justice	Justice can be reasoned through a politics of the common good, guided by universal values of justice.
Relation between the interest of the community and its members	The concept of the common good should not mean the ‘interest of the many’. Justice in planning is about seeking a right balance between the interests of individuals and the community as a whole.
The first step for reasoning justice in a particular case	Search for the telos of the case, and subsequently search for virtues that the telos of the case honours.
How to achieve more just planning for planners in political processes	Situated ethical judgement is required, taking into consideration the contexts and situations within which the practices take place. Planners should pursue a better and more just planning process and outcome in a given situation.

CHAPTER 3: Contemporary Local¹ Political Environment and Making ‘Situated Ethical Judgements’ in Actual Planning Practices

3.1 Introduction

In chapter 2, it was argued that planning practices are not only about technical, analytical, and design related activities, but also have value laden and political aspects². It was also argued that justice in planning can only be achieved through situated ethical judgements in the political process of planning where various stakeholders from different social sectors participate. Planning practices are usually taking place in a certain locality or sometimes in a number of localities. Hence, in order to understand how we can apply the concept of justice in planning in actual planning practices, it is important to understand the local political environment where the planning practices are taking place.

Therefore, in the next section, the contemporary local political environment is examined, and in this section, theories of urban governance and power within the governance system are reviewed. Reviewing power is particularly important in examining justice in planning because, as was previously discussed, *choice* is inevitable in the planning process, and the process of making choices in political processes is inextricably linked with power. In section 3.3, the planning reality encompassed within structural constraints and bounds within this local political environment is examined, and strategies to overcome or minimise the arising challenges are explored. In this examination, the main focus is on planners and how they may achieve better and more just outcomes in planning practices.

3.2 Contemporary local political environment: urban governance and power

3.2.1 Contemporary Local Political Environment and Urban Governance

¹ In this thesis, local refers to the administrative boundary based on certain localities, including metropolitan and district levels, below the national level.

² It would be very difficult to distinguish these two aspects clearly, as in general both (political and policy) judgements and analysing scientific data are, to certain extent, conducted based on both certain types of expertise and values. Again, in a similar sense, it is not easy to distinguish between politics and policy, which Briggs (2008) calls the will and the way respectively.

The term ‘government’ refers to the “formal institutions of the state and their monopoly of legitimate coercive power”, and is used to refer to “formal institutional processes which operate at the level of the nation state to maintain public order and facilitate collective action” (Stoker, 1998, p.17). The conventional understanding of government was a Weberian model of hierarchical organisation which has steering capacity and consists of elected politicians and merit-based bureaucrats, based on a clear distinction between public and private spheres (Kjaer, 2009). This model, however, began to weaken during the post-war period with the expansion of welfare and the increasing complexity of state functions (ibid). This has been stimulated since the 1980s starting with ‘new public management’ reforms stemming from the ideological shift towards a minimalist state under the Thatcher and Reagan administrations in the UK and the US. These reforms came alongside the retrenchment in the public sectors, privatisation, agencification, competition, decentralisation, and citizen empowerment (see Kjaer, 2009, Pierre and Peters, 2000). At the same time, there has been intensification of globalisation and migration, as well as the emergence of supranational organisations, such as the EU. These phenomena have led to complex, multi-cultural, fragmented, and globalised societies, which undermine governments’ steering *capacity* to cope with external and internal challenges, procuring resources, setting and achieving goals and policies (Rosenau, 1992).

Based on this background, particularly since the 1990s, a new *style* of governing to set and achieve collective goals has been identified, which is widely referred to as ‘governance’³ (Pierre and Peters, 2012, Stoker, 1998). This general shift, from government to governance, is sometimes seen as, in more extreme versions, “governing without government” (Rhodes, 1996), which emphasises self-organising networks with a reduced role and power of central or local government within the governing system. Yet, the changed style of governing is highly *context specific* and differs from case-by-case, time-to-time and country-by-country, ranging from ‘state-centric’ models of governance to little or no role for government (Pierre and Peters, 2012). However, it is widely acknowledged that government is ‘still there’ and remains a very important actor in

³ The usage of the term governance varies in a wide variety of arenas, from the public sector via private companies and universities to community level and non-profit organisations (see Hewitt de Alcántara, 1998). The term is not also new and novel. The term ‘governance’ existed before, though the meaning of it was quite different and used almost as a synonym of government in the public sector, which Peter (2000) refers to it as ‘old governance’ and distinguishes from ‘new governance’ that reflects the change in governing style. In this thesis, the term ‘governance’ refers to the ‘new governance’.

politics and the public policy arena (Peters and Pierre, 1998). This emergence of a governance style of governing can also be seen in local politics.

It is worth reviewing the specific characteristics of local governance further. There has been long consideration by urban scholars of the autonomy of urban governance (see Peterson, 1981, Fainstein, 2010, Campbell and Fainstein, 2012, Harding, 2009). Although this autonomy is highly contextualised and case, date and place specific (Pierre and Peters, 2012, Stoker, 1998, Fainstein, 2009), in general, it is located within a hierarchical system of multilevel governance, in particular national governance. Hence, there are several types of constraints, such as legislative, regulatory and financial within this system (Harding, 2009). Their autonomy is also limited by their relatively small amount of budgets and a narrow human resource pool. In particular within the era of globalisation where the mobility of human and economic capital has significantly increased and cities are competing to catch this fluid capital and human, cities' choices are quite limited. They have to strive to win the competition otherwise they may become left behind and experience decline (Peterson, 1981). Yet, despite these structural constraints and limits, they are understood as relatively autonomous (Campbell and Fainstein, 2012), playing an important role in the provision of various types of public services and welfare. Within the circumstances of these 'limits' and the constraints mentioned in the previous paragraph, the role of urban governance's formal political institutions and their leaders are more predominant than national level governance (Pierre and Peters, 2012).

Urban regime theory, which shares a great deal of its concepts with urban governance theory (Pierre and Peters, 2012) or a sub-type of governance (Kjaer, 2009), provides useful insights about how urban governance deals with constraints and overcomes the limits and achieves a 'capacity to act'. This regime analysis "depicts local actors as constrained by their environment ... but also as capable of reshaping that environment through cross-sectional governing arrangement" (Mossberger, 2009, p.40). This regime theory is examined further with the concept of power in the next sub-section.

Some researchers (see the 'instrumental conjecture' in Klijn and Skelcher, 2007, and fifth proposition in Stoker, 1998) see the governance network from a different angle. While they recognise the similar phenomena in urban politics, such as a decrease in the 'capacity to act' of government on its own and constraints at the urban level, they see a governance network as generating new tools and techniques of local elites to steer and

gain capacity for delivering public policies. For example, the instrumental view sees the governance networks as “a means of reinforcing these dominant interests (through the input structure) and realizing them (through the output structure)” (Klijn and Skelcher, 2007, p.599). In order to achieve their desired outcome in a circumstance surrounded by constraints, urban regimes focus on generating a media image and symbolic politics.

Moreover, negative effects of the change in governing style have also been widely witnessed. For example, various types of partnerships and coalitions or privatisation of provision of public services blur the ‘location’ of accountability and responsibility and increase uncertainties and ambiguity, and this in turn results in undermining the legitimacy of the governance process (Stoker, 1998). With regard to this weaknesses in democratic issues, although governance theory tends to focus more on analysing behaviour and actual decision making processes – ‘what it is’ –, rather than normative perspectives concerns ‘what should be done’ (Stoker, 1998), there are some scholars researching from a normative perspective and linking democracy and governance theories (see Klijn and Skelcher, 2007), asking ‘what the good governance is’. This normative perspective, in particular linking with democratic theories, calls for greater attention on values of fairness and social justice through inclusionary participation, not only focusing on efficiency, effectiveness or empirical aspects (see Kersbergen and Waarden, 2004).

Finally, it is important to stress that urban governance is highly context specific, which in terms of the role and power of the state in governance, varies from ‘state-centric’ models of governance to little or no role for government. This means we should understand urban governance as place, time, cultural, and case contingent in analysing or evaluating an urban governance and its policies, including planning (Pierre and Peters, 2012, Stoker, 1998, more specifically in planning, Fainstein, 2009, Forester, 1999). In this respect, the political, institutional and economic ‘context’ is reviewed in Chapters 4 and 6, respectively of Korea and Seoul – with a specific focus on CGC.

3.2.2 Power in Urban Governance

3.2.2.1 ‘Faces of power’ debates

In chapter 2, it has been argued that justice in planning can be achieved essentially within the political decision making processes by making *ethical choices* about “good and bad, right and wrong, with and for others” (Campbell and Marshall, 2006, p.240). This is why it is necessary to review the power in decision making processes in urban politics, because as Ball (1992) argues, power lies at the core of the political decision making process. Power in urban politics, which mainly concerns “collective, place-shaping choices” (Harding, 2009, p.32), has received attention at least since Hunter’s (1953) research into the question of ‘who runs cities?’. Through the reputational analysis methodology and a case study of Atlanta, he showed that the city is actually run by business elites and local representative democracy is a smokescreen for the dominant local business elites (Harding, 2009), which is thus called ‘elitism’. Soon after, Dahl (1961) refuted Hunter’s argument with his research asking ‘who (if anyone) governs New Haven?’. His research was conducted with a case study of New Haven and employed a different methodology, called ‘decisional analysis’. The result showed that whilst there are some, so-called, elites who have more resources and are more influential in urban politics, the power is sufficiently diffused and thus it is not possible to be ruled by a few number of elite actors (Harding, 2009). This is called ‘pluralism’ in the understanding of power. Since Hunter and Dahl’s research, there has been long debates and contestation among scholars over their methodologies, definitions of power and their conclusions (Hay, 2002).

These different perspectives on the conception of power is reflected in the so-called, ‘faces of power’ debates. The first face (or dimension) of power is advocated by classic pluralists. Stemming from the Weberian idea, Dahl (1957, pp.201-202, emphasis added) defined power as: “A has *power over* B to the extent that he can get B to do something that B would not otherwise do”. This conception of power is based on assumptions that power is “transparent, expressed in an unambiguous and empirically demonstrable way in the decision-making process” (Ibid, p.171). Hence, power is clearly, however, by definition, only identifiable when there is overt conflict of interests between involved actors, which in turn shows that the powerful constrain (or restrict, force, distort) the powerless’ behaviours or interests (Hay, 2002, p.172, Hayward, 1998). This identification of power, *who* is powerful, can be done by monitoring and ‘counting’ the number of its effects in a decision making process over a given period of time (ibid). Such a conception of power is sometimes useful and still appealing in identifying the powerful

in the decision making process. Yet, this view of power is widely criticised for a number of reasons: its narrow focus, limiting the boundary of politics to observable formal decision making processes; analytical difficulties of what ‘counts’ as an evidence of the powerful in the decision making process and what does not; its fragmentary view of the state – instrumental rather than a set of structures, such as laws, rules, norms, institutional arrangement –; and its unrealistic assumptions (Hay, 2002, Hayward, 1998, Stone, 2012, Lukes, 2005).

Bachrach and Baratz (1962, 1963, 1970), who are regarded as neo elitists, provide important methodological and empirical criticisms of classical pluralism, called the second face (dimension) of power. Their critique on the first dimension of power starts from broadening the boundary of ‘what is political’ as an arena of the operation of power. They argue that power does not only exist in formal decision making processes, but it also can exist before the formal process, in particular in the agenda setting process. What is discussed in a formal decision making is only a part of social (including economic, political or policy) issues. Power also operates prior to the formal decision making processes by preventing unfavourable issues from becoming formal agendas. They drew upon the concept of ‘mobilisation of bias’, and demonstrated that power may be exercised by “creating or reinforcing barriers to the airing of policy conflicts” (Bachrach and Baratz, 1962, p.949, Hay, 2002). Through this process, power can influence the choosing of potential issues in decision making, by deleting or manipulating in their own favour. They term this as ‘non-decision making’, “a decision that results in the suppression or thwarting of a latent or manifest challenge to the values or interests of the decision-maker” (1970, p.44). In this conception of power, the realm of decision making is not limited to a formal decision making arena, e.g. parliament or town hall, between 9 to 5, but can be on a corridor, a pub, or a golf course, 24/7 (Hay, 2002). Another important insight from Bachrach and Baratz (1970) is about the methodology to measure power *within* the formal decision making process. They challenge the methodology of the first generation pluralists who gave the same ‘weight’ to all decisions and counted only by the number of decisions. Instead, they argue that the decisions should be qualitatively distinguished. Some decisions are trivial whereas some decisions are important for the interests of power or maintaining their dominance. Hence, power may operate selectively and strategically depending on issues, which means we cannot analyse power merely through the the number of approvals and disapprovals.

Although Bachrach and Baratz's conception of power is less naïve and provides important insights for analysing power in urban politics, they also have been criticised by a number of researchers. Pluralists criticise their methodological difficulties, in that the possibility of operation of power in any place and anytime beyond the formal political processes covertly, make it, in many cases, un-researchable (Hay, 2002). Lukes (2005) criticised the assumptions in both 'faces of power' debates for assuming people's genuine interests – which is actually good for them – are the same as exhibited preferences – i.e. which they perceive as good – and power is only observable when there is overt conflict of interests between involved actors. He provided important insights in understanding the exercise of power that actors' *exhibited preferences* may be different from their *real interests*. Stone (2012, 2006) also criticises both faces of power for their methodological individualism, looking for 'who' is powerful and influential rather than how, why, and in what relation. As has already been established, urban governance consists of various stakeholders or institutions from various sectors, and the stakeholders often form alliances in order to increase effectiveness or capacity to acquire what they want. Therefore, the aforementioned conceptions of power focusing on 'who' – individuals or groups – may not be pertinent to analyse power in urban governance. In the following paragraphs, Lukes' (2005) third dimension of power is reviewed, and in the subsequent sub-section, a conception of power focusing on relations of actors rather than individuals is examined, based on Clarence Stone's (2012, 2006, 1988, 1980) concept of power.

Moreover, although both faces of power, particularly the second one, provide a useful understanding of power in urban politics, Lukes (2005) argues that neither accounts sufficiently render all major aspects and operational mechanisms of power in urban politics. Lukes (2005) criticises both accounts for their focusing on behaviours of individuals, either operating overtly in decision making or covertly in agenda setting processes. In these accounts, power relations exist only when there are *observable* conflicts of interests between actors who exercise power and those are exercised. This excludes the possibility that the exercise of power changes preference of subordinate *without* identifying themselves that they are subordinated or their preferences are manipulated (see Lukes, 2005, Hay, 2002 for the critiques regarding the first and second dimensions of power).

Lukes (2005) develops his arguments based on the criticisms of the two dimensional views which, he argues, "represents a major advance over the one-

dimensional view” (p.25) yet is still inadequate on three counts (pp.25-29). Firstly, both dimensional views stay in a behaviourist impasse: focusing on overt or covert *actual behaviours* of *individuals* in decision making or agenda setting process. In both views, “[d]ecisions are choices consciously and intentionally made by individuals between alternatives” (p.25). Yet, the views overlook the possibility of biases mobilised unintentionally by individuals:

“[T]he bias of the *system* can be mobilized, recreated and reinforced in ways that are neither consciously chosen nor the intended result of particular individuals’ choices. ... [T]he bias of the system is not sustained simply by a series of individually chosen acts, but also, most importantly, by the *socially structured and culturally patterned behaviour of groups, and practices of institutions*, which may indeed be manifested by individuals’ inaction.” (Lukes, 2005, pp.25-26, emphasis added)

Lukes provides important insights into the understanding of power by adding another type of bias that may not be generated intentionally by individuals. Rather, it may be generated by the behaviour pattern of groups or organisations that are strongly influenced by social or cultural structures or by the practices of institutions within certain systems. Here, Lukes notes that although the organisations or institutions consist of individuals, they are not merely an aggregation of individuals but go beyond this (p.26). Therefore, the generation of bias cannot simply be attributed to the behaviour or decisions of particular individuals.

Secondly, within the two dimensional view of power, power is associated with actual, observable conflict. Yet, Lukes (2005, p.27) counter-argues that such conflicts do not occur when there is “agreement based upon reason” (Bachrach and Baratz, 1970, p.20), that are a manipulation of preferences or authority. He argues that the “supreme exercise of power” (Ibid) operates through controlling people’s thoughts and preferences, so that the exercise of power may act to avoid conflict and secure people’s compliance.

“The trouble seems to be that both Bachrach and Baratz and the pluralists suppose that because power, as they conceptualize it, only shows up in cases of actual conflict, it follows that actual conflict is necessary to power. But this is to ignore the crucial point that the most effective and insidious use of power is to prevent such conflict from arising in the first place.” (Lukes, 2005, p.27)

Thirdly, and closely linked to the second one, in the two dimensional view, power relations only occur where there are grievances, and thus where there is no visible grievance there appears to be a ‘genuine consensus’ (p.28). However, Lukes argues that this overlooked the possibilities of *latent conflict*:

“Is it not the supreme and most insidious exercise of power to prevent people, to whatever degree, from having grievances by shaping their perceptions, cognitions and preferences in such a way that they accept their role in the existing order of things, either because they can see or imagine no alternative to it, or because they see it as natural and unchangeable, or because they value it as divinely ordained and beneficial?” (Lukes, 2005, p.28)

Accordingly, Lukes provides important insights that firstly, exhibited preference and genuine interest can be different; secondly, power may be exercised covertly through shaping people’s preferences; and thirdly, this process of shaping people’s preferences, as well as mobilisation of bias, can be done by the structurally or culturally influenced organisation or practices of institutions rather than by the conscious decisions of individuals. According to Lukes, people’s preferences can be manipulated through various means, particularly through political ideologies or the distortion of information. This systemic distortion of preferences in planning, through the distortion of information in planning processes, is discussed further in section 3.3.

Power in urban governance started was initially conceptualised through one ‘face’ (or dimension) but as we have seen there are at least three. Bachrach and Baratz did not entirely deny Dahl’s and classic pluralists’ account, but argued that it is not sufficient. Lukes, as well, did not deny the earlier two accounts but added another aspects of power. The main elements of the three faces or dimensions of power is summarised in table 3.1.

Table 3.1 Main points in ‘faces of power’ debates (adapted from Hay, 2002, p.180)

	One-dimensional view	Two-dimensional view	Three-dimensional view
Proponents	Dahl and classic pluralists	Bachrach and Baratz, neo-elitists	Lukes, Marxist, neo-Marxists
Conceptio n of power	Power as decision-making	Power as decision-making and-agenda setting	Power as decision-making, agenda-setting and preference-shaping
Focus of analysis	The formal political arena	The formal political arena and the informal	Civil society more generally, especially the

		processes surrounding it (the corridors of power)	public sphere (in which preferences are shaped)
Nature of power	Visible, transparent and easily measured	Both visible and invisible (visible only to agenda-setters), but can be rendered visible through gaining inside information	Largely invisible – power distorts perceptions and shapes preference

3.2.2.2 *Four forms of power shaped in social structures and relations, and power ‘to’*

Clarence Stone (2012, 2006, 1988, 1980) provides important insights for the better understanding of power in urban governance, which was initially suggested in his urban regime theory. He asserts that we should not look at a specific body of actors or reduce our analysis to a question of ‘who’. He argues that this *agent focused* ‘power over’ understanding of power cannot capture the dynamic of the formation or deformation of power which is shaped through *relations*, as he (2012, p.12) writes: “Community power then is not something to be distilled from actions and attributed to individuals, but rather is a body of relationships over which political agents engage in ongoing struggle.” Instead, he proposed a ‘power to’ understanding of power, by asking questions ‘*how and why they form a collective power to act?*’, which focuses more on the dynamic relations of actors.

However, this does not mean a ‘power over’ type of understanding is wrong and should be replaced by a ‘power to’ understanding. In reality, both the conceptually distinct aspects of power – ‘power over’ and ‘power to’ – co-exist and are intertwined (Stone, 2006). What Stone argues is that we should focus more on the latter (Stone, 2012, 2006), and this is particularly the case in analysing power in urban governance. Yet, as was argued, the pattern of governance is highly context specific, and it will be shown in Chapter 4 that in Korea, an agent focused understanding of power still provides a useful understanding of power in Korean local politics. This, however, still requires exploration of issues of ‘power to’. In analysing *relationships* in this ‘power to’ conception, Stone (2012) focuses more on relationships within the ‘political community’ starting from looking at whether groups are included or excluded. He argues that being included in the political community is one important sign of being powerful whereas being excluded indicates powerless, and therefore identifying who or which groups are included and excluded can be an important first step to analysing power relations in urban politics.

Subsequently, this should be followed by analysing the ‘quality’ of relations between the person or the group and other people or groups, especially who are influential in decision making.

Stone (1988, 1980) reconceptualises the faces of power debates and re-categorised four forms of community power from *relations* among actors: command power, coalition power, systemic power, and pre-emptive power. Firstly, *command power* refers to “power as a relationship between actors engaged in pursuing or resisting compliance” (Stone, 1988, p.88). For example, businesses have command power over their employees and elected or appointed officials also have command power over their subordinates. This form of power thus has a limited domain for it to be effective. According to Stone (1988), this is why agents need coalitions with complementary agents to be able to be influential over a larger sphere of activity and to achieve mutually desired goals, and this is called the second form of power: *coalition power*. This coalition power is relatively unstable as this coalition is formed in general based on mutual benefits, and interests can be changed in the process. These forms of power – i.e. command and coalition power – are about the conventional ‘power over’ understanding of power, again ‘A get B to do something that B would not otherwise do’: both are about “one actor’s capacity to achieve compliance and the other’s capacity to resist” without regard to context (Ibid, p.88).

The third and fourth forms of powers are in relation to the structure. *Systemic power*, the third form of power, refers to the *potential* that is available to certain local interests to become more influential in decision making because of their positions, and this fundamentally derives from the socio-economic structure of the city. For example, and most distinctively, as the given resource that businesses possess and control over investments, which in turn is closely related to the city’s welfare, businesses do have structural advantages in a position to influence urban decisions (Stoker, 1995). The fourth form of power is *pre-emptive power*. This is related to the community’s leadership role and taking strategic positions which can alter or shape the ‘rules of the game’. Complex communities need leadership, and some groups, with allies and thus increasing their capacity, take this leadership position. This coalition is difficult to challenge not only because mobilising opposition groups needs a great deal of resource, but also the groups possessing the pre-emptive power can change terms and rules. It is likely that groups possessing the pre-emptive power have a complementary relationship with the groups having economic resources. They then build informal, relatively long-term and stable

coalitions, so that the coalitions enable them to maintain long term dominance. This is what Stone (1989) called a *regime*.

According to this urban regime theory, it is likely that the regime is formed by certain groups who have relatively stronger systemic power – having advantaged positions and thus higher potential – and command power – having power to pursue compliance without consent – and make coalitions with other groups who can complement their weaknesses and broaden their boundaries of power. They, then, take the strategic position so that they can acquire pre-emptive power which can make this coalition stable and efficient, and effectively defeat challenges from opposition groups, including changing or setting the ‘rules of the game’ to their own advantage or to prevent some issues coming on to the official agenda.

This urban regime theory is developed primarily based on the US context and primarily focuses on two key participants in a planning practice: elected officials and businesses (Stoker, 1995). Throughout comparative studies, it was found that this often cannot fully demonstrate urban politics outside of the US, especially in three cases: where there is less decentralisation and a stronger influence of central government; the power of local government still remains strong; or the power of the business sector in the city level is not yet systematised (Harding, 1994, Park, 2000, Bae and Sellers, 2007). Moreover, as it particularly focuses on the role of the business sector in local economic development policies, there are weaknesses in demonstrating urban policy processes regarding non-economic agendas, including social and environmental issues (Mossberger, 2009). For these reasons, regime analysis is *not* appropriate to apply in analysing the river restoration case in this thesis, a study which looks at aspects of social justice within a state-led urban redevelopment project where the local state was by far was the strongest actor and business groups were not so influential.

Despite this weakness, however, urban regime theory provides important insights about a relational, social production model of *power* within the urban governance among actors beyond the formal institutions of government and how they can obtain the ‘capacity to act’ (Stone, 2012, Mossberger, 2009). Furthermore, this regime theory also provides a useful explanation about four forms of power, and provides important insights about the relations between social structure and (long term or stable) power. Sometimes groups who do not have adequate resources, e.g. finance, knowledge, time that they can afford to

mobilise the opposition or experience to engage with political process, can win ‘battles’ and achieve a certain amount of gains of certain types. However, unless they are structurally anchored, either by acquiring systemic power or pre-emptive power, their achievement is likely to be short-term, which means there is a high possibility of them losing in the ‘war’ (see Stone, 2012).

3.3 ‘Planning in the face of power’⁴ towards more just outcomes: what we can and ought to do in this society of structurally unequal diffusion of power?

3.3.1 Planning realities: structural constraints, their relations to agents, and types of bounds

Subsequently, the question moves on to what we ought to, and can, do in the face of *power*, particularly power generated from social structures, which is a real circumstance of planning activities. As was reviewed in the previous section, power does exist in planning reality, not only in an overt form in formal decision making, but also covertly and outside of formal political processes. When we focus more on ‘power to’, collective power to act, an unequal distribution of power in society is quite distinctive. This unequal distribution of power is closely related to existing political and economic structures.

In addition to the issue of power, as Forester (1984) shows, planning realities are bounded by several conditions (table 3.2). As was discussed in chapter two, unlike problems in science or mathematics, planning problems are “wicked” and very difficult to define clearly (Rittel and Webber, 1973, Campbell, 2002). Under circumstances of limited time, skills, human intelligence, knowledge and resources, we also cannot have all the information we need or want. We cannot think of all the possible alternatives we can possibly think of, and it is also impossible to know all the information about stakeholders’ values, preferences and interests. In these planning realities of structurally unequal diffusion of power and inevitable bounds, how can we make planning better and more just?

⁴ The title of this section is owed to Forester (1982).

Table 3.2 Examples of bounds, summarised by Forester (1984, p.24, see also Rittel and Webber, 1973)

• Ambiguous and poorly defined problems.
• Incomplete information about alternatives.
• Incomplete information about the baseline, the background of "the problem".
• Incomplete information about the consequences of supposed alternatives.
• Incomplete information about the range and content of values, preferences, and interests.
• Limited time, limited skills, human intelligence, knowledge and limited resource.

Prior to examining the strategies for overcoming these structural constraints and bounds, it is worth briefly reviewing structure and agency, and the relationships between the two and with power. As Giddens (1984) argues in his structuration theory, either structure or agency cannot exist by itself, but they are mutually constituting, and continually producing each other dialectically, as Hay (1995, p.189) wrote “a social or political structure only exists by virtue of the constraints on, or opportunities for, agency that it effects”. Based on this understanding, as Hay (1995) demonstrates, active and intentional agents show various forms of accomplishments by using their knowledge and strategies (although they may be combined with intuition and misinformed information). Yet, the knowledge is generated by and informed to the agents under certain settings of structure, and also their strategic actions are also constrained by various forms and levels of social structures⁵. At the same time, structure is not shaped by itself, but formed through *power* exerted by an agent or agents. This structure in-turn constrains another person or group, in other words, “one person’s agency is another person’s structure” (Ibid, p.193).

Two things are important in these relations. Firstly, social structures, which are constituted by active and intentional human agency, are not fixed but are constantly reproduced by them. In other words, although social structures constrain agents’ behaviours, they also *can* be altered by them or other agents. Secondly, there is always room for manoeuvre for agents to act under certain structures, although the amount of possible actions highly depends on contexts, situations (see 2.4.2) and the capacity of agents. In this regard, identifying types of structural constraints we are facing in planning

⁵ Giddens’ (1984) demonstrates the levels of structure composed various forms of social, economic, cultural and political systems or institutions. Yet, in this thesis, I do not review this theory in detail.

reality and considering the ways for making more just planning under structural constraints are needed.. This perspective on relationships between social structures and agencies is a part of my ontological position, and in this thesis, particularly in the analysis chapters (Chapters 7, 8, and 9), these relations of structure and agency are implicitly reflected.

In overcoming those difficulties that we encounter in planning reality, Forester (1982, 1984, 1999) provides important insights. He (1984) suggests that firstly, it is necessary to distinguish the bounds that always exist in planning realities: whether it is socially ad-hoc or not, and whether is it inevitable or it is socially unnecessary (table 3.3). There are inevitable types of bounds generated by our cognitive limits or social differentiation, which it would not be wise to try to avoid. Those are first and second types of bounds in table 3.3, which are bounds created respectively by the cognitive limits of agents and the division of labour in society.

In contrast, there are types of bounds which are socially unnecessary and thus can and should be reduced or sensibly coped with, at least to a certain extent, through our efforts. The third type of bounds are generated by socially unnecessary distortions, but this is socially ad-hoc rather than related to a social system or structure. These types of bounds are usually generated in conflict situations between individuals in a pluralistic society. Those are, for example, wilful unresponsiveness and interpersonal deceptions. The fourth type of bounds stem from existing social – especially political and economic – structures, which in turn create an unequally diffused power, as was discussed in 3.2.2. These types of bounds are systemically and covertly generated through socially unnecessary distortions, and therefore are more difficult to identify and cope with.

Table 3.3 Types of boundedness on administrative and planning action (Source: Forester, 1984, p.25, edited by the author)

Contingency of distortion	Autonomy of the source of distortion	
	Socially ad-hoc	Socially systematic / structure
Inevitable distortions	I. Bound due to cognitive limits	II. Bounds due to social differentiation (division of labour)
	• Idiosyncratic personal traits affecting communication	• Information inequalities due to legitimated division of labour
	• Random noise	• Transmission / content losses across organisational boundaries

Socially unnecessary distortions	III. Bounds due to pluralist conflict (interpersonal manipulations)	IV. Structural distortions as bounds upon rationality (structural legitimation)
	• Wilful unresponsiveness	• Monopolistic distortions of exchange
	• Interpersonal deception	
	• Interpersonal bargaining	• Monopolistic creation of needs

A famous planning example in a context within the fourth type of bounds, which was analysed from a different (Foucauldian) angle, was shown in Flyvbjerg's (1998, 2003) research. Based on a case study of an Alborg transportation plan, Flyvbjerg (2003, p.319) wrote "power defines reality ... rather than with discovering what reality "really" is". This strong proposition demonstrates how power is connected to knowledge production and appropriation (as was discussed in 2.3.3.1), which in turn becomes a convincing rationality, called strategic rationality (see Alexander, 2000), and finally 'rationalises' the reality. Although this proposition is somewhat overly generalised (Forester, 2001), this provides an important insight about how power and its rationalities – what Flyvbjerg (2003) called "realrationalität" – can possibly operate in planning reality combined with knowledge, and how communications and public discourses can be systemically distorted.

Finally, it is important to examine further *time* and *information*, both of which have dual characteristics: they are important sources *for* producing and reproducing power, and simultaneously are important sources *of* power. In planning reality, both *time* and *information* are bounded (Forester, 1984): not only because they are neither unlimited nor perfect, but also, more importantly, they respectively are unequally available depending on individuals' capacity and the social structure, and can be distorted by individuals and power. In terms of information, it can be distorted and in-turn causes manipulation both in interpersonal communication and more systemically based on the social structure (respectively, third and fourth type in table 3.3).

In terms of time, it is not equally available to each individual *in quality*. Some people may inevitably need to work until late and thus cannot participate in meetings, or they may not have enough time to understand all the relevant regulations or laws, whereas some people can even hire some professionals to work for them. Considering that "Time allows search and research, contacts through networks, attention to the cultivation of support and the resistance to opposition, and further strategic action" (Forester, 1984,

p.27), time is indeed a potential form of power. What is more, in a structurally unequal society, time *favours* the haves (p.28).

Here, let me argue even further than ‘favour’: like Flyvbjerg demonstrated power (sometimes) ‘realises’ realities, power also (to a large extent) *sets* time frames, which is, again, an important source for reproducing power. Not only through authority in decision making process, but also through non-decision making or the distortion of information and a ‘rationalisation’ process, power can influence significantly time schedules. In this ‘rationalisation’ process regarding issues of time, particularly under ‘legitimate’ power (see Forester, 1982, p.78), communications and information, again, play a crucial role.

3.3.2 Possibilities for strategies towards better and more just planning under the structural constraints and bounds

Subsequently, our task is, as an agent – especially, as a planner – under structural constraints, to explore how to minimise or deal with these unnecessary types of bounds and making better and more just planning practices. It was argued in the previous chapter that there is no ‘ethical cookbook’ but justice in planning can only be achieved through situated ethical judgements, taking into account contexts and situations under “challenges of uncertainty about consequences and ambiguity about values, interests and preferences” in planning realities (Forester, 1999, pp.222-223). Prior to developing possible emancipatory planning strategies, it is important to look at what main resources planners can mobilise or have, which can be transferable to power.

Firstly, as appointed officials based on their merits, i.e. expertise, planners are provided with a certain amount of authority and discretion, often called ‘street level bureaucracy’ (see Lipsky, 2010) or administrative discretion. In other words, planners have a certain amount of legitimate power in their everyday practice. Secondly, as Forester (1999, pp.221-222) wrote, “Planners do much work before decision makers act.” If I understood correctly⁶, the decision makers could vary depending on political and administrative contexts. It could be the mayor, or the chair of a commission, or high-level appointed official, who have *de facto* final authority to make a decision on a certain major planning case. The authority can be delegated by the people, by a higher level government,

⁶ Forester (1999) did not specify who the ‘decision makers’ are.

or by the mayor. Even though planners do not have actual authority in the final decision making, planners play a key role in gathering information, providing professional advice, setting up alternative plans when necessary, and arranging various meetings. Hence, when “decision makers face inescapable and thus expectable problems—because they need help regularly assessing options, envisioning consequences, justifying choices, and so on—planners can both anticipate those needs and respond to them more or less well, ethically better or worse” (Ibid.). In other words, planners will have opportunities to influence when decision makers have questions or need any information or advice.

Thirdly, planners not only work with the decision makers, but also deal with other stakeholders from various sectors and a range of social classes, from developers having enormous amounts of economic capacity and planning consultancies armed with relevant planning expertise, the general public, to the socially disadvantaged who usually have neither relevant planning knowledge nor sufficient economic capacity. As Peters (2011, emphasis added) wrote, bureaucracies in general, where planners are a part, “function as the *principal interface between state and society*, so that citizens are more likely to come into contact with a bureaucrat of some sort than they are to come in contact with their democratically elected officials”. This means these officials usually are the ones that are most accessible for citizens (in the case of planning, stakeholders) when they need any information or have any inquiries. In planning processes, while planners deal with stakeholders from various sectors and perform their interfacing job at the working-level, it is likely that they have more information than any other participants.

Subsequently, with these resources that they have or can mobilise, what kind of emancipatory strategies can planners devise? As appointed officials within hierarchical organisations, unless a direction from a politician that they work for or their superior is against formal rules, they generally are to follow the policy and procedural directives, which is a structural constraint imposed to them. Yet, they have another ‘master’ to serve (Hutton and Massey, 2006): the public (for tensions in ethics for planners over the interests to be served, see also Campbell and Marshall, 2000a). Hence, they have a moral obligation or duty to pursue the public interest. When it is anticipated that the direction is likely to harm the public interest, planners may need to do more than merely follow this

direction. In other words, in order to achieve more desirable outcomes, more active roles are required for planners than merely ‘make-do’ or ‘satisficing’⁷ (Forester, 1984).

Three strategies can be considered, and preferably it would be more effective if they are combined together in their operation. The first and most direct strategy at hand would be using their administrative discretion and making ethical judgements based on it. The scope of their actual discretion would vary depending on contexts and situations. Yet, they are still provided with a certain amount of authority to make certain judgements. It is, however, clear that when their judgement differs from what their superiors – especially the mayor – want, generally their scope for discretion would be reduced.

Secondly, it is important to see that laws and regulations, which planners’ discretions and authorities are largely based on, can be another means of power. Seeking procedures and regulations, which is a part of their obligations, can be a double-edged sword, as can be seen from work-to-rule. Even though sometimes following them may be against the will of power, those regulations, to a certain extent, will be buttress of their behaviours. It is worth noting that this securing procedure is not only planners’ resources that can be utilised when they are against a will of power in pursuit of the common good, but this is also a duty (see Upton, 2002). In public administration, securing predictability and stability by following the rules is very important, however, this also can be seen as inefficiency or inflexibility depending on situations or perspectives (Peters, 2011). In some cases, this securing procedures without any flexibility and caring about its outcome is criticised as red tape, bureaucracy (in a negative sense), or self-protectionism (when bureaucrats only care about the security of their positions).

The third, and a less direct, strategy is combining their knowledge and information, both of which are their potentially effective resources or sources of power for planners. Considering the famous dictum by Francis Bacon that “knowledge is power”, knowledge can be an effective resource for planners towards achieving more desirable planning. If they have knowledge more than merely about technical or professional expertise, but also about how power operates under social structures of the context, and thus, as Forester (1982, 1984, 1999) emphasises, if they can “anticipate and counteract structural

⁷ These expressions are often used to demonstrate characteristics of public administration in decision making, which derived from discussions about the bounded theory. Original expressions derived from, respectively, Lindblom (1959) and Perrow (1972).

inequalities of power” (1984, p.29) within boundaries allowed to them in their everyday practice, it is likely that they can produce more desirable outcomes.

Given the situation that planners encounter in everyday practice that deals with stakeholders from a wide variety of sectors, performing interfacing jobs, and providing various type of supports (e.g. providing information, knowledge, advises and suggestions) in decision making, *information* may also be an effective source for them to utilise (Forester, 1982). If this information can be combined with the aforementioned type of knowledge and if planners are willing to use it ‘actively’ within their administrative discretion, information can be an effective source of power for planners, which Forester (1982) called a “progressive planner”.

This progressive attitude of planners does not remain in merely providing technical knowledge (though issues like ‘to whom’ or ‘in what way’ are still in question in this perspective) or, as was mentioned, ‘make-do’ or ‘satisficing’ in a given situation where various interests and values are contested. It also moves forward a liberal-advocacy perspective which suggests that enabling participation of stakeholders, especially people (or groups) who are underrepresented or relatively unorganised, and thus likely to be excluded in decision making. Through the enabling participation of the people, the liberal-advocacy advocates try to reduce unequal bargaining power between groups by providing “equal chance, equal information, and equal technical skills” to the underrepresented or relatively unorganised groups (Forester, 1982, p.69, see Davidoff, 1965).

Those perspectives indeed provide important insights about using information as a source of power for planners, and especially the liberal-advocacy perspective provides important ethical insights for more just planning. Yet, Forester (1982) argues that in the face of aforementioned structural constraints and socially unnecessary bounds, it is not enough to deal with those challenges. As was shown in table 3.3, misinformation can be generated, not only accidentally or inevitably, but also intentionally in interpersonal conversations, and more importantly, systemically by power that is rooted in social – particularly political and economic – structures. Therefore, he argues that more active ways of using and analysing information are required in a planning process to reduce and minimise those unnecessary types of misinformation.

Accordingly, Forester (1982, 1980), influenced by Habermas (1979)'s critical communications theory of society, suggests four conditions of communication for informed, un-manipulated actions for minimising misinformation: comprehension, trust, consent and knowledge. These are respectively derived from norms of pragmatic communication that Forester (1980) suggested: comprehensibility, sincerity, legitimacy, and truth. To put it another way, when those conditions are not met, communications or information can be distorted, and subsequently, confusion or distraction, false assurance, illegitimacy, and misrepresentation can arise. In everyday planning practice in a hierarchical organisation, where time and resources are limited, and incentives exist (mainly promotion), planners can be easily tempted to neglect the conditions and misinform (Ibid, pp.74-75).

Yet, like bounds (see table 3.4), there can be several types of misinformation. Some misinformation may be inevitable and unintentional, and some misinformation may even be generated for good purpose. Some misinformation may be generated for a convenience purpose within the situation of limited time and resource. Some misinformation may be generated deliberately and systemically by the exercise of power. In particular, the last type of misinformation, i.e. those that are produced deliberately and systemically by power, do occur frequently in planning practices (see examples in table 3.4), the outcomes of which frequently favours the powerful or the haves rather than lay people, particularly the socially weak and disadvantaged. In planning practices, sometimes jargon is deliberately used in order to make it more difficult for the public to understand; make vague agreements that can be interpreted differently in later stages; exaggerate benefits and understate costs or difficulties, establish symbolic institutions to show their openness or participatory process; or appeal to a public interest that actually is not anticipated to benefit the majority but only benefit the sectional interests (see more examples, see table 3.4).

Table 3.4 Examples of misinformation generated by the exercise of power and thus when the four conditions (comprehension, trust, consent, and knowledge) are not met (Source: Forester, 1982, p.73, 1980; a few more examples are added by the author)

The exercise of power (may work to obstruct)	Norms of pragmatic communication (and their relation to forms of misinformation to affected people)			
	Comprehensibility (confusion/	Sincerity (false assurance)	Legitimacy (illegitimacy)	truth (misrepresentation)

informed action through)	distraction)			
Decisions	Resolution passed with deliberate ambiguity; confusing rhetoric, e.g., regarding the “truly needy”	“symbolic” decisions (false promises); using (good) vague words deliberately that can be interpreted differently in implementation process	Decisions reached without legitimate representation of public interests but appealing to public consent as if this were not the case.	Decisions which misrepresent to the public actual possibilities (e.g., the effectiveness of insufficiently tested medications)
Agenda setting	Obfuscating issues through jargon or quantity of “information”; Rasterising files when upload key documents	Marshalling respectable personages to gain trust (independent of substance)	Arguing, e.g., that a political issue is actually a technical issue best left to experts	Before decisions are made, misrepresenting costs, benefits, risks, true options in the planning process
Felt needs shaping ⁸	Diagnosis, problem definition, or solution definition	Ritualistic appeals to “openness”, “the public interest”, and “responsiveness”; the encouragement of dependency upon benign apolitical others.	Appeals to the adequacy and efficacy of formal “participatory” processes or market mechanisms without addressing their systematic failures	Ideological or deceptive presentation of needs, requirements, or sources of satisfaction (false advertising, “analysis for hire”)

Should all the misinformation be treated as equally wrong? If not, in what condition can the misinformation be ethically allowed? Even further, in what condition would misinforming be the right thing to do? Certainly, all the aforementioned types of misinformation should not be treated as equally wrong. Rather, as Forester (1982) argues, misinformation can sometimes be ethically the right thing to do. In this thesis, however, I do not review this ethics of misinformation further⁹. I also agree that provision of

⁸ This felt needs shaping related to the ‘third face of power’ argued by Steven Lukes (2005).

⁹ For instance, Forester (1982, p.75) enumerates conditions for ethical misinformation.

misinformation is also a part of situated ethical judgement. Moreover, if we accept the importance of delivering or providing information and having communication without unnecessary distortions, we need to consider adding this as a part of universal values. I argue that these two elements are a necessary condition for procedural justice beyond its ritual and formal sense.

3.4 Summary

In this chapter, I have firstly reviewed urban governance as a contemporary common form or style of governing in urban politics where planning activities take place. Subsequently, power within urban governance was examined. This was followed by an exploration of how to apply the concept of justice in planning in real planning practices.

It has been widely witnessed that, particularly since 1990s, there has been significant changes in governing styles and the role of government, derived from retrenchment in public sectors, decentralisation, deregulation, and citizen empowerment. In this environment, government alone is often unable to cope with various multifaceted problems or to perform and deliver some complex policies effectively. In this context, various forms of coalition, partnership, and network are followed, mainly in order to increase capacity to act. Yet, this does not mean that governance has entirely replaced government. Government is still ‘there’ and playing an important role in urban politics in dealing with collective issues and achieving collective goals. Similar phenomena are, arguably, more distinctively seen at the city level. These changes, however, do not come without their problems. Various types of partnerships and privatisation make it difficult to clarify where the responsibility lies and who are accountable.

Whilst theories of urban governance focus mainly on analytical aspects of networks and partnerships with various actors in governing a city, other perspectives were briefly introduced. Urban governance is also understood, from a different angle, as a new tool or technique of local elites to achieve their interests. There are also normative views of governance, asking what good governance is. This perspective calls for greater attention on values of fairness and social justice through inclusionary participation, not only focusing on the effectiveness and efficiency which urban governance theorists have been mainly focusing on.

In order to understand power in urban governance, community power theories have been reviewed. So-called ‘faces of power’ debates were discussed. The first and second ‘face of power’ were explored, both of them focusing on an issue of ‘who governs’. It was argued that the second face of power is particularly useful. However, it was argued that both *agent focused*, and ‘power over’ understandings of power have fundamental deficiencies, in that they cannot capture the dynamic of formation or deformation of power which is shaped through *relations*.

This is particularly problematic to understanding power in urban governance where there are various types of partnership, coalition, and networks formed dynamically to deal with collective issues. Therefore, after Stone, a ‘power to’ – i.e. capacity to act – understanding of power was suggested. Yet, it was argued that the ‘power over’ understanding of power focusing on ‘who’ is still useful, whereas we should also focus on issues of ‘power to’, by asking questions ‘how, why, and in which contexts they form a collective power to act’. A Re-categorised four forms of power was reviewed, which were: command, coalition, systemic, and pre-emptive power. The first two are based on a ‘power over’ understanding without regard to structure. Systemic and pre-emptive power are related to social, political, and economic structures.

With the four forms of power, urban regime theory was also reviewed. Although this regime theory cannot provide sufficient explanation of power in local politics in Korea, as well as power in both the CRP and the DDCP, it was argued that this regime theory provides two important insights. One is about the ‘power to’ understanding of power, which is useful to explain power in urban governance in general. A second and more important insight is that although some groups who do not have adequate resources might be able to win ‘battles’ and certain gains, unless they are structurally anchored, either by acquiring systemic power or pre-emptive power, their gain is likely to be short-term, which means there is a high possibility of them eventually losing the ‘war’.

Planning activities are undertaken within the aforementioned urban political environment. The government often forms governance mechanisms with various groups, and actors, including planners, facing power in their everyday planning practices. Hence, subsequently, how we can apply the concept of justice in planning, which I conceptualised in the previous chapter, in everyday planning practices was explored. It was argued, after

Campbell (2006), that better and more just planning processes and outcomes can only be achieved through ethical judgements, between the universal and the particular.

It was argued that there are two very important things that planners must be aware of in making *situated* ethical judgements in real planning practice: power and bounds, the two of which are inter-related. They do exist in planning reality and are highly influential in planning processes and outcomes, however, they cannot be eliminated¹⁰ and thus should not be neglected. What we, as planners, are required to do is distinguish between inevitable bounds and socially unnecessary bounds, particularly those that are created by power systemically. Subsequently, we should develop strategies for anticipating and counter-acting the dark sides of power and minimising unnecessary bounds. In order to do so, an examination of resources that planners can mobilise was presented. Planners are armed with expertise and have a certain amount of authority, called administrative discretion, however they cannot always make final decisions. They also have many chances to work with decision makers and provide advice and information. They also play an interfacing role with various sectors, and throughout the process, they are often likely to have more information than other participants. Based on these resources, which can be converted into power, several strategies were explored.

Firstly, planners can make decisions based on their administrative discretion. Secondly, although it is planners' duty to follow laws and regulations, depending on situations, planners also can be protected by them, which enable planners to secure due process. Thirdly, Forester (1982) emphasises the importance of using information which can be an important source of power for planners depending on how they utilise it. His argument goes beyond the liberal-advocacy advocates who suggest equality in information, technical skills, and chances. He suggests that just as we distinguished bounds, planners should also distinguish between inevitable and socially unnecessary misinformation. Forester asserts that power and social structures are highly influential in the process of generating unnecessary misinformation intentionally, which therefore requires us to set strategies to reduce this structurally distorted information. It was argued that based on knowledge of how power operates, planners should anticipate the mechanisms of power and structural distortion of information. Subsequently, four conditions for un-manipulated communication were suggested: comprehension, trust,

¹⁰ In fact, power also *enables* us to change things in a way we want.

consent, and knowledge. Moreover, according to Forester, misinformation may also be a strategy and be ethically right for planners depending on situations. This, again, is a part of situated ethical judgement, which should be guided by universal. Consequently, justice in planning is an *art* of situated ethical judgement based on attitude, knowledge and strategies for pursuing justice.

CHAPTER 4: Democratic Transition and Contemporary Local Political and Planning Circumstances in Korea: Remaining Culture of Authoritarian Developmental State

4.1 Introduction

This chapter examines political and planning circumstances in Korea. As was briefly mentioned in Chapter 1, Korea is a country that has experienced economic and political development with unprecedented speed, from one of the poorest countries with highly restricted political freedom in the early 1960s, via democratic transition in 1987, it has now become one of the G20 countries and is widely regarded as one of the developed countries in terms of economically and politically. During the time, a democratic system has been institutionalised, and civil society has been considerably empowered. Diverse actors and interests now have the opportunity to make their voice heard and influence processes through several effective means including voting and lawsuit. However, some legacies of the developmental state and some limitations and deficiencies for democratic governance are widely witnessed in Korean society. These legacies often influence in generating less just outcome, especially for under-represented interest groups.

In this chapter, Korean economic and political development history; limitations and deficiencies for particularly local democratic governance; and their implication to planning are reviewed. In 4.2, the history of developmental state and democratic development is reviewed and the implications for planning practices are examined. In 4.3, the limitations and deficiencies of democratic governance with particular focus on planning in the local level are examined. In the section, personnel system in Korean public administration is also reviewed.

4.2 History of developmental state and democracy of Korea

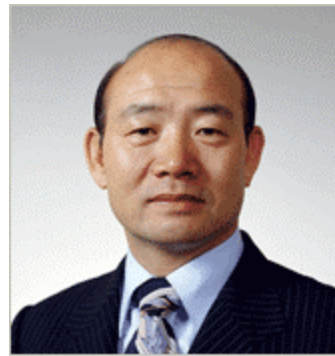
4.2.1 The rise and decline of the authoritarian developmental state (1961 – 1987)

Korea has developed its economy with unprecedented speed since the 1960s with the emergence of two military regimes. After experiencing Japanese colonisation from

1910 until 1945 and the Korean War from 1950 until 1953, Korea remained one of the poorest countries in the world until the early 1960s, suffering from poverty and lack of infrastructure. In this situation, General Park, Chung Hee (who became the President in 1963) staged a military coup and gained power in 1961 (see figure 4.1). Shortly after the assassination of President Park on October 26, 1979, his regime was followed by General Chun, Du Hwan who also became the President in 1980 through another military coup on December 12, 1979. Due to the lack of legal and procedural legitimacy of the regimes, they heavily focused on economic development to prove their competence and justify their regime (Johnson, 1999). Although there were differences in ruling and decision making styles between the two regimes (see Chung, 1989), as well as within each regime depending on the political or economic situations, I group them together as a ‘developmental state’, as they have many more similarities in contrast to other administrations.



Park, Chung Hee (61-79)



Chun, Doo Hwan (79-87)

Figure 4.1 Two Presidents gained power through military coups
(Source: Korea Office of the President)

This was possible based on an effective bureaucratic system with substantial autonomy stemming from the strong state’s power (Amsden, 1992). In particular, elite bureaucrats who were recruited through a meritocratic system, known as, technocrats – highly trained specialists – played a key role in the bureaucratic system. This capable bureaucracy enabled the undertaking of developmental policies consistently and effectively (Johnson, 1982, Amsden, 1992, Vartiainen, 1999). This type of state – setting economic growth as a fundamental goal and playing a strategic role with a considerable state power and an effective bureaucratic system – is called a ‘developmental state’, and

this type of ideology or concept is called ‘developmentalism’ (Kim and Kim, 2008, Johnson, 1982).

The core of the development strategy was export-oriented industrialisation (Minns, 2001). Based on the capitalist economic system¹, the regimes set development plans and distributed the scarce resources strategically to nurture key industries² – through direct investment with state enterprise or through primarily selected firms with substantial support – and built infrastructure such as ports and motorways. Here, the name of this strategy, I term, ‘select and concentration’. During this process, the state had a close partnership with a small number of big private firms, called *Chaebol*, who were provided privileges and substantial financial and institutional support (Johnson, 1982, Kim, 1993, Kim et al., 2004). In contrast to the support to the big private firms, the state repressed opposition movements or groups such as labour organisations, political parties (mainly the left) or other popular groups through an authoritarian manner by utilising strong state power (Kim, 2010a). Worker’s rights, for instance three basic rights for labour³, and basic human rights for example freedom of expression or assembly had been strictly limited during this period (Kim, 1993, Lee, 2008).

The power of the state had been highly concentrated through an executive body with the President at the top, whereas the power of the legislature⁴ and the judiciary was weak and subordinated (Kim, 2012a, Jung, 2010). The Korean bureaucratic system had the following distinctive characteristics. Firstly, economic development had been the most important policy issue and social, labour, or environmental issues had been subordinated (Kim, 2012a, Holliday, 2000, Chung, 1986, Fiori and Kim, 2011). Secondly, based on the strong power of the President⁵ and “ex-post rubber-stamp approval from the ruling party-government-coordination-committee” (Chung, 1986, p.39), unchecked and substantial bureaucratic autonomy was secured. Hence, the executive body could be

¹¹ Although Korean economic system set based on the capitalism, Johnson (1982, p.18-26) argues it is different from the US model of, called, ‘market rationality’. Instead, he explained model of capitalist system in developmental states with the state intervention based on ‘plan rationality’.

² At the early stage of the development until 1960s, the state nurtured light industries, which changed to heavy and chemical industries from 1970s.

³ (1) the freedom of association, (2) collective bargaining, (3) collective action

⁴ Korea is adopting a presidential system both in national and local level.

⁵ Although there has been direct election until the amendment of the constitution in 1972 in the national level, unfair and rigged elections as well as repression to the opposition parties made it very difficult to function representative democracy both in presidency and parliamentary level (Cotton, 1989). Moreover, institutionally the power of the legislature was weak and therefore, they could not perform check and balance the executive body and the President.

considerably insulated from politics and interest groups and could consistently pursue a ‘neutral’ national goal. Derived from its economic development-centred and ‘apolitical’ bureaucracy operation, Korean bureaucracy developed a technocratic style of policy making and implementation which valued more on ‘objectively’ analysed data (Chung, 1986). Korean bureaucracy had a managerial perspective which prioritised values of “efficiency, effectiveness and economic feasibility” (Kim, 2012a, p.14), which was partly influenced by military culture⁶ (Chung, 1986).

With regard to decision making, as Chung (1986, p.41) defines it “Government-Leads-People-Follow”, meant that most important decisions including macro-economic or national spatial policies, were made by the President and elites bureaucrats (Chung, 1989, Kim, 2001), and public involvement in the decision making process was very restricted (Fiori and Kim, 2011). The majority of policies during the growth-oriented regimes favoured economic growth, whereas many social, environmental, and labour issues were sacrificed or neglected. However, due to the un-institutionalised public participation system, citizens and stakeholders did not have access to the decision making process (Lee, 2005b). In addition, the authoritarian regimes were very repressive of opponent groups or activists. As a result, unjust or less just outcomes for minority interests and groups were frequently generated in public policies, including in planning.

The centralised and executive-led planning style focusing heavily on economic development can be seen in spatial planning at national, regional and urban levels. Spatial policies, through 10-year national territorial plans, were closely linked to macro-economic policies (e.g. five-year economic development plans), and were often utilised to back up industrial or other economic planning (Kim, 2001, Joo, 2012). The strategy of ‘select and concentration’ had also been applied to maximise economic efficiency, and therefore, investment has been concentrated on a small number of cities and regions which caused significant regional imbalance (Douglass, 2000b).

During the period of the developmental state, local government was merely a part of the national government, and the main positions in local government, including the mayor, were appointed by the central government. Likewise, a public participation system was not established at the local level. As Kim (1999b, p.21) wrote, “[p]lanners and

⁶ There had been close relation between regime and military. Throughout the military regimes, many military officers had joined to the legislature (ruling party) and high position of executive sectors to control the sectors (Kim, 2012a, pp.16-17), which resulted in influence of military culture in those organisations.

developers believed that they knew better than did ordinary citizens how to design cities and urban environments and felt that they were in a better position to serve the public interest”. Planning policies were made by ‘professionals’, and citizens or communities were very often excluded from the process. As a result, the accountability of local government to its residents was very low. Moreover, urban policies were highly focused on physical elements as well as aspects of quantity and speed to ‘catch up’ and address rapidly increasing needs caused by the unprecedented speed of urbanisation (Kim, 2001, Kim, 1999b) (see figure 4.2). A massive number of redevelopment projects were undertaken, particularly in big cities. However during this time, a social security system, such as social benefit payment or a social housing system, was not fully established and basic rights were hardly recognised. As a result, there had been significant number of evictions and removals of informal housing by force (see Kim, 1999a).

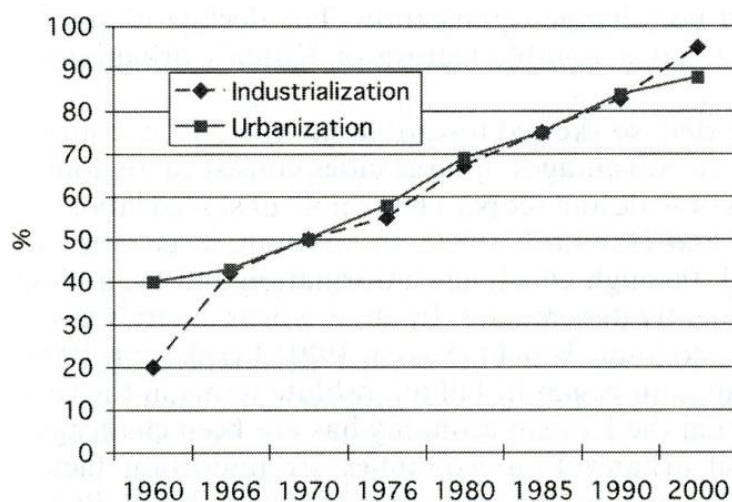


Figure 4.2 Urbanisation and industrialisation⁷ in Korea between 1960 and 2000
(Source: Choe, 2005)

The developmental state, however, gradually declined with the erosion of state autonomy due to the inherent contradictions of developmentalism (Minns, 2001, Kim, 1993, 2010a). As the Korean economy developed, the power of market and civil society also became stronger, which resulted in increasing social conflicts (which had been repressed) and relatively weakening state autonomy. During the process, an ever growing

⁷ Industrialisation means the combined proportion of manufacturing and service industries in the total industry.

‘new’ middle class⁸⁹ – college-educated professionals, clerical and other white-collar-workers – and college students who were keen on political freedom participated actively in the democratic movement against the authoritarian regime (Koo, 1991, Shin, 1999). Moreover, the inefficiency of the state-led economy (known as government failure) and harmful effects caused by the long term un-checked power of the state and its close relation to a small number of firms (called ‘crony capitalism’) had grown. As a consequence of this decline of power of the state in relation to other sectors, increasing inefficiency of the system, and increasing people’s resistances, Korea finally achieved democratic transition in June 1987.

4.2.2 Democratic transition, rising power of the civil society and the quest for the quality of life

The achievement of the democratic transition by civil power has brought about a fundamental change to Korean society. In particular with regard to the urban redevelopment, this needs to be examined with two inter-related key themes: establishing democratic political system and decentralisation. First and foremost, it is democracy which has affect Korean society most significantly since 1987. Starting with the amendment of the constitution, the democratic system has been established and has gradually developed, and it is argued that Korean democracy is consolidated after two times of turnover of power in 1998 and 2008 (Im, 2009, Jung, 2010). There also has been considerable development of people and works’ right through various types of institutionalisation in legal and administrative systems (Lee, 2008). Throughout the amendment of the constitution and legislation, the power of the legislature has become strengthened whereas the power of the executive – President and bureaucracy – has become more restricted. This empowerment of the legislature along with the establishment of the direct elections of the national – the President and member of

⁸ Whose value is in general different from the ‘old’ middle class consist of entrepreneurs and self-employed wholesale and retail traders (Shin, 1999, p.31).

⁹ The percentage of the new middle class has increased from 5.5% among the employed persons in 1960 to 23.0% in 1990 (Shin, 1999, p.33).

assembly – and local – e.g. the mayor and member of local parliaments¹⁰ – increased the state’s accountability to popular demand.

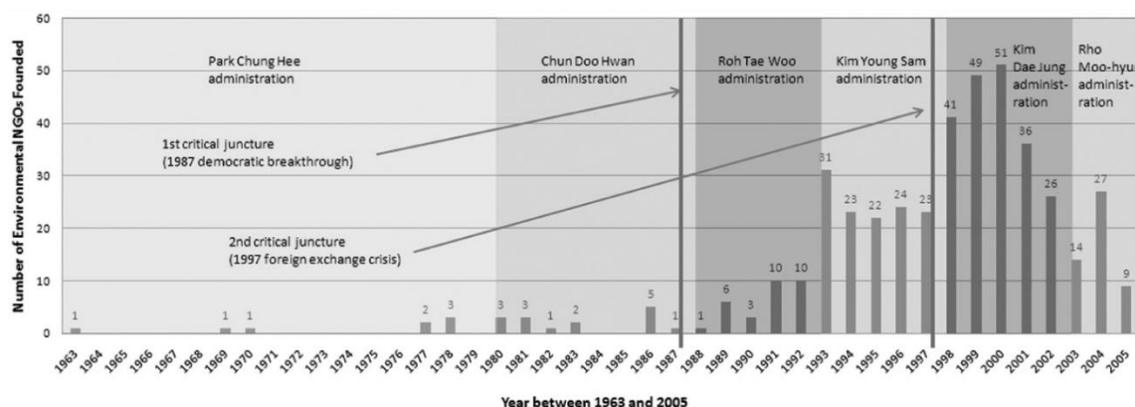


Figure 4.3 Number of environmental NGOs established in Korea, as a barometer of increasing power of civil society (source: Ju and Tang, 2010)

The democratic system has been enhanced especially under two relatively progressive administrations – Kim, Dae Jung and Roh, Moo Hyun¹¹ – between 1998 and 2007 (Im, 2009). Kim, Dae Jung administration (1998-2003), attained power just after the IMF economic crisis in 1997, and embraced and supported civil society and NOGs (figure 4.3) (Im, 2009, Ju and Tang, 2010). In particular, during the Kim, Dae Jung administration, not only were institutional, legal and financial supports for NGOs have provided, but there was also frequent communication with NGO leaders (Joo, 2000). In this regard, Joo (2000, p.8) stated: “[f]or the first time in Korean history, government tried to accept NGOs as a formal partner of national governance”.

The civil society was further empowered during the Roh, Moo Hyun administration, and became one of the ‘pillars’ of governmental power during his term (Im, 2009). The presidential advisory committee was founded, and also a new position in the Blue House¹² of senior secretary for civil society¹³ was established. Diverse

¹⁰ More in detail, the metropolitan (or provincial) and local council representatives are started to be elected in 1991 and the election of the head of metropolitan (or provincial) and local governments started in 1995. In 2010, education chiefs of the metropolitan (or provincial) are also started to elect directly.

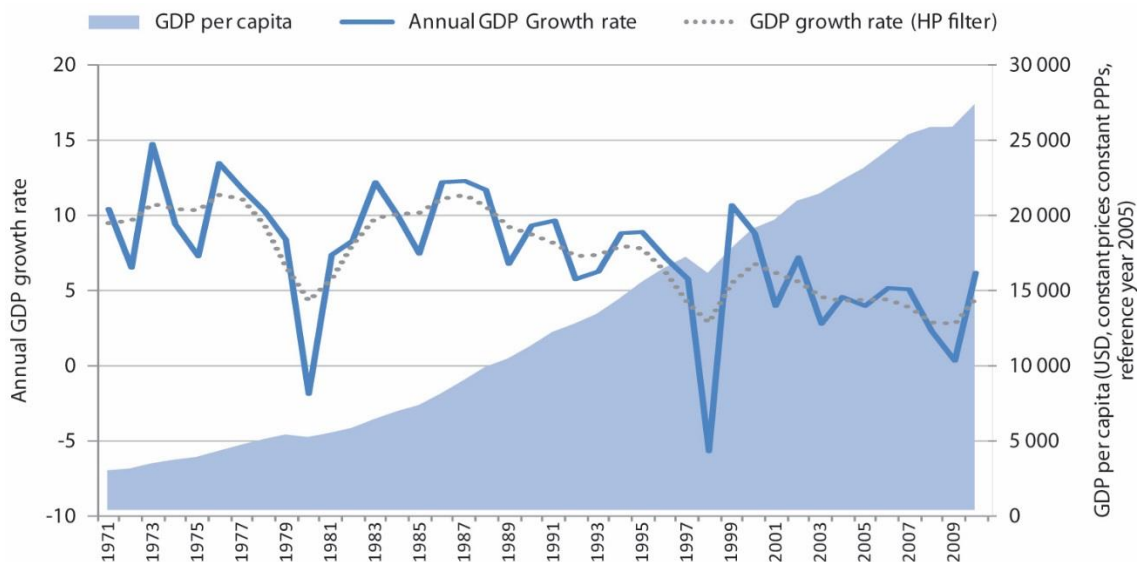
¹¹ We also can see signs of this characteristic through their name of administrations: “People’s Government” in Kim, Dae Jung administration and “Participatory Government” in Roh, Moo Hyun administration”.

¹² Blue House is the executive office and official residence of the Korean President.

¹³ The official name of the position was “Senior Secretary to the President for Non-governmental Organizations”.

committees were also established in the governmental sector and leaders of civil society and interest groups were appointed as members (Kim et al., 2008). Through these supports and institutionalisations, the government attempted to broaden the participation of citizens, NGOs, stakeholders, and businesses in policy decision making and daily administration to overcome some of the drawbacks of government-only decision making, to reduce conflicts and bring new ideas and expertise from civil society (Jung, 2010, Jeong and Oh, 2010).

In addition to the development of the democratic system, it is worth noting some important phenomena regarding planning after the democratic transition. Firstly, despite the decline of the developmental state, the Korean economy has kept growing rapidly (figure 4.4). The industrial structure has also moved from the primary towards the tertiary sector (see table 4.1). This industrial structural change is most distinctive in Seoul and its economy has rapidly shifted towards knowledge, finance, business and consumption. As a result, the population of the new middle class dominates (table 4.2) and their political power has become ‘hegemonic’ (Cho, 1997, p.198). In addition, the previous rapid urbanisation has stabilised (it reached 82.7% in 1990 and 90.5% in 2007) and a paradigm of planning policy (both in national and local level) has been changing from ‘growth first’ or ‘catching up’ to emphasising sustainability or liveability (Won, 2010, Kwon and Um, 2009).



Note: Hodrick-Prescott (HP) filter is commonly used to smooth trends of macroeconomic series such as GDP to identify the long run path of economic series.

Figure 4.4 GDP growth and income per capita, Korea, 1971-2010 (source: OECD, 2012, p.9)

Year	Primary Sector	Secondary Sector	Tertiary Sector
1960	66.2	9.4	24.4
1965	58.5	13.3	28.3
1970	50.4	17.2	32.4
1975	45.7	23.5	30.9
1980	34.0	28.7	37.3
1985	24.9	30.5	44.5
1990	17.9	35.0	47.1
1995	12.4	32.9	54.7
2000	10.9	27.8	61.4

Table 4.1 Change in the Composition of the working population in Korea's three main industrial sectors between 1960 and 2000 (%) (Source: Shin, 2003a, p.203)

	1980	1987	1992	1994	1997	2000
All occupations	2391 (100)	3404 (100)	4777 (100)	4894 (100)	4909 (100)	4571 (100)
Professional & technicians	153 (6)	280 (8.2)	– (24.5)	1201 (26.6)	1307 (28.6)	1307
Administrative	31 (1.3)	110 (3.2)	1700 ^a (35.6)	–	–	–
Office & clerical	564 (23.6)	814 (32.9)	– (16.8)	823 (15.7)	774 (13.6)	662
Sales	654 (27.3)	736 (21.6)	–	–	–	–
Service	247 (10.3)	431 (12.7)	1539 (32)	1669 (34)	1251 (25.5)	1191 (26)
Agriculture & forestry	20 (0.8)	15 (0.4)	22 (0.5)	17 (0.4)	14 (0.28)	9 (0.2)
Production & equipment	723 (30.3)	1017 (29.9)	1516 (31.7)	1184 (24.1)	1563 (31.8)	1432 (31.3)

^a Total for professional and technician, administrators and clerical. Numbers in service of the 1990s are the total of sales plus service.

Table 4.2 Occupational structure in Seoul between 1980 and 2000 (%) (Source: Shin and Timberlake, 2006, p.160)

As well as reform of the political system at the national level, there also has been fundamental restructuring in local political systems. Through the introduction of direct election for local representatives, local politics became more accountable to the residents. Together with the establishment of the local democratic system, devolvement of power

has been started, which has been accelerated since 1998 until 2007 again under the relatively progressive administrations (Bae and Kim, 2012, Bae, 2009). The decentralisation has been progressed by comprehensive plans and legislation, such as Law for the Promotion of Transfer of Central Authorities and Special Law on Decentralization Promotion (Bae, 2009, p.466). Along with the institutionalisation of the local democracy, devolving power to the local level, and empowerment of the civil society, citizen participation has become more active in local policy making (Bae and Kim, 2012).

The development of the democratic system and devolved power to the local level has in turn brought about fundamental change in local planning arenas. With regard to institutional change, firstly, opportunity for participation in planning decision making has been enhanced. Although public participation was institutionalised in 1981¹⁴, “within the previous central government-led Korean urban planning system, although the resident participation is legally guaranteed, it just remained in formalities for administrative expediency” (Lee, 2005b, p.101). It is since democratic transition and the establishment of local democracy that the public participation system has in effect operated in earnest (Lee, 2005b, Kwon, 2004, Jeong and Cho, 2002). Moreover, the committee system in local planning has also been further developed and sometimes plays an important role (Moon, 2011).

Moreover, emphasis on education during the period of industrialisation and continuous economic development has resulted in a growing number of the highly educated new middle class who tend to have different political values (Flanagan and Lee, 2000, Shin, 2003a), as well as different perspectives on planning (Bae and Sellers, 2007). This educated new middle class is the main agency contributing to political and institutional restructuring. Many of them actively participate in NGOs or civic movements pursuing progressive values, such as improvement in basic human rights. As well as socio-political issues, they also highly concerned with issues of liveability and environment, which change the priorities of planning policies. The importance of non-economic issues, for instance preservation of history and environment, enhancing amenity, or providing public plaza or park has increased (Kwon and Um, 2009). In this respect, significant efforts have been made to restore the once damaged natural

¹⁴ Public hearing and public inspection became available since the amendment of Urban Planning Act in 1981.

environment or historical heritages, such as stream restorations projects in several cities (for example, see Kim, 2005) including the CRP in Seoul.

4.3 Korea, a Fair Democratic and Pluralistic Society Now? Legacies of developmental state and Limitation of Democratic Local Governance

4.3.1 Limitation of democratic governance in the national level and legacies of the developmental state

Although it is generally acknowledged that the developmental state demised after the democratic transition and the democratic system has developed especially since the emergence of the relative progressive governments (1998 – 2007), there are legacies of the experience of the developmental state which remain and influence Korean politics, public administration and society. Regarding political culture, Kwon (2010) shows, by analysing the 2007 election, economy¹⁵ was by far the most important electoral issue and argues that there is still nostalgia for the period of fast economic growth. Similarly, through a comparative research with Denmark and Korea, Kim, U. *et al.* (2002) argue that people are more fond of strong political leadership than in Denmark and tend to give legitimacy to – or at least tend to accept – strong and active government intervention.

Despite the democratic transition, empowering civil society, decentralisation, and broadening public participation in policy decision making, which reduce the power of the state, it is argued that the state is still, at least, able to exert relatively strong power over other sectors. Although some scholars (e.g. Jeong, 2007) argued during the Noh administration (2003-2007), when public participation was at its peak, that the power of the state had become very weak, and the state experienced significant difficulties to control and mediate social conflicts and interest groups, especially the ‘vested interest groups’¹⁶. However, as can be seen with examples such as economic reform policies after the East Asian economic crisis in 1997 (Hundt, 2005), suppression of protest over U.S. beef in 2008 (Oh, 2012), and enforcement of the Four-River Project from 2008 to

¹⁵ In response to a question “what do you think is the most important issue that a new government must deal with?”, 42% people answered ‘reduction of economic polarisation’ and 36% answered ‘economic growth’ (Kwon, 2010, p.192).

¹⁶ Jeong, S. H. (2007) used the term “extreme pluralism” (which is also called ‘hyper-pluralism’) when he described severe social conflicts during the Noh’s presidential term.

2012 despite the national wide opposition (Park, 2011), it should be argued that the state is able to exert relatively strong power over other sectors when it is necessary.

Moreover, the power of the state is still highly concentrated in the executive, especially the President; and to the national government, not the local government. Moreover, although there has been significant empowerment of civil society, some sectional interests and classes are not well represented in the political arena and civil society. Firstly, Choi (2010b) argues that in spite of the democratic transition and decentralisation, there has still been strong centralisation of power to the President and bureaucracy and there is still domination by the executive over the legislature, which stems from the developmental administrative culture. Secondly, Park (2006, 2000) argues that despite decentralisation, the autonomy and power of local government is still highly constrained, especially through fiscal and ministerial regulation, which is explained more in-detail in 4.3.2. Thirdly, Choi (2010a, b) points out an important problem in Korean representative democracy: some sectional interests, mainly big firms or professionals, and social groups (or classes), e.g. the (both old and new) middle class or above, are often over represented, whereas labouring class or the poor, who mainly are socially disadvantaged, are not. This was also the case in local politics. This, he argues, fundamentally stems from the history of the developmental state and experience of anti-communism and cold war. As a result, progressive political groups has not been well rooted within the Korean political power structure.

4.3.2 Main issued and power relation within the local government and between the local and central government

Since the democratic transition in 1987, political circumstance has rapidly changed in Korea in what is generally acknowledged as a ‘developmentary’ way. Many scholars see Korean democracy as being ‘consolidated’ by 2007, which took only 20 years since the democratisation. In the case of local politics, the political circumstances changed rapidly, and hence, those in 2002 when the CRP project started to be discussed and those of the present day or those of when the local election was first taken (in 1995) are generally very different. In this sub-section, therefore, I mainly focus on the general local political and planning environment of the 2nd (1998 – 2002) and 3rd (2003 – 2006) term of local democracy, when the CRP and the DDCP were undertaken.

Empirical research after the establishment of the local democracy, for example Park (2000), Park (2004a), Kim (1998a), Jeong (1998), and Bae and Sellers (2007), found several limitations in the local democracy and governance. Firstly, similar to the central political power structure, there is a strong centralisation of local political power. As Park stated (2006, pp.18-19), “[t]he mayor and the local council officially share budgeting, legislation of ordinances, and other policy-making functions. However, the power of local government is organized in favor of the mayor over the local council. For instance the mayor has the authority to appoint local bureaucrats, to submit a budget of expenditures and revenues, and to veto ordinances passed by the local council”. The mayor dominates the local political process over the local legislature and merit based appointed bureaucrats (also see Jun, 2008). The mayor also monopolises key or sensitive policy making processes by controlling the bureaucrats and local government owned research groups¹⁷.

There are also many limitations and constraints for the local legislature to check the local executive. Firstly, especially until the fourth local council term (2002-2006), local councillors were unpaid jobs. Therefore, their expertise and capacity were quite low (Um, 2000). There were also lack of expert members who could supplement the councillors’ lack of capacity and expertise (Choi, 2006). Moreover, legally, there are many limitations that the council can check the executive. For example, mayor have right to appoint secretary-general of local council from one of officials in the executive, and thus it is institutionally quite difficult to check the executive (see other examples, Kim, 2008c). There were also ‘exchange relationships’¹⁸ shaped between the mayor and local councillors derived from the local political structure. The mayor can utilise his local network as well as his authority to be able to finance pet projects of councillors, and as a reward, local councillors give political support in the local parliament (Park, 2000).

It is important to note that, local politics are strongly affected by central politics. Even though there has been continuous decentralisation of political power, the actual autonomy of local politics is highly constrained by central government through fiscal and ministerial regulations. In particular, the local government is not fiscally independent from the central government, which significantly constrains local autonomy (Lee and Lee, 2003). Yet, it is important to note that Seoul is an exception derived from its fiscal

¹⁷ Although “Official Information Disclosure Act” is legislated in 1996 and local councillors have legal right to request information, still there are many ‘bureaucratic limitations’ for key or sensitive information to be disclosed (see Jun, 2008).

¹⁸ In some cases, patron-client relationship are also found (see Park, 2000, p.349).

independence, and higher political status of the mayor. This is reviewed more in-detail in Chapter 6.

4.3.3 Local political power structure outside of the local government

Within the pluralistic society policy decision making is open in principle to every citizen through various means. The importance of the role of non-governmental actors are increasing. It is particularly important to examine actors outside of the government who influence or participate in decision making process. In this section, I briefly examine two main actor groups: local businesses and NGOs, the two groups which actively involved in the process of the CRP. It is important to note that it would be difficult to generalise about their power and status in local politics in Korea. Not only because there is not much empirical research, but also it is highly depending on issues, actors, localities, and various situations. Therefore, in this sub-section, I would like to illustrate a broad ‘picture’ of the actors in Korean local politics. It is also worth noting that local media also influence public opinion and decision making (Park, 2004a). However, there is no such local media in Seoul, and main issues of Seoul are generally dealt in national media. Hence, I do not review the media as an actor group in local politics in this section.

With regard to local business groups, Park (2000) and Bae and Sellers (2007) show with empirical case studies that local-based business interests groups are not well-organised and not much influential in the local politics. Although business organisations tend to be formed industry by industry and influencing on the policy decision making in the national level, they are rarely as much influential in the local level. This was also the case in the CRP. Although the CGC market was one of the largest conventional market with a long history, most of business groups were not organised well when the project started. This will be reviewed in-detail in Chapters 6 and 7.

In the case of NGOs, it has been witnessed that NGO’s generally became more powerful and influential in local politics (Park, 2006), until Roh’s presidential administration¹⁹. Regarding local based NGOs, five empirical cases in Park’s edited book (2000) showed that although local based NGOs sometimes expressed opposition through

¹⁹ Even in Roh’s administration, some environmental NGOs lost trust and became weak (Kim, 2012b), however, I do not review this in-detail in this thesis.

mobilising activisms to create public sentiment, “they have been yet rarely successful” (Park, 2000, p.358). Neighbourhoods also in general are not well organised and are not very interested in issues which are not directly related to them (Park, 2000, Park, 2004a). However, empirical research shows that when issues are directly related to the residents, they become very active, and together with NGOs, they sometimes block the mayor’s will. This can be categorised into two types which are often witnessed: issues related to liveability (Bae and Sellers, 2007) and issues generates negative externalities²⁰ (Kim, 2004, Kim, 1998b). What was interesting in many cases, the opposition groups (usually neighbourhood groups) joined with environmental NGOs, and NGOs could provide the neighbourhood groups with useful knowledge for opposition activities, such as legal information.

4.3.4 Brief review of Korean local public administration environment

4.3.4.1 Hierarchical public administration with a rank classification system, and planners in Korean local public administration

There are generally two types of classification systems in public personnel administration: one is position classification system, and the other is rank classification system (Department of Economic and Social Affairs, 1999, pp.73-74), and Korean public administration adopts rank classification system, which emphasise on career structure and personal status. In this system, “each position can be analysed as the basis for allocation to the proper rank” (Ibid., p.73).

In Korean public administration, in a ministry of the central government, there are two levels of public official in political service, one is a cabinet ministerial level (the minister) and the other is deputy-minister level (the deputy minister(s)). Under these two levels, there are nine levels, which mainly consists of general administrative officials. In this system, higher than the 4th level official (director level, department leader) are generally regarded as managerial level, and officials higher than the 3rd level are regarded as elite or senior executive officials (see Kim, 2008b). Moreover, when a person pass the Civil Service Examination the Higher Civil Service Examination, which is the highest level examination in public administration in recruiting officials, he / she become a 5th

²⁰ This is sometimes called NIMBYism (Not-In-My-Back-Yard-ism) with a negative connotation.

level official (team leader or deputy director level) and are provided a fairly high authority. In this thesis, high-level officials refers to officials higher than the 5th level. In addition, in this thesis, working-level officials refers to officials who are 4th level and below who deals with policy making and implementation on a ‘street’ (means they actually meet people and have coordination with them, rather than merely supervising tasks).

Under this classification system, because the level of officials is closely related to the amount of their authority and administrative responsibility (Department of Economic and Social Affairs, 1999), in this thesis, I state officials level when necessary. Furthermore, under this rank classification system, there is no officials who specifically dealing with everyday space-related issues, like planners in the US and the UK. As will be discussed below with job rotation, officials change their positions periodically and may become in charge of very different issues. In this thesis, I suggest that planner in Korea means working-level officials (4th level and below) who are dealing with and in charge of space related issues.

It is worth mentioning again that it is also widely acknowledged that top-down decision making and authoritarian culture are still remaining in Korean public administration as have been reviewed in this section, and this is also the case within the government organisation (Park, 2004b, see also Huh, 2013). This meant that generally officials’ administrative discretion is strongly bounded by their ranks within the organisation and situations, meaning depending on the mayors and supervisors. Moreover, based on the context of the ‘still strong state’ (see 4.3.1), arguably officials in the Korean public administration, including planners, have generally higher authority and more powerful over other groups in Korean society than other countries.

4.3.4.2 Job rotation, its advantages and disadvantages

In order to analyse the two planning cases, it is important to understand job rotation, which is one of the basic principles of personnel management system in Korean public administration. It was initially designed to reduce stagnation of officials’ capacity and decrease motivation by taking a position for too long time (Kim, 2008b). Apart from this initial purpose of the job rotation, according to human resource literature, the system

has several advantages. Firstly, the system can be advantageous when an organisation²¹ or departments within an organisation co-produce or collaborate for a task, by reducing coordination cost and transaction cost (Alchian and Demsetz, 1972). Through the job rotation, employees would have opportunities to work in other departments or groups in charge of different tasks, and therefore, they would be able to understand other tasks and cultures of other groups better. Secondly, as Eguchi (2005) shows, the system can contribute to reducing corruption. This is particularly the case for certain positions that have higher potential for corruption. Because employee rotate positions periodically, it make it difficult for employees to have long term ‘undesirable’ relationship with certain groups, and thus the corruption could be reduced systemically. Thirdly, this system enhance aspects of distributive justice within organisation (Oh, 2013). Within the rank classification system in the Korean public administration, officials receive the same amount of wage, mainly according to ranks and years of service. Yet, business intensity differs within organisations, and therefore, through the job rotation, employees would have largely fair amount of business intensity over years.

Simultaneously, the system has been highly criticised by many scholars (inter alia, Kim, 2008b, Song, 2003b), due to the inefficiencies, irresponsibleness, and hindering development of expertise of officials, caused by too frequent reassignment transfers. Firstly, in this system, reassignment occurs ‘partly’²² regardless of the employees’ preferences, aptitudes and expertise, which could resulted in reduce in motivation for some officials. Secondly, when officials change, there is ‘transfer cost’. This means it takes time and energy, which could be unnecessary (which again is an inefficiency), to take over their tasks to successors (many of which would be ongoing) and to understand other tasks that they are taken over from others. Thirdly, due to this change, especially in the middle of a task, it cause blurring responsibility, about who is responsible for an issue or task. Fourthly, this change also make it difficult to accumulate expertise and professional knowledge in a position.

²¹Job rotations in the Korean public administration usually are arise within an organisation (here means ministerial level) rather than inter-organisation.

²² There are some other systems to reduce the following disadvantages, for example by combining some aspects of a position classification system.

Tenure Rank	~1 yr	1 ~2 yrs	2 ~3 yrs	3 ~4 yrs	4 ~5 yrs	5 yrs~
Senior Executive	61.2%	27.6%	9.2%	1.0%	1.0%	0.0%
Rank 1	75.0%	25.0%	0.0%	0.0%	0.0%	0.0%
Rank 2	45.6%	42.2%	9.5%	1.4%	1.4%	0.0%
Rank 3	48.9%	37.2%	9.1%	3.0%	0.7%	0.9%
Rank 4	47.0%	33.9%	12.3%	4.3%	1.5%	1.1%
Rank 5	39.1%	38.3%	16.1%	3.8%	1.3%	1.4%
Rank 6	28.6%	41.2%	15.0%	8.1%	2.7%	4.3%
Rank 7	29.7%	40.1%	14.1%	8.5%	2.8%	4.8%
Rank 8	26.9%	42.3%	15.8%	8.0%	2.4%	4.7%
Rank 9	44.8%	41.8%	7.8%	3.5%	0.6%	1.5%
Senior Executive + Ranks 1 ~3	50.1%	36.8%	9.2%	2.4%	0.9%	0.6%
Ranks 4~5	41.8%	36.8%	14.8%	4.0%	1.4%	1.3%
Ranks 6~9	30.8%	41.2%	13.9%	7.6%	2.4%	4.2%
Total	33.3%	40.2%	14.0%	6.8%	2.2%	3.6%

Table 4.3 Transfer rate by tenure in (surveyed in 2006) (source: Kim, 2008b, p.69)

In the current Korean public administration, these disadvantages are particularly a problem because the reassignment transfer occurs too frequently. As can be seen in table 4.3, transfers occur around one year in average for each official and position. According to Kim (2008b), average incumbency term is approximately five years in developed countries, and compared to this, he argues that incumbency term in Korea, which is around one year, is too short with consideration of the disadvantages.

4.5 Summary

In this chapter, I have examined the economic and political development history of Korea, from developmental state to Roh, Moo Hyun administration, often called ‘Participatory Government’. During the period of the developmental state, economic growth was the fundamental goal of state policy. Policy decisions were mainly made by the state, while public participation rarely existed. In this process, values of efficiency were highly prioritised at the expense of neglecting or sacrificing other values, especially equity or democracy, frequently with justification of ‘national interest’, primarily economic growth. The power of the state was highly concentrated in the President and bureaucrats, whereas the legislature was very weak. The rapid industrialisation caused

rapid urbanisation, and therefore, urban policy was prioritised on ‘catching up’ to meet the rapidly increasing needs.

Economic growth and enhanced education has resulted in an ever growing new middle class, who became a main internal force of the democratic transition in 1987. Since the country was democratised, a democratic system has been established and institutionalised. The power of civil society and NGOs has become continuously stronger, which has been accelerated in 1998 when the relatively progressive government gained power. They came to actively take part in policy decision making and became a pillar of the power in state. Local democracy was also established in 1995 and local politics become more accountable to the residents’ needs. There also has been significant decentralisation since the democratic transition, which also was accelerated in 1998. Local government is not merely a part of the central government as it had been during the period of developmental state, but is now, in principle, a fairly autonomous government accountable to the residents.

Although there has been significant development in both economy and politics, there are still legacies of the developmental state and some limitations and deficiencies for democratic governance within Korean politics and society. Power is still relatively centralised to the Presidents and bureaucrats rather than the legislature. As a result, parliament representatives cannot check the executive with the President at the top. Moreover, some sectional interests are politically over represented in the legislature, whereas some are under. This was also the case in local politics. Together with ideological issues as a divided country, power of progressive groups are generally weak in Korea. The aforementioned phenomenon also can be found at the local level, and local power is strongly concentrated in the mayor and the executive.

Lastly, Korean public administration system was reviewed. Several terms in relation to officials used in this thesis was defined and explained, for example elite official and working-level official. Because there is no official who specifically deal with space-related issues under a rank classification system and job rotation, I suggested that planner in Korea refers to working-level officials who deals with space related issues. Job rotation system and its advantages and disadvantages were demonstrated.

CHAPTER 5: Research Questions and Methodology

5.1 Introduction

This thesis aims to evaluate the justness of the CRP and the DDCP with a primary focus on issues for merchants, and to use this as a lens to explore the possibilities of establishing a more just planning in Korean society. A conceptual framework for analysing and evaluating the two projects was developed in Chapters 2 and 3. It was argued that justice in planning can only be reasoned and achieved through a politics of the common good and by situated ethical judgements guided by universal values and practical principles. Subsequently, this chapter presents the design of the empirical part of this research and reviews the arising methodological issues.

The chapter starts by developing the research design and identifying the research questions required to achieve the research objectives. Subsequently, the main methodological issues in this type of research are reviewed in Section 5.3. Finally, the chronological process of the empirical part of the research is demonstrated, and the main methods and issues in data collection processes are reviewed in Section 5.4.

5.2 Research design and research questions

5.2.1 Research design

As was stated in Chapter 1, it was claimed by the SMG and proponents that the two projects followed a ‘democratic processes’. Indeed there was participation of leaders of various social sectors and groups, as well as representatives of merchants in the processes, which were not actually required by the law. Therefore, a question that initially motivated me was: *why the seemingly unjust consequence in relation to merchants was brought about after the two projects, even though the seemingly formal democratic processes with participation of various sectors and negotiations with merchants were followed, and merchants were happy with the agreement made after strong struggles?*

It is important to note that it would be premature to conclude at this stage about whether the outcomes were just or unjust, and whether the processes were democratic or undemocratic. As was mentioned several times, in planning reality, there are several

inevitable bounds and uncertainties, and this can hardly constitute an ideal. There are several models of democracy (Held, 2006), and ‘seemingly followed formal democratic process’ does not guarantee the actual quality of the ‘democratic process’. In this regard, it would be meaningless to conclude that the projects were simply unjust only from their consequences and the process was undemocratic simply because of the exclusion of certain groups. Rather, what is required is for us to think about is whether it could have been *better / more just* or not in a given ‘context’ and ‘situation’ (see 2.4.2.1). Therefore, the first step to explore the issues of social justice in real world projects is an examination of the contexts and situations where the projects have taken place. Subsequently, analyses of the processes and the outcomes of the projects, and evaluations of them from a justice perspective are presented. Moreover, while the main focus of this research remains in analysis and evaluation of the projects and considering questions of ‘what *ought to* have been done’ and ‘what *ought to* be done’, a normative account, questions of ‘*how*’, a prescriptive account, are at times also examined where needed and possible. Similarly, if there was any ‘seemingly best feasible outcome in the given situation’, the reasons for the good or just outcome need to be explored. The underlying belief of this approach is that, in order to make better or more just planning, as Campbell (2012b) emphasises, we shall go further than merely descriptive and analytical research looking at what and why.

Accordingly, the Korean local planning context was already examined in Chapter 4, and the context and situations of the two projects more specifically are examined in Chapter 6. Description of the processes of the two consecutive projects and in-depth analyses focusing on issues for merchants are conducted in Chapters 7, 8, and 9, mainly in a chronological order. My values and positions are inevitably reflected in the analyses and evaluations processes, and thus critical examination of the self is presented in Section 5.3.

5.2.2 Research questions

Thereby, the focus of the empirical part of this thesis is exploring reasons for the seemingly unjust outcome to find out why, evaluating justness based on the analysis, and examining the possibility of making better and more just processes and outcomes. Two primary research questions were presented in 1.2, which were:

- How can we evaluate the processes and the outcomes of the CRP and the DDCP from a justice perspective?
- In the light of the theoretical review and the empirical case study, if planning should pursue the public interest (or the common good) and often unavoidably harm minority interests, how can planning be (more) just in relation to the interests of the latter?

As was mentioned above, the first step of this journey to answer the first primary research question was to scrutinise the contexts and situations within which the CRP and the DDCP occurred. This is followed by analysis and evaluation of the processes and their outcomes of both political and ‘technical’¹ aspects of actual policy making and implementation. Yet, because there were quite significant differences between the projects in terms of the situations, different detail questions are necessary. It is important to note that I did not undertake this research in a deductive way, setting up research questions first then exploring the answers. As will be discussed, the process of this research was a mixture of deductive and inductive. Many research questions were only able to be refined during and after the fieldwork.

The research questions to examine contexts and situations started with a primary-level research question for examination of contexts: **What were important and meaningful contexts and situations in relation to the CRP and the DDCP, at both the supra-urban level and at the urban level?** It is worth noting that these research questions are for understanding of the contexts and situations, and are not the main substantive research questions that I am aiming to address in this thesis. Therefore, I do not restate these research questions in the conclusion chapter. Based on this primary-level question, several, more specific research questions are drawn out and are mainly examined in Chapter 6:

1-1 Seoul and Cheong-gye-cheon (CGC)

What is the local planning environment in Seoul, for example, political environment, economic circumstances, and (local) media environment? What were the historical meanings of the CGC for Koreans and Seoul citizens? How was the situation of the

¹ Here, the term ‘technical’ includes not only scientific technology related areas, but also other parts requires special expertise, for example urban design, architecture, landscape, or law. Although it could be argued that dealing with political aspects of planning also needs some type of expertise, for instance mediating, arbitrating, or bargaining, I do not regard those politic process related expertise as ‘technical’.

CGC before the restoration? How was the condition of the CGC Elevated Highway (CGEH) before the restoration?

1-2 The CGC market and merchants

What were the important contexts factors, e.g. location, historical meanings, related to the CGC market? What was the economic situation of the CGC market, e.g. vitality of market, before the restoration projects? What were the social status and class of the CGC merchants? Were they organised and did they exert systemic power? What forms of power did they possess deriving from actor relations and social structures (see 3.2.2.2)? What issues were merchants concerned with in relation to the CRP and the DDCP?

The first substantive research question – ‘how can we evaluate the processes and the outcomes of the CRP and the DDCP from a justice perspective?’ - comprises of four sub-primary research questions:

- Why merchants could or did not move into the relocation market in the end?
- What are the meanings of not moving into the relocation market of merchants from a justice perspective?
- What were reasons for the less desirable and less just outcome (if there was any)?
- How could the projects have been better and more just?

It is important to note that this journey of finding reasons did not start with framed specific research questions. As will be discussed 5.3.2, this was an investigative type of research, which started with ‘the Five Ws and an H’ (who, when, where, what, why, how) questions on every main issues (see also De Burgh, 2008, p.41), which also are discovered as the research processed. Therefore, the above research questions were drawn out as I investigated the reasons for the economic failure of the DDCP. These main issues are, however, analysed and evaluated based on the conceptual framework of justice in planning, and focus on both “justly arrived at” and “just distribution” (Harvey, 1973, cited in Campbell and Marshall, 2006, p.250). Concrete research questions were generated whilst I was undertaking the research, and those are stated below.

Specific research questions about the CRP, which were developed as the research processed, are written below. These are mainly answered in Chapters 7.

Why and in what processes the CRP became a primary policy of the Mayor Lee's metropolitan administration? Who were main actors, and what were their values, 'characteristics'², interests or duties? Who supported / opposed the CRP or relocation, and why? How was the formal governance system designed, and by whom? Which groups were included in / excluded from the formal governance system, why, and how did they influence decision makings in terms of both process and outcome? What was the power relation within the governance system? What were the power relations among the actors outside of the official governance system? What were the main issues or problems? How and in what process were the problems resolved, if they were resolved, and what were the main reasons for the resolutions? Was the agreement, made at the end of the intense negotiations, fair and just? Otherwise, to whom was it favourable and why? In the light of the concept of *justice in planning*, how could the CRP have been better and more just?

Specific research questions about the DDCP are written below and mainly answered in Chapters 8 and 9.

Where was the site located, and what was the potential of the site for businesses for the CGC merchants? What was the telos of the project and who deserved what? Who were the main actors, and what were their values, characteristics, interests or duties? How was the formal governance system designed? Who were the main members of the governance system, and how often were the meetings held? What were the main issues to each group in relation to the project? Who were eligible to relocate and why? Was the process and outcome of the qualification standards for the relocation just? Why and in what process was the size of the site reduced significantly from what was initially agreed? Which form of market was initially discussed between the merchants and the officials, how was the process of giving shape to the plan, and which form was built in the end? How much of the entire costs for making the market were expected, and how much did it actually cost in the end? If there were considerable gaps between the two, how did this occur? What were the main reasons for the inactive relocation shopping mall? As a result, who gained and who lost? In the light of the concept of *justice in planning*, how could the DDCP have been better and more just?

² I do not mean personal characteristics, but general characteristics of main stakeholders' groups in the CRP, for example organisational culture of the groups or their relationships with or feelings to other groups, if there were anything meaningful.

The second substantive research question – ‘in the light of the two projects, if planning should pursue the public interest (or the common good) and often unavoidably harm minority interests, how can planning be (more) just in relation to the interests of the latter?’ – is not covered during the presentation and analysis presented in the empirical chapters of the thesis. Rather, based on the reflection on the analysis and evaluation of the empirical case, I will address this question in the conclusion chapter.

5.3 Researching social justice in two consecutive planning projects, widely known as a very successful (the CRP) and a complete failure (the DDCP)

5.3.1 Qualitative case study and issues of scale

To restate the motivations and the aim of this research, this research started by trying to find out the reasons for the seemingly unjust outcome, and to evaluate the two projects from a justice perspective. Furthermore, based on this analysis and evaluation of the two projects, considering the frequently produced, again, seemingly unjust outcomes of similar kinds of public project undertaking – which has been conducted under the name of the public interest and unavoidably harms the interests of a minority –, it is an important mission for researchers to look for a better and more just planning system and practice.

Focusing on the earlier part of the research aim, the CRP and the DDCP will be scrutinised to achieve an *understanding* of the detail of the processes and outcomes of the projects. In this respect, this research is close to an *intrinsic* type of case study, conducting the case study with an intrinsic interest in the cases (Stake, 1998), and hence, these cases are what initiated this research. Concurrently, however, if we focus on the latter part of the research aim, exploring possibilities to make Korean planning more just, this case study also has elements of an *instrumental* case study (Ibid.). This is based on an idea that these two projects are suitable for drawing out implications for Korean planning and at a more general level of planning.

This empirical part continues by analysing and evaluating the *qualities* of the entities in the two projects, for instance stakeholders, organisations, their attitudes and resources, regulations, history, various types of relationships among them, decisions, and their substantive outcomes. *Meanings* of the entities which are socially constructed within the given contexts and situations are also examined and taken into account in evaluating

actions and their outcomes. Values of actors, as well as the researcher, are not to be avoided, neutralised or neglected, but are to be explored in the processes as a basis of their actions³. This issue of value is discussed further with issues of reflexivity and positionality in the later part of this sub-section. Numbers are to be used, yet, not to measure or experimentally examine the entities, processes or outcomes, and therefore, this study is qualitative research (see more in-detail, Denzin and Lincoln, 2011, Mason, 2002). In terms of numeric data, those show social *facts*, e.g. demographic data, property price, and a few secondary data generated by quantitative research were also used to complement my arguments.

It is important to note that the two consecutive projects, which are very closely related to each other, cannot be seen as two separated cases, especially if we focus on issues for merchants. The DDCP began as a result of the CRP, and there were many continuities, for example participants and their governance frameworks. Furthermore, this case study, consisting of two urban (re)development projects, derives important implications from the two projects having somewhat contrasting characteristics. The CRP is widely known as a successful project in terms of management of complex and severe conflicts in its process through a participatory process by forming a governance inclusive of various social sectors. Simultaneously, the outcome of the project also earned widespread praise, in its contribution to historic restoration, enhancing urban natural environment and expanding green space in central Seoul, attracting a great number of tourists, and even further, it changed the paradigm of urban development. Later on, based on the political achievements, in particular this ‘successes’ of the CRP, Mayor Lee, who initiated and completed the CRP, became the next President of Korea. In contrast, the DDCP is widely regarded as a failed government-led project, which generated a significant economic loss to both merchants and the SMG, who were the two main actors. The economic loss of the SMG was the loss to the tax payers, and thus it can be regarded as a loss of the wider general population of Seoul. Throughout an examination of the two consecutive projects from the start until the end, which was around seven years, we can see which factors or elements affected the success and failure comprehensively, and thus can evaluate the justness more accurately based on the comprehensive understandings. Concurrently during the process, it is also possible to look at the relationships between

³ This does not mean, however, only qualitative research is value dependent. Arguably, there is no value free research in social science, and thus both qualitative and quantitative in this field are value dependent (see Greenbank, 2003).

process and (substantive) outcome, which has been a controversial issue in planning (Forester, 2009, also see 2.4.1 in this thesis).

In this case study of the two projects it is important to examine the various scales of the case study. Firstly, as was stated in Chapter 1, I mainly look at issues for merchants within the entire CRP and DDCP processes. This is because first, this was the motivation and aim of this research, and second, although there are many important issues in the two projects, it would be too much to cover all of these in details within the confines of one thesis. Secondly, in terms of the administrative boundary, I mainly examine the metropolitan scale, i.e. Seoul, unless it is necessary to review other levels of government. This is because both projects were almost fully funded by the SMG, and thus they had the strongest initiative and authority in relation to the projects. This meant, as was reviewed in Chapter 3, compared to the national level government, there were some constraints and limits, for instance in terms of resources they could mobilise and the authority they could execute, and these constraints and limits shall be taken into account in evaluating justness in the two projects.

Thirdly, the spatial boundary of my investigation is mainly limited to the areas within and adjacent to where the CRP and the DDCP took place, again unless it is necessary to examine other localities. As was stated when I reviewed the ‘wickedness’ of planning problems in 2.4.2.1, there are very complex societal networks in a city and this applies equally to Seoul. As I briefly reviewed in Chapter 1, a strong industrial ecosystem existed when the CRP was conducted. This meant businesses were connected with other businesses, individuals and groups. If we follow all the networks of businesses in the CGC market, the link would certainly reach to most of the businesses and people around the area and perhaps more broadly. The DDCP created other complex social networks. There were other businesses around the DDCP area, and they were quite concerned about the newly migrating potential competitors. Some residents around the area of the DDCP also were not favourable to the relocation plan at the initial stage. Even though they are all somewhat connected, however, I will not examine all of the complex relations unless they are particularly meaningful to the focus of this study.

5.3.2 Research type: A truth seeking journey

A large part of the empirical part of this research consists of inquisitive, truth-seeking activities, and thus has the characteristics of investigative research (Ho et al., 2006). Because the second project (the DDCP) turned out to be a failure and a lose-lose outcome for both the SMG and the merchants, generally people who were in charge of the project and were responsible for the failure were reluctant to meet and talk to the researcher. Even when I met them, many of them were reluctant to discuss some crucial parts, minimise their errors or exaggerate others' faults. In fact, these barriers were anticipated before I started the research. Therefore, in this research, the issues of accessing people or data, establishing the veracity of data or evidence and securing validity of the research are crucial to be dealt with.

In overcoming or dealing with those issues, Ho et al., (2006) provide some useful insights. Although they suggested investigative research as a distinctive research method, referring to a distinctive way of approaching and dealing with data in generating knowledge, I treat it as a *type* of research⁴, i.e. an inquisitive, truth seeking type of research, by using various types of quantitative or qualitative methods with an *exploratory* approach (see Merkens, 2004, pp.169-170). Three things are important to discuss prior to reviewing research methods for this type of research. Firstly, there is “no standard techniques or procedures” for investigative research. There is “plenty of room for ingenuity and improvisation” for researchers (Ho et al., 2006, p.31). Yet, similar to the characteristics of good judgement, this does not mean researching based on arbitrary and untutored intuition.

Secondly, as an attitude of a researcher conducting this type of research, it is important to recognise ignorance. In the face of various novel, unknown or uncovered issues in field work, researchers may be confused and lose direction, and sometimes they might need to rethink their hypotheses when they find some meaningful information. Therefore, “investigators may proceed as if they were ignorant. The stance taken is akin to universal doubt ... aimed to avoid all preconceptions” (Ibid., p. 27). In this situation of directionless, being sceptical to hypotheses, or deadlock, an inductive approach, developing research from data to conceptualisation and (re)starting research without preconceptions, may be useful. This inductive approach in investigative research,

⁴ This is based on my perspective on social research, either qualitative or quantitative, that all social research seeks some senses of the truth or truths, which can be named truthfulness, corroborate truth, credibility, or truthworthiness depending on researchers and their ontological and epistemological perspectives.

however, differs from grounded theory, in that it “begins with some theoretical position and demands an adequate level of background knowledge about the area under investigation” (Ibid., p.28).

Thirdly, for researchers conducting the investigative type of research, it is important to understand that they do have a certain perspective that affects their research processes and outcomes, and therefore it is incumbent on researchers to *reflect* on their research activities (Ibid., p.22). Therefore, prior to examining research methods for data collection and interpretation, issues of positionality and reflexivity are discussed below. Subsequently, strategies to overcome the aforementioned anticipated difficulties, e.g. approaching the data, gathering reliable evidence, and securing validity, are discussed in the following section.

5.3.3 Reflexivity and positionality

5.3.3.1 Reflecting the researcher

“our knowledge of the world is always mediated and interpreted from a particular stance and an available language, and that we should own up to this in explicit ways”
(Cousin, 2010, p.10)

Prior to undertaking the field-work, comprised of examining a large amount of government documents, newspaper articles, and face to face interviews, it is important to understand that interpretation of the documents and interviews are strongly affected by my values and positions. In fact, values influenced me even before the undertaking of the field-work: from the way I understand the world, drawing out what the problems are to research, building conceptual frameworks (justice in planning), how I wish society to operate (social or political values), to choosing research methods for data collections are all influenced by my personal values constructed based upon my personal, educational, and other social backgrounds (Greenbank, 2003). Furthermore, my social, political, and economic positions have affected, and have been affected by, my values as well as research process and output of my thesis. In this respect, it is important to acknowledge and understand the potential influences of values and positions, and to reflect on this throughout the research process.

According to Doucet and Mauthner (2002, p.134), a “wide and robust concept of reflexivity should include reflecting on, and being accountable about personal, interpersonal, institutional, pragmatic, emotional, theoretical, epistemological and ontological influences on our research and specifically about our data analysis processes”. It is, however, not possible to reflect on all the possible elements that might influence the research in this chapter. Hence, based on this concept of reflexivity, I try to reflect some of the most important ones. As a researcher who initiated this research with my personal interests based on my personal, social, and political values, and receiving a fee scholarship from the University of Sheffield without any obligations for producing certain outcomes, there are three important values and positions that need to be identified.

First and foremost, as just mentioned, my personal, social, and political values which influenced me to recognise problems and to initiate this research. As a person who have grown up in a middle class family background, there is a possibility that I could not fully understand real issues for the CGC merchants, deriving from their cultural and economic background. The way I understand or conceptualise justice, which was highly influenced by my social and political values, may have affected the research questions, selection of interviewees, interview questions, my reactions during the interviews, interpretation of the interviews, and evaluating the process and outcomes of the projects (Greenbank, 2003, Cousin, 2010). All the aforementioned elements are very important. However, it is particularly significant to reflect my theoretical understanding of justice in planning, which will be a basis of the analysis and evaluation of the empirical part of this thesis.

As was examined in the previous chapters, I mainly explored the concept of justice focusing on what we should do, as a *planner*, to make better and more just planning outcomes. Although I asserted that what we should seek is a balance between the sectional interests and the public interest, I argued that planning activities are ultimately justified based on the concept of the *public interest* or the *common good*. The balance, as well, should be decided through political processes, founded upon a politics of the common good. Accordingly, in this research, I would argue that my position and perspective in this research is close to that of planners working for a local authority, who have a duty to seeking the public interest for wider communities (Hutton and Massey, 2006, Campbell and Marshall, 2000a). These positions and perspectives are also influenced and affected by my educational background. As Campbell and Marshall (2000a, pp.299-300) wrote,

these backgrounds are why many planners individually have similar values regarding planning issues. This can generate the bias of the research process and findings, however, this partisanship is inevitable.

Secondly, my social position, as a researcher studying a PhD in a developed country (the UK) was also meaningfully affected in power relations with, and accessibility to, interviewees. Although it was not possible to know, perhaps this social position also affected people's perception of me, their reactions, and their expectations from this research outcome. In Korean society, in particular, there has been a strong "educational fever" since the modernisation process (Jeong, 1999), and people having good educational backgrounds tend to be respected, whereas people who do not have good educational backgrounds tend to feel inferiority. Therefore, power relations are likely to be generated in interviews between the author, who is studying for a PhD in a 'good'⁵ university in the UK, and with the merchants in particular, since the educational background of the majority of them was quite low (Chapter 6). It was expected (and actually was the case) that this high educational background and academic knowledge about planning would alleviate the power gap in elite interviews, e.g. with government officials or university academics. My position as a PhD student studying planning was also helpful to access to elites, and I think it was because, firstly, they did not expect me to be merely critical as I do not have any interests related to the project; secondly, in the case of government officials, they tend to be friendly to students as their research output might be useful for them⁶; and thirdly, in the case of academics, they also had the same experience during their studies.

Thirdly, as a researcher undertaking an investigative study, it was important to have universal doubts, stay as if I was ignorant, and critically analyse all the data including my (pre)conceptions. As was discussed in the previous sub-section, although I was informed by a large amount of existing data and theoretical conceptions prior to the field-work, to a large extent, the empirical part of this research had inductive aspects. In this inductive research process, I kept critically reflecting on my conceptual framework,

⁵ Here, 'good' does not refer to some 'objective' data about the quality of the university such as ranking, but it refers to how it is perceived by general Korean people. They tend to think PhD students in the US or UK universities are highly educated and academically competent.

⁶ This was actually the case that when I called them to ask a question about some documents, one of manager told me on a phone "Why you did not tell me you are a student from the first time! Just visit here, we are going to give you some more resources. Students research will eventually be a good asset of us and we tend to be generous to students".

values, and analysis, for example who was responsible for certain actions, how did the actions affect other outcomes, and whether it was the right decision or not etc. In this process of critical reflection, as Greenbank (2003, p.796) mentioned, often there were attempts to suspend some of my values and be 'neutral', although being 'neutral' may be an ideal, in order to be able to critically reflect on events or data. I also tried to think from respondents' (e.g. interviewees) or data producers' (e.g. newspaper writers or government officials) perspectives. These attempts could be explained with an analogy of coloured glasses: even though I acknowledge that I have my own glasses with certain colour, sometimes I tried to see events and social processes more accurately (see Yeung, 1997, Easton, 2010) without glasses, or, for the same reason, sometimes I tried to see them with glasses of different people of different colours. The principles of these efforts are quite close to the 'situated thought experiment' mentioned in Chapter 2.

5.3.3.2 *Issues of insider and outsider*

The aforementioned values and position of the researcher inevitably raise issues of insider and outsider. Even though my values and perspective would be closer to those of planners than those of merchants, I am still an outsider from both groups. I have not worked in any hierarchical organisation, except during 25 months of compulsory military service around ten years ago, and therefore, still there was a considerable gap between me and the government officials in terms of a value orientation and a perspective related to planning issues. Moreover, I was not involved in any of their organisations (*inter alia*, the SMG), and therefore, I was formally an outsider. Therefore, it was more difficult to access, because it was hard to expect any incentives for them from participating in my research, but there was only risks of being uncovered in their responsibilities or faults. Although I informed 'broadly' about the purpose of my research and my focuses, they were not sure whether I had any other, underlying, research purposes which might be harmful for them. Given the subject of this research, which includes a still on-going, failed government-led project, these barriers would have been inevitable even if I were a member of the same organisation with them. Yet, if I were an insider, it would have been easier to access and build trust with them.

I was also an outsider from another main stakeholder group: the CGC merchants. This 'outsiderness' not only stemming from having no experience of running a business.

It was based more on the value differences deriving from cultural, economic and educational backgrounds of my life compared to the majority of merchants. Therefore, it was highly likely that I could not fully understand many of their issues regarding the projects. There was also the possibility that I overlooked or unintentionally neglected some issues which could have been important to them. Moreover, it was generally easier to access the merchants than the government officials: firstly, because they were many alternative options for me to choose as interviewees, since still many of them were working in either the CGC market or the alternative shopping centre; and secondly, also they were 'victim' and wanted to uncover the issue. Nevertheless, there were possibilities that they did not trust me much and might have thought I could misrepresent the interviews and their opinions.

Nonetheless, these partisanship and outsider positions do not necessarily influence negatively. Partisanship is not something we can entirely choose but is (at least partly) given stemming from the backgrounds of one's life. "We are all formed through social processes and institutions that classify, affirm or deny us according to factors such as class, ethnicity, religion and gender" (Cousin, 2010, p.14). Even in a same group with similar backgrounds, members may have different values. Therefore, it is essential to be acknowledged and reflected on rather than claiming value neutrality (Carr, 2000, Greenbank, 2003). Furthermore, this 'outsiderness' does not necessarily negatively affect the research. In fact, as Srivastava (2006, p.219; cited in, Cousin, 2010) wrote "too much insider status may be just as problematic to easing exchange as too much outsider status", there are disadvantages as an insider, and simultaneously there are advantages as an outsider. We might not be able to identify important issues and problems if we live in a similar 'reality'. In contrast, outsiders living in a different reality are more likely to notice them and can report them in their research.

Consequently, Cousin (2010, pp.13-17) suggests efforts to "greying positionalities". We can grey positionalities through reading books or textual stories about other groups and thus can understand their cultures and difficulties. Some academic literature can also enable us to broaden our perspectives. "If that experience is limited, we will limit both the questions we ask and the responses we hear" (*Ibid.*, p.15). During the fieldwork, we also need to be careful, mindful, "intellectually sharp and emotionally open" (*Ibid.*). The investigative approach mentioned earlier, e.g. try to suspending some values and try to see with 'different coloured glasses' also are efforts to grey

positionalities so that we can see the events and realities more accurately from different angles. In order to grey the positionalities, much effort was made to understand the researched groups' culture and circumstances by reviewing literature and having conversations with my friends who were working in the government.

5.3.4 Unreliable memories and validity of the research

5.3.4.1 Unreliable interviews and memories, and problems with biographical knowledges

Establishing the veracity of data or evidence and securing validity are important in this research. One of the main research methods for data collection in this research is interviews with main participants. There are two important issues here: firstly, because one project is widely regarded as highly successful and the other project is known as an 'infamous' example of failure, it was questionable whether participants, especially those who are (potentially) responsible for the failure, would speak truthfully. Therefore, whether collecting data by interviews was a reliable and valid research method needed to be examined. Secondly, considering that the CRP took place from 2002 and the DDCP began in 2003, there was a possibility that people might have forgotten many things, and thus, the reliability of their remarks could be questionable.

With regard to the potential of unreliability of interviews and memories, and the questionable status awarded to biographical knowledges, Gardner (2001) provides important insights. In terms of interviews, he suggests that firstly, it is necessary to distinguish between deliberative lies (including deliberate omission) and the "act of creative, retrospective self-invention" (p.193), although the boundary of these may not be very clear and thus they are not easily distinguishable. Certainly, there were possibilities that interviewees did not tell me – the researcher – truthful answers. During and after the data collection processes, the researcher should evaluate validity of evidence or data (Ho et al., 2006).

Yet, it is crucial to understand that both qualitative and quantitative data collected may be unreliable or inaccurate, not only because it might be generated via deliberate distortions or lies, but because it only reflects 'partial truths' (see Gardner, 2001). Based on Critical Realism's ontological and epistemological perspectives that "certain social

processes operate to some extent independent of their [actors'] recognition" (Gardner, 2001, p.191), qualitative data is produced through a double hermeneutic process (see Furlong and Marsh, 2002) and inherently entails inaccurate (re)presentation of the social processes deriving from misrecognitions or misinterpretations of (potentially) both researcher and researched⁷. Furthermore, based on an assumption that there is no value free research (see Greenbank, 2003) and the philosophical basis of Critical Realism, quantitative data also (re)present 'partial truths', in that researchers' values inevitably influences the research process, e.g. selection of research topic and analysis of data.

Focusing more on qualitative data, particularly that collected by qualitative interviews, it is inevitable for researchers to collect data primarily based only on 'frontstage presentations' of actors (Gardner, 2001, p.191). Therefore, "the researcher cannot get to see certain activities and events, and associatively may not become aware of certain other actors, that might be critical in terms of the outcomes they witness on the ground" (Ibid). In this situation, even if we assume that interviewees do not deliberately lie, there are possibilities of misinterpretation or misunderstanding by the researcher, who interprets the interviews in certain time-spaces based on their knowledge and understanding.

Similarly, this inevitable possibility of misinterpretation or misunderstanding may stem from interviewees, who only have partial or mis- recognition and understandings of events and have limited knowledge. Hence, they may provide inaccurate information unintentionally, because they do not know adequately or correctly, fail to mention or articulate, or misunderstand interviewer's questions. This means the interviewees' accounts, as well as the information they provide, are always 'partial truth' (Ibid, p.192). Moreover, memories also 'decay' with time. According to Gardner (Ibid), processes of remembering and recalling cannot be like electronic machines but are very complex. "[M]emory is a living field, the form and content of which exhibit a continual and mutually informing dynamic (or process of structuration) both 'internally' and in their relations to ongoing engagements in social worlds". As a result of this process of remembering, simultaneously with processes of forgetting (which is again very complex), our memory is "always a dynamic hybrid of 'fact' and 'fiction'" (p.193).

⁷ And this was why I reflected on myself, as a researcher, in the previous sub-section.

Accordingly, even if we leave aside the possibilities that all the data, including ones generated via interviews, can be misinterpreted by researchers, what interviewees provide us are always ‘partial truth’ mixed with facts and fictions. This inevitable possibility of unreliable interviews and memories challenges the status awarded to biographical knowledges. An assumption of the qualitative interviews is a high degree of accuracy of the memories of interviewees and veracity of their accounts (Gardner, 2001). Then, questions arise: can we rely on the data we collected via interviews? How can we reduce the degrees of misinterpretation or misrecognition, which are inevitable, of social processes and events that we want to know about through interviews?⁸

5.3.4.2 *Establishing validity of the research*

The problematic status of biographical knowledge, however, does not mean this is not valid source of data for research. Interview is still a very useful and important research method that enables us to acquire vivid voice and contextualised knowledge from actors. For these reasons, interview was utilised as one of the main research methods for data collection in this research. Then, the questions moves on: how can we collect and utilise valid data, particularly via interviews, and how can we establish validity of this research?

Before answering the questions particularly in relation to the interview data, let me review the validity of qualitative research in general. An initial conceptualisation of validity developed primarily based on positivistic philosophy and was applied in quantitative or experimental research (Whittemore et al., 2001). Although there is no single or common definition of validity, the concept of validity in this tradition generally refers to ‘accuracy’ in terms of means of measurement and the object to be measured (Winter, 2000), and thus is about the *truthfulness* of findings (Whittemore et al., 2001). In the positivistic tradition, this concept of validity is usually discussed together with a concept of reliability, which refers to the stability of findings or degree of replicability (Winter, 2000). These concepts with their underlying assumptions and tenets, however,

⁸ More issues can be raised in relation to planning. For example, if the biographical knowledge, which is different from institutionalised knowledge (Gardner, 2001), is not reliable, how much should we value on or trust local knowledge primarily based on the everyday experience of local lay people (Chapter 2)? Furthermore, should all types of knowledge be treated as equally important, as post-modern theorists argue? Although these questions are very important in planning, I do not discuss further in this research.

are not compatible with the interpretative perspective, and therefore, there has been much efforts to translate the concepts into those that can be applied in qualitative research.

A number of criticisms have pointed out discordance between the tradition stemming from different ontological, epistemological, and methodological foundations as well as different types of knowledge sought deriving from different types of inquiries, and thus questioning the possibility and usefulness of the translation of the standards (Whittemore et al., 2001). Yet, Whittemore et al. (2001) argue that the translated standard of validity criteria are still useful to demonstrate the *rigour* and *legitimacy* of qualitative research and to evaluate quality in qualitative research. They redefined validity, following Random House Webster's Unabridged Dictionary, as "the state or quality of being sound, just, and well-founded" (p.527), which they argue is suitable for all investigations, either qualitative, quantitative or mixed. They also called for reconceptualising the criteria of validity in qualitative research, and suggested several criteria with two hierarchies: primary and secondary (pp.528-532). Primary criteria are necessary standards to be upheld in all qualitative research, and refer to credibility, authenticity, criticality, and integrity. Secondary criteria refer to explicitness, vividness, creativity, thoroughness, congruence, and sensitivity, and they are more flexible and are applied depending on types of inquiry or the purpose of research. In this research, as well, I would argue that all the primary criteria are crucial to be secured in order for this to be valid. Arguably in this research, the significant part of which consisted of investigative type of inquiries, *criticality* and *integrity* are especially important. Furthermore, although all the criteria suggested as secondary are important for most types of inquiries to be good quality, rigorous research, in this research, I particularly focus on explicitness and thoroughness.

To briefly review the criteria, credibility refers to the "conscious effort to establish confidence in an accurate interpretation of the meaning of the data", and it is related to "truth claims in the interpretivist tradition" (Whittemore et al., 2001, p.530, also see Seale, 1999, p.468). Authenticity is closely linked to credibility, and is about the portrayal of the research of a person, phenomenon, or situation, by reflecting "meanings and experiences that are lived and perceived by the participants" and catching subtle differences (Ibid). Criticality refers to demonstrating adequate and pertinent evidence for the critical appraisal, and being critical to hypotheses, instances, and biases. Integrity is closely linked to criticality and can be secured through recursive and repetitive checks of interpretations grounded within the data (p.531). Explicitness is related to auditability for

the readers about the researcher's "methodological decision, interpretations, and investigator biases" (Ibid). Finally, thoroughness refers to adequacy in sampling and data and comprehensiveness of approach and analysis (p.532). It is worth noting that writing this methodology chapter with reflecting on values and positions of the researcher and explicitly discussing research methods is closely related to explicitness. Other criteria are also to be secured throughout the empirical part of this research.

Returning to the issues of unreliable memories and problematic status of biographical knowledge, unless respondents deliberately lie, their accounts still provide useful information to grasp actual events and particular social processes that they were involved in more accurately. If we understand that a person's biographical knowledge is constructed and constantly being reconstructed within certain contexts and situations (see 2.4.2.1), then in interviews, his / her biographical knowledge can reflect the contexts and situations to the researcher, as well as the researcher reconstructing the situations taking into account the contexts, interviewee's positions and values, and other contingencies. This biographical knowledge is "fuzzy", i.e. ambiguous, ambivalent, ironic, self-contradictory, multiple and contingent, in its nature, however, "Fuller consideration of it can be an integral part of considering the motivations and capacities of actors, and the outcomes that emerge from particular circumstances and intersections of those actors" (Gardner, 2001, pp.194-195). Yet, it is important to note that despite the importance of actors' accounts, they on their own are not sufficient: biographical knowledge can be different from institutionalised knowledge (Ibid, p.194), and actors' accounts "cannot, alone, fully inform any adequate conceptualization (i.e. theoretical understanding) of the processes bound up with the constitution and reconstitution of social life" (p.196). In other words, we cannot secure validity of the research only with the actors' account (see Whittemore et al., 2001, pp.526-527).

Arguably, to a certain extent, these characteristics can be seen in any type of knowledge, information and data, generated either qualitatively, quantitatively or mixed. Although I do not discuss this issue further (see Mason, 2002, pp.148-150), they, produced by humans through processes of construction and reconstruction, exist independently from existing social facts. They also reflect the producers' values, positions, and knowledge, as well as contexts and situations. Therefore, some of them may be more accurately (re)present social processes and events. Still, however, they

always can be erroneous, and we shall acknowledge that they also (re)present partial truths.

In order to acquire more accurate and more profound account of knowledge or social processes, *triangulation* is needed as an important *technique* to establishing the validity of research (Whittemore et al., 2001, Gardner, 2001). Among several forms of triangulation (see Flick, 2004), triangulation of data and between-method triangulation are particularly important in this research. Firstly, where possible, I tried to gather many types of data generated by different groups and people having (sometimes very) different political and cultural perspectives. For example, I observed quite limited number of times with limited length in each time in the actual field, due to the limitations of time (that I can stay in Korea for the field work) and spaces as a researcher studying abroad. Moreover, since the case study object in this research is a historical river and area, it was also not possible to identify previous contexts and situations. This means it was not possible to observe or participate in person, and therefore, it was necessary to complement the limitations with pictures, videos, books and documents. Yet, it was borne in mind that those were also produced by a person or a group having particular values and perspectives.

Secondly, different research methods were used in collecting data and analysis. There were largely two main research methods for data collection and analyses: document analysis and interview. More detailed explanations about the research methods and relevant issues, for example plans, procedures, sampling methods, accessibility, power relations, and validity, are discussed in the next sub-section. It was borne in mind that all the secondary data and knowledge acquired through the document analysis are established on certain theoretical, knowledge, and methodological positions. Therefore, those data collected from different methods and also based on different theoretical or knowledge positions can be complemented to address their respective weaknesses, although sometimes they are not compatible (Flick, 2004).

Therefore, validity of the data, validity of methods of the generation of the data, and compatibility of the methods and data in this research were constantly evaluated, critically, by the researcher during and after the fieldwork. In the process of triangulation of different approaches and perspectives, the divergence of perspectives and findings were valued. The data collection and the triangulation process were undertaken until the data no longer delivered meaningful knowledge and until I could adequately explain the

divergence, in other words when I reached to a theoretical saturation (Flick, 2004, pp.182-183). This is related to the ‘thoroughness’, which is one of the main criteria of validity.

5.4 Concrete research plan and methods, and main issues during the research

5.4.1 Chronological process of the research and overview of the process of data collection

This research began in February 2011 when I changed my topic of the PhD research. The problem of the DDCP became a serious social issue in 2009 after prices for each shop were revealed and in turn not many CGC merchants could afford a shop they were supposed to buy. The DDCP became even more problematic after the shopping malls opened officially, in June 2010, when most of the merchants moved in to the new malls in an inactive, un-vitalised shopping centre with not many customers. As I decided to research this issue, I started by reading all the documents that I could easily obtain, including newspaper articles, people’s blogs, academic articles, and government documents, in order to grasp what had occurred.

I found there were large gaps depending on perspectives regarding what were the problems, why the problems were generated, who were responsible for them, and how we could or should (re)solve them. The process of some events were not clear and were under articulated, and thus, there were a number of knowledge gaps. Both type of gaps were often too large, and therefore, it was not possible to see what ‘actually’ has been going on, and therefore, it was essential to meet people who actually participated in the process and ask them ‘why’ certain things happened and ‘why’ they made the decisions at the time. Yet, it is important to note that because I could not know enough about the case and detail events at the first place, the form of procedure of this investigation was *exploratory*, as was mentioned in 5.3.2. This means in many cases, I could identify some participants, events, or decisions only *after* I filled the gaps or discovered (or uncovered) new knowledge (see Merkens, 2004, pp.169-170, Ho et al., 2006).

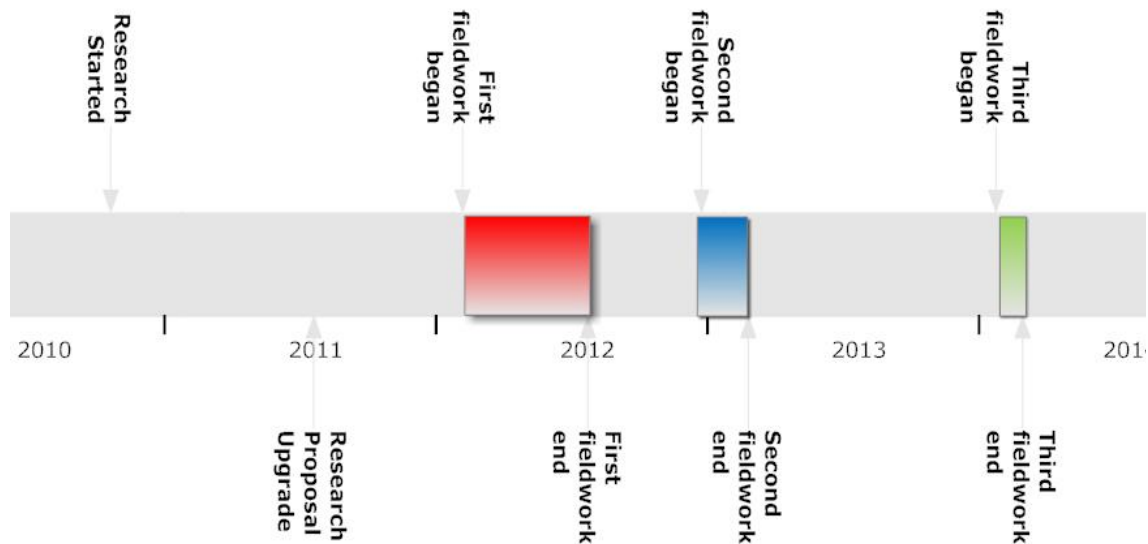


Figure 5.1 Chronological process of the research (source: author)

The first phase of fieldwork was conducted between January 2012 and June 2012 (see figure 5.1). Although I had chances to visit the CGC area several times while I was studying my undergraduate course, I still did not know much about the area until I actually visited there for the fieldwork. In the fieldwork, I started to observe what was actually going on there, both the CGC market and the newly built shopping malls. During the time, I still read many documents which I could not access in the UK, for example some hard copies in the National Assembly Library of Korea⁹. Actual interviews started in April when I felt I was ready to meet some people from certain groups. In general, I first met people who I could access more easily, for example merchants and academics, because I expected that I would be able to have follow up interviews more easily when I would identify new issues to cover. In contrast, interviews with some people who were expected to be more difficult to access and were more able to mislead the interviewer with ‘skilfully employ tactics’, generally for the cases of elites (see Morris, 2009), were generally conducted later. These interviews were conducted when I were more ‘equipped’ with knowledge and data and ready to answer questions that can touch cores. When possible and agreed, the interviews were recorded, but they were not transcribe during the fieldwork to save time. Rather, I listened to the recorded interviews repeatedly, and thus could capture additional important points which I could not during the interviews. During the first fieldwork, in total 42 semi-structured interviews and two group interviews (here

⁹ One of the biggest libraries in Korea.

I mean interviews with multiple participants) were undertaken (in total with 44 individuals).

While I was undertaking the first fieldwork, I wrote a conference paper for AESOP 2012 about a part of my conceptual framework, i.e. justice in planning, methodology, the research process and preliminary findings. The process of writing, while I was undertaking the fieldwork, was very helpful to identify what was missing and thus to further my fieldwork, and to think about overall framework and strategy about the thesis. After I came back from the first phase of fieldwork, all the important interviews were transcribed and thematically and chronologically coded. After these processes, it was identified that many new issues needed to be covered, discovered, or uncovered.

Hence, I undertook a second phase of fieldwork between December 2012 and January 2013 for additional interviews and other document collections that I could not access in the UK. During the time, 11 more interviews including one group interview (with three people) were conducted (in total with 13 individuals). After I come back from the second fieldwork, the same process, i.e. transcribing and coding, were undertaken. During these processes, I identified there were still many gaps. Therefore, a third phase of fieldwork was undertaken between January 2014 and February 2014¹⁰, and four more interviews includes one group interview (with two people) were conducted (in total with five individuals). Like previously, interviews were transcribed and coded after I come back from the fieldwork. Lastly, after I came back from the third field work phase, I conducted 12 additional interviews with new research participants and 19 repeat interviews with people I had already met. The chronological process of this research is illustrated in figure 5.1 and more detailed information about interviewees is shown in 5.4.3.

It is worth noting that throughout the interviews and data collection, validations of all the data and evidence collected were undertaken constantly and critically. Until the second fieldwork was completed, I thought data generated from the interviews would be the main source of the thesis. However, while I was validating the data via triangulation with other data generated from different methods, I found that the data were quite problematic, as was discussed in 5.3.3.1. Since then, generally, data acquired from

¹⁰ The purpose of visiting Korea at this time, however, was not only for the fieldwork, but the main purpose was to renew my VISA. Majority of additional interviews at this stage could have been done on telephone, as I already had met them and asked additional interview if needed during the two times of fieldwork.

documents were used more. This was because they tended to be generated ‘around the time’ when some events were happening, and thus it was expected that the documents tended to record the events more accurately. Yet, validity of them were critically and comprehensively assessed. Accordingly, all the data, generated based on certain knowledge, were *not* treated as the same weight, based on a philosophical background that “all knowledge is fallible, but not *equally* fallible” (Yeung, 1997, p.54, emphasis from the original text).

5.4.2 Documents analysis

As mentioned above, reading and analysing some forms of documents was the first step of this research. As noted by Merriam (2009, p.139), the term document in this thesis is also used as an umbrella term, referring to “a wide range of written visual, digital, and physical material relevant to the study at hand”. In the initial stage of this research, document analysis was the main means of understanding ‘what has been going on there’ before I actually visited for this research. Yet, document analysis was not limited prior to the fieldwork: it was also actively used as a main means of identifying and understanding newly discovered, ill-defined, or unclear issues during and after the fieldwork, as well as used for triangulation. It is important to note that the validity of all the documents were critically assessed, taking into account values and positions of the recorder or producer, contexts and situations of the time when the documents were generated, and possibilities of methodological incompatibility.

Four types of document were mainly used in this research: public records, researcher-generated documents, popular culture document, and personal documents (Merriam, 2009, pp.140-149). Public records mainly refer to documents produced officially by public institutions. In this research, for example, various types of statistical data, e.g. census and industry and business surveys, various kinds of government reports, legal or policy data, proceedings of official meetings in the council, minutes of official meetings, and planning documents, e.g. land use plans. Generally, this type of data was most reliable, in that in many cases, there were certain procedures (legally required under administrative custom, or by officials’ decision) of generation of documents. It was also expected that those documents were tended to be recorded soon after (or sometimes simultaneously) events occurred, which meant memories tended to be less ‘decayed’

compared to biographical knowledge. Moreover, in particular, official documents function as “institutionalized traces” (Wolff, 2004, p.284) and have important value as evidence in legal appeal processes. For this reason, it was expected that those documents were produced carefully and prudently, and therefore, in general, these documents were scrutinised and treated importantly in this research.

They were acquired from Internet websites of relevant institutions, in public libraries, and through request of information disclosure. Yet, there were clearly limits to acquiring data, as there are certain terms that public institution must preserve the data, for most of which were five years, and therefore, some data were missing. Some data were not open to public, for example when it was not officially published, when it contains some information which might harm the public interest, when it contains personal information which might harm their rights or security¹¹, and so on. Some documents were provided in interviews, mainly by merchants.

Researcher-generated documents mainly refers to academic literature. Because the CRP received a considerable attention since the plan was adopted by a mayoral candidate, there has been numerous academic literature that I could easily access. Even though secondary data was acquired from all types of documents and critically used, secondary data contained in the academic literature in particular was also used most frequently. This was acquired from the Google Scholar, the Naver Academics¹² (<http://academic.naver.com/>), and other academic data base websites¹³, including KISS (<http://kiss.kstudy.com>), DBPIA (<http://www.dbpia.co.kr/>), and Kyobo Scholars (<http://scholar.dkyobobook.co.kr>).

Popular culture documents refer to documents produced by media. In this research, newspaper articles (including interviews and columns in newspaper) were used, particularly when I checked some ‘facts’ which occurred at a particular time and space by somebody. Five documentaries regarding the CGC and the DDCP provided me with vivid visual and vocal information. Newspaper articles were mainly searched and acquired via Naver News (<http://news.naver.com/>) and Korea Integrated News Database System (<http://www.kinds.or.kr/>), both of those provide archives of previous newspaper

¹¹ Sometimes, documents contain personal information is open to public after erasing the personal information.

¹² This website is similar to the Google Scholar, and is a website that can find the largest amount of Korean academic literature.

¹³ These are similar to SCOPUS.

articles. Documentaries were found, watched, and (when possible) downloaded from the relevant broadcasting companies.

Finally, personal documents refer to any forms of documents produced by a person by themselves describing their own experience, beliefs, actions, and so on. These include autobiographies written by Mayor Lee and Mayor Oh (two mayors related to the CRP and the DDCP), a personal essay written by a merchant that he wrote when he left the CGC market in 2003, personal blogs, and some writings on Internet forums written by the CGC merchants. These documents were purchased (in the case of the autobiographies) or found on the Internet.

5.4.3 Interviews

5.4.3.1 General issues in interviews

Interviews were the second step of the data collection. As was discussed earlier, in many cases and issues, interview was the only way I could access the knowledge, experience, or feelings that participants had, because many of them were not observable and under-articulated. All interviews were semi-structured, though how much it was structured depended on situations and interviewees. Important issues to be covered in the interviews and the priorities for them were prepared prior to the interviews. Still, all the interviews were conducted with a considerable amount of flexibility in terms of length and time of interviews and issues discussed during them.

There were three types of interviews: more than 51 one-to-one face-to-face interviews (including additional interviews with interviewees that I already conducted), four group interviews (three with merchants and one with a councillor and her aide), and 33 telephone interviews (including additional interviews). Efforts were made to reflect on participants' values in their decisions, to understand their way of life and meanings in their actions, and their feelings in specific situations, all of which may have important implications for the conception of justice in planning. I regarded an interview as a collaborative process, a journey to seek the truth between interviewees whose accounts showed 'partial truths' and the researcher who also had different types of data and knowledge that were collected or developed from other interviewees' accounts, observations, documents, and academic literature about planning.

Furthermore, considering that the projects started to be conducted more than 10 years ago from now, there were many advantages in group interviews, which actually were conducted rather spontaneously. In group interviews, memories can be corrected and be recollected throughout interactions among the participants, as well as the interviewer. Moreover, within the conversation, they “get to hear each other’s responses and to make additional comments beyond their own original responses as they hear what other people have to say” (Patton, 2002, p.386, cited in Merriam, 2009, p.94), and the additional comments were particularly helpful and constructive in the fieldwork. Despite the awareness of the advantages of the group interviews, only four groups with nine participants in total were undertaken. This was primarily because it was quite difficult to organise, because firstly, it was not easy to request participants to come to a certain place at certain times. Most potential participants were still working, and as a PhD student who could not provide much incentives, it was quite difficult to organise a separate meeting after their working hour. For this reason, I did not make efforts to organise any group interviews and they were not part of the initial research design. Hence, three out of four group interviews were organised spontaneously, for example people who I wanted to interview stayed at a place by chance when I visit a participant. In the case of a councillor and her aide, the councillor prepared another participant who heavily involved in the process when I visited here without my request. Secondly it could contain some sensitive information that they would not willing to talk in front of others (or certain people) (see Merriam, 2009, pp.94-95), and therefore, I sometimes deliberately organised one-to-one interviews rather than group interviews.

Telephone interviews were also conducted especially after I come back from the third phase of fieldwork, with new interviewees and for additional follow-up interviews. It is acknowledged that there are some disadvantages of using telephone interviews over face-to-face interviews (Bryman, 2008, pp.197-199, 457-458). Firstly, we cannot observe interviewees, and thus we cannot obtain information from their body language. We also cannot observe the environment where the interviews are taking place. Secondly, it is more difficult to build rapport in telephone interviews than face-to-face interviews. Despite these disadvantages, telephone interviews were used for two reasons: Firstly some people preferred telephone interviews¹⁴. Secondly, telephone interview was a

¹⁴ In all cases except when I was in the UK, having telephone interviews were interviewees’ choice, not the researcher. The researcher always preferred face-to-face interview.

pragmatic option after I finished my 3rd fieldwork and while I was in the UK. Prior to the interviews, explanations about the interviews were provided and consent was received.

Samples for the interviews were selectively and deliberately chosen, taking into account accessibility, expected possibility, time, location, individuals, events and activities (Merkens, 2004, p.169). Thereby, the sampling method was similar to ‘theoretical sampling’, which was originated from the grounded theory method (Ibid). They were identified through document analysis and other interviews, as the research moved forward. Once a potential interviewee was identified, possibilities to access were considered. Various means were tried depending on people and situations, for example e-mail, phone, or request to a previous interviewee to give a call to the person. In the case of the last one, it was similar to the snowball method, and only specific people who met my research requirements, i.e. people who know *enough* about the issue and thus can provide valid accounts, were requested for nomination. Yet, since “the nominations take place, as a rule, within a circle of acquaintances” (Ibid, p.168), it was expected and taken into consideration that biases may arise from the interviewees’ positions and values. Hence, interviewees’ accounts were again triangulated with accounts of enough number of other informants from different positions having different values and data from different sources.

Table 5.1 The number of people interviewed by groups (detail information of the groups are shown in empirical chapters; F: face-to-face interviews, G: Group interviews, T: telephone interviews, R: contacted and try, but refused interviews) (source: author)

Groups	1 st fieldwork (Jan 2012 – June 2012)	2 nd fieldwork (Dec 2012 – Jan 2013)	3 rd fieldwork (Jan 2014 – Feb 2014)	After the 3 rd fieldwork	Additional interviews	Total number of interviewees met (including additional)
Total	44 (42 interviews)	13 (11 interviews)	5 (4 interviews)	12	19	93
Officials in the SMG	F:5	F:1 <R:5>	T:1	T:9	T:5	21
CGC Merchants	F:18 G:1 (with 2 people)	F:4 G:1 (with 3 people) <R:1>	T:2 G:1 (with 2 people) <R:2>	T:1	F:3 T:11	42

Advisory group for merchants	F:2 <R:1>					2
SHC	F:1	T:1		T:2		4
CC	F:6 <R:1>	F:1 T:1				8
CRRG	F:2					2
SMC	F:2 G:1 (with 2 people)	F:2				5
NGOs	F:2 <R:1>					2
Others ¹⁵	F:2		<R:3>			2

As can be seen in table 5.1, in total 86 interviews with 70 people were undertaken, and the interviews lasted until I could explain main issues adequately with confidence for validity, which means reached saturation of new knowledge regarding the issues. There were 14 people that I wanted to meet but eventually failed to meet. Five were high-level officials, three from the CGC merchants, one from the advisory group for merchants, one from the CC, one from NGOs, and three from experts participated in a selection process of construction companies for building the relocation market building (shown with M in table 5.1).

5.4.3.2 Interviews with government officials

As can be seen in table 5.1, there were a number of issues specifically relevant for, so called, ‘elite’ groups, such as government officials, members of CRRG, SMC and CC. Here, I review issues in relation to interviews with the elite groups, focusing mainly on officials. It is worth noting that an official in this thesis means an official in the SMG, unless I write specifically an official from other institutions. Accessing government officials was easy and difficult at the same time: it was easy to access at the first time because their office phone numbers and email addresses were opened to public in the SMG website; yet simultaneously, it was relatively difficult to interview them, especially officials involved in the DDCP. This was anticipated prior to interviews, in that there was

¹⁵ One with property agency, and the other with a high-level member of a street vendor union in the CGC area.

no incentive for them to participate, but there were potential risks of being uncovered their or their colleagues' unfulfilled responsibilities. For this reason, accessibility was a key issue in this research. Moreover, issues of dishonest and power relations also needed to be considered (Morris, 2009, Mikecz, 2012).

In terms of accessibility, I preferred e-mail over telephone or some other means, in that I could explain the purpose of this research reasonably more thoroughly with less constraints on time and space. Subsequently, potential interviewees had more time to think about agreeing or not without pressures to make a decision 'on the spot'. In the interview, I did not mention the term 'justice' as I thought it might have raised feelings of reluctance or steered their answers in interviews. Instead, I introduced the purpose of my research by writing "analysing decision making process and outcome in the CRP and the DDCP, concurrently with examining relationships among actors in the processes", which could raise those issues less strongly. I also wrote about voluntariness and confidentiality: "the participation is a completely voluntary, and can be withdrawn at *any* time"; "Every personal information in the interview are treated anonymously and will be 'processed' if needed in order not to be identified by anyone". In majority cases, except five high-level officials (table 5.1), I received acceptances and interviewed successfully. Even though I initially requested 30-40 minutes in emails, in majority cases, it was naturally extended, and it often exceeded one or sometime two hours (the longest one with a retired official lasted around five hours).

Still, when the potential interviewees were related to sensitive issues, it was not generally easy to access. There was no one answer to overcome this barrier: I tried again and again with emails, and sometime with telephone. Yet, especially for officials in a high position, it was blocked or filtered by a secretary. In this case, I also tried to access them through other officials, i.e. requesting referencing me to the person, like the snowballing method. In many cases, however, those efforts were not effective. Generally, retired officials were easier to access, whereas officials in current post tended to be difficult. Even after the access, they were quite reluctant to speak openly in interviews.

Moreover, as Mikecz (2012, p.484) emphasises, "gaining access and trust are not identical", and in this sense, establishing rapport was essential in the interviews, which is closely related to quality and credibility of data the researcher can acquire. I tried to be polite, and during interviews, I did not mention any names or clues to be able to identify

who said what, to show that his / her interview would be treated the same way, confidentially. I explicitly mentioned “although I cannot say who mentioned it, I have heard from some people about ...”. I tried to understand the situation that the official had when they made certain decision and tried to sympathise his / her feelings or dilemmas that they may had. However, I was still politely critical about what they said and corrected memories or data when was necessary to achieve authentic information. Moreover, as was mentioned in 5.3.3, (likely) shared values and understandings between me, as a student studying planning, and planning officials were very helpful to build trust and rapport. They were also quite interested in me studying a PhD in planning in an UK university, and asked me how some planning issues are discussed in academia. My position here, as a PhD student in an UK university, and academic knowledge I had had implications for power relations.

It is generally acknowledged that power imbalance is expected when we interview elites (Morris, 2009, Mikecz, 2012). In many cases, some officials were the only person who held the information I need to obtain, whereas it depended on their decision whether they agree on interviews or not. They also could decide length, time, and location of the interviews. They were also knowledgeable: they often had information and data that the researcher did not know or had not thought about. Hence, in some cases, I felt relatively powerless and the interview was dominated by the official. Yet, these experiences were relatively minor in this research. I was also knowledgeable in a sense that I was armed with data and information acquired from other sources and methods, as well as armed with academic knowledge, and hence, the power imbalance between the officials and me was reduced.

5.4.3.3 Issues of research ethics and confidentiality in interviews

This research was approved by the department of Town and Regional Planning in the University Sheffield’s ethics review procedures. There were two types of informing and gaining consent procedures: one was showing an information sheet (Appendix 2) and, subsequently, the consent form (Appendix 3); and the other was a simpler version of verbal informing and gaining verbal consent (Appendix 4). In all cases, this research followed the principle of voluntary participation (Hopf, 2004), and no coercion was used. All participant groups, except merchants, were provided with an information sheet and

consent form. In the information sheet, however, the term ‘justice’ was not used for two reasons. Firstly, because this research contained sensitive issues, the term justice might cause reluctance to participants. Secondly and more importantly, it was expected that using the term ‘justice’ might have influenced and steered interviewees’ answers. Instead, as was mentioned above, potentially less provocative terms and expressions, for example analysing or evaluating policy making processes and outcome, or consider implications for future policy, were used to introduce my research.

Many merchants were running their businesses, mostly either in the CGC market or in the relocation market. In most cases, I accessed them either via calling them first and then visiting their businesses, or visit their businesses without a pre-notice and then requesting participation. Yet, because they were working and quite busy, it was expected that it would have made them uncomfortable if I showed them a formally written document and asked them to read and to participate. Therefore, for merchants, important issues in this research, particularly potential risks and confidentiality, were informed verbally, which was also approved by the university ethics review procedures. Subsequently, consent for the research participation, recording and using their real name on this thesis were asked.

Confidentiality was a very important issue in this research. Because the research also contains some controversial and sensitive issues, special considerations were made for treating and using the data acquired from the interviews. After each interview finished, recorded files were saved on my computer with a password. In other interviews, some data, where the source of which could be identified, was not referred to or referred carefully after slight alteration so that readers could not identify the person who provided the information. Moreover, around 30% of the participants manifested that they did not care whether their name is shown in the research or not. Yet, in most cases, I did not use their name in the thesis but treated as ‘one of’ official or merchant, although mentioned slightly more detail information about them, e.g. a merchants’ representative or a high-level official.

5.6 Summary

In this chapter, research questions were set, and main methodological issues and strategies for research processes were examined. The main methodological issues included case study and generalisability, the investigative type of research, and validity in qualitative research, as well as a critical reflection of the values and positionalities of the researcher and their implications to the research. Main strategies for research processes were also examined. Two main research methods for data collection, i.e. document analysis and interview, and main issues in relation to them were discussed.

CHAPTER 6: Case Study Area: Brief Introductions and Analyses of Seoul, Cheong-Gye-Cheon, and Cheong-Gye-Cheon Markets

“The cover and restoration of the Cheong-gye-cheon and construction and demolition of the Cheong-gye elevated express highway show the history of Seoul concisely” (Jeon et al., 2009, cover page)

6.1 Introduction

This chapter provides background information of the case study area, Seoul, Cheong-Gye-Cheon, and the CGC market, which is very important in understanding the reason for the conflict in the CRP and DDCP, and the reason for the policy failures.

In section 6.2, the economic and political circumstances of Seoul are briefly reviewed. Subsequently in 6.3, history and important contemporary issues of CGC, an elevated express highway along CGC, and the adjacent area in relation to the CRP are examined. This is followed by an examination of the history and contemporary circumstances of the CGC market, especially around 2002 when the restoration became a social, and in turn, a main electoral agenda in detail. Finally in 6.5, together with summary of this chapter, plan for the empirical research is introduced.

6.2 Brief introduction to Seoul: the capital of Korea and a global city

6.2.1 An overview of rapid urbanisation process: from a pre-modern to post-industrial city

Land Use, 2005

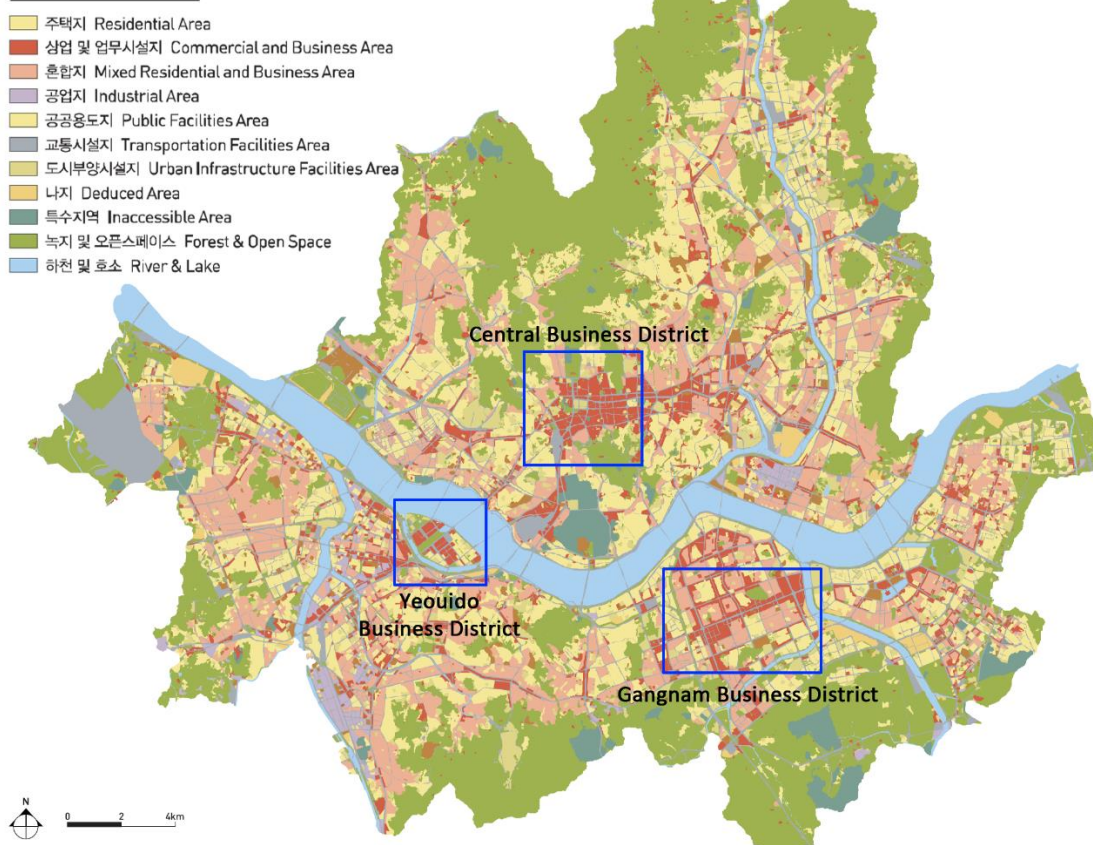


Figure 6.1 Land use map of Seoul (source: Seoul Development Institute, 2007, edited by the author)

Seoul (figure 6.1) is the capital of South Korea (hereafter Korea) and one of the global cities of the world (see Shin and Timberlake, 2006). More than 10 million people are living in Seoul Metropolitan Area and 25 million people are living in the Capital Region¹. The city was designated as the capital of the Joseon Dynasty (the previous sovereignty of Korea) in 1394. After the Republic of Korea was established in 15 August 1948, Seoul retained its position as the capital of South Korea with its official name ‘Seoul Special Metropolitan City’. During the rapid industrialisation process since the 1960s, Seoul experienced an unprecedented speed of urbanisation (figures 6.2 and 6.3). In 1960, the population of Seoul was 2.44 million which became 10.96 million in 1992² and 10.46 million in 2010 (Seoul Metropolitan Government, 2010). During the same

¹ Capital Region includes Seoul Metropolitan Area and Gyeonggi Province, which is also called as ‘capital area’.

² The population of Seoul reached at the peak in 1992, and had declined until 2003, then has increased again since 2004.

period, the number of car increased from 11 thousand to 2.95 million (in 2009). During the period of extremely rapid urbanisation, there have been significant shortages of housing and urban infrastructure, and therefore, the city administrations tended to focus on ad hoc provision of infrastructure and solving short term problems, which according to a planner (Son, 2003) involved “catching up”³ with extremely increasing needs, rather than establishing a long-term plan.

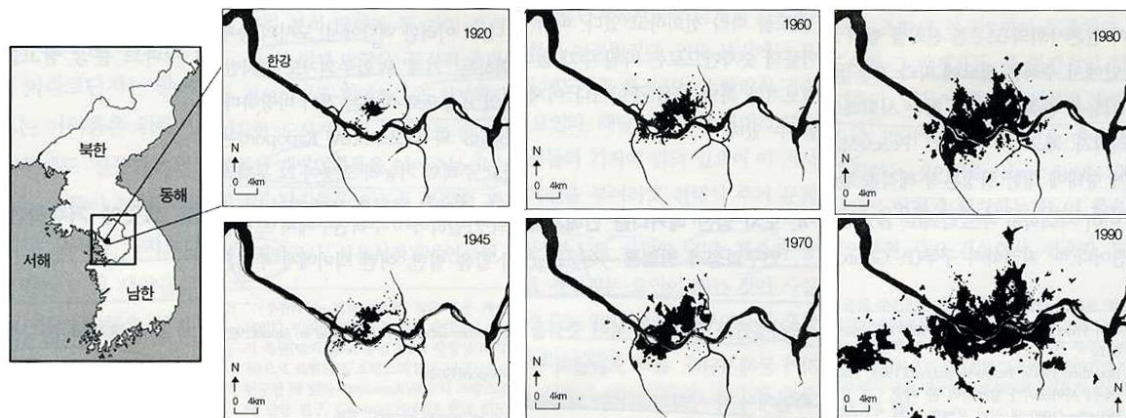


Figure 6.2 The location of Seoul and its rapid expansion (Source: Gelézeau, 2004, p.31)

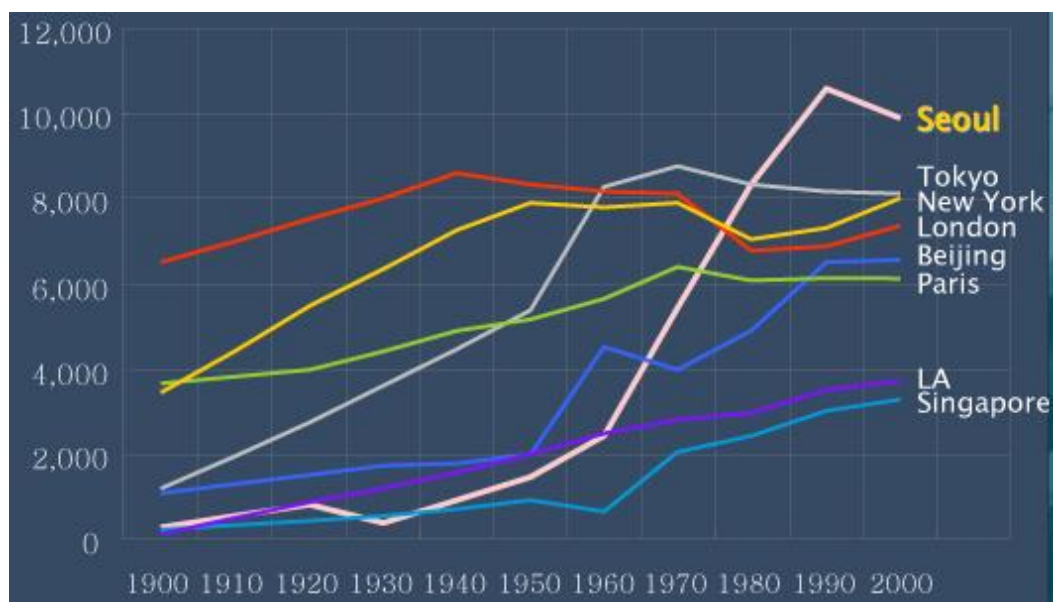


Figure 6.3 Rapid increase of population compared to other major global cities (Noh and Hwang, 2010)

³ As it is recollected by an urban planner, Son, who have worked in the city council more than 30 years that “city administration and planning was focused on ‘catching up’ the needs rather than setting up long-term plan due to the an explosive increase in population”.

The Korean economy has grown continuously with the acceleration of the industrial structure from primary industries in 1960s and developed towards higher value-added industries and businesses. In particular, the economic structure of Seoul – the centre of the Korean economy – has shifted towards a knowledge, business and consumption based economy, which gradually resulted in the increasing power of the middle class in urban politics (Cho, 1997). As a consequence, the priority in urban politics in Seoul has changed. In the era of the post-industrial society, planning priority has gradually shifted to enhancing quality of life and preserving or restoring the natural environment. In addition, intensifying inter-city competition within the globalised and regionalised⁴ world economy has also affected urban politics, and has led the local governance towards an entrepreneurial mode of seeking external investment and visitors actively through place marketing (Križnik, 2011). Under these political and economic circumstances, the CRP became a main issue in the 2002 mayoral election.

6.2.2 Intercity competition within East-Asia and changes in the local economic structure in Seoul

Prior to reviewing the economic circumstance of Seoul, it is worth reviewing the competing environment among major cities in East Asia, which has been even more intensified since the late 1990s (Douglass, 2000a). Within the globalised world economy based on technological innovations, particularly telecommunication and transportation, which affected the increase in mobility of goods, capital and persons (Kempen and Marcuse, 1997), major cities had to compete to capture this footloose capital and people. Similar to cities in Western countries (see Hall and Hubbard, 1996, Harvey, 1989), local states in East Asia set up different growth strategies seeking alternative industries, such as tourism, scientific or medical services, or high-technology manufacturing. They attempted to make a ‘good business climate’ and thus provided desirable infrastructure, labour relation, and tax policies. In addition and for a similar purpose, there has been place marketing by promoting image of the city showing the good business climate for

⁴ Here, the ‘region’ refers to East Asia.

businesses and good liveability for people (Short et al., 1993). In order to create a good image of place, holding events or building iconic projects have followed.

Consequently, there has been significant change in the urban landscape of Seoul, especially in the city centre or Central Business District (CBD) area. In particular, among the top tier major cities in the East Asia including Seoul, there has been competition to obtain, so called, ‘world city’ or ‘global city’ status, including having command and control functions of global conglomerates and finance. Within this economic environment, the CRP project could receive stronger momentum by using the justification: “fostering suitable conditions for foreign business people and business-conducive conditions by making an attractive environment” (Seoul Metropolitan Government, 2006b) (see 7.2.1).

Table 6.1 Change in the number of employee and business in Seoul by sector (A: number of business ; B: number of employee); (source Keum et al., 2012, p.24)

	1981		1991		2000		2010		Change (% during the 30 years)	
	A	B	A	B	A	B	A	B	A	B
Primary	49	2,015	87	6,063	49	738	22	464	-55.10	-76.97
%	0.01	0.08	0.01	0.17	0.01	0.02	0.00	0.01		
Secondary	58,324	1,189,899	105,691	1,531,305	89,101	817,444	73,534	672,876	26.08	-43.45
%	16.50	50.03	18.19	42.19	12.38	22.87	10.08	14.99		
Tertiary	305,045	1,186,402	475,314	2,092,068	630,386	2,756,642	656,175	3,814,017	115.11	221.48
%	83.94	49.88	81.80	57.64	87.61	77.11	89.92	84.99		

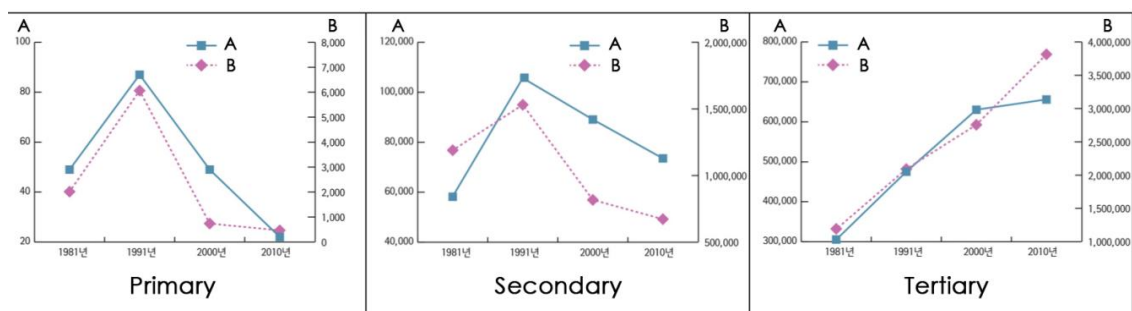


Figure 6.4 Trend of changing industry in Seoul by sector (A: number of business ; B: number of employee); (source Keum et al., 2012, p.25)

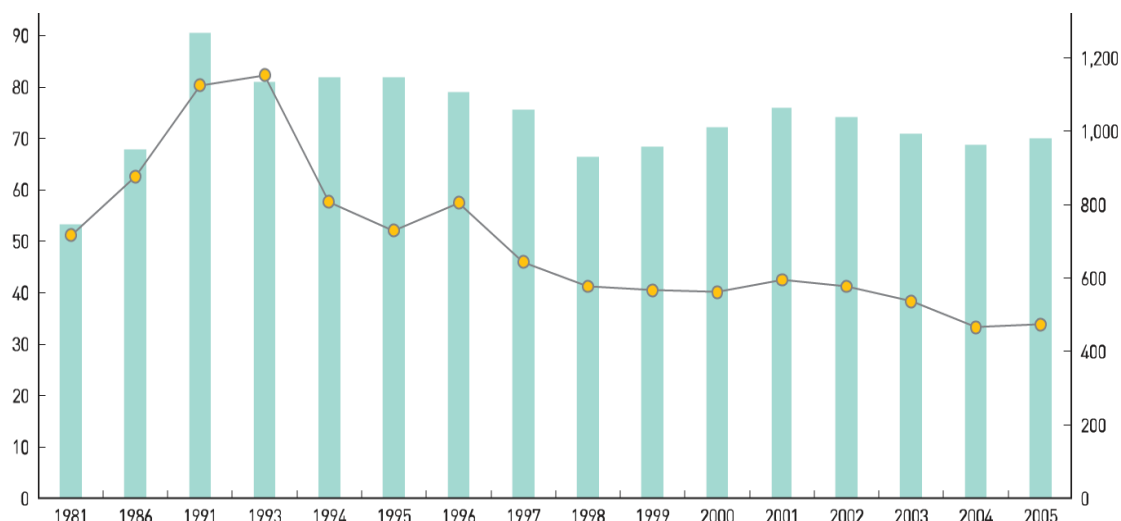


Figure 6.5 Number of establishments and workers in the manufacturing industry 1981-2005 (Source: Seoul Development Institute, 2007, p.86)

With regard to the economic circumstances of Seoul, industries and economy in Seoul have shifted towards knowledge, business and consumption based economy (table 6.1; figure 6.4), and the acceleration of these industries is much advanced than the national average (see table 3.1). Decrease in the number of workers and establishments in the manufacturing industry since 1991 led the trend of a decrease in secondary industries (figure 6.5) (Keum et al., 2012). This higher proportion of advanced economic structure and middle class population enable Seoul to be able to be budgetary autonomous⁵ and financially prosperous, which means the city can carry out large scale urban development projects on its own (table 6.2). In fact, Seoul is the only metropolitan⁶ or provincial government that does not receive a grant from the national government to a local government⁷. Moreover, the absolute amount of budget that Seoul local government can enjoy was large, just approximately 10% lower than the sum of budget of the other six metropolitan areas. Under this circumstance, Seoul can be fiscally independent and thus have capacity to autonomously propel large development projects, such as the CRP.

⁵ In terms of 'Self-reliance Ratio of Local Finance', Seoul is the only city which does not receive 'distribution the local allocation tax' from central government.

⁶ In this thesis, 'metropolitan governments' includes 'provincial governments' in Korea, both of which are higher level than local governments.

⁷ The reason for not reaching 100% of the Fiscal self-reliance ratio is Seoul local government still receive grants for national projects.

Table 6.2 Fiscal self-reliance ratio of local governments in 2001 (Source: adapted from Lee and Lee, 2003, p.172)

(Unit: million Korean Won)	Sum	General + special accounts	Special accounts for the public enterprise	Fiscal self-reliance ratio (%)
Entire country	81,781,639	73,454,338	8,327,302	57.6
Seoul	15,033,949	14,295,103	738,846	95.6
Sum of other 6 metropolitans ⁸	17,147,302	14,972,375	2,174,928	74.3
Average of provinces	49,600,388	44,186,860	5,413,528	42.1

6.2.3 Local political circumstances in Seoul

As suggested by its official name “Seoul Special Metropolitan City”, Seoul has special political and administrative privileges and status. Since 1962 until 1991 and the establishment of local democracy, Seoul had special political privileges and status under a special Act, which, to a large extent, has continued until now. Legally, Seoul – as the capital of Korea and by far the largest city in Korea – is designated as a different hierarchy from other cities (including metropolitan cities) or provinces based on the Local Autonomy Act and the Act on Special Cases Concerning the Administration of Seoul Special Metropolitan City (see Kim et al., 2012). Firstly, the system of positions of the officials and the elected politician within the Seoul Metropolitan Government (hereafter SMG) are the same as the central government and one rank higher than other metropolitan governments. The mayor of Seoul is cabinet ministerial level, and can appoint three deputy mayors of deputy-minister level. Compared to Seoul, other metropolitan level government are one level lower than Seoul or central government, and mayors can appoint two deputy mayors. This means the city has a higher administrative capacity under the control of the mayor of Seoul.

Moreover, as the capital of Korea and the centre of the nation’s politics, culture, society, and economy, Seoul constantly receives much higher media attention than any other local / metropolitan government. Seoul also has led the planning paradigms throughout the history of Korea. For instance, as Gelézeau (2004) shows, the process of

⁸ The ‘other metropolitans’ refer to Busan, Incheon, Daegu, Kwangju, Dajeon, and Ulsan, which have a metropolitan status in administration.

apartments becoming the most popular housing style in Korea is one example. Also as the CRP demonstrates, the covering urban streams in the 1960s and 1970s as well as restoration booms throughout the nation after 2005 is another. Therefore, Seoul has always been received high attention from media and has played a flagship role. Thus the city's policies have had strong impacts.

6.3 A history of Cheong-gye-cheon (CGC) and the Cheong-Gye Elevated Highway (CGEH)

6.3.1 CGC until the colonial era

The Cheong-Gye-Cheon (hereafter CGC) is a 5.8km-length river flowing across Seoul city centre (figure 6.6). Although the river has been political and geographically important throughout the Joseon dynasty (1392–1897⁹, the final dynasty in the Korean Peninsula), in relation to the CRP, its functional role is important to be reviewed. The river has played an important role, especially for the ordinary people: the river used to be used as many functions. The river was a sewerage corridor to discharge the filthy water of the city to the Han-river (the main river of which it is a tributary) (Jeon, 2009). Therefore, as an uncovered, open river used as a sewage corridor without any purification process, it generated a foul stench. Furthermore, for a topological reason (lowland), floods have frequently occurred, and for this reason, historically the area near the river used to be regarded as a 'problematic' space where many low-income or homeless people were living and where there was a high crime rate.

⁹ After the collapse of Joseon dynasty, Korean Empire government (1897 ~ 1910) was set. However, the emperor was the same person as the King was the same

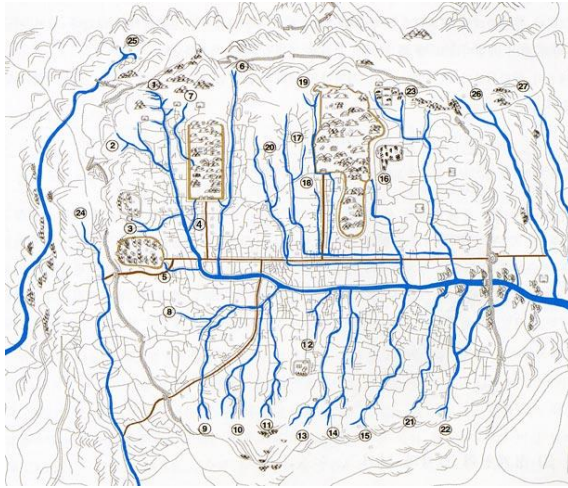


Figure 6.6 Do-sung-do, late 18C (coloured by author) (source: Kyu-Jang-Gak)

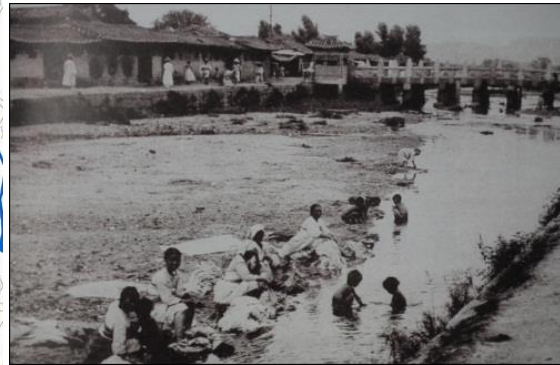


Figure 6.7 cleaning clothes at the CGC in the pre-modern era (source: Choi, 2012)

However, despite the polluted water, many people, especially the low income people living around the CGC, used the river for cleaning their clothes or washing vegetables as a water supply facility was not installed until the end of the dynasty (figure 6.7). Therefore, serious issues in urban sanitation arose. In this circumstance, the Japanese colonial government (1910 – 1945), which replaced Korean Empire government, started to try to tackle the problem by covering the river. In addition to the sanitation reason, covering the river could also provide a new wide road, which was needed by the colonial government for military reasons (Jeon, 2009). However, due to the enormous amount of cost needed for the preparation of the serial wars, including the Sino-Japanese War and the Pacific War, the colonial government could only cover a small part of the river.

6.3.2 CGC during the rapid urbanisation and industrialisation period

The Korean War (1950-1953) and rapid urbanisation process brought about a fundamental change in the river. Firstly, destruction of houses during the war and significant migration of population to Seoul resulted in the building of a great number of illegal shanty houses in many places in Seoul, especially along the river (figure 6.8). Simultaneously, the physical quality of the space along the river had become worse as there was no maintenance work. Due to the sedimentation of soil, regular dredging work was needed to the CGC to prevent flooding. However, during and shortly after the Korean War, the city authority was unable to spend revenue on the dredging, which caused more frequent flooding and increased issues of sanitation and crime. In this context, the

necessity of covering the river increased, and therefore, the covering project was continued in 1958 and finished in 1961 for the city centre area¹⁰ together with installing underground sewerage pipes beside the river. The covering project for the entire CGC was finished in the early 1970s (figure 6.10). While the covering project was undertaken, the shanties were demolished and forcefully displaced (figure 6.9) (Son, 2003).

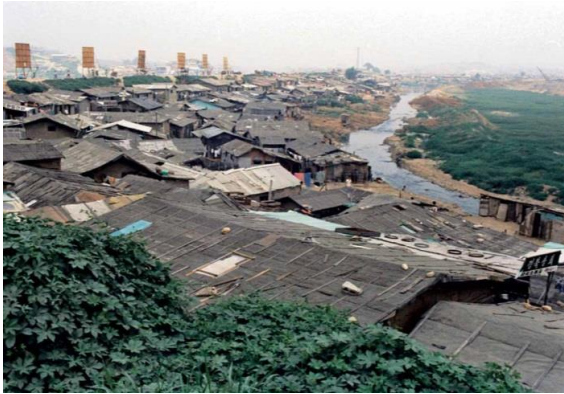


Figure 6.8 Shanty town along the CGC
(source: <http://tayler.tistory.com/317>)

Figure 6.9 Covering the CGC and
Demolish and displacement of the
shanty town (source:
<http://tayler.tistory.com/317>)

¹⁰ Within the fortress, the former boundary of Seoul.

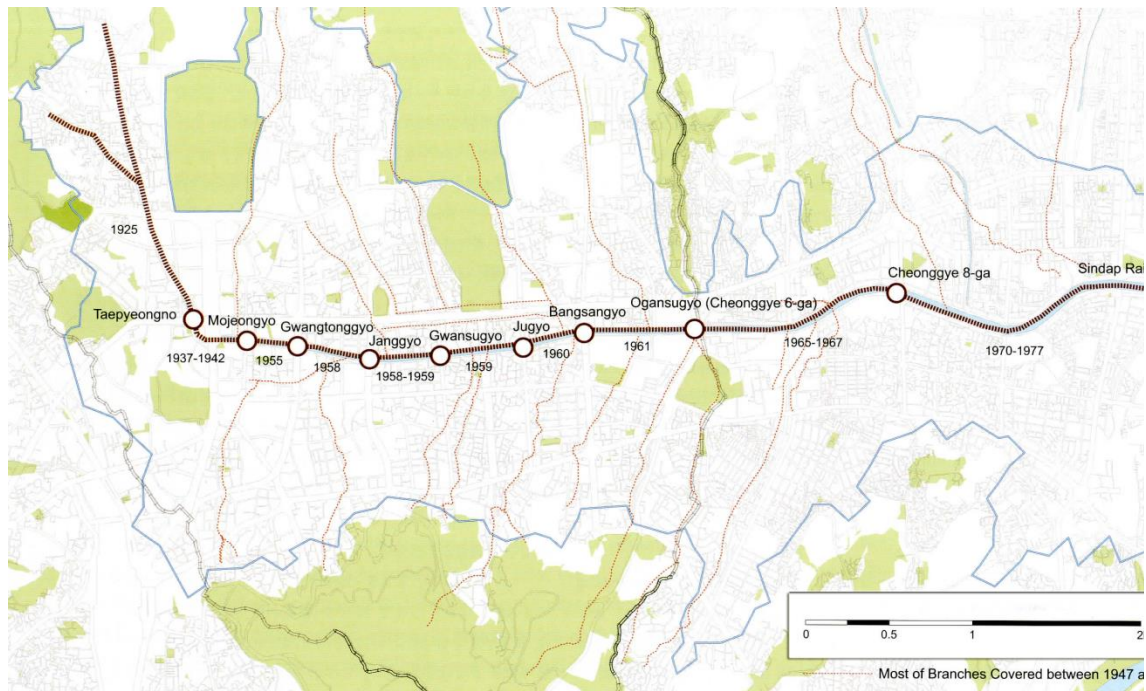


Figure 6.10 Summary of CGC coverings (source: Rowe et al., 2010, p.34)

In addition to addressing issues of sanitation, crime, and illegal houses along the river, covering the river was also used to meet the increasing demand for road systems. The 1960s was the time when Korea started to be rapidly modernised, and in turn there has been severe urbanisation process in major cities, especially in Seoul. In conjunction with the rapid urbanisation process, the number of cars started to increase rapidly (figure 6.11). In this situation, the needs for widening and extending the road system around the CGC area, at which many headquarters of major companies and government offices were located, was higher than other areas. As a result of the covering project, a 50-90m width road was provided, called Cheong-gye-cheong Street (hereafter CGC St.). In addition to the CGC St., CGEH was planned and constructed soon after the covering project for similar reasons. A former researcher in the Korea Transport Institute, Sung-bin Imm (1991)¹¹ wrote in retrospect that although the absolute number of cars was relatively much

¹¹ There are different perspectives regarding the traffic congestion and necessity of building the express highway. According to a former senior urban planner in Seoul Metropolitan government, Jeong-mok Son, which he stated in his book (2003) in retrospect, constructing the elevated highway was not directly because of the increasing number of cars, with consideration of the fact that the number of entire registered cars was only 25,680 among which private cars was only 4,075 in 1967 when the construction plan was announced. Instead, he argues the construction project was planned more for political reasons. It is quite difficult to find out the actual traffic condition in those days, as there is not much literature. However, it is fair to say that although it was difficult to anticipate the number of car increase in 1967 when the construction plan

lower than now (figure 6.11), the road became very congested in the early 1970s soon after the CGC Street was constructed, and this was why the elevated highway was planned and constructed in a short period of time (figure 6.12).

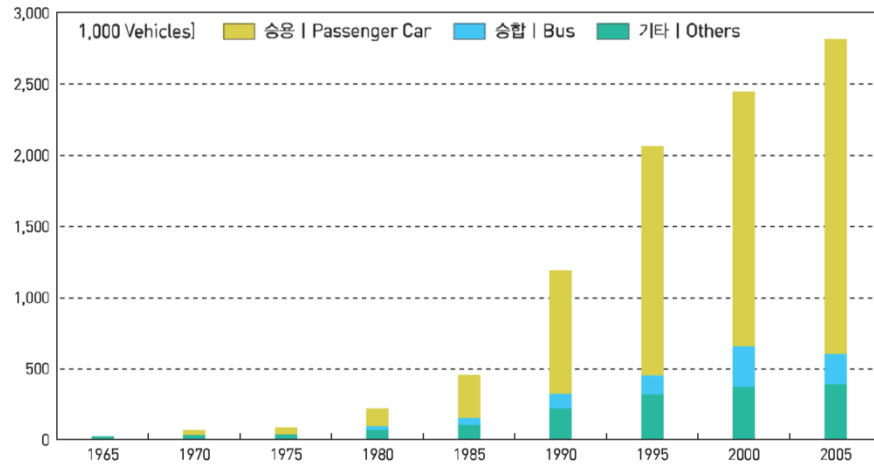


Figure 6.11 Registered Motor Vehicles, 1965-2005 (source: Seoul Development Institute, 2007, p.138)

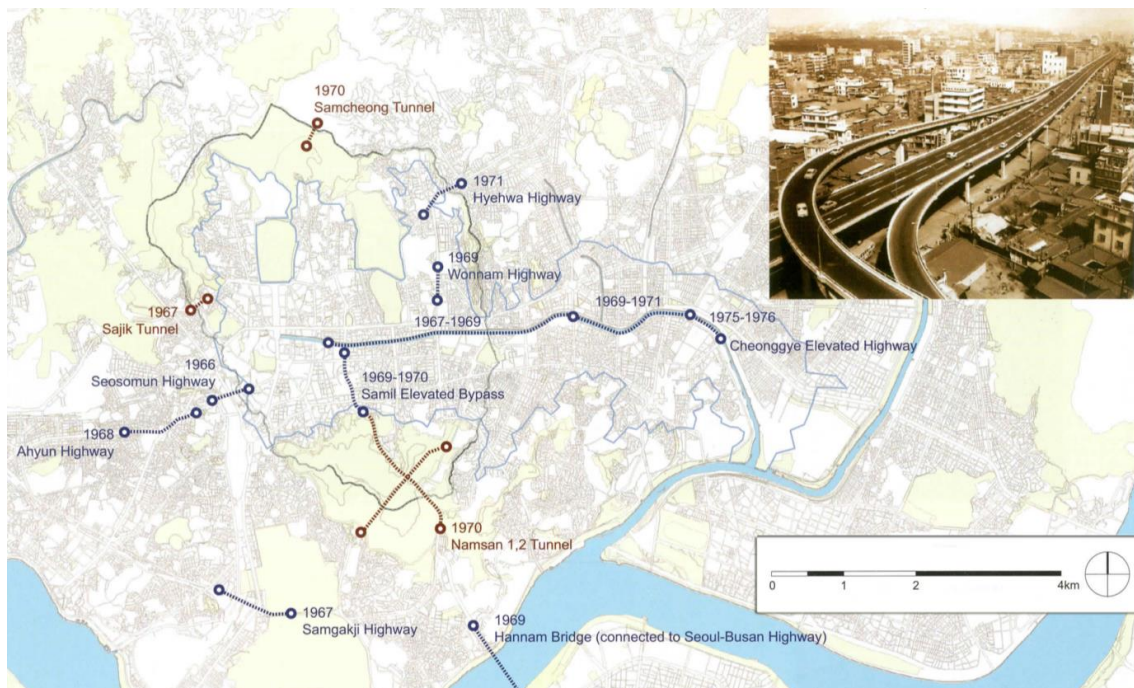


Figure 6.12 Summary of CGEH construction process and its completion (picture) (source: Rowe et al., 2010, p.35)

was announced, with consideration of the speed of the urbanisation, traffic congestion became one of the main issues needing to be tackled urgently in the early 1970s.

Since the cover of the GCG and generating the CGC St. and CGEH, the roads became main roads connecting Seoul city centre and other parts of Seoul, particularly the eastern part. As is presented in table 6.3, the amount of traffic that both roads could accommodate was approximately 270,000 cars per day. In particular, the amount of traffic the CGEH (width: 16m) could process exceeded the sum of Jong St. and Eul-ji St., both of which were much wider than the highway (figure 6.13, 40m and 30m respectively), and this shows the importance of CGEH in the functional aspect of the Seoul traffic system. Moreover, both roads provided the adjacent areas with good accessibility to the rest of Seoul and other parts of Korea. This was one of the most important factors why national-wide whole sale businesses could flourish around the area. Accordingly, later on when the restoration became a main issue in the mayoral election in 2002, merchants along the CGC opposed to the demolition of the CGEH and uncovering the CGC owing to the contribution of the both roads to the accessibility to the markets.



Figure 6.13 CBD (inside of the box), CGC (blue), and main roads nearby (red: Jong St.; green: Eul-ji St.) (source: Google Map, edited by the author)

Table 6.3 Amount of traffic processing in 1982 and 1989 (source: Imm, 1991)

As well as the urban functional aspect, the CGEH and covered road also had an important meaning as political symbols of the capacity of the Park military regime and the modernisation of Korea. After the war, even though Seoul local government needed to tackle the problem caused by the CGC as was mentioned earlier, the process of covering the river was very slow due to the lack of revenue. The covering project, started in 1958, could only be undertaken a few hundred meters a year. In this situation, the Park regime, which gained its power in 1961 with the military coup, took over the project and finished the project (for the city centre area) within a few months. This gave an impression to the people that “this military government is very capable” (Son, 2003, p.189). After the project, dirty water with a bad smell and shanties disappeared from people’s vision.

Instead, large markets were formed and flourished along the wide road with cars and buses. Similarly, construction of the CGEH provided those symbolic meanings even further. Therefore, together with a number of modern architectures along the CGEH (see figure 6.14) became a space of symbol of the modernisation and capacity of the military regime (Ryu, 2007, Rowe et al., 2010).

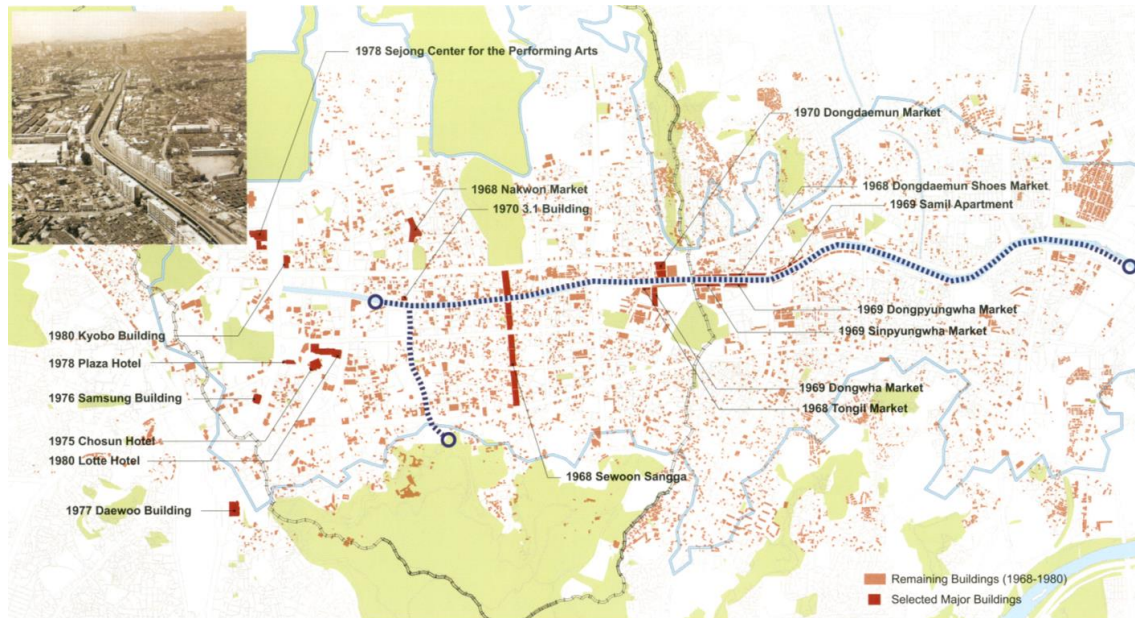


Figure 6.14 Buildings and other developments nearby to the CGC and CGEH (Source: Rowe et al., 2010, p.38)

6.3.3 CGC during the post-industrialisation period and the structural background of the CRP



Figure 6.15 CGC Street and CGEH before the restoration project (source: <http://www.docuinside.com>)

As the Korean economy has grown, people's priorities have changed. The space near the CGC and the CGEH (see figure 6.15), both of which were a space of a symbol of modernisation, came to be interpreted in a different way. The CGC market and the CGEH started to be regarded as 'inappropriate types of business for the city centre' and 'inefficient way of using the space' (in the case of the CGC market), as well as 'undesirable environment' and 'unsafe structure' (in the case of the CGEH) (Kim et al., 2010). This was mainly on account of a generating large amount of traffic and undesirable environmental effects (Kang, 1996, Jung, 2006). Furthermore, the physical environment of the areas around the CGC, especially between CGC 2th St. and CGC 5th St, had deteriorated and floor area ratios are low was quite lower than other areas in the city centre (figure 6.16). Accordingly, the area has come to be blamed for its 'underutilisation of land' and as an 'impeder' of development of the CBD (Kang, 1999); which in other words inefficient use of space mainly in an economic sense.

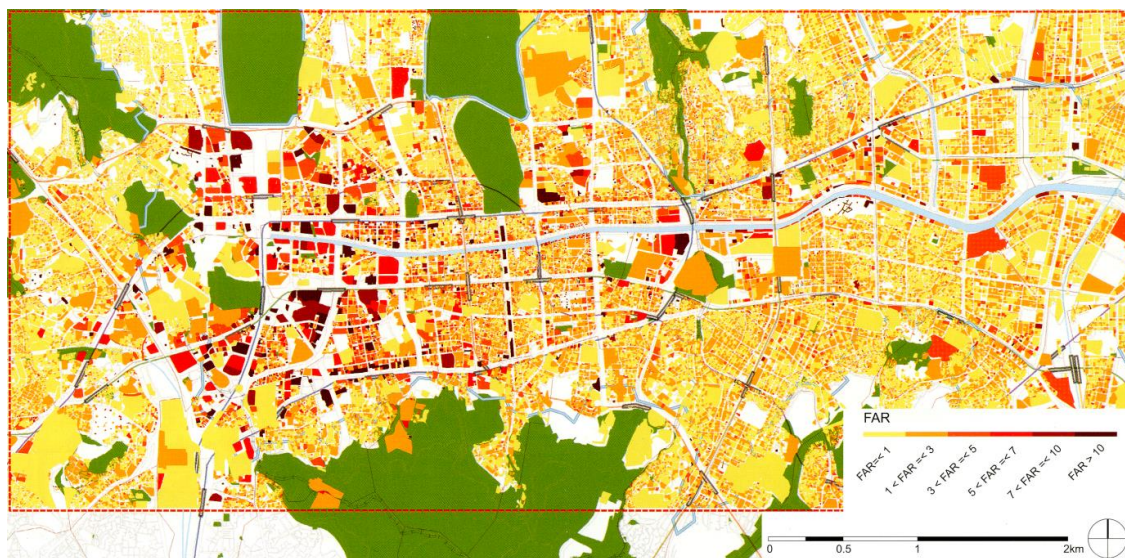


Figure 6.16 Actual Floor Area Ratio (FAR) by property parcel (Rowe et al., 2010, p.64)

Contemporaneously, the development of the south part of Seoul – particularly, Gang-nam and Yeouido (figure 6.2; currently secondary CBDs) – was put forward in 1970, and since then many higher value-added, knowledge-based industries, e.g. information, law, or finance, started to develop primarily based on those two districts. In contrast to the rapid development of the two secondary CBDs, growth of the CBD has been stagnated (Rowe et al., 2010). In this circumstance, social discourses regarding the inefficient use of space, stagnation of the growth of the city centre, and necessity of redevelopment of the CGC area have gradually become stronger (Kim et al., 2010).

Meanwhile, issues of safety of the CGEH also emerged. In the 1960s and 70s when the CGEH was built, construction technologies in Korea was low, and at the same time, the city's budget in those days was insufficient to build structures as firmly as it could potentially be built. Moreover, in those days, construction supervision and management systems were not developed and thus faulty constructions often occurred. For these reasons, the quality of the construction of the CGEH was not high, and in the 1990s, which is only 20 years after its construction, it already raised safety issues.

According to a safety diagnosis conducted by SMG in 1994, the CGC street and CGEH needed repair and reinforcement. After then, maintenance work of some parts of the CGEH between 1994 and 1997 was taken place (Yonhap News, 1994). Simultaneously, traffic was also limited: only small and medium-sized cars on the CGEH was allowed from 1997 onwards (Hankuk Kyungjae, 2001). According to a precision

safety diagnosis conducted in 2001, which was before the CRP started to be discussed as an electoral issue, it was announced that the safety grade of the structure of the CGEH was between C (requiring special attention) and D (unserviceable). This meant the rest part of the CGEH (from CGC 4th St. to Majang-dong, 3.86km) needed a comprehensive repair work and the deck part of the structure needed to be replaced (Yeom, 2001). In this regard, the SMG ordered working designs and planned to start the comprehensive repair work after the 2002 World Cup in June, and the comprehensive maintenance work was anticipated to take approximately two years.

Within these circumstances, where the deteriorating physical condition of the area and safety became important social issues as well as the changing priorities of urban politics which focusing more on quality of place, environment, and historic preservation as was examined in the previous section and Chapter 3; voices for restoring the CGC started to emerge within academic and social elites as well as some activist groups, especially in the fields of environment and historic conservation, since the 1990s (Rowe et al., 2010).

6.4 ‘Cheong-Gye-Cheon (CGC) market’ and merchants

6.4.1 Brief overview of the CGC markets

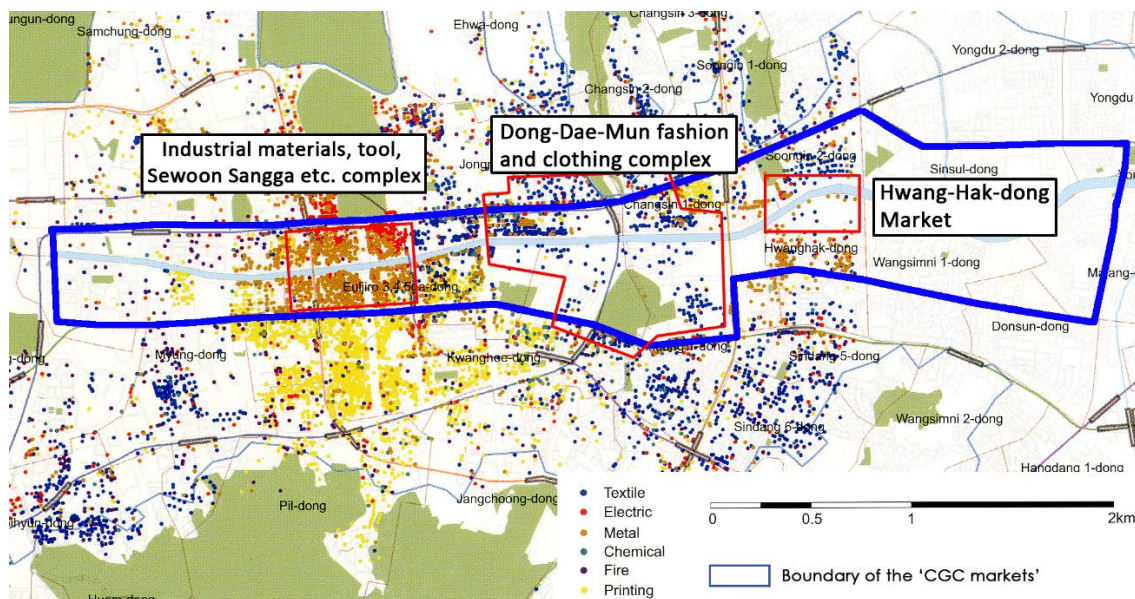


Figure 6.17 Secondary industries in central Seoul (source: Rowe et al., 2010, p.68, edited by the author)

Table 6.4 Condition of the CGC markets in 2001 (Source: adapted from Cheng-Gye-Cheon Restoration Project Headquarters, 2003)

Total number of registered stores	62,783	
Total number of Employees	213,462 (3.4 employees per store)	
Manufacturing workshops	Ca. 2,000 (registered: 246, unregistered: 1,754)	
Total number of Merchant Groups	66	
Number of registered Shops	Total	Main business items and shopping centres / market
Total	62,783	
CGC 3 rd St.	12,374	Metal tools, machinery, fire extinguishing facilities, lighting appliances, electronics, electrocity; Sewoon Sangga ¹² , Darim Sangga
CGC 4 th St.	12,907	Jewelry, watch, electronics, electrocity; Gwangjang market, Bangsan market,
CGC 5 th St.	20,436	Clothing subsidiary materials, clothes, bags, used books, miscellaneous goods, Pyunghwa Market, Dongdaemun Complex Market
CGC 6 th St.	14,754	Clothes, shoes; Shin · Dong · Cheong Pyunghwa Market, Shoe Wholesale Market
CGC 7 th St.	2,124	Second-hand electronics, clothes, miscellaneous goods, daily supplies; Sam-il Apartment Sangga
CGC 8 th St.	134	Pipe, tool, boiler, aquarium
CGC 9 th St.	54	Pite, material

The centrally located so called ‘CGC market’, which seemed to be a single massive linear market and thus was commonly regarded as a single collective market, although it actually consists of many types of business, markets, and shopping centres (figure 6.17 and table 6.4). In this thesis, the term ‘CGC market’ is used to refer to the markets as a collective complex, and when necessary, the names of individual markets or shopping centres are used. Although it is difficult to track the exact history of the formation of the CGC markets collectively, as each market has a different origin, in general, it was after covering the CGC that the markets linearly formed along the CGC based on the significantly improved accessibility (Jeon et al., 2009). Afterwards, concurrently with Korean economic development through industrialisation, the markets grew rapidly and became the biggest markets complex in Korea. In 2001, there were more

¹² ‘Sangga’ in Korean means shopping mall.

than 62,000 registered stores, more than 210,000 workers, and 66 small and large merchant groups existed in the CGC markets (table 6.4). As can be seen in figure 6.17 and table 6.4, from the CGC 3rd St. to CGC 9th St., there were series of stores selling metal tools, lighting appliances, electronics, clothes, shoes, and second-hand electronics.

The markets existed not only linearly along the wide CGC Street, but also inside of the blocks, on narrow streets within organically formed urban fabrics. There were also some markets formed within single large buildings (like a department style), for instance Sewoon Sangga or Pyunghwa Market. Several types of businesses, for example metal tools, industrial materials, electronics, and textile, were (and some of them still are¹³) leading markets in Korea. These businesses were core in the entire CGC market, but other businesses selling a wide variety of different items also flourished along the CGC. In this context, it is widely referred to by people that “there is nothing we cannot find in the CGC markets” or “we can even make tanks and missiles with items being sold in the CGC markets” (Jeon et al., 2009). In general, there were three main factors that enabled the CGC markets to thrive: good accessibility, relatively low rent compared to other central area, and industrial networks and clustering among businesses (Cheong-gye-cheon Restoration Research Group, 2003a). In this sub-section, the first and second factors are reviewed and the third factor is reviewed in the next sub-section.

Firstly, the covering the CGC and construction of the CGEH provided markets with significant improvement of the physical environment in terms of issues of sanitation, security, and especially accessibility (see 6.3.1). Simultaneously with the rapid growth in manufacturing industries – e.g. electronics, textile, machinery – in Korea, CGC markets dealing with tool, textile, or metal and providing national wide goods also flourished. Among the enhancement of the physical environment that the covering the CGC provided, improvement of accessibility was a key factor for businesses to sale their goods easily to other areas of Seoul and Korea (Jung, 2006). Here, it is also worth noting the size of the entire country (100,210 km²), which is 77% of England (130,395 km²), and its relation to the CGC market. As it was mentioned earlier, approximately 71% of the businesses in the CGC market are wholesale. The relatively small size of the country with transportation infrastructure enables the CGC market to have customers from the entire

¹³ In the case of electronics, it was until the Yong-San electronic market complex was activated in 1990s, but other businesses remained (and some of them still remain, e.g. textile) the leading market in entire Korea until the CRP put forward.

national. This is particularly the case for the fashion and fashion related industries (e.g. shoes and textile) near the Dong-dae-mun area (figure 6.17) where tens of buses with merchants of small-scale wholesalers and retailers comes from entire country at every late night to buy clothes.

In addition to the CGEH, subway lines also started to construct and completed 1st line from 1974, and among the total 11 lines¹⁴ in Seoul, 6 lines are passing through or near the CGC markets (figure 6.18). Similarly, majority bus lines also pass through or near the CGC markets, and these bus and subway lines further enhanced accessibility to the market. The reason for good accessibility with various transport systems mainly derives from the location of the CGC market, which is located at the central area of Seoul. This good accessibility through public transportations enabled the CGC markets to be able to function both as a wholesale and retail markets.

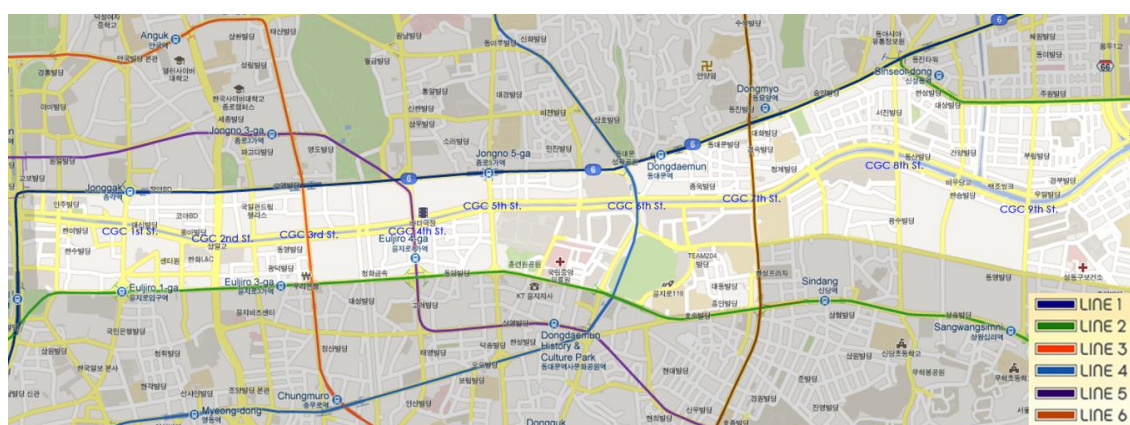


Figure 6.18 Map of CGC area (highlighted) with street numbers and subway lines around the area (Source: Google Map, edited by author)

Secondly, despite these advantages by locating at the central Seoul, rent has been lower than it could potentially be. This derives from ‘poor’ physical and environmental conditions. For example, the buildings are old and deteriorated (figure 6.19, 6.20). Roads are quite narrow and has an organic pattern (see figure 6.23), and the area has been suffered by the lack of parking spaces. It is worth noting that because of these disadvantages, some businesses, particularly tools and industrial materials, wanted to

¹⁴ This includes Bun-Dang and Shin-Bun-Dang lines.

move out collectively from the CGC area to a place where there are cheaper rent, sufficient parking space, and easier access, and this will be discussed further in 6.4.2.

The area consists of a large number of small-sized lots owned by different people, and this complex ownership statues makes it difficult for the buildings or areas to be redeveloped to buildings with large floor spaces for office uses. In addition to the ‘poor’ physical conditions, environmental conditions were not desirable for people to live or the area to be used for a higher value added industries. Moreover, due to the CGEH and large amount of traffic congestion, there were significant noise, dust and fumes. There was also stench generated from the inside of the covered river. These reasons delayed gentrification process despite the potential rent gap which was likely to exist (see Smith, 1979), and therefore, businesses in the CGC market could enjoy lower rent than adjacent areas in the central Seoul. For these reasons, many merchants worried about the potential gentrification process accompanying displacement or increase in rent if the CRP would be conducted, which was likely to further increase the potential rent gap.



Figure 6.19 Building structure around the CGC area (source: Rowe et al., 2010, p.63, edited by author)

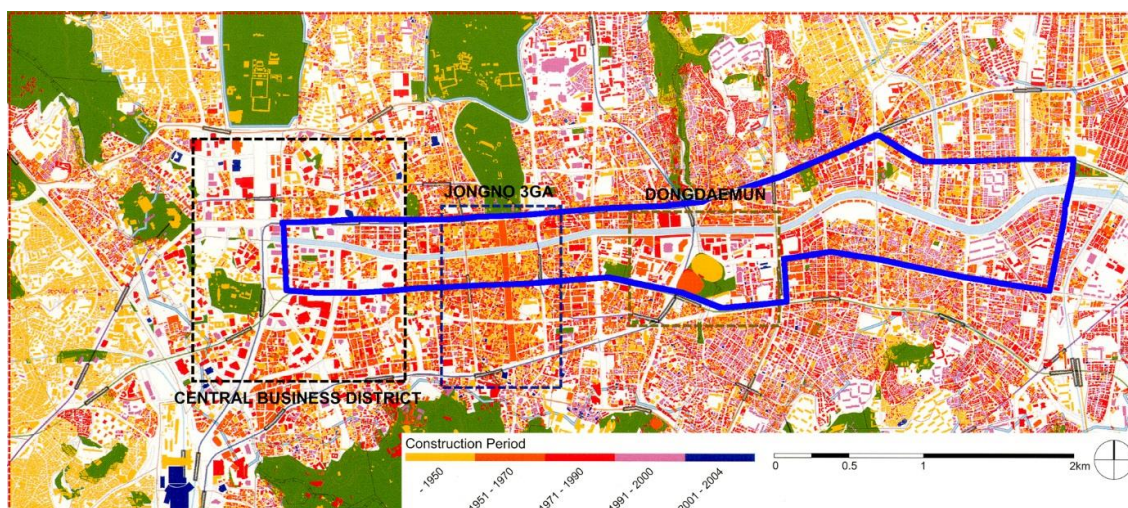


Figure 6.20 Buildings by construction period around the CGC area (source: Rowe et al., 2010, p.64, edited by author)



Figure 6.21 Scenery from Sewoon Sangga to the CBD (source: <http://blog.naver.com/dpos7532>)

Figure 6.22 Very narrow and crowded back allies (source: author)

6.4.2 Challenges to the CGC market: inappropriate types of business for the city centre and declining market?

6.4.2.1 'Inappropriate types of business for the city centre'?

This highly flourished CGC market, however, came to be designated as an 'inappropriate type of business for the city centre' in 1978 by the SMG (Jung, 2006). This started from President Park's order to find a solution to alleviate concentration to Seoul and the Capital Region in 1976. Research was conducted since his order was given and in 1978, and as a result, around 4,700 shops in tools, industrial materials, electricity and

electronics were chosen as ‘inappropriate type of business for the city centre’ which were subjected to be relocated (table 6.5). There were four criteria for choosing the ‘inappropriate type of business for the city centre’, as can be seen in table 6.6. It is worth noting that this designation and relocation was a top-down, managerialist approach (Kang, 1999), the rationales of which were mainly stemming from instrumental rationality based on economic, scientific and technical knowledge (about the rationality, see Alexander, 2000). As a result of this policy implementation for the relocation, some types of business were relocated to other parts of Seoul. For example, industries of parts for vehicles relocated to Jang-An-Pyung (west part of Seoul), and some businesses in electronic industries relocated to Yong-San (central part of Seoul where there used to be a fruit and vegetable market) (Kang, 1987).

Table 6.5 Situation of businesses in 1977 and shops designated for relocation (source: Jung, 2006, p.36)

Type	Number	Situation (1977)	
		Total area	Area per shops
Tool	966	3,422.2	3.54
Bearing	175	612.5	3.5
Manufacturing	769	4,733.5	6.16
Law materials	628	3,854.5	6.14
Electricity	817	1,835.2	2.25
Electronic	398	1,034.5	2.6
Others	417	3,491.5	8.37
(Parts for vehicles)	(481)	(986)	2.05
Total	4170 (4651)	18,987 (19,970)	4.55 (4.3)

Table 6.6 Four criteria for choosing the ‘inappropriate type of business for the city centre’ (source: Jung, 2006)

1. Businesses inducing concentration to the city centre
2. businesses having national-wide trading boundary
3 businesses trading with factory or wholesale
4. Businesses having possibilities to become an inappropriate type of business in the future

However, it is generally acknowledged that this relocation policy was failed, in that despite the relocation, the vacant shops became to be occupied by other shops of the same or similar kinds (Jung, 2006). Moreover, for the cases of relocated businesses, it

took several years for the relocation markets to be vitalised. It is very important to note that because many CGC merchants witnessed the failures, they generally were reluctant to relocate to another place. Furthermore, it is important to review the reasons for the failure of the relocation market of the time, since consequently, similar mistakes were repeated in the DDCP. The first reason for the failure was related to the participation of the merchants: there was no or not enough room for merchants to suggest their opinions or actually participate in and influence within this policy making process (Jung, 2006). The second reason was that they neglected or under-estimated complexity of the market, which will be examined in the following sub-sections.

6.4.2.2 The CGC market: declining?

As was reviewed in 6.2.2, secondary industries in Seoul started to decline since the early 1990s. Although it varied significantly among the types of business, in general, it would be fair to say that the CGC market, especially the industrial materials, tools, Sewoon Sangga complex (see figure 6.17), started to decline gradually since the late 1990s. Together with this structural decline of the secondary industries, there was two more challenges came from external structural environment.

The first challenge was increasing competition with other specialised markets that has been established throughout the nation. The two most competitive complex markets were Yong-San electronic market and Guro Machine and Tool market, both of which were once designated as ‘inappropriate types of business for the city centre’ and hence relocated in the 80s. Although the CGC market was still leading the business of the kind of the country, these specialised markets became strong competitors. Moreover, it is important to note that the economy of specialised markets in general has become worse. Both Yong-San and Guro markets, together with the CGC market, have experienced gradual declination. One reason was they lost large number of customers to large supermarket complex nearby where there have cleaner and more convenient environment for shopping (Lee, 2014b).

The second and even more serious challenge was rapid emergence of electronic commerce since the late 1990s, which was followed by innovations in internet technology and logistics and distribution system. It became able to check or even compare prices of shops easily. Shipping cost in Korea is inexpensive, around £1.4-1.7. This was a

revolutionary change, and this particularly affected Business-To-Consumer businesses. As a result of this change, margin gained by a single transaction significantly decreased. Hence, relatively small number of businesses having price competitiveness with volume transactions could only survive (see Shim and Im, 2006, Heo, 2008). This rapid emergence and flourish of e-commerce has had significant effects on entire Korea businesses ((Kim, 1997, Park, 1999), including businesses in the CGC market. Advantages deriving from agglomeration and city centre location decreased, whereas businesses located at lower rent with wider variety of goods become to have higher competitiveness. Therefore, even though rent around the CGC was relatively lower than other parts of the central Seoul, their relatively higher rent than other areas in particular outside of Seoul became a significant challenges for the businesses in the CGC market.

Combination of the aforementioned three challenges, although it varies industries to industries and shops to shops, it can be argued that majority businesses in the CGC market started to decline gradually since the late 1990s and the declination became faster in the 2000s. Under this environment, the speed of decline became rapidly accelerated by the CRP, which will be examined in the next chapter.

Nonetheless, although the CGC market has been gradually declining, still the market was very active and there used to be high GRG existed, as is discussed in 6.4.4. Moreover, unlike it was generally known to people, some businesses, such as tools and industrial materials, still remain in very active and was leading the market of the entire country before the beginning of the CRP. In the next sub-section, the reason for this such vibrant market, despite the afore-reviewed structural challenges, are discussed while industrial ecosystem is examined.

6.4.3 Industrial ecosystem, inter-dependency, and complexity

6.4.3.1 Overview of the complexity of the CGC market

In order to understand the CGC market, as well as the CRP and DDCP, it is imperative to understand the *complexity* of the CGC market, mainly derived from the three characteristics of the CGC markets: Firstly, the markets have formed strong and active industrial and business networks and clusters with each other (Nahm, 2001). Hence, they shaped an *industrial ecosystem*, which is examined in more detail in the next

subsection with a case study of an area. Secondly, each type of business and market have *different characteristics and interests*¹⁵. For instance, some type of businesses focus more on retails (approximately 29% of the entire CGC markets), whereas some type of businesses focus more on national-wide scale of business to business (B2B) or wholesaling (approximately 71% of the entire CGC markets) (Jung, 2005). This difference of interests influenced the stances to the CRP and DDCP later on. Thirdly, the vitality of a market (called ‘sang-gwon’ in Korean) and a special premium, called (‘gwong-gi-guem’), the two of which are closely related, are very important to understand severe conflicts in the CRP.

In this sub-section, the first one – industrial networks, clusters *industrial ecosystem* – is reflected on. Among the business clusters with various types of businesses there are two major clusters constituting a complex industrial ecosystem and inter-dependency between and among the businesses: tool, industrial material, electrocity and electronics cluster and and Dong-dae-mun clothing cluster (see figure 6.17). I look at the former market in more detail than the latter, because looking at the former still can provide much information about the mechanism of various businesses in the CGC market. In the case of the latter, I briefly review the spatial dependency of the market. In the next sub-section, the third one – vitality of market and special premium – is examined.

6.4.3.2 *Tool, industrial material, electrocity and electronics cluster: focusing primarily on tool and industrial material businesses*

¹⁵ In fact this is very difficult to find out exact number of the merchant groups and business types. Firstly, although some of merchant groups are organised systemically and tool and industrial material merchants even formed a corporation (Korea Industrial Materials & Tool Dealers Association Inc.), some of merchant groups are not organised well. According to one of representatives of the merchant groups, “even though the groups consisted of merchants, they were not organised well, not at all active or influential but just like a morning football club”. Secondly, it is also not easy to categorise business types within the CGC markets. The businesses exit together, and supported or supporting other businesses, including service businesses such as restaurants and motels. They have formed a strong and stable businesses and industrial ecosystem, and their locational boundaries are not clear. For this reason, the number of business types in the CGC area is also not clear.



Figure 6.23 Map of industrial materials and electronics cluster (inside of the red box); above: urban fabric map¹⁶, below: satellite map (Source: Bing Map, edited by author)



¹⁶ Area for redevelopment, inside of the green dot lines. This is discussed in more detail in Chapter 7.

Figure 6.24 Tool and industrial material business cluster (source: author) Figure 6.25 Sewoon Sangga¹⁷ electric market complex (source: author)

Although it is difficult to define the clear boundary of this cluster, businesses are gathered mainly between the CGC 2nd street and CGC 4th Street (figures 6.17 and 23). Within the districts, tools, industrial materials, machinery, fire extinguishing facilities, lighting appliances, electronics, and electricity businesses gathered together (table 6.4), and until the CRP was put forward in 2003, they formed the biggest market complex of this kind in Korea. The majority businesses in this cluster focused more on wholesale dealing with other wholesalers and retailers, but they also dealt with individual customers. In this sub-sub-section, industrial ecosystem and inter-dependency among the businesses of the cluster is examined, focusing specifically on the tool and industrial material market.

The tool market formed after the liberation from Japanese rule in 1945. Since then, the market developed sharply concurrently with Korean industrialisation, together with rapidly increasing demands for tool and industrial materials (see figure 6.24). Although many tool specialised markets has been found in most of major cities in Korea including a large-sized Guro Tool Market in Seoul, from the time when the CGC tool market was formed until the commencement of the CRP¹⁸, the CGC tool market were the leading market in the entire country where many merchants working other tool markets visit and see a new trend of the businesses. Although there is no exact statistical data, until the CRP was undertaken, it was estimated that approximately 70% of the entire tools in the entire nation were distributed via the CGC tool market (Song, 2003a).

The tool businesses have grown together with other related businesses, enjoying advantages as an industrial cluster (about the industrial cluster, see Rosenfeld, 1997). Each item sold around the area, for instance tools, industrial materials (e.g. bearing, bolts, and nuts), pumps, lighting appliances, fire extinguishing facilities and pipes, is a component of other products, e.g. machine or facilities. In this regard, they are inter-related and inter-dependent to each other. Spatially, those industries exist together within a proximity distances. Furthermore, close to these tools and material shops, there also are

¹⁷ Sangga in Korean means a shopping mall.

¹⁸ “The hegemony of the market is being moved to Guro Tool Market since the CRP started. Until the time, it had been definitely the leading market in Korea where most of business magnates (leading merchants) were running their businesses. Yet, it is now fair to say that the leading market status moved to there” (interview with one of representatives of tool business).

Sewoon Sagga and Asea Sangga, both are electronics complex markets (figure 6.25). Most types of business in this cluster are leading markets of each type of the entire country. Therefore, all the up-to-date information, materials, and goods are congregated in this cluster, which in turn attract more customers, capital, and human resources.

This agglomeration of relevant kinds of businesses were forming symbiotic relationship, by complementing each merchant's lack of capital for buying a variety of products. In the case of tool business, there are thousands of types of tools, and it is virtually impossible for individual shops to have all the tools in a shop mainly for financial and spatial reasons. Therefore, on the one hand they were competitors of each other selling similar kinds, but at the same time, they complemented each other:

“It is important to understand Korea tool market system and mechanism. In Korea, tool shops are still mainly run by individual owners with small amount of capital and not yet run by firms with large amount of capital, of course except a few firms. Therefore, there is no choice for us to gather together with organic cooperation to run a tool business. To be honest, in order to sell £56,000–113,000, I need to have around £1,130,000–1,620,000 in my stock. When I visit Japan, I found that shops have that amount of tools in their stock. However, in Korea, we only have around £113,000–162,000 in our stock in each shop. Therefore, how we work is, because we are agglomerated, we can organically exchange tools. When we get orders, we can make complete sets with tools not only I have in my stock, but from other shops. Shops specialised in pliers only have a wide variety of pliers. When they get orders, they bring hammer from next shop who specially deal with hammers and so on. This is a system in the CGC market. How this system can collapse in a day? I cannot bring all those tools with £1,620,000 in a day, can I?” (Interview with a representative of tool businesses¹⁹)

Furthermore, within the cluster, not only were there shops selling tools and all the other materials, but there also were fixing or manufacturing workshops. Although it is difficult to illustrate the spatial layout of the businesses, in general, selling shops were mainly located on the main CGC streets and on back alleys where there was better environment for selling, e.g. better accessibility with cars and people (figure 6.26). Whereas manufacturing workshops were mainly located on small alleys within blocks

¹⁹ There were several groups in tool and industrial material businesses, each having one representative.

(figure 6.27). This coexistence of selling shops and manufacturing workshops is another distinctive advantage of this cluster, which enabled customers to have ‘one stop shopping’ – buy all types of materials and manufacture a product with the materials.



Figure 6.26 Tool and industrial material selling shops on the main CGC street (source: author)



Figure 6.27 A manufacturing workshops on a back alley (source: author)

Moreover, there were positive externalities of agglomerations generated from gathering variety of types of businesses. When people come to the markets to buy some things, they also buy some products that they did not plan to buy:

“We were selling a lot of types of things here in this CGC market. An important advantage of the CGC market was when people came here initially to buy lamp, they also bought heater, and on the way they went back, they bought tools, and on the way, the also bought some clothes.” (A representatives of the Sewoon Sangga)

Owing to these advantages, merchants generally were quite reluctant to relocate to another place at the initial stage of the CRP, and consistently asserted the necessities of relocating collectively. This is discussed further in the following chapters.

In contrast, there were also disadvantages deriving from the physical deterioration of the area; lack of parking space; increasing traffic congestion; and small floor space of buildings and thus lack of space for display and store goods, which were reviewed earlier. For these reasons, many large-sized shops in this cluster had additional warehouses at an outskirt area of Seoul, and they used the shops in the CGC market mainly for displaying goods purpose. For similar reasons, SMG designated the majority types of businesses in

the cluster including as ‘inappropriate type of business for the city centre’ and made effort to relocate the businesses to other locations, especially Guro in 1985 and Siheung in 1989. Contemporaneously, many merchants of tool and industrial material businesses also acknowledged the disadvantages of the current location of the market, and were aware of advantages of relocating the market to another ‘good’ location.

Nevertheless, except from those businesses, majority merchants in the CGC market valued more on advantages staying in the CGC area by forming strong network with other businesses and in a location where it has good accessibility. Another reason was that they were aware, from their long time working experience, that it takes time for the markets to be vitalised. According to them, based on their experience, “market is like a living creature, and therefore, it does not become activated and vital only generating physical environments” (interview with a merchants). They knew that it takes time for invisible networks to be created and for the market become known to people. Moreover, they had witnessed from other instances previously when the SMG strongly relocated some businesses to other parts of Seoul (see 6.4.2.1). Many of them took a long time to be vitalised, but still were less vital than the CGC market. For these reasons, despite of this attempt to relocate the businesses by SMG and disadvantages, majority businesses and merchants stayed in the CGC market. Therefore, until the CRP put forward in 2003, the industrial and business cluster remained in the largest and leading market cluster of the similar kinds in Korea. This tendency of being reluctant to relocate to another place were generally more distinctive to retailers (or wholesalers who were also dealing with individual customers) and merchants who had a strong spatial dependency, as can be seen in Dong-dae-mun market below.

For example, in the case of the market between that I reviewed in 6.4.2.1, around 90% (190,000) of merchants were tenants. (Cheong-gye-cheon Restoration Research Group, 2003a, pp.111-112).

6.4.3.3 Dong-dae-mun Market

As was mentioned, I briefly examine this Dong-dae-mun market focusing mainly on a spatial dependency of the Dong-dae-mun market here. Dong-dae-mun market (figures 6.28, 29 and 30), currently a largest single clothing market complex in Korea and one of the most competitive clothing and fashion market in the worlds, started from

vegetable and agricultural market in 1896 (Lee, 2004). The main items of the market changed gradually, and it was around the 1961 when Pyung-hwa market was built that it became a fabrics and clothes market. The market grown rapidly, and by the 1990s, the market became a large-scale clothing fashion complex which deals with from raw fabric materials via various materials for clothing to selling complete products. There were also various types of businesses related to those industries, for example leather, accessories, shoes or bags.

Within the complex, it was possible to design, make prototypes products, and produce mass quantity of products. Because relevant businesses were forming cluster, they could receive up-to-date information and fashion trends and can reflect their design easily and fast, and it was why the cluster became bigger and bigger. The market was (and still is) indeed a comprehensive complex containing many relevant businesses in a cluster. For these reasons, each business had a strong spatial dependency: they would not be able to run their business if they leave this area. This became an important issue during the DDCP, which will be examined in Chapters 8 and 9. Yet, it is worth noting that the Dond-dae-mun markets was not free from the declination of the entire CGC market, or more generally a conventional type of market, either. Together with the reasons wrote in 6.4.2.2, the market was challenged by much lower price goods imported from China (Lee, 2004).

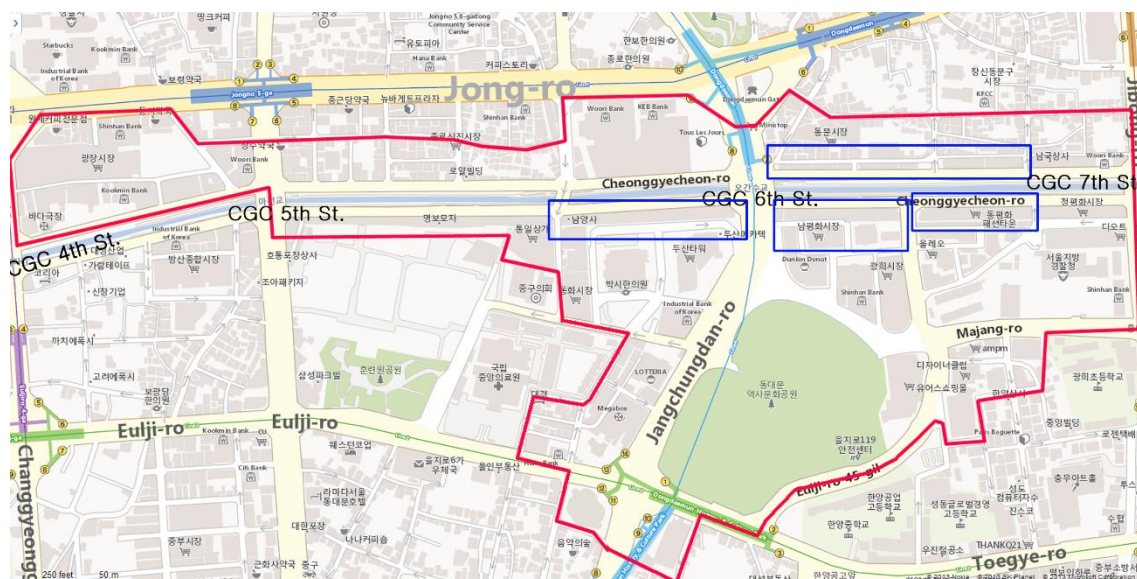




Figure 6.28 Map of fashion, clothing, shoe markets cluster (Source: Bing Map, edited by the author)

The market was largely divided into two: shops focusing more on retail and focusing more on wholesale. Yet, it is worth noting that majority businesses in the cluster (particularly fashion and clothing) were running retailers and wholesalers at the same time. In the case of the former type of businesses, they welcomed the project as it was expected that there would be more customers and visitors when the environment would be enhanced. In contrast, when the CRP was announced, it was largely the latter type of merchants who opposed strongly. Those businesses were illustrated in figure 6.28 (upper one) inside of the blue rectangles. The latter type of wholesale businesses mainly work at night time. Every night, merchants from entire nation (and some even from other countries to buy clothes) came to the market by a large number of chartered buses (figure 6.29), and purchased bulk of clothes. Yet, in the case of the market along the river (blue boxes in figure 6.28), because the buildings were built in the 1970s, they did not have their own exclusive parking space. Therefore, they used the space under the CGEH as parking space at night time. This was another reason why they strongly opposed to the project, as the project meant they would not be able to use the space onwards permanently.



Figure 6.29 A scenery of the night market in Dong-dae-mun market (source: <http://blog.naver.com/prologue/PrologueList.nhn?blogId=bbokoli>)



Figure 6.30 Car park under the CGEH around the Hwang-hak-dong area (see figure 6.17) (source: <http://pann.nate.com/talk/195991/reply/3363527>)

6.4.4 Vitality of a market²⁰ and special premium²¹

In order to understand merchants' concern during the CRP and DDCP, it is crucial to understand vitality of market (called 'sang-gwon' in Korean) and special premium (called 'Gwon-Ri-Guem', hereafter GRG). Values of commercial business property are generally very closely related to vitality of market. Most merchants in the CGC market concerned that if the CRP would be undertaken, many customers would move to other markets. Once they move to other areas, they worried that many of them would not come back and the vitality of the market would decrease significantly. Although this is reviewed in more detail in the next chapter, this was why the name of their opposition group was 'Cheonggyecheon Commercial Vibrancy Protection Committee'. Moreover, they concerned that it would take time to vitalise a market when it is just built, according to them, it usually takes more than five years. This was from their everyday business experience, and also from their observation experience when some merchants relocated from the CGC market to another relocation market in the 1980s.

Moreover, this vitality of the market was closely related to the GRG, which was generally a large amount of money for individual merchants. It is firstly understand what the GRG is. Yoon (2008, pp.440-441) explains: "[G]wonri-geum' is the value of a business over and above the combined value of tangible assets ... 'gwonri-geum' is,

²⁰ This is called 'Sang-Gwon' in Korean.

²¹ This is called 'Gwon-Ri-Guem in Korean.

therefore, assessed and paid for, separately from the security deposit and monthly rent received and paid between a lessor and lessee or a sublessor and sublessee, or between a transferer of a lease title and a transferee, and may be in cash or in kind ... Leases of offices or stores are almost always accompanied by a payment of ‘gwonri-geum’, corresponding to the value of an advantageous location or the compensation for the transfer of rights to use the property”. For the retired owner, the GRG, a lump-sum of money has been a sort of severance pay for salary men. The GRG can be a large amount for the shops located in places where high profit return is anticipated. It depends on amount of expected profit that a rentee can make in the future from the shop, and the GRG is covertly exchanged between the rentees.

In the case of CGC, as there was an active market before the CGC project, high profit of return was anticipated and thus there were generally high amounts of GRG, especially along the wide road, and they were approximately £56,000–113,000 (according to merchants and property agencies I interviewed). The GRG certainly exists as long as future value is expected, which means in effect most of active markets or business areas have a large amount of GRG, but it is not protected by the law, and therefore is not subject to compensation. As soon as the construction was started, this premium disappeared, and this disappearance of the GRG was already predicted before the project, which was why there was a severe conflict between the SMG and merchants²², and this is examined more in-detail in the next chapter.

6.5 Summary of the chapter and plan for the next chapters

In this chapter, the case study area with particular focus of CGC area and market were examined as a background of the CRP. As was also mentioned in Chapter 4, people’s priority changed, and this was a fundamental reason for the CRP was put forward. It was discussed that national government is very powerful in Korean society, and thus many local government are strongly dependent on national government especially financially. Yet, Seoul is an exception, in that the city is financially independent and can mobilise

²² For the same reason, the GRG is also a main factor of conflict in many other commercial district redevelopment projects.

large amount of budget and administrative power. This was a background that the CRP was able to proceed mainly by the SMG.

The history and main issues of the CGC area and market were reflected on. Covering the CGC in the 1960s and 1970s was necessary at the situation of the time, and was evaluated as a symbol of modernisation, planning paradigm changed considerably. The area and space is regarded as ‘problematic’, in terms of physical condition, environment, and security. However, the CGEH and the CGC Street was functionally very important, not only for the entire city, but especially for the CGC merchants. It was reviewed that the most important reason for the prosperous of the market was good accessibility based on city centre location with good transportation infrastructures with the CGEH, CGC Street and subways.

The complexity of the CGC market was examined. A great number of businesses were forming a very complex industrial network, and this was one of the most important competitiveness of the market. It was also discussed that some businesses in the Dongdaemun market had a strong spatial dependency. For this reason, it would have been very difficult for them to relocate to another place. The market, however, generally started to decline gradually from the late 1990s, due to the change in industrial structure of Seoul and Korea, undesirable physical environment of the area, and emergence of the e-commerce. Although the declination was accelerated from the 2000s due to the rapid emergence of the internet shopping, the market nevertheless remained a very active, one of the largest market in the entire country.

In the next chapters, in analysing the CRP and DCLP from the urban justice perspective, the entire process of the two consecutive projects is subdivided into three phases (figure 6.31). Chapter 7 explores the process and outcome of the CRP, mainly from the emergence of the issue as a main electoral issue until the start of the construction, and this is the first phase of the entire process in relation to issues for merchants. Chapter 8 explores process and outcome of the early stage of the DDCP, and this starts with the commencement of the construction of the CRP until the end of Mayor Lee’s term. Subsequently, Chapter 9 explores the later stage of the DDCP, starting from an inauguration of Mayor Oh to the end of special sales of shops to merchants, which was August 2009. In Chapter 10, the entire two consecutive projects are evaluated especially from a justice perspective.

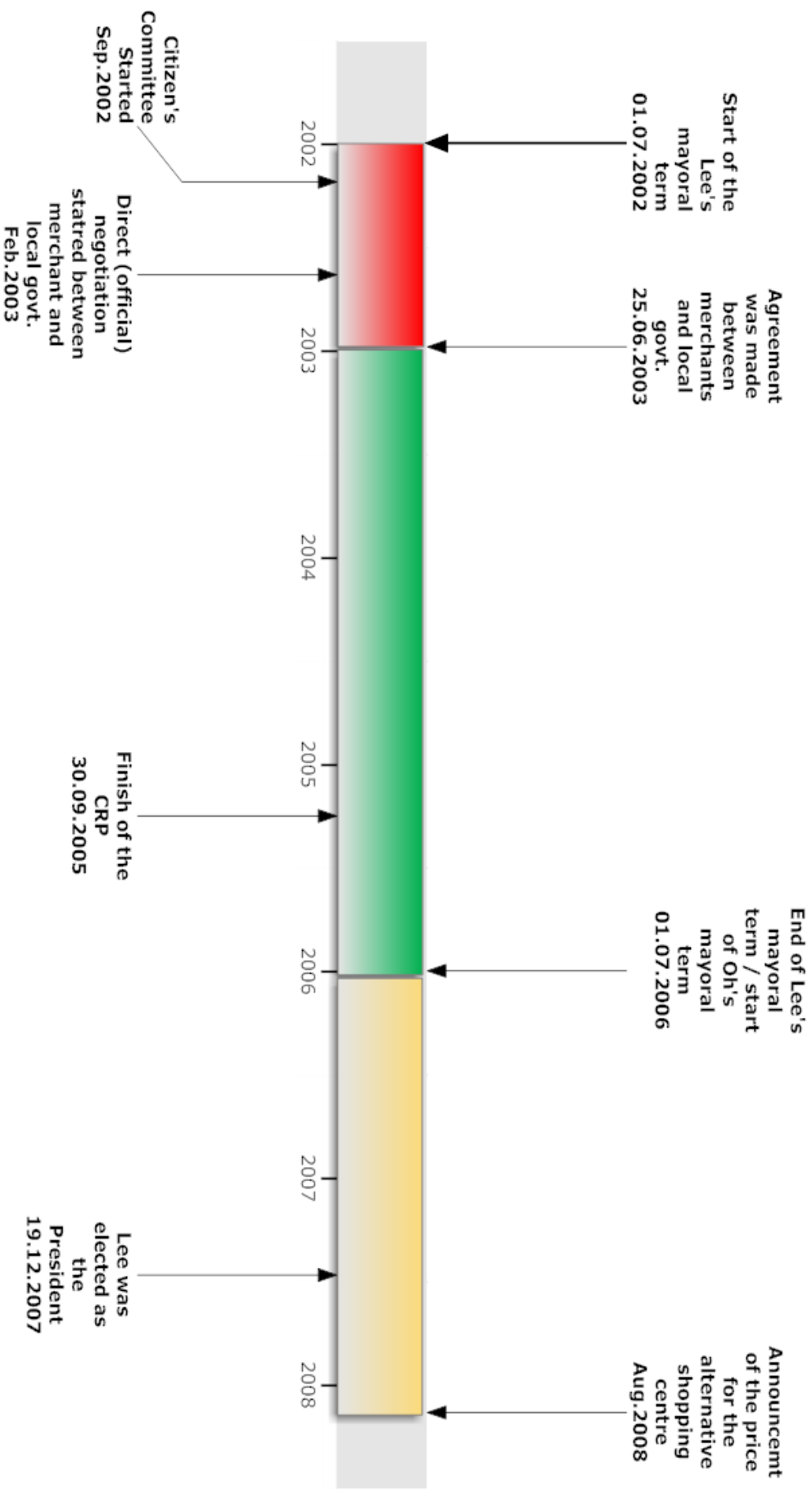


Figure 6.31 Three phases of the entire CRP (source: author)

CHAPTER 7: Examination and Analysis of the First Phase of the Entire process: the CRP

7.1 Introduction

This chapter scrutinise process and outcome of the CRP, analyse main issues and evaluate important planning decisions from a justice perspective. These processes will be done so mainly in a chronological order. Although there were many important planning issues related to issues of justice, for example issues for street vendors, the main focus in this thesis primarily remains in issues for merchants and the general population. As was mentioned in Chapter 1, the most important issue in the CRP in relation to justice can be summarised in one question: If, arguably, planning should pursue the public interest (or the common good) and often unavoidably harm minority's interests, how planning can be (more) just in relation to the interests of the latters? (See figure 7.1, 7.2, 7.3, 7.4)

Since there were very many participant groups with different issues in this phase, this phase is sub-divided into three sub-phases (figure 7.5). The first and second divisions were made respectively when there was an announcement of the basic plan (11th February, 2003) and when the official negotiation between the SMG and the merchants were derailed (11th April, 2003), both of which brought about significant changes in 'situations'. In section 7.2, phase 1-1, from the election of Mayor Lee (13th July 2002) and the announcement of the basic plan (11th February 2003) are described and analysed. During the time, conflicts were relatively latent, yet main actors and their stances were identifiable. Hence, those will be examined in detail in 7.2.2. Section 7.3 covers phase 1-2, from the announcement of the basic plan to the derailment of the formal negotiation (11th April, 2003). Finally, Section 7.4 covers until the agreement was made and the construction began (1st July, 2003).



Figure 7.1 Picture of the CRP, before and after (Source: <http://blog.joins.com/kimkuk76>)



Figure 7.2 Restored CGC, good for general population (Source: author)



Figure 7.3 Both CGEH and CGC St. were core corridors for the CGC market provided good accessibility by car (source: Cheon, 2014)



Figure 7.4 The vibrant CGC market before the restoration (in the picture, it was Hwanghak-dong market, a part of the CGC market) (Source: www.docuinside.com)

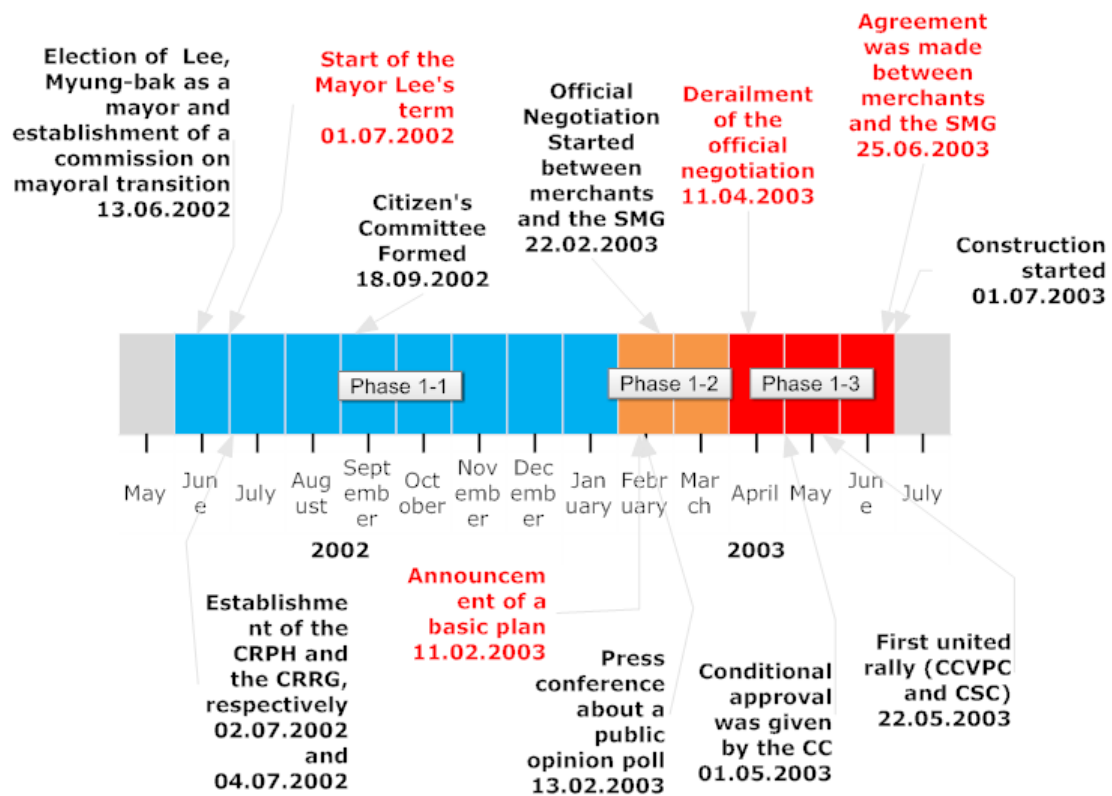


Figure 7.5 Main issues and events in phase 1 (source: author)

7.2 Phase 1-1, from the commencement of the CRP as a formal policy to the announcement of the Basic plan (13th June, 2002 – 10th January, 2003)

7.2.1 Overview of the process

7.2.1.1 Formation of the formal governance structure: proponent groups

Before reviewing the process of the CRP, it is worth looking at brief overview of the project. Technically, this project was planned, officially as a regional (metropolitan) government-led river maintenance project of the 5.8km length Cheong-Gye-Cheon¹ (figure 7.6). In fact, however, this was closer to a large-scale urban redevelopment project than merely a river maintenance work. It was fully financed by the SMG (£ 250m), and thus administratively and financially, the SMG had the initiative to manage the overall project. The justification of the project can be summarized into four: enhancing quality

¹ Cheon (천) in Korean mean a small or medium-sized river.

of life of citizens; getting rid of unsafe CGEH; restoration of history and culture; and making an attractive environment for higher value-added industries (table 7.1).



Figure 7.6 Cheong-Gye-Cheon and the area nearby (Source: Google Map, edited by author)

Table 7.1: Four main justifications of the CRP (Source: Seoul Metropolitan Government, 2006b, edited by the author)

1. Enhance liveability of citizens by providing a high quality restored public green space in the city centre.
2. Get rid of risks related to the decrepit structures of the CGEH and the covered CGC.
3. Restore history and culture.
4. Foster suitable conditions for foreign business people and business-conducive conditions by making an attractive environment.

On the 13th June 2002 election, Lee, Myung-Bak from the Han-Na-Rah (conservative) Party and was a proponent of the CRP, was elected. In the same election, 87 out of 102 (85%) Seoul Metropolitan Council (SMC) members were elected from the same political party. As soon as Lee, Myung-Bak won the election, he established a commission on mayoral transition, and announced that the CRP was the primary policy of his mayoral term (Cho, 2005). In this commission, four leading members of the CRSG, including Prof. Noh, Soo-Hong (hereafter Prof. Noh) and Prof. Yang, Yun-Jae (hereafter Prof. Yang) who would be a leading members in the formal governance, participated in and started to prepare for the CRP. This preparation work was made with Cho, Gwang-Gwon (hereafter Mr. Cho), who was a chief assistant of urban policies of the Mayor Lee's

election camp. Mr. Cho was a retired elite² official of SMG and was in charge of relocation of the CGC market in the 1980s, and therefore, he knew about the CGC market well. Within the commission, it was acknowledged that civic participation is essential for this project. Therefore, it was agreed to set up an independent, private and public joint organisation (Cho, 2005, p.249), which was named as the ‘Citizens’ Committee’ (hereafter CC). This CC constituted one of three institutions of the formal governance structure for the CRP.

The other two were established within the two existing formal institutions as task force teams. One in the SMG was called the ‘CGC Restoration Project Headquarters’ (hereafter CRPH) and Prof. Yang was appointed as chief leader of the team (1st level government official, just under the 2nd deputy mayor³). The other institutional group was in the Seoul Development Institute (hereafter SDI), called the ‘CGC Restoration Research Group’ (hereafter CRRG). In this thesis, SMG and CRPH is used interchangeably, because although most of the work related to the CRP were undertaken by the CRPH, there were also a large amount of cooperation with other departments in the SMG. For the similar reason, CRSG and SDI are also used interchangeably. These three institutions composed the formal governance structure of the CRP, called the ‘triangular governance structure’ (figure 7.7).

² It is not clear whether he was 2nd level or 3rd level when he retired the official.

³ Between 1st July, 2002 and 6th May, 2004, the 2nd deputy mayor was Choi, Jae-Bum who had been in charge of a wide verity of urban development and urban facility managements works.

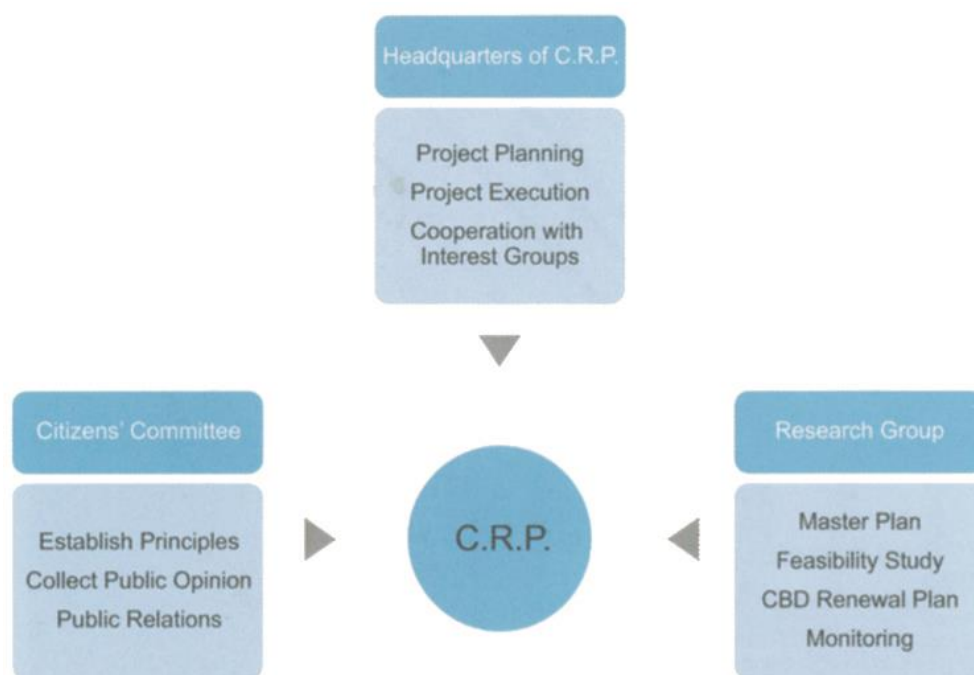


Figure 7.7 Triangular governance structure (Source: Rowe et al., 2010, p.86)

Soon after the inauguration of the mayoral term, the governance structure was established: CRPH and CRRG were launched on 2nd and 4th July respectively. Compared to these taskforces from the formal institutions, CC was launched later, on 18th September. The reason for taking longer time was twofold: firstly, it took time to decide the composition of the organization and participants. Secondly, in order not to become an organisation without legally secured authority, the establishment was postponed until the establishment of an ordinance which provides legal basis, which was 7th September, and in turn the CC established on 18th September, 2002.

The overall design of the committee was made by the leading members of the CRSG, in particular Prof. Noh and Mr. Cho. They tried to make this committee as a representing organisation of the entire people in Seoul, and at the same time to make it possible to play an important role in restoring the CGC in a 'right' way. They thought in order to make a committee for deliberations of the 'right way' of the CRP, 'interest groups' whose interests were directly related to the project should not be involved. Hence, merchants, residents, and property owners who were working, living or owning the land adjacent to the CGC area were not allowed to participate. However, this exclusion of interest groups raised criticisms from various sectors, including the media, some

progressive NGOs, and some members in the SMC (see Seoul Metropolitan Council, 2002). Later on, the SMG partly accepted the criticisms and set up other organisations, called ‘CGC Residents and Merchants Committee’ (hereafter CRMC) and Policy Consultation Committee (hereafter PCC), on respectively 30th December 2002 and 18th February 2003. Owing to the two organisations, especially PCC, the exclusion did not become a major social issue later on. More detail on the structure and recruiting members of the CC is reflected on in the next sub-section.

It is important to note that, basically, all members of the three organisations of the ‘triangular governance structure’ comprised proponents of the CRP. Although they had different opinion about ‘how to’ restore the CGC, they all supported the project itself. Therefore, throughout the Phase 1, they did not have severe conflicts within the formal governance. Yet, from the initial stage, there were increasing disagreements about the status and actual authority of the CC, as can be seen in the Mr. Cho’s book (2005, p.271):

“After the CC began to work in October, their status become controversial. Since CC’s suggestion was not sufficiently taken into account, voices that the CC need ‘right to decision’ have become escalated, and therefore relation between CC and SMG become uncomfortable”.

7.2.1.2 The CGC merchants and their initial attitude

From the time when the restoration of the CGC became a main electoral issue, it was generally anticipated that the project would impact on the businesses in the CGG market in a negative way, and therefore, it was generally expected that dealing with their oppositions would be the most difficult task of the CRP. However, it is very important to understand that there were many different types of businesses in the CGC area, and forecast of the businesses after the project varied depending largely on types of businesses. There were some types of businesses that is anticipated to be benefitted after the project deriving from increase in a floating population alongside the CGC, such as service or tourism related businesses⁴. Whereas there were some other types of businesses, such as

⁴ This can be seen in the chairman of CRMC and at the same time a chairman of the Dong-Dae-Mun Special Tourism Association of Dong-Dae-Mun Fashion Town, Lee, Dae-Jong’s remark in the public hearing: “we are not going to request compensation based on vague figures and values ... first of all please manage side streets during the construction period to solve problems caused by traffic congestion” (quoted in Lee, 2003b).

wholesale industries, that were anticipated to be loss due to the decrease in accessibility. Among the 66 merchant groups and 62,738 registered shops in the CGC area (see table 6.5 and figure 6.17), there were 24 groups and 9,650 merchants who joined the opposition activities due to the anticipated loss (Park, 2008). However, the ‘CGC market’ was generally referred to as conventional markets located along the CGC area, and the ‘CGC merchants’ was referred to as the merchants working in the conventional market. Hence, in this thesis, I refer to them as such, unless it is specified otherwise.

From the beginning of the project, the CGC merchants had a negative opinion about the project (see Lee, 2002c). Until the basic plan was announced (during Phase 1-1), however, merchants were generally sceptical about the realisation of the project and thus took an expectant attitude, as can be seen from responses to a news reporter’s question:

“Can it be possible?” or “Even though they say it is the first electoral commitment, who cannot do anything with empty words? It’s impossible.” (quoted in Hwang, 2002a).

It is important to note that despite the obviously anticipated damage if the project would be undertaken, the CGC merchants also agreed that the restoration of the CGC would be good for the entire society. Yet, undertaking the project without proper measurements for the anticipated losses was not acceptable for them, as can be seen from an interview with a merchant:

“People said that they are going to restore the river and release fishes. Yet, we live from day to day. What’s the meaning of fish in this situation?”; “From a perspective of a far-sighted national policy, it should be done. However, what about our livelihood?” (quoted in Son, 2002, also see Park, 2008, Cho, 2005).

7.2.1.3 Two main challenges of the project: one manageable and the other unavoidable

From the outset of the project, it was generally acknowledged that there would be no significant technical difficulty: “it was simply about getting rid of old the structure of the elevated highway, digging with archaeological excavations, and reconstruction with the new design” (Interview with a high-level official). In contrast, from the SMG’s

perspective, two main challenges were expected: one was about traffic control (related to urban function), and the other was about opposition of merchants and street vendors.

In the case of measurements for traffic, according to simulation estimations undertaken by two expert groups, traffic congestion caused by the project in entire Seoul and the city centre was expected to be limited. According to the result of the simulation estimations, traffic would only slowed down by around 7% (Seoul Metropolitan Government, 2002a), owing to several policy means that would take effect e.g. traffic diversion, extended operation of public transportation (see Cheong-gye-cheon Restoration Research Group, 2003b, Won, 2003). This expected traffic congestions would cause inconveniences to the general population, and to certain extent, it was manageable through various measurements.

In contrast, in the case of the latter, losses of merchants and street vendors were to a large extent unavoidable despite several efforts to minimise. In order to minimise the losses of them, the SMG's announced some measures: two traffic lanes on each side of the CGC Street would be secured during and after the CRP; construction would be completed as shortly as possible; some alternative car park space would be provided around the CGC area; and additional transportation would be provided around the CGC market. However, effectiveness of these measures were questionable, and was generally acknowledged that significant damage to the market would be unavoidable. Although vendors' expected losses due to the CRP were also significant, in this thesis, I primarily focus on issues for merchants.

There were largely seven concerns of merchants in relation to the project (table 7.2). Firstly, once the construction would start, significant inconveniences such as noise, dust, and traffic congestions were expected, which in turn would cause decrease in visitors to their businesses. Secondly, the CRP would cause a large reduction of traffic lanes, from 12 to 4 lanes. This meant decrease in accessibility, which was the reason why this market could become flourish. Moreover, even though two lanes on each side would be secured, due to a large number of trucks for loading and unloading goods and visitors' cars parked alongside the road (see figure 6.26), it was expected that one lane would virtually be not available for traffic (Won, 2003). Thirdly, some businesses, especially those in Dong-dae-mun area, were concerned about the losses of parking space that they had used. For some of the CGC merchants, the CGC road was not just a path for traffic (see 6.4.3.3).

The lanes under the highway were also a parking space for big trucks and buses of retailer and small-scale wholesaler coming from national wide at night time. Fourthly, they were concerned about losing invisible assets and competitiveness of the market: industrial ecosystem and business networks (see 6.4.2). Fifthly, merchants worried that during the construction, regular customers might have moved to another competing markets and not come back after the construction. Sixthly, they were concerned about increase in rent after the project. Because a far majority of merchants were tenants (see 6.4.3.2), possibility of increased rent after the CRP made them worried (Seoul Metropolitan Government, 2002b). Finally, they worried about decrease in GRG. Because the GRG is directly related to expected amount of profit from each shop (see 6.4.4), the aforementioned anticipated negative impacts meant decrease in GRG.

Table 7.2 Main concerns of the CGC merchants (source: author)

1. Inconveniences, e.g. dusts, noise, and traffic jam, anticipated during the construction.
2. Large reduction of traffic lanes after the project (12->4) and decrease in accessibility.
3. Reduction of parking spaces along the road and under the express highway.
4. Weakening industrial ecosystem and business networks.
5. Losing regular customers during the construction
6. Increase in rent after the project.
7. Anticipated sharp decrease in GRG.

7.2.1.4 Losses not recognised in the legal system of the time

However, these anticipated unavoidable losses to the CGC merchants were not recognised in the legal system of the time. Legally speaking, because the covered CGC was owned by the SMG and the CRP was categorised as a river maintenance work; and there still would be two car lanes on each sides, which meant businesses would be able to run businesses during and after the project, the anticipated losses of the merchants were not subjected to compensation for losses. This type of anticipated losses is categorised as ‘indirect losses’, however, in the legal system of the time, the indirect losses were recognised very limitedly and thus was very difficult for the merchants to gain the compensation. Moreover, the GRG was also recognised by the law. This meant that legally, they would not be able to receive any sorts of compensation but should accept the

majority's decision and endure the anticipated losses. Issues related to the law is discussed further in 7.3.1.3.

7.2.1.5 Organising groups of merchants for opposition activities

In this situation, merchants started to organise a group to oppose the project. Initially this started from a meeting of the small number of representatives of business groups, including Lee, Woong-jae (hereafter Mr. Lee). As the SMG moved forward the project, they established the CGC Commercial Vibrancy Protection Committee (hereafter CCVPC) on 12th August 2002, and Mr. Lee became a representative of the group. After founding the group, they started to convince other merchants and business groups to participate. Yet, because many merchants were quite sceptical about the realisation of the project and thus took an expectant attitude, it took time to recruit members and other business groups. Moreover, because it was newly established group and they did not have experience of opposition, it took time to systemically organise the group. Therefore, until the announcement of the basic plan, they did not make any collective action apart from once, which was a rally with 30 trucks on 16th December (Kim, 2002, Park, 2008).

During this time, they conducted a survey targeting 1,680 merchants in 7 business groups in early November. The result of this was announced on 29th November, saying that 86.6% of merchants are against, 6.1% were for the project, and 7.3% deferred their opinions (Jung, 2002). Moreover, they openly expressed complaints about lack of information provided from the SMG, e.g. public hearing, a lack of efforts to ask merchants' opinion to apply to the project, and no space for merchants to be able to participate in the CC (Jung, 2002, Kim, 2002). These open complaints were effective to gain support from progressive groups and the media, because those issues resonated issues of democracy (see Jung, 2002, Hwang, 2002b). There are two things worth noting. Firstly, their main grounds for their argument were based on 'rights' they have as merchants who have fulfilled their obligation, i.e. paying taxes. In this sense, they differentiated themselves from street vendors who did not have similar kinds of 'rights'. Secondly, the CCVPC was composed of various types of business groups that may had different interests depending on issues.

7.2.2 Identifying main actors and their organisational structures, their interests, and their rationales regarding the CRP: the formal governance structure

7.2.2.1 Mayor and officials in the SMG

To re-state⁵ briefly, the SMG was hierarchically organised, mostly composed of merit-based appointed officials who were directed by a mayor. The mayor is elected by voters of Seoul, and thus is a formal representative and the chief magistrate of the city. Not only in the SMG but also more in general local politics (see for example, Elcock, 2006), it is widely acknowledged that both the mayor and officials who are delegated their authorities from the, in the case of the SMG, entire Seoul citizens have duties to pursue the public interest of Seoul. As a formal representative of Seoul and thus delegated a legitimate power, in another word authority (see Beetham, 1991), in principle he is allowed to utilise authority to accomplish the public interest by mobilising the entire SMG administrative organisation. He controls the government officials through various authorities given to him, especially over human resources, and simultaneously with the provided authority, he also takes charge of ultimate political and responsibility of the 4 years of the entire administration. Though the mayor's administration is assessed throughout his mayoral term, it is in the next election that he is judged by voters with his achievements of his entire mayoral term.

Therefore, in terms of interest, which I differentiate from duty, in general the mayor has his own political interests together with his duty to pursue public interest. It would be ideal if the two are in accord, but they frequently differ. It would be fair to say that the political interest of mayor is about being re-elected or becoming a more influential politician at a higher level. Therefore, he wants to achieve accomplishments as much / many as possible⁶ and possibly within his term in order to maximise the effects, so that ultimately he can be chosen by voters again.

In the case of the officials, together with the duty to pursue the public interest, they also have another duty: follow directions of their superiors, where the mayor is at the top of the organisational pyramid, unless the directions are unfair or illegal. However, this duty is often quite blurred, and hence, often it is a dilemma for officials which duty

⁵ A large part of this sub-section was reviewed in Chapters 3, 4 and 6.

⁶ Here I do not mean merely in a quantitative or qualitative sense. Rather I mean those as an overall positive political 'impact' on voters' memory.

they ought to follow in a certain case (see Hutton and Massey, 2006). Yet, in terms of the interest of each official, it would be fair to say that though there are many exceptional cases, in general, their personal interest is more inclined to serve their superiors in a dilemmatic case or in terms of distribution of their time and energy, in that it is closely related to their promotion.

Regarding the CRP, the mayor wanted to finish the entire project as soon as possible, at latest within his mayoral term. This could be seen from his remarks in an interview with a newspaper, just after he was elected and before the inauguration of his term:

“I will definitely keep my election pledges, which are commencement of the construction in 2004 and finish within my term”. In the interview, he remarked that the construction would be able to begin as early as 18 months later (quoted in Yeom, 2002).

Yet, in an interview on the occasion of the first 100 days of his inauguration, he first mentioned the commencement of the construction in July 2003 (Hong, 2002), and it became more specified in late 2002, and set to the 1st July 2003 (see Lee, 2002a). These date of commencement of construction and finish within his term were closely related to his *political interest* rather than duty.

Subsequently, this date of the start of the construction became one of two ‘principles’ in the SMG. This could be seen in a book written by Park, Myung-Hyun (hereafter Mr. Park), previously the ‘Director-General of Restoration Planning and Administration’ (2nd level official). This bureau took overall charge of administrative issues of the CRP, including merchant related issue. He states that there was two principles in the negotiation between the SMG and the CGC merchants:

“From the initial stage, the SMG negotiation team proposed principles and standards. Two principles for the negotiation was: commencement of the construction in July and no cash compensation” (Park, 2008, p.89)

For the officials, these two mayor’s directions were considered as ‘principles’, a kind of structural constraints, which they had to follow.

It is worth noting that within the bureau, there was a department which took exclusive charge of merchant related issues. The department with Mr. Park was often called ‘merchant team’ or the ‘SMG negotiation team’, and this ‘merchant team’ played a main role to manage the conflict between the SMG and merchants. The team consisted of Mr. Park (2nd level), Choi, Dong-Yun (hereafter Mr. Choi) (4th level), and three more officials. The two managerial level⁷ officials – Mr. Park and Mr. Choi – played a main role throughout Phase 1.

Officially and ostensibly, the primary reasons for the commencing the construction as early as possible were related to safety: the urgent necessity for the maintenance of the CGEH and to progress to a certain stage in order to secure safety in the rainy season, which usually starts between mid and late-June in every year and lasts around 28 days. The other two reasons were about the amount of traffic and saving unnecessarily cost: the amount of traffic is the lowest in July – August as it is summer vacation period; and saving approximately £4,000 / day which is being spent for maintenance works of the CGEH (table 7.3). These rationales sounded plausible and were difficult to be challenged, as firstly they were related to issues of safety, which is generally acknowledged as one of the primary roles of the state⁸; secondly it is based on various types of scientific and statistical knowledge and data; and thirdly, it was difficult to find and analyse the data.

Table 7.3 The SMG’s justifications of the starting date (source: Seoul Metropolitan Government, 2006b, edited by the author)

1.	There is a severe safety issue for the express highway, which must be tackled as soon as possible.
2.	Construction has to start in July for the safety reasons with consideration of the subsequent year’s rainy season starts in June.
3.	Construction has to start in July when the amount of traffic is the lowest as it is a vacation period.
4.	Saving approximately £4,000 per day which is being spent for maintenance works of the CGEH

⁷ As was mentioned in Chapter 4, 4th level officials and above are regarded as managerial level.

⁸ The role of the state is not reviewed profoundly as it is out of the scope of this thesis. Most theorists researching on the role of the state acknowledge that protecting people’s life and property is the primary and most basic role of the state. According to Roark (2007, p.9), this also can be found in the concept of minimal state suggested by Nozick, writing that in order to avoid catastrophe, people’s right can be violated by the state.

It is important to note that after the mayor announced the date for the commencement, all rationales in the SMG came to be adjusted to fit with this principle. During this time, it was officials and researchers in the SDI who played a key role, and there was no government official or researcher who openly contradicted the mayor's decision or the rationales. However, in several interviews with people who played a very important role in the CRP, I could find some other reasons different from those officially announced, as can be seen:

“We had to finish the project within the mayor's term. No one knows how this project would be if the next mayor would come in to this position, because this project was very controversial. Therefore, we calculated back and decided that we needed to start the project in July. ... Conflicts with merchants could be resolved as the project moved forward. How could we resolve all the conflicts and then start?” (Interview with a high-level official)

Moreover, although safety was a somewhat urgent issue for the CGEH (see 6.3.3), whether the construction had to commence in July was questionable, as could be seen in an interview with Choi, Jae-bum, 2nd deputy mayor of Seoul at the time (emphasis added):

C: “The elevated highway needed maintenance work urgently. I know it because I had been in charge of planning the maintenance work. It was postponed due to the World Cup in 2002, and it was true that it needed to be repaired. ... However, in deciding the time, it did not need to start on 1st July. It didn't. In terms of ‘reasonableness’, it was not reasonable. Western people wouldn't have done it in that way. [They would have said] ‘Let's have some time’, like this. Citizens would need time for adaptation training for traffic. Traffic had to be detoured. We needed time for this, and this could be called ‘reasonable’.”

A: “As far as I know, there were other reasons, such as rainy season and the amount of traffic etc?”

C: “The reasons were added later for the sake of justifications. The *mayor* said ‘let's start on 1st July’ and therefore they were added.”

A: “Then, it didn't need to start on 1st July?”

C: “No, it didn't, but because it was the mayor's will. Then, we needed to justify it. That's why all the rationales were produced. In the vacation, the amount of traffic reduces and so on. We rationalised it, and officials are generally very good at those kind of things. It didn't have to start on 1st July.”

As can be seen in the interviews, the time for the commencement of the project was primarily decided for political reasons rather than safety, in that even though safety was an urgent issue, there were many other options for securing the safety of the CGEH. For example, the SMG could have closed the CGEH as long as necessary. In this respect, this was a good example of what Flyvbjerg (2003) called “realrationalität”, ‘rationalising’ the ‘reality’ (see 3.3.1). However, within the multi-faceted and complex nature of planning, there indeed was possibility that postponing the project might have caused other issues serially. In particular, realisability of the project became an issue in consideration of the given political term of the mayor, and political power generally decreases as time passes after the election in a fixed term.

7.2.2.2 SMC

To briefly restate (see also Chapter 4), SMC is the other official representative body. Councillors are elected by voters of each districts (local representatives) and by the entire city (proportional representatives) and thus have formal and legal legitimacy. Each member is given certain authority, for example requesting information to the SMG and inquiring questions to the Mayor or government officials in official meetings. Based on these authorities, they check the executive through deliberation on policies and the budget, inspection of the city administration, and establishing ordinances. At the same time, the mayor also has significant influence on the SMC, in that he appoints a secretary-general of the SMC through a means of delegating an official of the position from the SMG, and also has various ways to check the SMC through legal procedures. In particular in 5th SMC, 87 out of 102 (85%) SMC members were elected from the same political party, and this stood Mayor Lee in good stead for propelling the CRP during his mayoral term. In contrast, from the opposition parties’ perspectives, it was structurally difficult to check the executives and the Han-Na-Rah Party within the SMC.

Soon after the inauguration of Mayor Lee, on 11th August, 2002, the ‘CRP Special Committee’ was established in the SMC. Yet, a majority of the members of this committee were from the Han-Na-Rah Party⁹. Members of the committee did not have

⁹ In the case of a special committee between 13th June and 12th December 2005, 11 out of 12 members were composed of the Han-Na-Rah Party. It seems that this derived from the way members are selected. Generally, one member in each standing committee were chosen, and since councillors from Han-Na-Rah

special authority either, and hence, according to an interview with a participant, the special committee did not played an important role but just was symbolic. It is important to note here that voters of each local constituency, which is a territorial boundary of each councillor in an election, are defined by their place of residence, not a place of work. Hence, there was no councillor whose political interests were bound to merchants. In fact, there were not many councillors who actively delegated interests of the merchants or street vendors, and this was likely be one of reasons why not many councillors actively participated in the project.

Notwithstanding the aforementioned structural constraints, based on the authority given to each councillor, a few councillors made efforts to check the executive, especially the mayor. They consistently raised questions about the CRP, especially about social and environmental issues. They actively participated in the project, mainly through forming an alliance with NGOs for opposition activities. However, with a few numbers of councillors, there were clearly limits, and thus the real effect was not significant.

7.2.2.3 SDI

Seoul Development Institute is a think tank and an affiliated organisation of the SMG. The mayor has an authority over the appointment of the head of the SDI, and a majority part of the SDI's income comes from research requested and funded by the SMG. Therefore, structurally, the SDI was highly dependent on the SMG. Therefore, there is high possibility that they sometimes are required to 'rationalise' some issues through research. Yet, according to interviews with researchers who participated in the CRP, researchers in the SDI are generally given sufficient autonomy, and there was no pressure from the SMG as far as they remember.

The most important role of them during the CRP was producing the basic plan, which was openly published on 11th February and received conditional approval from the CC on 1st May, 2003. The basic plan was composed of two parts, technical (related to construction) and non-technical. The non-technical part consisted of several sub-parts, including traffic, benefit and cost (B/C) analysis of the project, effects on society

Party took majority all standing committees, and therefore, it seems quite natural that the majority of committee was comprised of Han-Na-Rah Party.

economy, and measures on civil complaints. The majority of the plan was about justification of the project with ‘scientific’ data, survey data about the ‘reality’ showing facts and figures, and providing measures how to tackle some expected difficulties, for example merchants’ oppositions. This basic plan, collectively, was a well-written comprehensive research report and was difficult to be challenged, in particular in a short period of time. There certainly was possibility that some results in the report, particularly traffic and B/C analysis, were written favourably to the SMG. However, in this research, I do not verify the validity of the basic plan.

There was no meaningful conflict between the SDI and other formal organisations in the CRP. In contrast, there were conflicts between the SDI and the merchant groups about the traffic effect simulation the SDI announced. According to interviews with merchants’ representatives (hereafter MRs; here a MR refers to the representative of a business group), they criticised the result, saying it was unbelievable that traffic speed slows down only by 7%. This data was used as a quite important rationale for the project in justifying the project. Yet, it was virtually impossible for merchants to contradict this scientifically produced data, but they just claimed that it was “ridiculous and non-sense” (interview with a MR). After then, there were no further significant conflicts between the two groups¹⁰, partly because the SDI did not play any important role after establishing the basic plan.

7.2.2.4 Citizens’ Committee

The CC was probably the most distinctive and novel organisation in Korean planning history until this time (see Rowe et al., 2010). According to interviews with Prof. Noh and Mr. Cho, the CC was designed to “represent” the entire civil society of Seoul. The committee was constituted of a three-level hierarchy of committees: Floor Committee, Planning and Coordination Committee, and six sub committees (figure 7.8). It was a formal committee based on an ordinance made specifically for the committee. The ordinance was made because many members of the CC argued that without a legal ground stating their authority, they would be powerless against the SMG. The ordinance defines four roles and rights of the CC, as shown in table 7.4. Among them, the most

¹⁰ After a report published by Hwang et al., which later published as book (Hwang et al., 2005), was published, there was a conflict due to a sentence and terms they used. Yet, this was about a trivial issue.

important and, later on, controversial article was the first one: deliberations on main items of the CRP. In order to make a committee to represent the civil society of Seoul, the CC initially tried to recruit members on the internet through a voluntary process. However, they soon found that it would not be possible to secure ‘representativeness’ and set up a ‘high quality committee’ that could properly perform the aforementioned roles. Hence, they changed the method of recruiting.

Table 7.4 Four major roles of the Citizen’s Committee stated in the ordinance (source: Seoul Metropolitan Government Ordinance on Establishment and Operation of the Citizens' Committee, 2002)

1. Deliberations on main items of the CRP
2. Evaluating the CRP
3. Investigating into or researching on matters related to the CRP
4. Collecting the interest groups or public’s opinions and performing information activities towards public



Figure 7.8 structure of the CC (source: author)

Here, three things are worth noting. Firstly, although securing ‘representativeness’ was an important issue in designing the CC, it is not discussed further in this research as it is beyond the scope. Secondly, I do not evaluate the committee in terms of the composition of the membership and design and provide alternatives. This is because as

Fung (2006, p.66) argues, “there is no canonical form of direct participation in modern democratic governance”, which means there is no perfect way of designing direct democracy that is capable of tackling all these complex issues. Designing direct democracy is largely based on situations and goals, and is outside of the scope of this thesis, yet, I do not have enough information to evaluate and provide alternatives. Nevertheless, I will examine the effect of the design of the CC and present some implications in relation to justice in 7.3.1.5.

Thirdly, and most importantly, establishing this kind of committee for deliberations was not legally required. The SMG could have conducted the project on their own. Although ‘real’ reasons for setting up this committee is not clear, there were a number of advantages to the SMG by setting up this committee. Firstly, they could make use of professionals in the CRSG who had been researched on the CRP. Yet, more realistic reasons can be inferred: because the CRP and the CRSG contributed to the election of Mayor Lee, there would have needed some kind of organisation that could accommodate them in formal governance. Furthermore, this committee itself brought the CRP a democratic image and could be used as a buffer when conflicts occurred between the SMG and civil society. What was important here, no actual authority to make policy decisions were given to the committee. This was why there were conflicts over the interpretation of the term ‘deliberation’ later on, which ended up resignation of main members when there were conflicts over restoration of historical assets. Although this issue will not discuss in detail in this thesis, this was why committee was criticised as merely symbolic.

In the case of the six sub-committees, firstly, chairmen of each sub-committee were seated by previously main members of CRSG. Subsequently, each chairman requested to widely-known groups of various sectors of civil society and received recommendations from them, e.g. environmental groups, religious groups, feminine movement groups, cultural movement groups, etc. –, media, and academia – university scholars from the fields of economy, engineering, law, ecology, history, and urban design. In addition, Prof. Noh and Mr. Cho also invited three more members in each sub-committee from existing formal institutions for different reasons. Owing to a symbolic reason, a councillor was added in each sub-committee, as they are formal representatives of Seoul. In order to have a close linkage with the SMG and to prevent discussions from

going too far from what was viewed as feasible, they also added one official from the SMG and one researcher from SDI.

The floor committee was the highest level of committee which made final decisions on agendas with a majority vote of present members. It consisted of 29 members from ‘brand persona’ of Seoul and six chairmen of each sub-committee. However, although the floor committee was located at the highest level in the CC for making final decisions, it actually was remained in symbolic. In contrast, it was *de facto* the Planning and Coordination Committee that played a key role of the CC, and the chair of this committee was Prof. Noh. In this committee, Prof. Noh and Mr. Cho played a key role as deputy chairmen of the entire CC. In particular, Mr. Cho, who was a chief assistant of urban policies of Mayor Lee’s election campaign and a former elite official of SMG, played an important role as a mediator between the CC and the SMG. Other members were composed of another one deputy chairman, six chairmen of sub-committees, two councillors from the SMC, the head of the CRPH (Prof. Yang), and the head of CRRG. All these 12 members were key figures of the formal governance structure, and thus most important decisions were *de facto* made in this committee.

It is important to note that in the process of recruiting members of the CC, interest groups were excluded. There were two reasons for the exclusion: one normative and one practical. With regard to the former, it was primarily based on an idea that this CC should ‘represent’ the entire people of Seoul and should pursue the common good (or public interest), not sectional interests. Therefore, instead of including them as a member of the CC, they made the Citizens’ Opinion sub-committee, in order to deal with issues related to the CGC merchants. The CC claimed that their most important role in issues for merchants was arbitration between the SMG and the merchants. Yet, the actual effectiveness of this arbitration was questionable.

Practical reasons for the exclusion were twofold: firstly, it was difficult to secure ‘representativeness’ both of each type of business and of the entire market. As was examined in Chapter 6, among 66 types of the businesses in the CGC area (table 6.5), some did not even have an organised group, let alone representatives of the entire CGC market. Secondly, Prof. Noh thought even if they participated in the CC, they would be a minority, and thus it would be hard to make an effective influence in the system. Instead, it was likely that their participation would become merely symbolic. According to an

interview with Prof. Noh, participation of representatives of merchants was likely to provide merely justification of the projects, by making the governance system looked more democratic. Unless decision making system of the CC changed, it seems true that merchants' participation would merely provide the CC with justification without meaningful actual influence.

It was quite interesting that for the same reason, merchants also did not want to participate in the CC. Even though they complained openly about the exclusion of their participation and claimed that more than 50% of the CC members should be composed of merchants (Kim, 2002). However, it is necessary to examine their arguments beyond the literal meanings, in that although the CC decided to allow 1-2 merchants to be able to participate in each sub-committee and asked merchants to participate (Hwang, 2002b), CCVPC refused the suggestion. According to interviews with MRs, they thought participating in the CC would not bring them any actual gains, but just giving them symbolic justifications.

Consequently, the governance system of the CRP can be illustrated as figure 7.9. According to the participants from interviews, there were active deliberations on the SMG's policies related to the CRP, in particular between the time when the basic plan was submitted to the CC on 11th February 2003 and the conditional approval was given on 1st May, 2003.

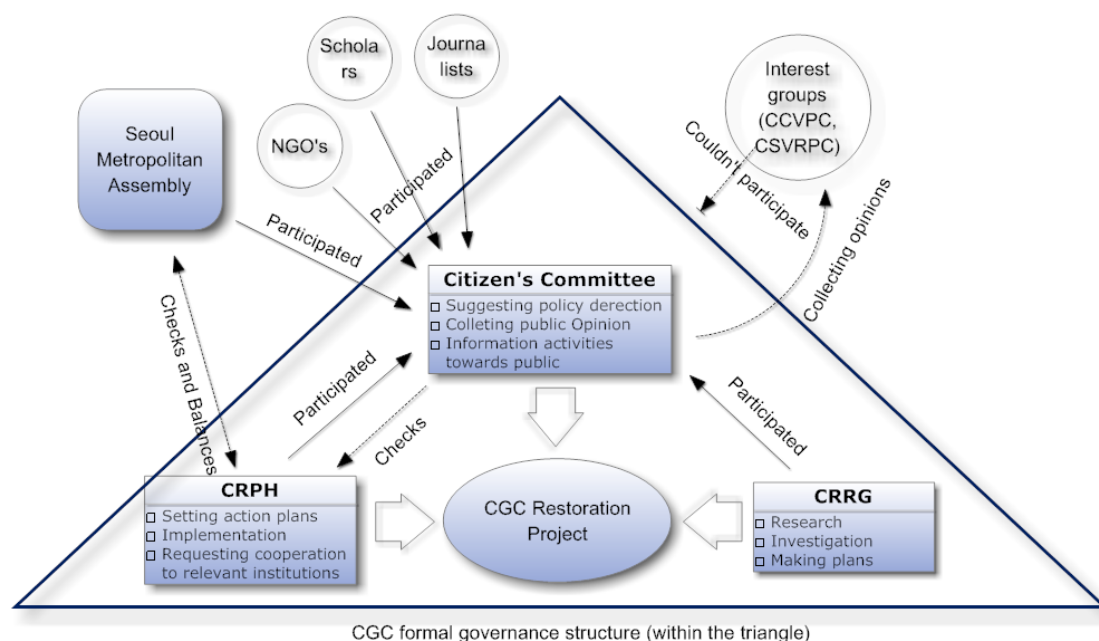


Figure 7.9 Initial design of the governance structure for the CRP (made by the author, referenced Seoul Metropolitan Government, 2006b)

7.2.3 Identifying main actors, their organisational structures, their ‘interests’, and their rationales in the CRP (non-government actors)

7.2.3.1 Merchants

Among the various merchant groups consisted of same type of businesses, there were two federations of merchants groups, one was CCVPC and the other was Clothing Shops Committee (hereafter CSC). The CCVPC was founded earlier and led the initial stage of the opposition activities. It consisted of various types of business groups: although the number of participants of the group changed throughout the period, in July 2003, there were 5,233 merchants of more than 21 groups (see table 7.5). Although they shared a common objective, i.e. against the CRP or achieving compensation as much as possible, each business group had their own interest, which might differed depending on types of businesses. This differences of interests cause internal conflicts within the CCVPC as the project moved forward. In contrast to the CCVPC, Clothing Shops Committee (hereafter CSC), which emerged soon after the announcement of the basic plan, consisted of a single type of business, i.e. clothes. Hence, the group had much higher solidarity and made a stronger voices and actions.

It is important to examine educational level and economic circumstance of the CGC merchants. Their general educational level was quite low¹¹. This meant they generally did not have much knowledge about planning policies and relevant laws, and also they had difficulties to understand them throughout the CRP and DDCP. This lack of knowledge did not cause much problem at this stage, Phase 1, however, later on this resulted in one of core reasons for power imbalance between the merchants and the SMG. Due to the lack of knowledge of and experience in planning or the law, they made one important mistake at this stage: very frequently, they did not request important documents or record important remarks of officials that could be used as useful evidences.

¹¹ There is no official data about the educational background, mainly because the census is conducted based on people's residence, not working place. However, it was possible to infer from many interviews about their general educational level.

Moreover, the majority of them were tenants and economically not affluent. Although there were relatively a small number of wealthy merchants, it was roughly estimated by MRs that around 80% of merchants in the CGC market were running small businesses and were not affluent. Moreover, in terms of property ownership, proportion of tenants-run business was far higher than owner-run business. For example, in the case of the tool and industrial material markets, around 90% (190,000) of merchants were tenants. (Cheong-gye-cheon Restoration Research Group, 2003a, pp.111-112). Although there were relatively a few number of tenants who were running large businesses and economically affluent, majority of them were not.

This economic circumstances of the merchants were recognised by the SMG, as can be seen in the basic plan (Cheong-gye-cheon Restoration Research Group, 2003a). However, even though their economic circumstances were officially recognised, significant mis-recognition existed among many members of the formal governance structure. They had wrong ‘image’ of the CGC merchants, through ‘although physical conditions of their shops did not look nice, CGC merchants were actually very affluent, having their other shops and storages in other places’. Many people outside of the governance also shared the similar image about the merchants. This had a significant implication to issues of justice. Many people did not think merchants, in a collective sense, were vulnerable members of society. Therefore, they were not regarded as people who needed help of society, like the Rawls’ difference principle suggests. In fact, most of help of progressive NGOs and political party focused on street vendors, not merchants. They thought merchants were quite affluent, or at least not as badly off as the street vendors. This issue of mis-recognition is discussed further in 7.3.1.5.

Interestingly, merchants tried to differentiate themselves from street vendors and also tried to leave a ‘good’ distance with those progressive groups. In fact, there were suggestions from street vendors to oppose the CRP together. Yet, they refused, because they thought, unlike the street vendors, they had ‘*legitimate rights*’, mostly deriving from paying taxes. They thought having opposition activities together with street vendors would undermine legitimacy of their justifications. As will be discussed later part of this chapter, their arguments, based on the ‘*legitimate rights*’, can be summarised as: “no construction would be possible unless there would be a sufficient amount of compensation for the losses” (interview with a MR). Still, however, whenever they needed any legal or policy support, they requested and received support mainly from the

Citizens' Coalition for Economic Justice, a major NGO. In this respect, their positions depended primarily on *practical interest*.

7.2.3.2 Property owners, tenant residents, issues of redevelopment for merchants

In contrast to the merchants, it was anticipated that this project would benefit property owners. Gentrification was likely to be induced if the rent gap would become wider after the project (6.4.1.1). This actually was the case after the completion of the CRP, as can be seen in figure 7.10 (see also Lim et al., 2013). According to an interview with a property agency in the CGC area, property price around the CGC area has increased and reached around double. This gentrification has two important implications to justice. Firstly, this gentrification process raised possibility of displacement of tenants of the area. Secondly property owners were expected to gain unearned benefit. As was examined in Chapter 2, this unearned benefit raise an issue of *moral desert*, which in turn related to justice.

It is worth noting that although both property owners and tenants' interests were closely related to the project, both groups did not take any meaningful actions regarding the project. There was not much media attention on this issue either. In fact, there were several housing redevelopment gentrification cases since the river was restored, as can be seen in figure 7.11. Although gentrification followed by displacement is an important issue in relation to justice, as the focus of this thesis is primarily on issues in relation to merchants not residents, I will not discuss this issue further¹².

¹² There was one merchant group displace by the redevelopment of the A site, called Sam-il Sangga, which was a part of the Hwang-hak-dong market. However, strictly speaking this redevelopment of the area was not occurred due to the widened rent gap, though it might be slightly stimulated, but it was mainly because the apartment used to be there were too old. Therefore, since 1984, the area was already designated as a redevelopment district since 1984 and since 2001, which was before the CRP was officially discussed, the area was to be redeveloped (see Cha, 2001).

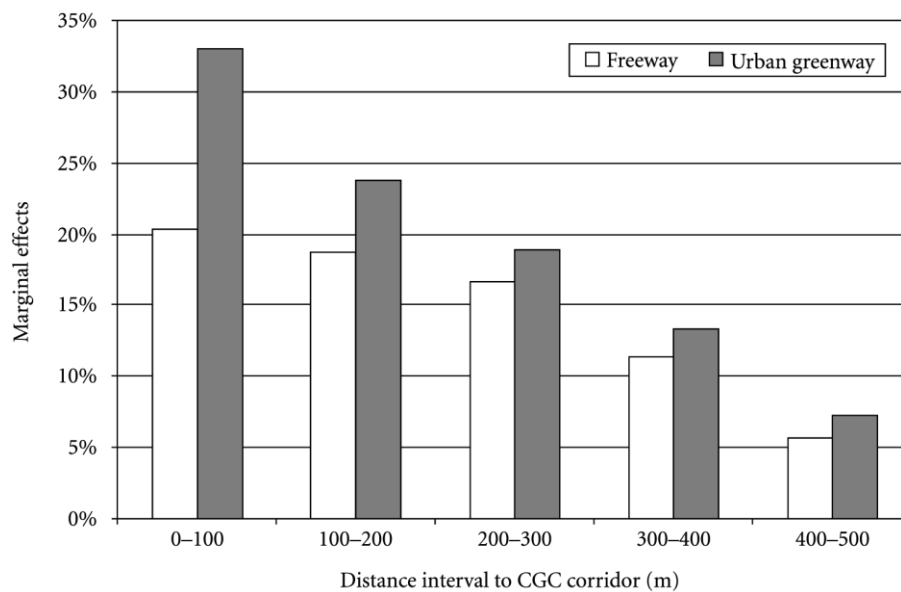


Figure 7.10 Marginal effects of freeway and urban greenway in terms of property value, by distance intervals (source: Kang and Cervero, 2009, p.2786)

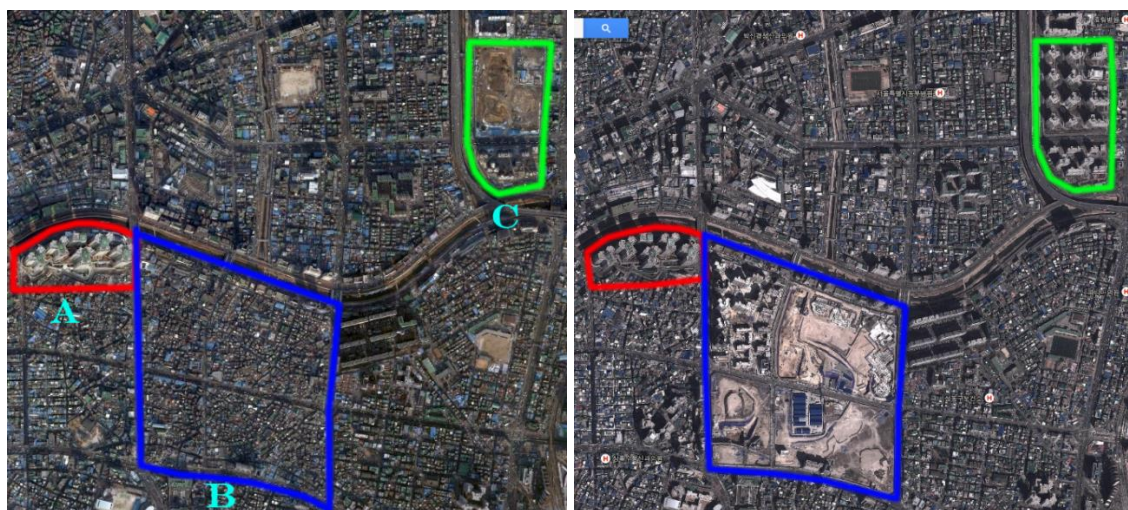


Figure 7.11 Satellite pictures of downstream of CGC (left: 2008, right: 2014). Three housing redevelopment cases can be seen: A was completed in 2007; B is still ongoing; and C was completed around 2009. (Source: google map, edited by the author)

It is important to note that redevelopment was also one of main issues for the CGC merchants, more specifically to the merchants inside of the red line in figure 7.12 (see also inside of the greed dot line in figure 6.23). This redevelopment was an important source used by the SMG to persuade the merchants to agreeing with the project. As can be seen in figure 6.19, 6.20, 6.21, and 6.22, the physical environment of the area around

the Sewoon Sangga (location: within the Jong-No 3ga box in figure 6.20) was very deteriorated and not favourable for businesses due to the lack of parking space, old buildings, and narrow roads, which caused inconveniences in loading and unloading goods. Hence, the market were gradually losing their competitiveness. Yet, the very complex ownership status of the area with other issues like GRG made it difficult to redevelop the area, even though many merchants shared necessities of it.

In this situation, some merchants around the area were interested in the redevelopment when the CRP became a main policy issue. This issue of redevelopment received attention particularly for shop owners in the area who could gain development gains. In this context, redevelopment was a major issue for merchants around this area, and indeed became a major policy issue during the next mayoral term (see the plan in figures 7.12 and 7.13). Yet, this redevelopment was in the end failed to be completed due to the lack of economic feasibility. This issue of redevelopment is not discussed in detail in this thesis because overall influence of this issue to the CRP and DDCP was limited. Still, however, this redevelopment was one of sources for the SMG to convince merchants, and also was weakly related to the failure of the DDCP. These issues will be mentioned briefly in the later part of this thesis.

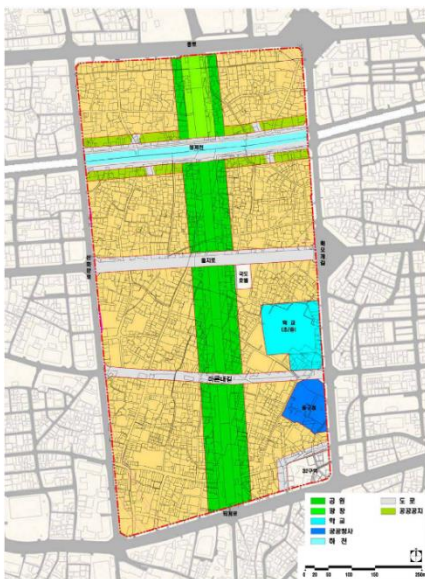


Figure 7.12 Boundary of the Sewoon redevelopment promotion area set in 2009 (for a location in a wider map, see also figure 6.20, the Jong-No 3ga



Figure 7.13 bird's-eye view of the prospective development based on 2009 plan (Source: Seoul Metropolitan Government, 2009a)

box) (Source: Seoul
Metropolitan Government,
2009a)

7.2.3.3 *NGOs*

NGOs, particularly those related to environment, social justice, culture, were also actively involved throughout this project, either inside or outside of the CC. As was mentioned earlier, various kinds of well-known NGOs were invited to the CC. Owing to the characteristics of the CRP – restoring a historical river – almost all NGOs resonated with the motivation, and thus most of well-known NGOs participated in the CC. They also actively participated in or led many events, such as debates or presenting statements outside of the CC.

With regard to the CRP, a large majority of NGOs agreed in principle, but varied primarily depending on their values in specific issues, for example when the project or construction should begin, in what forms it should be restored, how to treat street vendors and merchants, and from which point the river should be restored. The positions of the majority of NGOs regarding issues for the merchants were: “the SMG should have enough discussion with the merchants and street vendors, and appropriate measures should be prepared prior to the commencement of the SMG” (see for example GreenKorea and Environmental Justice, 2003). For this reason, although they support the CRP in principle, they also provide knowledge support to the groups when requested. In particular, NGOs with who had progressive values actively participated or led conferences in alliance with progressive political parties to support street vendors, who were, from their perspective, the least advantaged.

7.2.3.4 *Media*

The media also played an important role in escalating people’s attention, delivery of facts, and formation of public opinion. As was mentioned in Chapters 4 and 6, many issues in Seoul usually receives strong media attention, and a mega project, the CRP, could not be an exception (Nah, 2003). The most major media focused on this project and released documentaries, published newspaper articles and columns, and analysis articles.

Important issues and progresses were rapidly delivered to the public, and therefore, both merchant groups and SMG were very sensitive to the media, and they thus consistently monitored the media output.

With regard to the CRP, similar to the NGOs, the media agreed in principle, but varied primarily depending on their values in specific issues. Nah (2003) analysed with 5 major newspapers and 5 weekly magazines, and argued that tones of the media were neither particularly favourable nor critical to the SMG. According to him, their tones largely depended on issues: regarding measures about the merchants, street vendors, traffic, speed and participation, the research shows that not only progressive, but also some conservative presses were critical of the SMG¹³ (see for example, Jeong, 2003). Nevertheless, they were in general in favour of the project as a whole, fundamentally because they believed it was *good* for the general society, especially in terms of environment, ecology, history, and economy.

7.2.4 Brief summary of the positions of the main actors in relation to the CRP

In 7.2.2 and 7.2.3, the main actors involved in the CRP and their stands were reviewed. The main actors in the formal governance system strongly supported the project, though it varies in specifics, e.g. when the project or construction should begin, in what forms it should be restored, and how to treat street vendors and merchants. NGOs and the media also supported the project, mainly because they thought it as good for the entire Seoul community in terms of environment, history, and economy. They also expressed concerns about issues for merchants and street vendors, as well as about speed and exclusion. In this respect, their position were ‘critical support’. There were also some groups who were expected to benefit by the project, e.g. property owners. Yet, they did not organise any group or play important roles.

In contrast, there were groups who were anticipated to be lose by the project. One was car users who frequently use the roads which were to be torn down. However, the anticipated loss of them were relatively insignificant, mainly causing inconveniences, and manageable. Hence, there was not any active opposition from this group. In contrast,

¹³ Usually conservative newspaper are more favourable to the Han-Na-Rah Party and progressive are in opposite.

merchants and street vendors were different. Their anticipated losses were significant, causing considerable economic losses during and after the project, and unavoidable. Both of them actively organised groups to oppose the project. However, they did not act together, mainly because merchants thought the alliance with other groups, in particular street vendors, would undermine legitimacy of their justifications. Hence, the two groups had rather an antagonistic relation and did not have any cooperation. The overall relationships of main actors in the CRP are illustrated in figure 7.14.

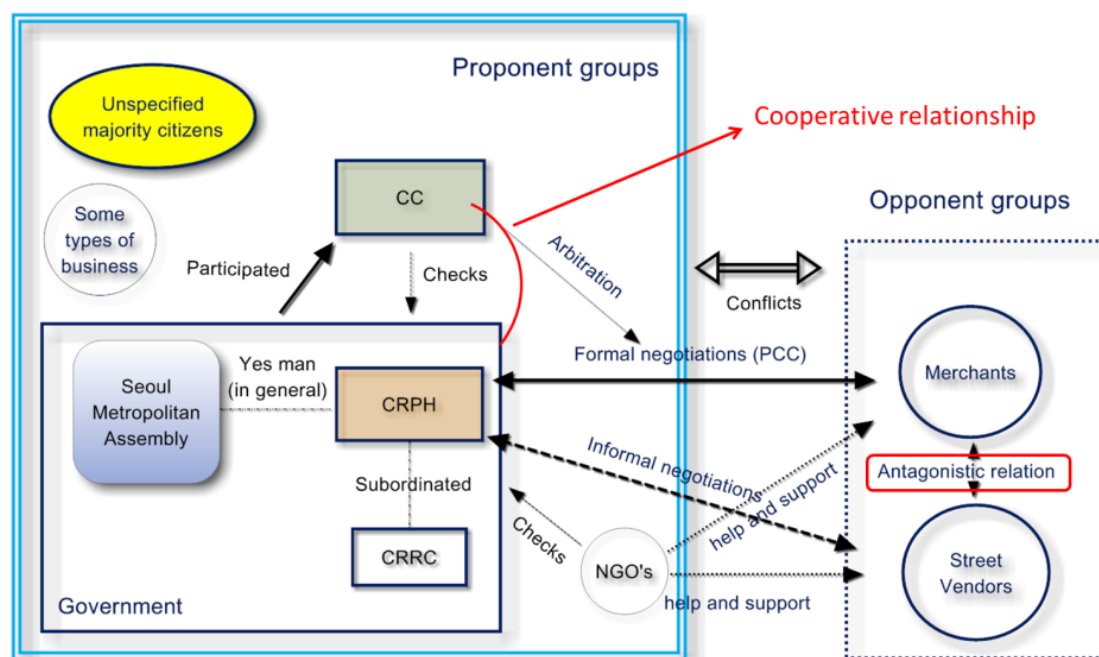


Figure 7.14 The actual governance structure regarding the starting date (source: author)

Two more things are worth noting. Firstly, in terms of the structure of the conflict, it had great similarity with, so-called, NIMBYism¹⁴, in that proponents and opponents were formed in relation to benefits and costs respectively, where benefits were widely dispersed whereas costs were concentrated to certain narrow groups (see Seong, 2005, Sellers, 1993, pp.466-469). Hence, the process of dealing with the conflicts and its outcome would provide rich implications for planning practices having a similar type of conflict structure. Secondly, there were analytically different types of ‘interests’: political interests, interests of administrator, economic interests, and interests in relation to the

¹⁴ This does not mean I evaluate the opposition of merchants or street vendors as, so-called, NIMBYism, which connote negative meanings such as local selfishness (see Rydin, 2011).

common good based on community membership. The former three types are related to the first person, in other words interests for individuals; whereas the latter one is mostly related to the community as a whole (though the individual also benefits as a member of this). Therefore, this can be differentiated as *politics of interests* (mainly between the SMG, merchants and street vendors) and *politics of values* (mainly in and between the CC, NGOs, and the media). The outcomes of the case study by main stakeholders is reviewed in the penultimate Chapter, Chapter 9.

7.3 From the announcement of the basic plan to the commencement of the construction

7.3.1 Phase 1-2, from the announcement of the basic plan to the derailment of the formal negotiation (11th February - 11th April, 2003)

7.3.1.1 Announcement of the basic plan and the emergence of latent conflicts among actors

On 11th February 2003, the basic plan was announced. There were three steps of official planning stages, which were basic plan, basic design, and detail design, and the basic plan was the first stage of the official planning procedures in the CRP. It was the first time that the public received an officially produced, comprehensive information with regard to the CRP. Until the time, people only could receive intermittent, fragmented information mainly from the media. This basic plan was used as a basic source of the public hearing, took place on 20th February 2003.

Until this time, there has been escalating conflicts between the CC and the SMG about ‘how to restore the river’, in relation to issues of historical restoration, environment, ecology, design of the river, and direction of the future planning of the adjacent area. Moreover, some members of the CC, although they were not main members in the organisation, criticised the too speedy drive of the project. In the case of the outsiders of the CC, more issues were added, particularly the exclusion of the interest groups. There were three main points of criticism: firstly, too tight date of commencement of the construction that they mayor set; secondly too speedy drive of the project without sufficient plans or preparations of the aforementioned issues (e.g. history, environment); and thirdly, insufficient measures for and exclusion of merchants and street vendors. This

criticisms burst after a press conference of the ‘Green Seoul Citizens Committee’¹⁵ (Park, 2008).

On 13th February in the press conference, they claimed that the SMG blocked an announcement of the result of a public opinion poll (Lee, 2003c). The public opinion poll was conducted on 14th January by a research company that targeted 500 voters in Seoul, by request of the committee. The result was quite unfavourable to SMG, illustrating that 88.8% of people replied that “even though there might be some delay, the project has to be undertaken after collecting extensive opinions from experts and citizens”, whereas 10.6% people replied that “as SMG’s plan, the construction can be begin in July” (Green Seoul Citizens Committee, 2003). This result stressed issues of democracy and participation, and the SMG’s effort to block the press conference escalated the issues. As a result, this press conference sparked various latent conflicts. After then, various press releases were announced by NGOs, the tone of the media became more critical (Nah, 2003), and public opinion about the SMG in terms of its way of proceeding the CRP became worsen (Park, 2008).

At the same time, conflicts between merchants and the SMG were also intensified. In contrast to phase 1-1 when many merchants were still half in doubt, at this stage, the majority of them realised that the CRP were systemically moving forward. The number of members of the CCVPC started to increase rapidly (table 7.5). Around the time, the CCVPC became organised more systemically, and thus started to make stronger voices. The CCVPC denied participating in any type of meetings with a precondition of the restoration project (Park, 2004cpp.102-103). This was the reason why they refused to participate in the CRMC and public hearing on 20th February 2003. Their strategy in opposition actions largely consisted of two tracks: opposition activities within offices and on street rallies. As can be seen in table 7.5, the former comprised filing civil complaints to various government institutions and petitions to political parties, publicity activities to the media, and legal examination of compensation for business loss, a form of indirect loss. In terms of the latter, they started to have strong rallies and street parades on 15th February 2003, soon after the basic plan was announced. These street rallies were quite

¹⁵ This committee was quite similar to the CC in terms of its composition of members. This was also a public and civic group joint mayor affiliated committee regarding environmental and sustainable development issues.

large scale, more than 1,500 merchants participated after shutting down their shops on Saturday¹⁶ (table 7.6).

Table 7.5 Two major merchant opposition groups (source: Park, 2004c, p.154)

	CCVPC	CSC
Organised date	August, 2002	February, 2003
Representative	Lee, Woong-Jae	Lee, Keon-Kyu
Number of participating business groups and members	• Aug 2002: 8 groups, 2500 members • May 2003: 18 groups, 4,000 members • Jul 2003: 21 groups, 5,233 members	• Feb 2003: 3 groups, 4,417 members
Characteristics	• A most representative opposition group. • A form of federation of groups of business. • Leads rallies and developing rationales of the opposition.	• A clothing shops association in Dong-dae-mun Fashion Town. • Led opposition activity with CCVPC. • Strong solidarity (single type of business)
Main activities (times or places)	• Rally: 6 • Letter of plea or petition: 3 • Hanging placards: 49 • Distributing promoting documents: 7 • Participating PCC¹⁷: 7 • Interview mayor (incl. deputy mayor): 3	• Rally: 4 • Letter of plea or petition: 2 • Hanging placards: 2 • Distributing promoting documents: 4 • Participating PCC¹⁸: 1 • Interview mayor (incl. deputy mayor): 2
Notes	Number of people participated in the PCC: 7	Number of people participated in the PCC: 3

Here, it is worth briefly noting that shortly after the first strong rallies, an official conversation window between SMG and the merchants was opened: the Policy Consultation Committee (PCC) was established on 18th February. The PCC comprised of 10 MRs and three officials in managerial positions from the CRPH, i.e. Prof. Yang, the chief leader of the CRPH; Mr. Park, the ‘Director-General’ of the merchant team; and Mr. Choi, the ‘Director of Restoration Supervision’ and a deputy leader of the merchant team.

¹⁶ Most of CGC shops open on Saturday.

¹⁷ This is explained in the following paragraphs.

¹⁸ This is explained in the following paragraphs.

However, there were nothing to discuss in the first meeting, as the requirements suggested by the CCVPC was beyond the capacity that SMG could accept: ‘no construction would be possible unless there would be a sufficient amount of compensation for the losses’.

The opposition gathered strong momentum with the establishment of the CSC, the other major merchant group, organised shortly after the announcement of the basic plan. Until this time, the CSC took a wait-and-see attitude, as they thought they would be able to have the same business activity after the project as it was before (Park, 2004c). However, after they analysed the basic plan, they expected considerable loss due to the reasons mentioned in 7.2.1.3. They organised a group consisting of three clothing markets, with 4,147 members (representative of the entire CSC: Lee, Keon-Kyu) (table 7.5). There were commonalities of the three markets in the CSC. Each market was consisted of an individual shopping mall building, and they were located along the CGC. A majority of merchants in the all three market were wholesalers. Their main customers were retail dealers coming from national wide, and even from overseas. Most customers arrived between 11pm and 4am by bus (see Shin, 2003b). All the three buildings were quite old, built in the late 1960s, and thus they did not have their own parking space for the buses¹⁹. Until the CRP was taken place, they had used spaces under the CGEH for parking the buses or trucks. However, the CRP meant they would not be able to use the space any more. This was one of fundamental reasons for organising the CSC and joined the opposition. After the first large scale rallies on 15th February, there were six more large scale rallies organised by either the CCVPC or the CSC, or sometimes both (22th May and 16th June) (table 7.6).

Table 7.6 Main rallies by merchants against the CRP (source: Park, 2008, p.57)

Date	Organiser	Place	Forms	Number of participants ²⁰	Main issues
16.12.02 (Thursday)	CCVPC	CGC 8 th St.	Vehicle demonstration	30	Prevented in advance by police
15.02.03 (Saturday)	CCVPC	Jong-Myo – Dong-Dae-Mun Stadium	Rally and a street parade	1,500	Opposition of project, requesting compensation
22.03.03 (Saturday)	CSC	Dong-Dae-Mun Stadium	Rally and a street parade	800	Opposition of project

¹⁹ In those days, parking space was not required by law in the development control process.

²⁰ The number could be more as this was estimated by police, which tend to under-estimate the number of participants of rallies.

27.03.03 (Thursday)	CCVPC	Jong-Myo – Sky Sangga	Rally and a street parade	1,500	Opposition of project, slender the mayor
24.04.03 (Thursday)	CSC	Dong-Dae-Mun Stadium	Rally and a street parade	2000	Opposition of project
22.05.03 (Thursday)	CCVPC, CSC	Dong-Dae-Mun Stadium – Jong-Myo	Rally and a street parade	3,500 (among which CSC:2000)	Opposition of project
11.06.03 (Wednesday)	CCVPC	Jong-Myo – Dong-Dae-Mun Stadium	Rally and a street parade	800	Opposition of project
16.06.03 (Monday)	CCVPC, CSC	Dong-Dae-Mun Stadium – Jong-Myo	Rally and a street parade	3,300 (among which CSC: 1,800)	Opposition of project

7.3.1.2 Structural constraints and limits of the SMG as an agent within a higher-level of structure

These strong opposition rallies were quite burdensome to the SMG, in that the ultimate authority belonged to the President Noh, not Mayor Lee. This could be seen in an interview with an official in the Seoul Metropolitan Police Agency after the basic plan was announced (cited in Hwang, 2003):

“Authority of prohibition or limiting of passing cars exclusively belongs to the commissioner of a district police agency²¹, and therefore, it is impossible for the metropolitan government to start the construction on their own initiative.”

Although the remark was about the insufficient measures for traffic, it can be seen that without the permission of the Commissioner of the Seoul Metropolitan Police Agency who is basically appointed by the President, and thus follows his direction, the project could not be started. This could also be seen from an interview with Choi, Jae-Bum²². He answered to a question “do you think the project would be possible if the President Noh did not allow”:

²¹ In this case, the Commissioner of the Seoul Metropolitan Police Agency.

²² As mentioned earlier, he was the 2nd deputy mayor of Seoul of the time and he also participated in the cabinet meeting with the President.

“No. Impossible. Therefore, I think the first contributor was President Noh. ... If the President said something else in the Cabinet meeting²³, it was certainly impossible because all the cabinet members opposed the project at that time.”

From the interviews, it could be inferred that if the SMG could not have prepared sufficient measures for traffic and merchants, there was high possibility that the project would not have been allowed. Here, the ‘sufficient’ is primarily based on subjective judgement of cabinet members or the President. Considering the political characteristics of the President Noh’s administration, which stressed democracy and public participation (see Chapter 4), the project would have been very difficult if the project did not follow democratic process with sufficient inclusion of stakeholders. Accordingly, successful management of the conflict was by far the most essential barrier that had to be overcome for this project, as Mr. Park wrote (2008, pp.191-120): “In fact, if the negotiation came to a rupture and the interest groups oppose until the end, 1st July, the CRP would not have been possible ...”.

7.3.1.3 Legal issues in relation to the compensation and issues of practicality

From the start of this project, merchants demanded cash compensation for the anticipated loss (see table 7.2), otherwise cancelation of the project. From the SMG’s perspective, even though they acknowledged the actual loss of the merchants (Park, 2004, p.155), it was not possible, both legally and practically, to compensate for their losses. Firstly, the SMG argued that the losses were not recognised by the law of the time, and thus argued that cash compensation was legally not possible. The SMG requested legal advice to juridical counsellors working for the SMG. According to the legal review, although there were minority views, a majority opinion about the losses of merchants caused by the CRP was basically not subjected to the compensation for the indirect loss (Seoul Metropolitan Government, 2006b). This was based on an authoritative interpretation by the central government made in 1998 and 1992 (cited in Seoul Metropolitan Government, 2006b, p.274):

“Indirect loss to residents nearby due to blocking roads, dust, noise, damage on business, violating the right-to-have-sunlight and so on caused by public service is not

²³ Which was taken place on 4th June, 2003 in the Blue House (presidential house).

subjected to indirect loss. (Minister of Construction and Transportation, Department of Land Policy)”

Reviewing specific planning laws would be beyond the boundary of this thesis. Hence, to briefly note, Na (2009) argues that a compensation system in Korea, especially compensation for indirect loss, has been not sufficient for full compensation for losses caused or affected by implementations of public works. By comparing the Korean and UK compensation system, he pointed to a number of insufficient factors in the Korean legal system: 1. the scope for the compensation for indirect loss is too narrow; 2. “there is no regulation regarding procedures or period for claiming compensation, methods of estimating or institutions making decision, and procedure of paying compensation” (p.484); 3. It is not possible in the Korean system to claim compensation for future loss which can be reasonably anticipated; 4. Price for hiring experts or receiving legal service is not included within the amount of compensation (p. 486). Furthermore, it is important to note briefly that in the field of law, there have been a number of scholars who have argued that the actual loss caused by public service ought to be legally recognised. Although it was very minor cases, there actually were a few cases that received compensation from the government for indirect loss caused by public services. One of the minor scholars was participating in the CC and argued that the merchant’s loss should be compensated. This voice, however, was neglected. In fact, in practice, it was very difficult to win in court. In addition, the GRG was not subject to compensation (6.4.4).

Legally, there was another difficulty for merchants. In order to be able to request compensation for the indirect loss, merchants had to prove their losses with ‘objective’ evidence. Yet, this was not easy for them, primarily because they had difficulties to prove their previous income. Most conventional markets were well-known for understating their incomes, i.e. tax evasion, and the CGC market was not an exception. The issue of tax evasions of merchants in conventional markets was an open secret, and thus recognised by most people related to the CRP, including officials and many merchants I interviewed. It was before credit cards became widely used, and in general, CGC merchants usually had cash or bill transactions and did not honestly report taxation²⁴. Therefore, it was difficult for them to prove the amount of reduced income caused by the project: not only

²⁴ Later on when credit card became to be widely used rapidly, many shops were caught by the National Tax Service and collected large amount of money due to the rapidly increased reported sales, revealed due to the credit card record (interview with a representative of a merchant group).

because it was practically difficult to find evidence to prove their previous income, but also this could cause legal issues and be imposed fines. This tax evasions, which is a nonfulfillment of obligation, had another implication to the issues of justice, in that rights are only be meaningful when the obligations are fulfilled (see Chapter 2).

Consequently, legally speaking, not only were merchants' losses difficult to be recognised, but they also did not have right to request because they did not fulfilled their obligations. It was one of important reasons why they, collectively²⁵, did not take legal actions. It is important to note that this being not recognised in legal system of the time strongly influenced in power relation between the merchants and the SMG. For the SMG, they did not have any legal obligation to provide any compensation. Providing any sort of compensation was from political or moral obligations of the SMG for the actual losses caused by a project for the common good. Later on, many officials thought the *de facto* compensation, which will be examined in the following section, was a 'gift', and this influenced the officials' attitude later on. Some officials even thought that the DDCP was a 'borrowed trouble'.

Moreover, according to an interview with a high-level official, providing compensation was not practically possible for the SMG either. There were three reasons: firstly, compensating all the anticipated loss would be beyond the city's financial capacity; secondly, with consideration of the very complex networks discussed in 6.4.2, it would be practically impossible to decide who would be compensated²⁶ and how much; thirdly, it would be practically very difficult to "objectively" quantify the losses generated by the project (see also Lee, 2005a, Park, 2004c). It is important to note that according to the interview, 'objectivity' was required in sorting out recipients, deciding spatial boundary, and calculating the amount of loss or compensation. This was because firstly, these had to be processed through certain bureaucratic procedures to claim budgets, which finally had to be passed by the SMC; and secondly, it had to be 'fair' in order to secure legitimacy from the entire merchant population otherwise they would not accept. However, it was practically very difficult to secure this objectivity in the case of the CRP.

²⁵ I do not mean all merchants evaded tax. Yet, because many of them were not innocent to the issue, claiming compensation became out of their primary options.

²⁶ In terms of actual losses, some merchants outside of the CGC area could also receive significant losses due to the CRP.

7.3.1.4 Early stage of the negotiations and emergence of relocation as a policy agenda for alternative form of compensation

As was discussed in 7.2.2.1, the ‘merchant team’ came to have two ‘principles’ in dealing with merchants: commencement of construction on 1st July 2003 and no cash compensation (Park, 2008, 2004c). Mr. Park repeatedly states the importance of setting up principles, and argued that the two clear and non-concessible principles were the core reasons for the success of the negotiation (Park, 2004c):

“In the end, the principles set by the SMG for dealing with merchant related issues made merchants realise that what they initially demanded, i.e. cash compensation or postponing the project, are unacceptable, and consequently it became to be possible to negotiate about relocation, a realistic alternative.”

In fact, the two principles were beyond the officials’ (in the merchant team) capacity to amend or abolish with their administrative discretion, and hence were unnegotiable structural constraints for the officials.

From the merchants’ perspective at the initial stage, “the two principles sounded ridiculous and non-sense” (interview with a MR). They initially prepared a legal action against the SMG. However, due to the low chance of winning, they could not find any lawyer who agreed to receive payment of legal fees contingent upon the merchants’ future income through the lawsuit of this case. Consequently, after they found that it was difficult to receive cash compensation or cancelling the project through legal actions, they focused heavily on rallies.

In this situation of the fundamental confrontation between the merchants and SMG, the PCC could not be fruitful. After the first meeting on 18th February 2003, there were six more PCC meetings (table 7.7). However, until the 5th meeting on 3rd April, there were nothing to agree, and the discussion stayed on debating over rationales behind the delay of the CRP or compensation for loss, as Park (2004c, pp.103-104) wrote:

“No in-depth discussion was possible from the 1st to 5th meetings PCC meetings, as the discussion were focused on rationales behind delay of the CRP or compensation for loss”

Meanwhile, it is important to see that relocation started to be discussed between the merchants and the SMG. This relocation as an alternative form of compensation did

not emerge out of blue. As was reviewed in Chapter 6, there had been efforts of some businesses, such as tool and industrial materials, to relocate collectively from the CGC market to another place from the 1970s, and at this time, they still wanted to relocate if some conditions would meet. The merchant team already penetrated this from the early stage of the CRP, and they thought relocation could be an alternative to solve the conflict with merchants. Hence, they already made an inquiry to the transportation division in the SMG and received reply that there was a site with around 64,000m² at the South East part of Seoul, which could be used for commercial use²⁷. It was informally suggested first by Lee, Kwan-woo, the representative of tool business of the time, in around January, 2003. There were also other markets or businesses, such as Hwang-hak-dong, who were keen to relocation, and after informal discussions with the SMG, the relocation was officially suggested by the merchants in April, 2003 (Choi, 2005, p.20).

This discussion about relocation as an alternative form of compensation was available based on common acknowledgement of the existence of unavoidable actual loss. It was referred to as ‘compensation through policies’, and started to be examined by both sides as a possible option.

“I told them that they were not eligible to receive compensation. I told them “do whatever you want to do about legal process”. Legal compensation was not possible. However, we acknowledge that there were actual losses due to the project. Therefore, the only way we could offer was compensation through policies.” (Interview with a high-level official)

As can be seen in table 7.7, the relocation started to discuss in the PCC from the 2nd meeting. However, at the initial stage in the CCVPC, merchants who demanded relocation was very minor. Therefore, the relocation could not be discussed seriously, but most of discussions still remained in fundamental issues, e.g. compensation, cancellation of the project, or delay of the construction date.

In the 5th meeting, both groups found that there was no progress of their discussion. Because the ‘deadline’ was approaching, and therefore, it was agreed that they were going to have two separate meetings with each group who were willing to stay and willing to

²⁷ Though this is discussed further, manufacturing industries is not categorised as a commercial use, and therefore is not included in the 64000m². This means that the site for relocation could be larger than 64000m².

relocate. However, in the 6th meeting, the PCC was derailed due to banners installed by the SMG about informing the commencement of the construction on 1st July. Merchants understood this as “regardless of the result of the negotiation, the SMG’s actual intention was starting the construction work on 1st July” (Park, 2004c, p.104). After merchants found the banners, hardliners’ voice gained power within the merchant groups, and this resulted in declaration of derailment of the PCC on 11th April.

Table 7.7 PCC meetings and main issues (source: Seoul Metropolitan Government, 2006b)

Date (round)	Agents of negotiation	Main negotiation issues and demands
18 th Feb, 03 (1 st)	MRs	• First time meeting of the PCC (introducing and greeting) • Discussion about an operation plan • Discussion about overall issues in the CRP
	SMG	
27 th Feb, 03 (2 nd)	MRs	• Establishment of separated measures for businesses that are willing to stay or relocate, as well as ones that will not be able to work anymore after the CRP. • Demand for compensation for loss • Demand for a site for relocation
	SMG	• No compensation for loss • Making efforts for minimising inconveniences for business activity and for vitalising the market • actively support if merchants point sites for relocation of the businesses
13 th Mar, 03 (3 rd)	MRs	• Demand for delay of the CRP • Demand for other forms of compensation • Request for a blue print of the CGC adjacent area redevelopment plan • Demand for a solution regarding Sky Sangga²⁸
	SMG	• No delay of the CRP begins in July • Consider other forms of compensation
20 th Mar, 03 (4 th)	MRs	• Explanation of the CRP and listening to suggestions
	SMG	
3 rd Apr, 03	MRs	• Agreeing with having a separated meeting with merchant groups that are willing to relocate and willing to stay

²⁸ Sky Sangga was a small market on a pedestrian flyover on the CGC St. and below the CGEH. It was subjected to be demolished with the beginning of the construction. Lease contract was terminated in July 2003, and due to a bankruptcy of a company which used to manage the market, they were about to be displaced with the CGC without receiving back their deposit, not to mention GRG.

(5 th)	SMG	• Suggesting a focusing on setting up pragmatic / realistic measures rather than having conflicts over rationales behind delay of the CRP or compensation for loss • Agreeing with having a separated meeting with merchant groups that are willing to relocate and willing to stay
8 th Apr, 03 (6 th)	MRs	• There was a strong opposition of merchants due to banners installed by the SMG about informing the commencement of the construction on 1st July. Hence, there were dispute rather than conversation, and finally the PCC were derailed.
	SMG	
negotiation derailment		
19 th Jun, 03 (7 th)	MRs	• Request for making efforts to vitalise the markets • Demand additional ca. 200,000 m2 on top of ca. 300,000 m2 for the relocation site
	SMG	• Will continue to make effort to vitalise the markets • Consider the area of the relocation site

There were three important things to look at in more detail. Firstly, with regard to the relocation, most of the MRs' position in the CCVPC were in accord with their businesses' interests. The relocation was suggested and supported mainly by businesses that had been willing to relocate to another place, and these representatives were categorised as 'soft-liners'. The other side, which was categorised as 'hard-liners', comprised businesses which preferred to stay as the *status quo*, such as clothes, fashion and shoes which had a strong spatial dependency. At the early stage of the negotiation, many MRs thought they could successfully attain their demands, i.e. sufficient compensation or cancellation of the project. Hence, this hardliners were dominant within the merchant groups.

Secondly, however, within the domination of hardliner at the early stage in the CCVPC, there were representatives of business who could not or did not make their voice in accordance with their interests, but followed the voice of dominant groups.

"At first time when Lee, Kwan-woo suggested the relocation, merchants said no. Then he was misunderstood²⁹ and excluded from other representatives within the CCVPC.

"We are having rallies for opposition of the project, and how can you, by yourself,

²⁹ Some merchants blamed him for having different mind, which was trying to gain by profit-taking from the property he would receive for the relocation.

want to negotiation³⁰? How can it be an opposition if a group fight with an alternative in mind? It is an *interest group*”. We should oppose first and then if it doesn’t work, we can find alternative.” (Interview with a MR whose real interest were in accordance with relocation but was at the hardliner side at the early stage, emphasis added)

As can be seen in the interview, at the early stage of the negotiation, there were some MRs who was at the hardliner’s side although their interests were in accordance with relocation. There were also representatives who could not openly assert relocation as they were afraid of being bullied by other representatives in the group. For this reason, at the early stage, the soft-liners were minor in the group. This changed over time when they found it would be practically difficult to gain what they initially demanded.

Thirdly, as can be seen in the previous interview, they emphasised their rationales or justification of their opposition activity. There were quite afraid of being seen by public as an *interest group* who were seeking profits from the relocation market as a ‘reward’ of the opposition activities. This is closely related to the public opinion and in turn issues of legitimacy of their opposition activities. Under circumstances that their losses were not recognised by the law and thus were not subjected to compensation, public opinion was very important for them. Therefore, they tried not to being seen as a group seeking profit, but to emphasise their justification and necessity of their opposition activities.

7.3.1.5 CC, NGOs, and mis-recognitions

Despite merchant’s efforts to appeal to public opinion about the unavoidable losses and the necessity of their opposition activities, public opinion did not follow as they wished. One reason could be inferred that the project benefits the general population by converting the expressed highway and a ‘problematic’ space into a historical river with clean water. Yet, there was another very important reason: the existence and activities of the CC. As was reviewed in 7.2.2.4, it was claimed that the CC was a representative organisation of Seoul civil society, and in fact, the members were composed of a wide variety of well-known groups of various sectors. After they started to examine the basic plan submitted by CRRG, there were active deliberation processes in the CC, starting

³⁰ Here, he used the term negotiation in referring to discussion with the SMG with a precondition of relocation.

from the sub-committees (Noh, 2004). During the process, there were disputes and disagreements within the CC about the details. It was generally agreed among members that the basic plan was not detail enough and did not have sufficient measures about design, ecology, and historical restoration, and therefore, it would need to be developed further.

However, there were different views about whether providing approval or not to this basic plan. The majority ‘*main*’ members supported to provide a conditional approval for the basic plan with a pledge of the SMG that they would supplement the details pointed by the CC. There were another opinions who raised concerns about the *danger* of the conditional approval. These opinions was raised mainly by members from NGOs who had previous experiences about being deceived from government. They argued that once the approvals had been given, there had been tendency that the pledges had not been kept satisfactorily. Yet, those voices were minor among the main members. As was examined in 7.2.2.4, main decisions were made in the Planning and Coordination Committee, and the main members in the committee were consisted of ‘*pro*’-restoration project and focusing more on *realisability* rather than quality of the restoration. Therefore, despite the minority’s concerns, a conditional approval was provided on 1st May 2003³¹, and the rational of this decision was:

“It is necessary to start anyway otherwise it might not be able to realise. ... If we want to satisfy all the stakeholders, we cannot finish the project even in 10 years. Not only is this project, but it the case in most projects.” (Interview with a member of Planning and Coordination Committee).

Here, based on the support of the main members who supported to provide a conditional approval, there was a belief that they would be able to attain the condition in the following process. Until the time, the SMG showed a cooperative attitude.

The main official formal justification of the conditional approval of the CC was, like the SMG, the urgency of the safety issue of the CGEH. However, similar to the SMG, main members of the CC in interviews said that the safety issue was not actually very urgent, not as much as was announced. They were aware that the construction did not

³¹ Although date of conditional approval was made (1st May 2003) was located in phase 1-3, this sub-sub-section is located in here, because many of their activities of defending the date of the commencement of the project happened throughout phase 1-2 and 1-3, but more actively in phase 1-2.

need to be started very urgently. Instead, the real reason was closely related to the *realisability*.

The conditions that the CC requested to the SMG were mainly related to issues of historical assets investigation and restoration, and urban or landscape design parts of the entire project (Noh, 2004, p.2), but not about issues related to merchants or street vendors. It was agreed that these conditions would be addressed with the subsequent official plans, in the processes of basic design and detail design, both of which were to be submitted after the commencement of construction work. Though it is not discussed further in this thesis, commitments of the SMG to take complementary measures were not kept satisfactorily (Noh, 2004). Later on, the CC were quite disappointed, and both basic design and detail design were rejected by them. However, regardless of the disapprovals, the project kept on following the Mayor's schedule, and as a result, main members of the CC resigned in September 2004. After the construction began, like the merchants (will be discussed in Chapters 8 and 9), the CC lost their power significantly.

Nonetheless, the conditional approval for the basic plan, which included the SMG's plan for the starting the construction on 1st July 2003, was given at the very important time. This approval provided legitimacy to the SMG in the following two aspects. Firstly, the approval symbolically means the agreements of the representatives of Seoul civil society on the SMG's plan (Seong and Kim, 2005). This agreement of the CC offset a large part of the aforementioned procedural issues, such as the speedy progress and lack of participation³². Secondly, the members of the CC, of which a large portion consisted of members from various NGOs, made attempts to convince other members of NGOs outside of the CC. In particular, main members, *inter alia* Prof. Noh and Mr. Cho, actively participated in many public debates and forums to convince civil society.

In fact, it was approved at a very important timing. After the announcement of the basic plan and the press conference of the Green Seoul Citizens Committee with the result of the public opinion poll as well as exposure of the SMG's pressure to not to announce the result, NGOs and the Democratic Labour Party's³³ criticisms at the outside of the CC

³² As was written, an announcement of a public opinion poll undertaken by request of the Green Seoul Citizens Committee, saying 88.8% of people replied that 'even though there might be some delay, the project has to be undertaken after collecting extensive opinions from experts and citizens' strongly influenced public opinion in a negative way.

³³ This party changed its name to the Unified Progressive Party in December, 2011.

became stronger as time passed. Around April, the voices became quite strong and united, and thus was burdensome to the SMG. Their approval also alleviated concerns of civil society by making a commitment that “CC will consistently demand to the SMG about the conditions and will certainly attain” (Noh, 2004, p.3). Accordingly, the CC played an important role in the commencement of the CRP, by providing symbolic legitimacy and playing their role to convince other civil society groups.

Furthermore, in contrast to street vendors, merchants in general were not recognised as vulnerable members of society by the CC, NGOs, progressive political parties, and also some members of the SDI. This could be found in various interviews with active participants of those group that I conducted. In the interviews, images of the CGC merchants was generally rich or at least in a much better condition than the street vendors. It was probably true that the merchants were generally in a better condition than street vendors, however, majority of them were not economically affluent. This *mis-recognition* could also be seen from a newspaper article written by Park, Kyung-Ri³⁴ (Lee, 2003a):

“Although we ought to consider merchants, I think merchants also sacrifice for greater things. They claim that they oppose the project because of their right to live. Isn’t the right to live appropriate to use for people who are very poor and thus have difficulties to afford foods? We should endure with a mind of donation for the next generation”

In fact, this economically affluent image of the SMG merchants widely spread in Korean society before the CRP, and therefore, they were requested concession, as could be seen in the term “donation for the next generation” in the interview above. This mis-recognition influenced in policy making process in formal governance and public opinion.

Under these circumstances, the CC and the merchant group relation were difficult. The first meeting between main members of the CC, especially members of Citizens’ Opinion Sub-Committee, and MRs was taken place on 25th January 2003 (Noh, 2004). After this meeting, there were some more meetings between the two groups. However, there was nothing that the CC could satisfy the merchants’ demands, i.e. provision of

³⁴ She was a very influential writer and was a great supporter of the CRP at the outside of the governance system. She played an important role of the establishment and operation of the CRSG, and had a very close network with main members of the CC. Her daughter also was a chairman of the History and Culture Sub-Committee of the CC. An early member and a member of the CRRG recollected her as “the anchor of the CC”.

sufficient amount of compensation otherwise stop the project, but merely requested for concession of merchants. Therefore, there was no productive discussion in the meetings, and there relationships were difficult and sometimes antagonistic, as could be seen in an interview with a high-level official:

“[there was] a conference meeting in the SDI building in around May, 2003. [In the meeting] Professors belonged to the CC said ‘let’s each of us give in a little, and let’s make this project successful through concessions’. At that time, a merchant stood up and said ‘Okay, we can make a concession. Then what you can give in? What have you made any concession and now you are saying a concession and concession?’ At that time, the professor could not say anything. Like this, merchants did not expect much from the CC.” (A full transcript of this interview, see Appendix 5³⁵)

Consequently, the CC did not contribute to resolve conflicts in relation to merchants, and one of primary reasons was because they did not have any authority to satisfy what merchants’ demanded. In the case of the CRP, it was only the SMG who had authority to do so. Although this is not discussed further, this provides important implications about public participation in conflict resolution.

7.3.2 Phase 1-3, from the derailment of the formal negotiation to the commencement of the construction (11th April - 30th June, 2003)

7.3.2.1 Commencement of informal negotiations based on common acknowledgements – practical constraints and actual losses

Under the circumstances examined above, merchants only focused on negotiation with the SMG. However, the PCC did not operate productively and in the end was derailed. The reasons for the derailment largely derived from sharp conflicts at the time and characteristics of official meetings, as can be seen in an interview (interview with a MR, quote from Park, 2004, p.210):

“In the PCC, we could not discuss issues like relocation or redevelopment well. At that time, there were sharp conflicts and I did not know what other people [merchants] were actually thinking about [the issues in their mind]. In that situation, if I brought up

³⁵ I put full transcription about this issue at appendix, because this full transcription provides much rich information about the relationships between merchants and the officials, and merchants and the CC.

relocation issue or adopted a compromising position, I might have been bullied. I might have been expelled from the CGC market, and in this situation how I could say? I thought the SMG called us to convince us [of the necessity of the project], and therefore, I just made up my mind that I would say I categorically oppose the CRP.”

Particularly in a situation that the CCVPC was internally dominated by hardliners, the official meetings, i.e. PCC, were difficult to be fruitful at the early stage. Individual representatives could not freely reveal the interests of their business groups in front of other representatives, but were required to make a united voice. Moreover, due to the formal atmosphere of official meetings and being produced minutes, they were quite careful when they speak.

After the derailment of the formal negotiation on 11th April 2003, the SMG and the representatives started to meet informally. In fact, as time passes and after MRs explored every avenue, they became aware that it would be practically difficult to gain what they initially demanded. Hence, relocation gradually gained voice within the CCVPC as the most positive alternative within given situation. Moreover, as was mentioned in 7.3.1.2, successfully addressing issues for merchants was also crucial for the SMG, otherwise there was high possibility that they might not start the construction.

There were many times of informal meetings³⁶ (among which, see main meetings in table 7.8). Officials of the merchant team informally met many MRs individually, including the representative of the CCVPC (Lee, Woong-jae) and the CSC (Lee, Keon-kyu). In this environment, both merchants and the officials could talk openly, and this was very important. Soft-liners, who were minor until the time and thus whose voice were repressed or silenced, could revealed their opinions freely. They complained about internal politics and operation of the CCVPC and hardliners, especially Lee, Woong-jae, the representative of the CCVPC. What was important, some representatives who were categorised as hardliners but their actual interests were more in accordance with the relocation started expressed their *real* interests, which were different from their ostensible positions.

³⁶ The number depends on how we define the informal meeting. According to the SMG, there were around 4,000 times of meetings between officials of the SMG and merchants, though merchants said it was lie and non-sense. Nevertheless, although the number were seemingly exaggerated, it seemed it was true that officials visited shops very many times and listened to their opinions, which was acknowledged by a vast majority of merchants.

Throughout this process, the SMG became aware that unlike their ostensible positions, many representatives were actually in favour of relocation as long as sufficient area was provided. As time passes, the number of merchants who would be willing to relocate increased. This was because either they prefer relocation regardless of the project or they found that it was the most positive alternative that they could obtain in given situation. After then, both groups could narrow down the agenda and focus on practical issues, in particular the size of the site, rather than rationales or legal issues regarding compensation. Mr. Park (2004), the leader of the merchant team, also wrote that it was actually this informal meetings which enabled the both groups to narrow the scope and led to an agreement in the end.

Table 7.8 Main informal meetings in the later stage of phase 1-2 (source: Seoul Metropolitan Government, 2006b, p.284, edited by the author)

Date (2003)	Main contents	Note
17 th April	- Meeting with two MRs in the CCVPC - They explained that since the representative of the CCVPC – Lee, Woong-jae – did not explained about the relocation properly, they were at a hardliner side. - They understood measures for the relocation of the SMG and expressed positive agreement, and requested for favourable progression of the relocation.	Was a first chance that the soft-liners joined hands with the SMG (was a start to division in the CCVPC).
25 th April	- Lunch meeting with one MR in the CCVPC. - The MR, who supports the relocation, wanted to give shape to the plan.	The division between the hard and soft liners became more visible.
19 th May	- Meeting with four MRs in the CCVPC. - Strong criticism on Lee, Woong-jae. - They request the SMG for changing negotiation counter for the relocation advocates.	Division start.
24 th May	- Meeting with one MR in the CCVPC. - Informed that the SMG already expected the plans for the rallies of the CCVPC and had measure for it. - Told that go for the second best alternative if they would not able to take the best.	
26 th May	- Meeting with Lee, Woong-jae - Informed that relocation is the last card of the SMG, and reminded that the Business Stabilising Fund³⁷	Lee, Woong-jae became interested in the relocation.

³⁷ Another type of supporting measure to merchants. There were several kinds of supports, for example preparation of fund (about reducing interests for a loan), preparation of car parks during the construction,

	that the SMG were going to provide were becoming shaped.	
28 th May	- Meeting with one MR in the CCVPC. - Explained that the relocation site would be made with a basis of 5 storey buildings. - He requested the SMG to suggest the size that could provide.	
30 th May	- Meeting with four MRs in the CCVPC. - They said if additional 330,000m² could be provided for the relocation site so that half of the CGC markets could relocate to there, they could convince other MRs who did not agree with relocation.	Turning point for a final agreement.
1 st June	- Meeting with Lee, Woong-jae. - Agreed with the suggested size at a principle level³⁸. - He said he needed time to convince hardliners. - He requested not to report to the media.	He explained why he, who used to be a hardliner, turned to agreeing with relocation.
2 nd June	- Meeting with Lee, Keon-Kyu. - Explained current circumstances and tried to convince that rather than rallies, go for the second best option that the SMG pledged to provide.	He said although he was not inclined to accepting, he was satisfied with the discussion
3 rd June	- Meeting with Lee, Keon-Kyu - Tried to convince to accept the SMG's suggestion and cancel the forthcoming rally on 9th June.	He wanted to accept as an individual, but exposed his thoughts that it would be difficult to convince members of the CSC.
6 th June	- Meeting with Lee, Woong-jae, Lee, Kwan-woo, and two other MRs. - Special privileges for the shops in the relocation site. - Had difficulties: wrote an agreement but cancelled.	

It is very important to note that while they were talking openly in informal meetings, they could build trust in the meetings and open discussions, as Mr. Park wrote (2004, p.211):

“In discussions in the informal meetings, rather than argument about rationales, there were considerations about substantive and practical issues of the future of the

preparation fund for conventional market renovation, providing scholarships for children of the CGC merchants and so on (Seoul Metropolitan Government, 2006b, pp.250-263). Though those supports were helpful for the merchants, these were temporary measures, and therefore, the core measure for the merchant was the relocation.

³⁸ At this time, it remained in an informal level, and the suggested size was 495,000m², which was the same as the finally agreed one.

merchants. Moreover, trust built between the merchant representatives and the SMG during the time, and this trust functioned positively while we were reaching to an agreement.”

This trust was very important in resolving the conflict and reaching to an agreement, and this is discussed further in 7.3.2.4.

In addition, there were two disadvantages to the informal meetings. The first one derives from, ironically, too close personal relationships between the merchants and officials, as Park (2004, p.210) wrote:

“... it also had negative aspects, in a sense that because they became very close to the officials, they could not say freely what they needed to say as an interest group. In fact, because of the close personal relationship, they stressed that there were some difficulties in choosing words or their behaviour”.

Secondly and more importantly, because they were informal meetings, for example had discussions at eating lunch or alcohol, no document produced to use as evidence. Later on, in the process of the DDCP, having no evidence that could prove someone’s argument was indeed a significant disadvantage to merchants. This is discussed further in Chapters 8 and 9.

7.3.2.2 Approaching to an agreement

Even though productive discussions begun with the informal meetings and more and more MRs started to stand at the relocation side, still the CCVPC and the CSC were dominated by hardliners. In fact, the CSC, whose interests had strong spatial dependency to the Dong-dae-mun area, strongly opposed to the CRP until almost the final stage of the negotiations. Although the SMG found the discontentment inside of the CCVPC in early informal meetings, not later than 19th May (see table 7.8), the unproductive and unfruitful period persisted until 22nd May when both the CCVPC and CSC had the first joint rally (see table 7.6). It was large scale, and several people were arrested. The representative of the CCVPC, Lee Woong-Jae quoted in an interview, said:

“The rally was enormous. However, it was also the time that I become weak. A number of people were taken to the police and some of them were convicted. I went to see him

in a police station. He was very young, not yet married. I made him an ex-convict. His mother and sister came to see me and blamed me. I felt real agony and it was the time I became weak.”

The rally, which requires cost³⁹ and participants’ time, was not easy for merchants to arrange who have their own jobs. It generated victims, from merchant’s perspectives. At the same time, the joint rally was also a heavy burden to the SMG. Some newspapers strongly criticised their too speedy advance without adequate measures for the merchants. In this situation, the day after this joint rally, 23th May, 2003, tentative agreement was made between the representatives of merchant groups and the SMG. They agreed with the alternative option at the South East part of Seoul where a distribution complex terminal was planned to be built (Park, 2004c).

Although the tentative agreement was made, there were two other barriers to overcome: convincing hardliners, especially members of the CSC. The tentative agreement was not an agreement of every merchant or every industry. Representatives of the CSC were quite firm and did not agree with the relocation option. As was mentioned, the strong local dependency means that relocation is not suitable alternative for these businesses. Moreover, except some types of businesses who wanted to relocate from the first stage of the project, MRs also needed to convince general members of their groups. Before these were preceded, the agreement was announced by the media soon after it was made, and this caused another strong opposition, following two more large scale rallies on 11th and 16th June (table 7.6) (Park, 2004c, p.137).

In contrast to the seemingly increasing conflicts, the negotiation was in fact moving to an agreed position through informal negotiations, as can be seen (Park, 2004c, p.138):

“13th June 2003 ... In the meeting, he [the representative of the CCVPC] expressed agony that the reason for the merchant groups moved back to a firm stand with the assemblies and rallies was because still more than half members of the group believed they could defeat the project if they struggled hard. He also said he did not have

³⁹ Though it is difficult to know how much they actually spent as there is no document exist, in interviews, they mentioned several times that rallies cost much more than they thought, though they could not remember exact cost. In a newspaper article, it is written that it cost around \$50,000 from January to June, 2003 (Kane, 2003).

complaint about the 496,000m² as a size for the relocation site that had been narrowed through the informal negotiations ...”

Even though majority MRs in the CCVPC were satisfied with the size for the relocation and ‘other SMG’s suggestions to support the CGC merchants’⁴⁰ as means of an indirect compensation, there were still many members of the CCVPC, not to mention CSC, who believed that they could defeat the project if they struggled hard. Hence, MRs kept demanding larger area for the relocation in order to convince the hard-liners. When it was first suggested by the SMG, the net area for the merchants was around 66,000m², whereas merchants requested 10 times more than that, 660,000m². Throughout various negotiations, around 1st June, it was tentatively agreed as around 496,000m² (table 7.8). Issues with size is discussed further in Chapter 8.

Furthermore, there were another but very important unfavourable factor for the merchants: approval of the project by the President on 2nd June in a Cabinet meeting with participation of all ministers and Mayor Lee. When merchants heard the news, they lost their last hope⁴¹ that they could rely on. After this approval, the general trend of the negotiation clearly went towards accepting the relocation. Subsequently, throughout some more meetings including a final PCC on 9th June, conditions of the relocation became more and more concrete and could finally reach to an agreement on 21st June, 2003.

7.3.2.3 Agreement or notification?

Although the informal and formal negotiations almost reached to middle ground, there were still significant conflicts and tensions in June between the groups. Despite the progress and basic trust, MRs tried to gain more and make more concrete. Although merchants requested a meeting to Mayor Lee several times, he kept refusing their request because he thought requesting a meeting with the mayor was a strategy of the merchants to gain more (Lee, 2005a, p.155). Finally, when the negotiations came to a close, on 21st June 2003, there was a final meeting with seven MRs and four members from the SMG

⁴⁰ I do not examine other support from the SMG to the merchants for the losses. There were some other minor support, but the relocation market was much more important *de facto* compensation for the anticipated loss. See a footnote linked in table 7.8, on 26th May.

⁴¹ Even though they realised the relocation was the best feasible outcome at the time, still the majority of merchants preferred cancellation of the project or at least postponing the project.

including Mayor Lee⁴². In the meeting, MRs requested three more things, including establishment of an exclusive organisation for dealing with merchant related issues (figure 7.15, table 7.9). At the meeting, the mayor said he would consider the requests with officials, and later on, it was notified that these demands were generally accepted. Subsequently, on 25th June 2003, three replies to the requests by merchants and six articles about the market complex for relocation were ‘notified’ (figure 7.15, table 7.9, 10).

서울특별시

시장과 청계천 상인대표와의 면담결과

□ 일 시 : 2003. 6. 21(토) 10:55 ~ 11: 50

□ 장 소 : 시장 접견실

□ 참 석

- 서 울 시(4) : 시장, 청계천복원추진본부장, 행정기획단장, 총괄담당관

- 상인대표(7) : 아웅세, 김배구, 박창기, 명상근, 이근규, 강무중, 이상철

□ 면담결과

요구 및 건의사항	결 과
상인대표 전담기구 설치하여 조속하고도 지속적인 상인대표 추진	상인대표는 학과 후에도 계속 추진해야 할 사항이므로 전담기구 설치할 추진할 것이며, 계속적인 대화를 통해 문제해결점을 찾아야 할 것임.
아주나 잔류해 관계없이 청계천 상권이 돌아가지 않도록 상인대표 마련	청계천상권이 발전하기 위해서는 변화가 필요하며, 현재의 상권을 유지·발전시키기 고자 하는 것이 청계천복원의 목적 중의 하나임.
이론과 현실의 차이를 줄이고 실행력·가시적 상인대표 추진	재가발은 최대한 신속히 추진할 것이며, 아주부터는 공명계발하여 단지조성하는 등 혁신을 다하여 상인대표에 대처할 것임.

문정지구 이주단지 조성 방안

1	현재 15만평 이상	아주상권의 조기정착 및 활성화의 승화지역 주민의 편의, 지역경제발전을 도모하기 위하여 15만평 규모의 대규모 상가단지를 조성하고 다양한 업종유치
2	공시기간 4년	물류유동단지 조성은 2007년말, 추가단지 조성은 2008년말 완료 - 공시기간은 사정에 따라 다소 증감될 수 있음.
3	유 자 조 건 (단기까지 3년상환)	중소기업 및 소상공인 시설자금유치에 준하여 조치 (년 가, 3년 분할 상환)
4	점포면적 7평	현재 영업중인 점포면적과 유사업종의 점포면적 등을 고려하여 신원하, 점포면적 면적 기준 7평 수준으로 조성
5	특 별 분 명	공시착공일 현재 청계천에서 사업지동쪽을 통과하고 영업중이며, 상제 아주상가단지조 아주해에 영업을 상인에게 특별분명
6	공 명 계 별	상가부터 조성은 공명계발 방식으로 하고, 상가 전원은 아주상인되어 원하는 계발방식으로 추진

Figure 7.15 “Notification of the result of the final meeting on 21th June 2003 between representatives and mayor Lee” (source: Seoul Metropolitan Government, 2003b)

Table 7.9 Three requests by merchants, and replies of the SMG to the requests (source: Ibid.)

Requests and suggestions	Result
Establishing a bespoke organisation to be able to setting up early and consistent measures for merchants.	Since setting up and implementing measures for merchants are necessary to be put forward consistently, an exclusive organisation will be established, and solutions for problems will be searched through continuous discussions.
Regardless of the relocation or stay, measures for merchants should be set up in order not to be scattered of the sang-gwon ⁴³ .	In order for the CGC sang-gwon to be flourished, there need some changes, and maintaining and developing the current CGC sang-gwon is one of the purposes of the CRP.
Reducing the gap between theories and reality, and put	Redevelopment has to be put forward as early as possible, and measures for merchants will be

⁴² The other three were Yang, Yun-jae, the head of the CRPH, Park, Myung-hyun, the leader of the merchant team, and Choi, Dong-yun, the deputy leader of the merchant team.

⁴³ Vitality of a market, see 6.4.4.

forward substantive and tangible measures for merchants.	provided with the most effort, for example preparation of the site for the relocation through public development and so on.

Table 7.10 Outlines of the plan for the relocation market (source: Ibid.)

Merchant's requests	Outcome of the examination of the requests
Area of site: larger than 495,000 m ²	In order to have early settlement, to vitalise, to achieve benefit for residents in Song-Pa District ⁴⁴ , and to develop local economy, more than 495,000m ² of a large-scale market complex will be generated and will accommodate various types of the businesses.
Time for constructing the Shopping centre and supporting facilities: 4 years	Generate distribution complex by late 2007; generate additional complex by late 2008. The completion date is subject to change slightly depending on situations.
Terms and condition for loan: payable in 8 years with a 5 years of grace period	Loans will be provided in accordance with standards of small or medium-sized businesses (payable in 5 years with a 3 grace period)
Area of each shop: 23.1 m ²	The area will be calculated taking into the area of each merchant's current shop and other similar type of businesses, but in average, the area of each shop will be approximately 23.1 m ² .
Special privileges ⁴⁵	Special privileges will be provided to the currently registered merchants (1 st July, 2003) who also are willing to move and to actually run a business in the newly providing shopping centre.
Development methods: public development	The site will be prepared by public development and a method of the building shopping centre will be decided as merchants want.

These 'notification' included rough outlines of the relocation market. The size of area and special privileges were keys of this agreement. The special privileges meant that shops would be provided with a special price, would only cost 'actual expenses'. This was possible because the site was located within the Green Belt area, and thus the SMG could acquire the land with a much cheaper price than the real sale price. However, at the

⁴⁴ Administrative district in Seoul where the DDCP is located in.

⁴⁵ Special privileges include priority to obtain ownership and providing a special price - only charging a 'production cost' (net cost for constructing the buildings).

time of the ‘notification’, both parties did not have a clear picture about the relocation market. In other words, the ‘notification’ was remained at a principle level. This was not favourable for merchants, in that once the construction would begin, they would lose their strongest and the last ‘card’.

In fact, in the meeting with the mayor, MRs tried to make the agreement more concrete and to produce a documented promise. However, as can be seen in Mayor Lee’s (2005a) own book, these requests were refused by him. This can be seen from his book (pp.156-158, emphasis added), and because this was a very important issue that can understand the situation better, I quote a large part of his book:

““Why do you want to meet me?”

“We want to listen to measures [directly] from you”

“Until now, merchant’s team said on behalf of me. Believe 100% of what they have said to you. ...”

When I opened my mouth, they had puzzled expressions on their faces. It meant there would be no cash compensation for operating losses, and there would be no documented promise. This was what the working group had always told.

If we leave contents of agreement on document, later on it can become controversial when interpret all the passages. Moreover, it would have not been possible to negotiate with all the numerous groups. When we make an agreement with a group, a next group would want a far better condition. Then, there would be no end of negotiations.

Yet, from the representatives of the merchants’ perspective, they had to trust our verbal promise and cooperative with us.

“If we deny the agreement until the end, what would you do?”

“We won’t negotiation with merchants. We are going to stand on the merchants’ side until the end. There would be no one who could understand your feelings better than me⁴⁶. If you oppose to the end, it won’t be possible to implement. ...”

“Write us a written agreement with contents. Then, we will follow you”.

“We are going to keep the promise, then why do we need a written agreement? The fact that you are requesting a written agreement is because you are going to request for fulfilment of the promise? Hasn’t the SMG not kept any promise made with you until now? As far as I know, we have fulfilled around 1,000 of promises. We fulfilled what we said we would, and we didn’t what we said wouldn’t. We have done our best.”

...

⁴⁶ When he was young, he was very poor and thus he worked in the CGC market to earn his university tuition fee. He kept saying that because of his experience, he would be a one who could truly understand their feelings and stance.

A few days later, there was a call from the representative of merchants.

“We are going to trust you and we won’t hold rallies anymore.”

Finally, merchants promised cooperation, although all their concerns in deep of their mind did not disappear.

When seen from the outside, merchants had gained nothing. The requirements that they initially demanded, such as cash compensation and written agreement, have not been realised. However, although nothing is visible now, they gained many. It was the promise that we are going to make effort for them.”

It is important to note that we should critically analyse the validity of the books written by politicians written about their achievements. Those books are often written for their next elections, and therefore, there are possibilities that their merits are exaggerated and demerits are omitted. There are also possibilities that those books are written by someone else, i.e. illegal ghost-writing, which has been quite common in Korean society, especially for politicians. Nevertheless, because officially this book was written by Mayor Lee, and thus it was highly likely that at least he proofread the book. For this reason, this book can be a valid source to understand the situation when the agreement was made.

It is very important to note that precisely speaking, it was not ‘agreement’, but settling civil complaints. In other words, even though the process until this time had had characteristics of a ‘negotiation’, it was officially not a ‘negotiation’ but settling civil complaints. This difference was important, in that because it was not a negotiation, there was no reason for the SMG to write a written agreement. This difference also resulted in, from the merchant’s perspective, failure of making concrete ‘agreements’ but remained in the *verbal promises* at a principle level. Moreover, the contents written on the documents was not made and agreed at a table where the MRs and the mayor met. After the meeting, the mayor said “I understand your opinions. We are trying our best to take them into account and then we will notify you, so do not worry and go back today” (quotation cited in Hwang et al., 2005). The result of the meeting, which later on were generally known to the public as the ‘agreement of the negotiation’, was actually ‘notified’ one-sidedly. Precisely speaking, it was neither negotiation nor agreement.

Yet, as can be seen from interviews with officials, it was *de facto* negotiation: “one party said A and the other party said B, and as a result, it became C, which was somewhere between them” (Interview with the 2nd deputy mayor). In the CRP White

Paper⁴⁷ as well, it was written as “negotiation” (Seoul Metropolitan Government, 2006b, p.296). Still, however, precisely “it was resolving civil complaint, rather than like an agreement between a labour union and management” (interview with a high-level official). To stress again, it was a ‘gift’ rather than what was required by the law, and therefore, the last meeting and the notification also followed a form of resolving civil complaints. However, despite the legal status of the ‘negotiation’ and ‘agreement’, they were generally acknowledged as negotiation and agreement, and therefore, in this thesis, those terms are used otherwise when it is necessary to identify.

7.3.2.4 Three important issues underlying the agreement: time, trust, and documentation

Until the final meeting with the mayor, ‘public justification’ to merchants was not complete, and they still worried very much about how they could convince other merchants (Park, 2004c, pp.140-141). “Most of merchants⁴⁸ thought that they should meet the mayor and make an agreement after their demands are accepted to certain degree” (Ibid, p.140). In contrast, MRs thought that realistically it would be very difficult to prevent the commencement of the construction on 1st of July as well as to make concrete agreement until the time. Hence, it was the most positive alternative for them at that time to meet the mayor and make the agreement, as otherwise it was likely that their bargaining power would be even lower after the start of the construction. In other words, it is fair to say it was *time* that made them decide to meet the mayor and make the final agreement in a situation that they could not yet convince the merchants.

The reason why they did not have enough *time* to make the conditions about the relocation more concretely before the start of the construction was because of the due construction date set by the mayor. The speedy drive of the project had been widely criticised mainly from the progressive side, but as was wrote, some conservative media also criticised at moderate levels. However, there were several main reasons why this speedy drive was not became a serious social issue. Three of them were already examined earlier: firstly it was a main electoral issue and the advocate won the election, which

⁴⁷ White paper in Korean administration refers to a comprehensively recorded book about a project, mostly written after the project.

⁴⁸ Here, merchants refers general merchants, not representatives.

provided legitimacy to the project. Secondly, the CC played an import role to convince public and provide legitimacy to the construction date. Thirdly, the project was supported by majority citizens from the first to the end, which according to various public opinion polls, approval rating was around 75%-93% (Cho, 2005, p.241).

Fourthly, although there were criticism by some people, mainly from progressive side, as an undemocratic public policy making, there were also many people supported the speedy drive and evaluate the drive as a strong leadership. I would argue that this is significantly related to the nostalgia to the developmental history of Korea (Chapter 4). This can be found from two parts: firstly, as also could be seen from the approval rating, general population supported the project itself and were rather indifferent to speedy advance of the project; and secondly, after the project which in the end has been widely regarded as successful, Mayor Lee became the next President of Korea, and this CRP has been widely recognised as a main achievement as a political leader.

Nevertheless, this too speedy advance was indeed a key reason for the agreement remained merely at a principle level. As a proverb says ‘the Devil is in the detail’, later on, this was one of the fundamental reasons for the undesirable outcome for both merchants and the SMG in the end. Ironically, however, this ‘deadline’ for both officials and merchants were one of reasons for being able to reach to an agreement ‘successfully’, at least at the time (see Park, 2008, pp.119-121). This is not from the realisability or practicality perspectives, but in fact, according to interviews, both merchants and the SMG were quite satisfied with the result in the end, although the representatives had worries owing to the not sufficiently concrete outcome.

This speed and time is also closely related to issues of realisability or practicality. At the later part of the negotiation, merchants changed their opinion and demanded postponing the project for three years (Ibid). However, according to interviews with both officials and merchants, most of them understood it as not literally postponing, but as a strategy of cancellation when the Mayor’s term became almost finish and thus his political power became weak or gain better terms in the negotiation. In real politics, it is generally acknowledge that there is a tendency of power cycle, for example called ‘honeymoon’ (when the bargaining power of elected president or mayor is high, and thus effectiveness of policy making or legislation is also high) and ‘lame-duck’ (opposite to the honeymoon) period (see Barrett and Eshbaugh-Soha, 2007). Therefore, issues of speed was closely

related to the power of mayor and in turn effectiveness of the policy making and implementation, as well as the mayor's political interests. Therefore, as can be seen in the following interview (see full transcription of this interview, Appendix 6), from the SMG's perspective, this issue of speed was closely related to the issue of *realisability*, the concept of which is closely related to practicality. Yet, as can be seen from the words 'pressing' and 'pushed' in the interview, setting the deadline and speedy drive generated strong constraints to the negotiation, which was against the conditions for the Rawls' notion of public reason, i.e. open and un-coerced deliberation as was discussed in chapter 2.

"We set the date to 1st July and started. It was quite pressing to meet the time. ... [If we didn't set the time], it might have delayed 2 or 3 years, and it might have ended in smoke, and thus we set the deadline. Therefore, we could reach to an agreement otherwise it probably was very difficult. ... Think how many people opposed to the CRP. Therefore, as time passes, there would be high possibility that the project could have been fizzled out. ... We were pushed for time and so did merchants because we set the deadline, and that's why we could reach to an agreement at a basic outline level." (Interview with a high-level official)

Furthermore, there was another very important reason why the representatives agreed on the 'notification' after the final meeting with Mayor Lee. Throughout the negotiation process, quite strong trust was built between the representatives and the government officials, in particular the merchant team, but also including Mayor Lee. The team consisted of 'best members' who were good and experienced in settling civil complaints (Hwang et al., 2005). Like other positions related to civil complaints, it was indeed a difficult position. At the first time, merchants were quite hostile, as can be seen in an interview with a MR:

"I made a high position official kneel down when he first come to see me. He now say 'it was very humiliating experience and I have no idea why I did it'. What the hell is the construction? Why they were going to get rid of the fine road?"

This, however, settled down when they found that firstly, it was not their initiative but they were also following the Mayor's direction. They also found that they were trying their best to provide merchants with favours within the two principles and the legal or financial boundaries. They met them often, and as they met and had honest discussions

and acknowledged both sides' difficulties, they became personally close and able to understand each sides better, as can be seen in an interview with a MR:

“At first time, they were enemy. However, as we had met so many times, we'd been through thick and thin with them”.

This could be found from officials as well:

“Still nowadays, when the merchants have some difficulties, they come to me and ask. Still we are contacting each other when we have family events. From our perspective, it was a good experience and relationship. The reason why we could move their mind was because we put ourselves in their position. Basically, for both of us, trust and so on were based [on the mutual understanding]. Already ten years passed, but still we can talk to each other easily.” (Interview with a high-level official)

Based on these basic trust and close relationship between the two groups, merchants trusted that the officials tried to give merchants as much as their administrative discretion allows, as could be in an interview:

“When we demand something, we demand so much, very beyond the [legal and financial] boundary [of the SMG]. When we send an official letter with demands, they reply ‘[legally and practically], up to this amount is possible, up to that amount is possible’. When we attended in a next meeting, most of issues were almost agreed, and we just decided there. ... Then we prepare other demands again. ... Now I rate Mr. Park and Mr. Choi's merit high. Once I talked to Mayor Lee, I told him “it was not you who won the war. It was your tactic of personnel management. The two people”. I still call them when I am drunk, and ask ‘how are you?’” (Interview with a MR)

Interestingly, they also trusted the mayor, and his limits of which he could provide for the merchants as a mayor from opposition party yet trying to do his best, as can be seen in interviews:

“[When I met] Mayor Lee, he said ‘because I am a mayor from an opposition party, this is what I can do the best. Though I have searched, agonised ... [it is the best that SMG can provide]’. I gave up when I heard that remark.” (Interview with a MR)

“Trust was built and therefore we believed everything. Because Mayor Lee, met us and treated us in his faith and had a discussion thoughtfully, and at the spot, he directed to the deputy mayor. ... How couldn't we trust?” (Interview with a MR)

Consequently, this trust was the reason for their decision to make an agreement, although no concrete plan or agreement had yet been made. MRs agreed that more concrete plans would be made as they shaped the relocation project later on. They were aware that once the construction started, they would lose their bargaining power considerably and it would be difficult to stop or return. Hence, they were quite concerned about the agreement which remained in a principle level. Yet, the agreement could be made because there were basic *trust* between merchants and the SMG, which was generated by the attitude of the officials and the Mayor, convincing that ‘this is the best we could provide within the aforementioned structural conditions’.

Finally, closely related to the aforementioned issues of speed and un-concrete conditions of the agreement, there was an issue of documentation. Although final meeting was notified to merchants under the mayor's name and his official stamp, it remained in a principle level. Moreover as was mentioned in 7.3.2.1, no document was officially made in the informal meetings. On the one hand, making no minutes in meetings contributed narrowing the gap between the two groups as they could talk openly. Yet, although many important discussions were made in the meeting, the only document left about the meetings is in the White Paper. Yet, because it is not a document officially prove what were actually discussed in the meetings, it could be a useful reference to know what happened in the meeting, but cannot be a positive proof. This might be understandable because it was informal meetings. However, as could be seen in the mayor's book in 7.3.2.3, making no document with specific and concrete contents about the meeting was actually what the mayor directed. In other words, documentation was intentionally avoided by the SMG, as it might produce some problems later. This lack of documented ‘promises’, in the end, was one of important reasons for the failure of the project.

7.4 Summarising this chapter from a justice perspective

In this chapter, development from the inauguration of the mayor to completion of the agreement between the MRs and the SMG was examined in a chronological order.

Prior to summarise what has been examined from a justice perspective, three things are important to reiterate that has been discussed before. Firstly, the core issue in this project in relation to justice could be summarised in a question: If, arguably, planning should pursue the common good and often unavoidably harm minority's interests, how planning can be (more) just in relation to the interests of the latter? Secondly, in this summary, I will focus on issues of both "justly arrived at" and "just distribution" (Harvey, 1973, cited in Campbell and Marshall, 2006, p.250), which respectively are about process and outcome. Thirdly, merchants' initial stand in relation to the project and the losses was: 'no construction would be possible unless there would be a sufficient amount of compensation for the losses'.

Firstly, overall, the project seemingly followed democratic process. The CC was established for deliberating main items of the CRP, and this committee was not legally required but was set up to enable participation of civil society. However, from a perspective of justice, there was exclusion of main interest groups that were expected to lose the most. This exclusion resulted in mis-recognition about the economic status of the merchants in the formal governance structure. This mis-recognition was reflected in formal policy making process, which resulted in lack of support or measures for merchants, especially for merchants who were not economically affluent. In addition, instead of participation of merchants in the CC, members of the CC meant to play a mediating role between the merchants and the SMG. However, because they had neither any authority to satisfy what the merchants demanded nor trust or rapport with merchants, the relationship between the two were very difficult, and the CC's efforts were not effective. Consequently, although the process were seemingly democratic with establishing the CC, if we focus on issues for merchants, the establishment of the CC was neither democratic nor effective in terms of making more just outcome.

Secondly, fundamental reasons for the severe contestations between the merchants and the SMG could be summarised into two: first, merchants' losses were to a large extent unavoidable. Moreover, the amount of losses were significant, and would not be temporary, but be permanent. Secondly, merchants' losses were not recognised in the legal system of the time, and thus could not expect any compensation by the law. In these situations, from merchants' perspective, there was no choice but to oppose the project other than legal actions. The most effective and strong means of them were street rallies with participation of great numbers. This street rallies were quite burdensome to the SMG,

and they started to have negotiations formally and informally. However, because the SMG did not have any legal obligation to provide any type of compensation, it was precisely not negotiation or compensation, but was settling civil complaints. They were rather gift from the SMG based on their political and moral obligations. This unrecognised rights to receive compensation for merchants' losses in turn resulted in lack of legal status about the merchants' opposition activities and their gains. This gains, which were favour of the SMG based on political or moral obligations rather than merchants' deserved rights based on entitlement recognised by the law or regulation, influenced power relations between the merchants and the SMG throughout the CRP and the DDCP.

This provides important implications to planning and justice. If planning activities are undertaken for making "better place-based outcomes than would be achieved otherwise" (Campbell, 2012b, p.135), and thus for the common good, then from the perspective of the community, it would be *positive sum*. Back to the question raised earlier, the CRP was conducted for the good of the entire community of Seoul and Korea, but this would unavoidably harm merchants' interests. In this case, I argue that there were moral obligations that the community owed to the merchants. Therefore, the community ought to have provided sufficient amount of compensation for the actual amount of losses that were generated for the common good. Even though the compensation would have been provided, the project still would have been positive sum for the entire community, and arguably that is what state should pursue throughout planning activities. Furthermore, I argue that the losses ought to have been recognised by the law or planning regulations, rather than political or moral obligations, which were not stable, as will be seen in Chapters 8 and 9.

Thirdly, there were three very important and inter-related issues to understand the process of the CRP: power, time (speed), and rationality. With regard to power in local governance in the CRP, 'the mayor dominated local politics', which was reviewed in Chapter 4, could be found quite clearly. In a situation that majority councillors of the SMC were from the same political party, it was even more difficult to check the mayor during the CRP. It was even more difficult to do so, because the CRP was supported by a vast majority of citizens and was also supported by the CC. Until the commencement of the construction, there were two opponent groups: merchants and street vendors. Because merchants could have 'taken it lying down' if they did not take any collective action, they organised two opposition groups and collectively opposed to the project.

Thousands of merchants participated in, and this was very burdensome to the SMG. Meanwhile, there was one person who could stop the project: President Noh. Because the Noh's administration stressed much on values of democracy, it was crucial for the SMG to resolve this conflict in a successful and democratic way.

In a situation that the SMG were practically unable to provide sufficient amount of compensation to the merchants, while at the same time merchants realised that it would be practically difficult to gain cash compensation or to stop the project, a relocation market emerged as a feasible alternative from both merchants and the SMG. Yet, providing relocation market was not required by the law and was a 'gift' of the SMG, whereas the merchants did not have any legal grounds to demand it. Although merchants wanted to make more concrete conditions for the relocation market and wanted to leave them on documents, it was refused by the mayor. From the merchants' perspective, they had two options: agree with the plan remained at a principle level for the relocation market or kept opposing the project with a high possibility that they would gain nothing. Even though the plan was satisfactory for the merchants, they worried that the promise would be broken. In this situation, merchants were half-forced to agree with the plan, which then was 'notified' with a document. Throughout the project, the initiative was held by the SMG, and merchants were rather reactive. It is worth noting that until the construction started, the power difference between the SMG and the merchants was relatively small. However, this came to be larger as time passes, as will be examined in Chapters 8 and 9.

One important reason for the merchants to be reactive was speed: too tight deadline, which led to too speedy advance of the project and thus insufficient time for developing more concrete plan. In these processes, it could be seen that time favoured the power, and more fundamentally, it was set by the power. It was important to see how the tight deadline and speedy advance was legitimised. In fact, there were many criticisms about the too speedy process, which could be seen in the public opinion poll. Main justification for the deadline was related to safety, which is one of the main roles of the state to secure. Indeed, urgent maintenance work was needed to the CGEH. However, it was not as urgent as the SMG exaggerated, and there also were many other options, for example restriction of traffic. The reality was "rationalised" (Flyvbjerg, 2003) by officials and other professionals based on scientific knowledge and data. In a short period of time, it was difficult for opponents to challenge this rationality, as they did not have sufficient knowledge and data to make counter arguments. The real reason for the tight deadline

was actually related to the mayor's political interest. Accordingly, time (speed) and rationality were closely related to and favoured power.

Fourthly, this deadline and speedy advance of the project provides important implications to the relationship between process and outcome, as well as issues of practicality or realisability. The deadline was an unchangeable 'principle' for the officials and the SMG, which mean was a strong structural constraints. This was far from the background conditions for 'public reasoning' process suggested by Rawls, and was also far from a 'good process' that are suggested by communicative planning theorists (see Chapter 2). However, ironically, this deadline also contributed to reach to the agreement, which actually was quite satisfactory for both the SMG and the merchants. If there were not a deadline, it might have been difficult for them to focus on discussing feasible issues, and there were fairly high possibility that the project could not have been started. In fact, many main participants thought it would have been difficult to start the construction work within the mayor's term if the project was delayed due to the change in political power in real politics in relation to time, as could be seen from the honeymoon and the lame-duck period. In other words, this deadline was also related to issues of practicality or realisability. Yet, it is important to note that this too tight schedule and un-concrete plan came to be found one of the key reasons for the unjust outcome in the end. I will examine these issues further and in the later part of this thesis and implications and arguments will be made in Chapter 10.

Finally, the efforts of officials in the merchant team and their ethical judgements within the given situations were the most important reasons for making satisfactory outcome for both merchants and the SMG. In fact, it was the most positive alternative within given situation for merchants. Within the given structural constraints, by exercising their administrative discretions with their enthusiastic and trustworthy attitude, and their sensible and equity oriented judgements enabled them to convince the merchants. Owing to these efforts, they could be "finely aware" of the context and relevant information about what merchants really want and concerned, and their economic status. They were also "richly responsible" of multiple responsibilities successfully, to the mayor, the Seoul community, and the merchants. In the interviews, it was found that many merchants remember that it was the officials who gave them legal and planning information and advice, so that they could achieve the most within the boundary of the law and administrative discretions. As a result, strong trust was built between the two

groups, and this was why the final agreement was made even though the plans remained at a principle level. Although it was to certain extent forced in the given situation, simultaneously it was also merchant's decision to trust the mayor and officials.

CHAPTER 8: Examination and Analysis of the Second Phase of the Entire Process: early stage of the DDCP

8.1 Introduction

In this chapter, the second phase of the entire process is analysed and main planning decisions are evaluated from a justice lens. The second phase refers to a time between the beginning of the construction of the CRP and the end of Mayor Lee's mayoral term. Although most of Phase 2 overlapped with the CRP, which finished on the 30th September, 2005 (figure 8.1), the primary focus of this chapter is the DDCP, with a particular focus on issues for merchants. Most basic plans for the DDCP were established in this period, and later on in Chapters 9 and 10, it will be shown that many fundamental reasons for the failure of the project actually derived highly from decisions and implementations during Phase 2.

This chapter starts with a brief overview of the site for the DDCP and *telos* of the alternative market. Subsequently, four main issues and events during Phase 2 are examined, generally in a chronological order. These include a change in power relations between the groups, processes of establishing qualification standards for the 'relocation' to the newly built shopping centre, deciding the size of area, and finally selection of methods of development of site and buildings.

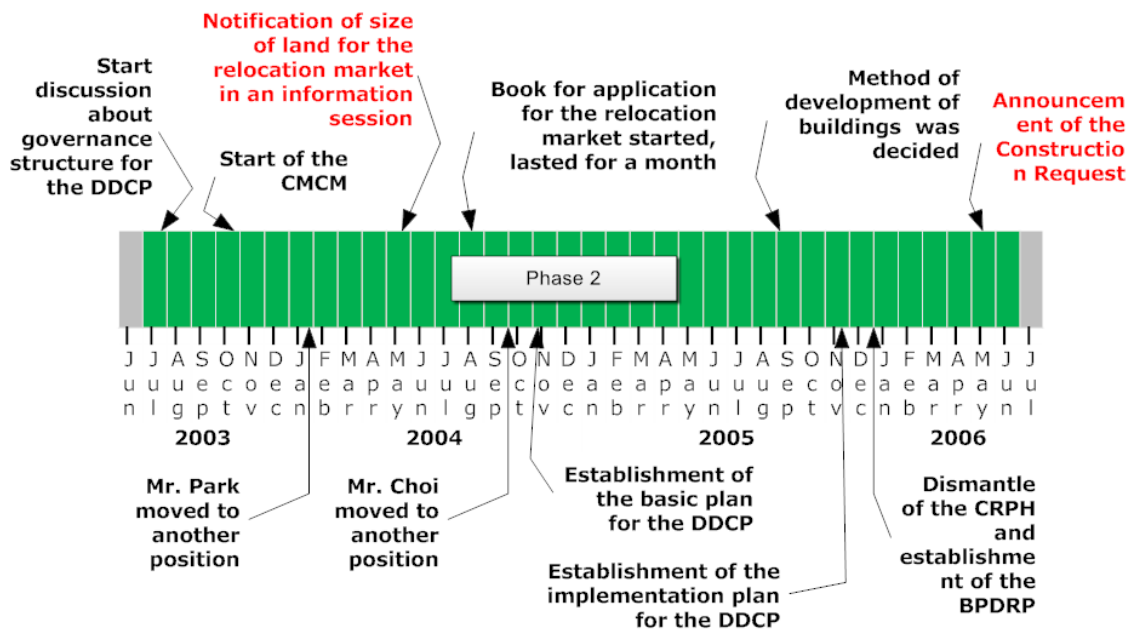
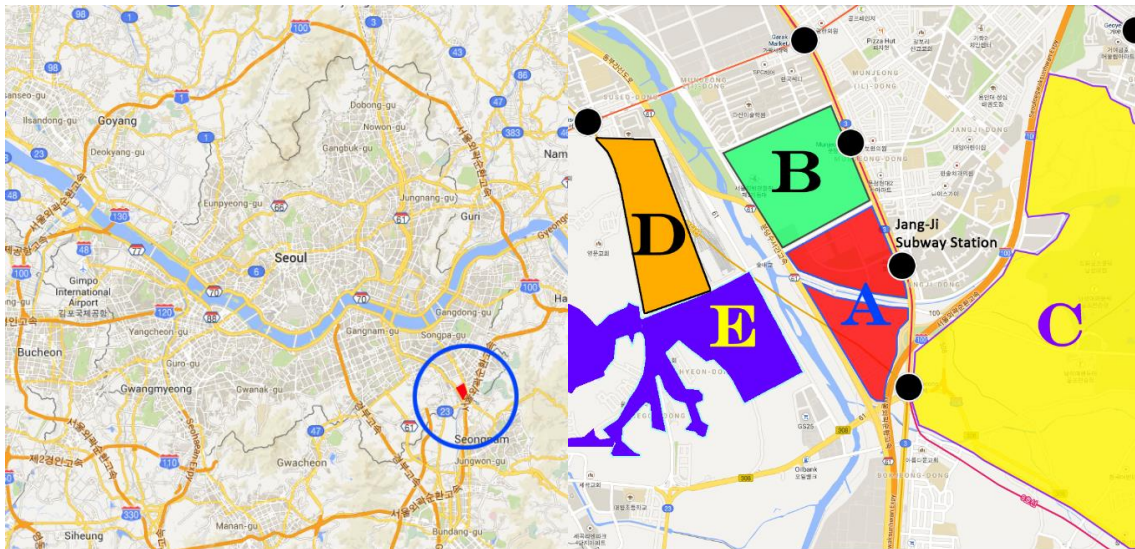


Figure 8.1 Main issues and events in the Phase 2

8.2 Phase 2: preparation for the building the alternative shopping centre

8.2.1 Overview of the site for the DDCP and telos of the alternative market

8.2.1.1 Location of the site



The site for the DDCP which was agreed throughout the negotiation process of Phase 1 was located at the very end of the South-East part of Seoul, as can be seen in figure 8.2 in the blue circle. Although the area is located at the fringe of Seoul, the accessibility to central Seoul or other parts of Seoul was not too bad, since the site is located next to Jang-Ji station of the subway no.8¹ (figure 8.3, site A). The accessibility of the site by car to other parts of Korea is very good, as there is a motorway interchange right next to the site. In these respects, the site was suitable for whole-sale businesses, in that it provides an accessible environment through good linkage to retailers from all over the country. In contrast, the site was less favourable for retailers or other service purposes than the original location of the CGC market (central Seoul) due to the less favourable accessibility. In addition, the area used to be within the green-belt area, which started to be released after 1999, and therefore, the area nearby remained as a green-field. Since the site was within the green-belt, cost for acquisition of the site was much lower than the area nearby outside of the greenbelt. The average cost for the land, acquired through the eminent domain², was approximately £540/m²³ (Seoul Metropolitan Council, 2005a).

Although a large part of the area nearby remained under-developed, the prospective of the site for retail or other service purposes has been positive. Site A in figure 8.3 (black dots are subway stations) is the site for the DDCP, and site B will be developed as a Law Complex⁴ by 2015, where various types of facilities related to law will be located including a public prosecutors' office, court and detention centre. Site C, Wirye New Town District, will be developed as a new town with approximately 46,000 households by 2017. In site D, a new train station for the Korean Train Express (KTX, high-speed train) and commercial area are planned to be completed by 2018. Finally in site E, affordable housing apartments⁵ are to be provided by 2014. Although these plans were not confirmed at the time when the DDCP was initially planned, there were shared expectations among government officials and merchants for the future development around the area. It is worth noting that this South-East part of Seoul was one of only two large-scale reserved areas in entire Seoul; the other was located in the West part of Seoul,

¹ The subway line no.8 links mainly east part of Seoul and therefore is generally regarded as a branch line. However, it is still connected with subway line no.2, which is a circular line and is the most heavily used line, and also line no.3 and 5, which pass central Seoul. For this reason, the accessibility of the site cannot be regarded as very good.

² Similar to the Compulsory Purchase Order in the UK.

³ ₩951,515/m²

⁴ In Korean, 'Beopjo-Danji'.

⁵ In Korean, 'Bogumjari Housing'.

called Ma-gok District. For this reason, from the SMG's perspective, it was quite precious land to allocate, as could be seen in an interview:

“Mun-jung-dong⁶ was one of the last two ‘yolk’⁷ areas that the SMG had. One is Ma-Gok⁸ and the other is here. For us, it was very precious land to give, but we gave it to them. ... It was that attractive land.” (Interview with a high-level official)

Furthermore, prior to scrutinising the DDCP, it is worth noting that when the relocation of the CGC merchants became an issue, another unexpected conflict occurred, which was with Song-pa-gu⁹ which administratively the site is located in. This conflict started when the relocation plan was being discussed, during Phase 1, as can be seen:

“Around May [2003], Song-pa-gu opposed the plan, saying the SMG is moving the CGC *rubbish* to their district. The head of the gu said they’re going to ‘invade’ with axes. ... He came with some residents’ representatives to meet Mayor Lee. The mayor met them around 30 minutes and moved away after saying ‘talk to 000’ [this interviewee]. Then, I said *‘these are not rubbish that are going to move there. I am planning to develop a fascinating thing there. The CGC market move there, and among them, not only industrial material¹⁰, but also clothes and all other businesses are going to move together. We also are going to build a hotel, and put a big supermarket, like the Emart¹¹ there too. The area will become totally new. Then, house prices around the area will also increase’*. When I said that, there were quite tempted. I also said *‘we’re not going to work without any plans, but we will develop the area with SDI’s consultations, and we will give you a briefing before all the plans will be decided’*. Then, they were very happy and bought me a lunch.” (Interview with a high-level official, emphasis added)

Song-pa-gu did not welcome relocating the CGC businesses categorised as the ‘inappropriate types of business for the city centre’, and also did not want the site to be developed as a conventional form of market which did not look nice in a visual sense.

⁶ ‘Dong’ is an administration unit. It is below the district level, called ‘gu’, and is a similar level to ‘ward’ in the UK.

⁷ ‘Yolk’ is an idiom in Korea, and it means very important or very precious.

⁸ Ma-Gok is located in the almost western end of Seoul, near Gimpo Airport.

⁹ As was wrote, ‘gu’ is also an administrative unit and upper than dong. This is usually translated as a district level.

¹⁰ As was reviewed in Chapter 6, industrial material businesses were categorised as the ‘inappropriate types of business for the city centre’.

¹¹ Emart is the largest food distribution corporation in Korea, such as Tesco in the UK.

They were concerned about the property value and liveability. This could be seen as parochialism or NIMBY-ism, but from the local residents' perspective and thus the elected head of the gu's perspective, following the Ralws' (1999) conception, it was a rational behaviour. Furthermore, it is worth looking at the remark about 'hotel, and put a big supermarket'. Although it is reviewed further in 8.2.3 and 8.2.4, the SMG planned to accommodate some other facilities for the vitalisation of the market, called 'Vitalisation Complex'¹², which became the zone 1 in figure 8.5 as the plan became shape. This is examined in more detail in the following this chapter and 9.2.4.2.

8.2.1.2 Land use and layout of the DDCP



Figure 8.4 Satellite map of the site (Source: Google Map, edited by the author)

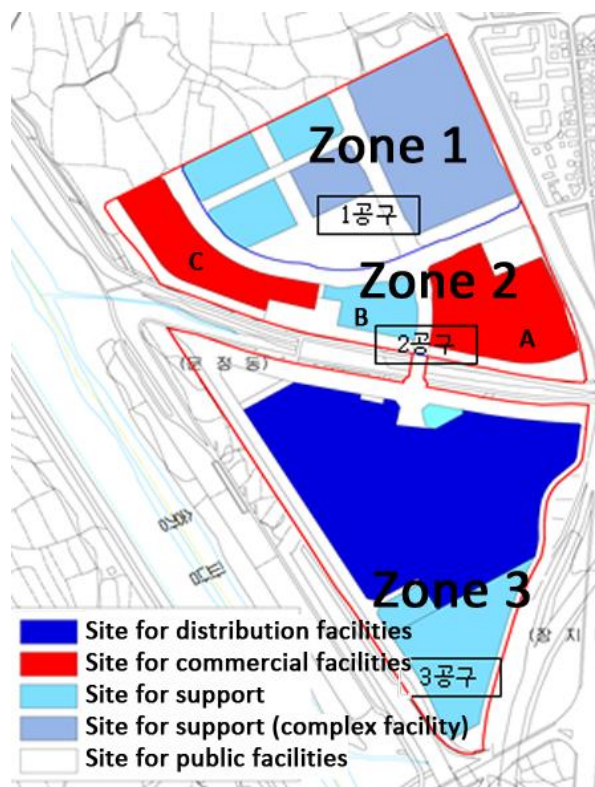


Figure 8.5 Current land-use plan of the site (Source: Seoul Metropolitan Government, 2013, edited by the author)

¹² Called 'Hwal-sung-hwa Dan-ji' in Korean.



Figure 8.6 Prospected Bird's-eye view of the entire DDCP (respectively, block A,B,C in the figure 8.5 are number 1,2,3; Zone 3 in the figure 8.5 is number 4; and zone 1 in the figure 8.5 is number 5)

Table 8.1 Detail information about the buildings in zone 2 (source: SH Corporation, 2009a)

		Sum	Block A	Block B	Block C
Lot area (m2)		83,598	41,810	13,354	28,434
Total floor area (m2)		820,228	426,635	119,537	274,056
Number of floors (under / over-ground)			5/11	5/10	5/10
Number of shops	Total	8,360	5,358	734	2,268
	For CGC merchants	5,267	3,510	629	1,128
	Supporting facilities	1,496	1,002	75	419
	Store room	1,597	846	30	721

The site for the DDCP consists of three zones as can be seen in figures 8.4, 8.5 and 8.6, and table 8.1. Zone 1, the 'Vitalisation Complex', is 103,778m² except the public space (park), and the main purpose of the complex is facilitating the vitalisation of the relocated market. For this purpose, a hotel, convention centre and other facilities were planned to be built. The plan for establishing the Vitalisation Complex started to be

discussed under participations of MRs during Phase 1 at a principle level, and was becoming more shaped as the project moved forward. This was because merchants were convinced by officials, arguing that it would be difficult for a large scale market on its own to be successful. According to the agreement, this site was going to be completed until the end of 2008. Yet, although it is discussed in detail later, this area only started to be sold to private after 2011, and it is now being developed.

Zone 2, which is around 83,598m², is for generating alternative shopping centres for the CGC merchants who were willing to relocate. Building 1 in figure 8.6 (located in Block A in table 8.1) is for businesses of fashion, shoes, electronics, accessories, and aquariums. This building is the largest amongst the three buildings as can be seen in table 8.1, and is directly linked to Jang-ji subway station. Building 2 is for manufacturing industries, and in Korea, this type of building is generally referred to as an ‘apartment-style factory’¹³. For this apartment-style factory, there are various types of subsidies from the government, including tax exemption benefits and special loans for constructing buildings. It is important to note here that, as can be seen in figure 8.5, the building B is not included in commercial facilities but included in supporting facilities. For this reason, the size of Block B was relatively free from legal constraints that limits amount of areas of certain facilities, and this is explained further in 8.2.4. Building 3 is for businesses including industrial materials and tools.

Zone 3 is around 28,434m², and distribution facilities are to be located in it. Initially, this was planned to be completed by 2007. However, there has been substantial delay, and this is currently under construction and will be finished by early 2015. The facilities are mainly for collection and delivery centre, and distribution and warehouse facilities.

Prior to examining the process of the DDGP, it is worth noting the area of the relocation market at this point. In an agreement, it was agreed that “more than 495,000m² of a large-scale market complex will be generated and will accommodate various types of the businesses” (table 7.10, first article). Yet, as can be seen in figure 8.5 and table 8.1, the area of Zone 2, relocation market, is 83,598m². The reason for this significant decrease in area is analysed in the following this chapter.

¹³ The ‘apartment style factory’ refers to a multi-storeys factory usually in an urban area.

8.2.1.3 Re-examination: What was this project for and who deserved what?

As was discussed in Chapter 2, in evaluations of particular planning projects from a justice perspective, the two important points to consider are:

- What is something for?
- What virtues does the telos of the something honour, and thus, who deserves what?

These questions would in turn provide ideas of how much they deserve from the projects.

As was mentioned in Chapter 7, a plan for making a distribution centre (at Zone 3 plus Block A in Zone 2 in figure 8.5; see also figure 8.8) already existed before the CRP became an electoral issue in 2002 (Department of Transportation and Distribution, 2002). According to the plan, a certain area (221,809 m²) was to be allocated for distribution purposes, and as a result of the agreement, the site for the relocation of the merchants was *added* to the previously existed plan. As can be seen in the 1st article of the agreement in table 7.10, this alternative market for relocation of the CGC merchants became another main purpose of the DDCP:

“In order to have early settlement, to vitalise, to achieve benefit for residents in Song-Pa District¹⁴, and to develop local economy, *more than 495,000m2 of a large-scale market complex* will be generated and will accommodate various types of the businesses.”

It is worth noting that at the first time when the relocation market was added, a synergy effect between the two was also expected:

“... for businesses such as industrial materials or tools, they needed storage and so on. However, because a distribution complex was to be built, they could use the facilities made inside of the distribution complex.” (Interview with a high-level official)

Accordingly, the purpose or telos of the DDCP were two, which were inter-related: generating a distribution complex; and generating a market for relocation of the CGC merchants.

¹⁴ Administrative district in Seoul where the DDCP is located in.

Subsequently, the question moves on ‘what virtues does the relocation market honour, and thus, who deserves what?’ As was examined in Chapter 7, in the process of the CRP, a public project good for the entire community of Seoul and Korea, unavoidable losses to the CGC merchants were anticipated. Because the losses were not recognised by law, it was agreed between merchants and the SMG, an agent represent the entire Seoul Citizens, to provide an indirect compensation, called ‘compensation through policies’. The core of the indirect compensation building an alternative shopping centre. In this regard, an alternative market in the DDCP was planned to give some kinds of *benefit* to merchants by providing special privileges in selling the shops in the new market (see tables 7.9 and 10).

It is important to note that this benefit could be interpreted as ‘preferential distribution’. Since preferential distributions are generally recognised as corruption and contains some sense of injustice, politicians and officials are generally very careful about this issue. The issue may become a social issue receiving high media attention, and may also be pointed out by external checking institutions, for example the Board of Audit and Inspection or the SMA. However, the DDCP was initially designed *in order to* provide the ‘preferential distribution’, as could be seen in an interview with a high-level official:

“There was no way to avoid providing a preferential distribution. We had no choice but to provide it. How could we soothe the merchants? We had to provide the preferential distribution, yet, we could not give it through our budget. The preferential distribution was providing a shop to each merchant with the ‘production cost’.”

As can be seen in the interview, the core of the special privileges is providing a shop with a ‘production cost’.

Subsequently, at the time when the agreement was made, how was the ‘production cost’ to be calculated? As was noted in Chapter 7, there was no concrete agreement officially made. The agreement stayed at a principle level and was going to be concretised later as the DDCP moved forward. Then, how did the SMG was internally thinking about the composition, i.e. what includes and what excludes, of the production cost?

“We said ‘we are going to provide with a production cost’. However, what counts for the production cost became a problem. Should costs for generating roads have been included or it should have provided by the SMG? ... [At the time] We just agreed at a

principle level. Indirect cost would be quite high, for example making accessing roads, to develop the site¹⁵. Hence, we were thinking to make them with the SMG's budget. ... We thought the production cost as only making these [the sites and buildings], although we did not define it in law or regulation [at the time]." (Interview with a high-level official)

However, in Korea, officials change periodically, as was reviewed in Chapter 4. These ideas that was being discussed inside of the SMG were not succeeded to successors when officials changed. What is more, even though it has been requested by merchants many times, how the 'production cost' was calculated is still not clear and has not been opened to the public, even though information disclosure has been requested several times including by the author¹⁶. This is discussed further with issues of price in 9.2.6.

To recapitulate, the telos of the DDCP were two: building a distribution complex and building an alternative market for the CGC merchants as a means of indirect compensation. The latter was designed in accordance with the agreement made between the merchants and the SMG, in order to provide a *de facto* compensation to the CGC merchants who was anticipated to receive avoidable losses due to the CRP, a public project which was good for the entire Seoul and Korean community. In a larger than 495,000m² site, a 23.1 m² shop was agreed to be provided to each CGC merchant with special privileges, and the core of the special privileges is providing a shop with a 'production cost', which was not yet decided at this stage. In short, the CGC merchants deserved a shop in the alternative market with the production cost.

Yet, two things are very important here. Firstly, this does not mean receiving a shop in the alternative market with the production cost is a *right* amount of the compensation. 'How much they deserve' is another very important but very difficult question to answer. Theoretically, it was argued that which rights, values or virtues should be recognised should be reasoned and decided through a politics of the common good. It was also argued that in planning, it is necessary to consider feasibility, as well as contexts and situations. However, as was discussed in Chapter 7, it was practically very difficult to *calculate* the loss. What should be included in the loss is another very difficult question.

¹⁵ The site used to be a land for agriculture with a large number of vinyl greenhouses.

¹⁶ The rationales of the SHC which is in charge of this issue was that because the information I requested "falls under the purview of information that might infringe upon legitimate interests of corporates or individuals, since the information is about business secret" (Source: a reply to the request of information disclosure from the SHC).

For example, whether their emotions, e.g. feeling of loss of their attachment to the place, should be included or not can be a very difficult question, and also whether / how their invisible assets, e.g. network or reputation in the market, should / could be calculate is another issue. This will not be discussed further in this thesis either, as this issue requires more profound research in relation to public law.

Secondly, there are basic assumptions underlying the *de facto* compensation, providing a shop with the production cost, in order to be just. The first assumption is it should be *affordable* for (most of) the merchants. For merchants who could not afford a shop, some kinds of financial supports should be given. The second and more fundamental assumption is that the compensation should be actually beneficial to the merchants. As will be reviewed in more detail in 9.2.5.1, unlike housing development projects, commercial property development is high-risk and high-return type of development. Simply providing shopping mall at a good location does not guarantee a success for the shopping centre. It needs very careful strategies including ones for layout of the shops, advertisements and so on. Unless the shopping mall would become activated and vitalised, there was a risk that shops would merely become a ‘white elephant’ for the merchants, i.e. only cost maintenance without profit, possible a great deal of money once to buy but difficult to re-sell as it is proved that the commercial property does not generate profits.

8.2.2 Formation of a governance for the DDCP and a change in power relation after the agreement

8.2.2.1 Formation of a governance

Soon after the construction started, merchants and officials started to discuss the governance structure for the DDCP on 24th July 2003. Following the agreement (table 7.9), the installation of an exclusive organisation started to be discussed in three times of preparatory meetings between the MRs and the SMG until October 2003 (Seoul Metropolitan Government, 2006b, pp.281-282). As a result, it was agreed in November 2003 that the CRPH would take overall charge of the relocation project under the supervision of the 2nd deputy mayor (see figure 8.7). The same department – which was called ‘merchant team’ – kept taking working-level charge of the relocation process. Although the relocation policy was under responsibility of the same department under a

similar organisational structure, it is very important to reiterate that this did not mean the policy would be undertaken by the same officials until the end of the project. Under the job rotation system in civil service in Korea, officials change periodically, on ‘average’ once a year (see Kim, 2008b), yet in individual cases, it varies: from once in a 6 month to once in a 2 years (see 4.3.4).

Under this job rotation system, Mr. Park (‘Director-General of Restoration Planning and Administration’, 2nd level official) moved his position to other division of the SMG in early 2004, and this project was under a supervision of another official. The head of the department who had been heavily involved in the negotiation process, Mr. Choi, ‘Director of Restoration Supervision’ (4th level official; see figure 8.7), stayed at the same position until September 2004. It is important to note that between 2004 and until the end of the Mayor Lee’s term, there were relatively frequent changes in the 2nd deputy mayor position and the head of the CRPH. Choi, Jae-bun retired from the 2nd deputy mayor in May 2004, and Prof. Yang, the head of the CRPH, was appointed to the position in July 2004. Prof. Yang’s previous position was replaced by Jang, Suk-hyo (hereafter Mr. Jang) who used to in charge of construction part in the CRPH. However, Prof. Yang was arrested under suspicion receiving bribes in May, 2005, and thus the 2nd mayor position had been vacant for a while until Mr. Jang was appointed on October, 2005. In particular, although this will be mentioned soon, the deputy mayor was the chair of the official committee for the DDCP. These frequent changes in and vacant position of supervisor positions reduced drive of the project, caused vagueness in accountability and responsibility of the project, and also influenced continuity of the project in a negative way.

On the merchants’ side, there were some changes in organisations of merchants and members of MRs. On 24th July 2003, Lee, Woong-jae, the leader of the CCVPC, was replaced by other MRs, and Park, Chang-ki, who was a ‘soft-liners’ during the negotiation process, became a new leader. This change was a result of the internal conflicts during Phase 1. Subsequently, there was a division in the CCVPC, and Lee and two other MRs withdrew from the CCVPC and they set up another group, called Redevelopment Measures Committee¹⁷ (hereafter RMC). Accordingly, there were three merchants’

¹⁷ Although the issue related to redevelopment was not dealt with in this thesis, some businesses particularly located in the red box in figure 6.23 were interested in redevelopment of the deteriorated area. The purpose of the redevelopment varied depending on merchants’ ownership status and types of businesses, in general

groups representing the CGC merchants with 10 MRs: CCVPC with four MRs, CSC with three MRs, and RMC with three MRs. In this thesis, I call them collectively as ‘the CGC Merchant Group’ (hereafter CMG). The seven members (table 7.5) remained and three people added, all of whom had played main roles during Phase 1. They were frequently referred to as ‘ten representatives’, and these members, who also played major roles in Phase 1, remained to play a major role throughout the DDCP¹⁸. Later on, there were efforts to make a united group of the entire 36 types of businesses, since merchants thought it would be more effective if they could make a unionised voices from a single, united group. As a result, a group was formed, called the ‘Federation for Measures for the CGC Merchants’ (hereafter FMCM) on 7th October 2005 with participation of 30 types of businesses. However, although it was the largest group encompassing the largest types of businesses until the time, they eventually failed to make a single, united group due to the ‘chronic’ internal conflicts.

the purposes were to upgrade the deteriorated area make a better environment for shopping and to have development profit. The issues related to redevelopment is not discussed in more detail in this thesis.

¹⁸ Only a few members changed almost at the last time of the DDCP when all main decisions were already made.

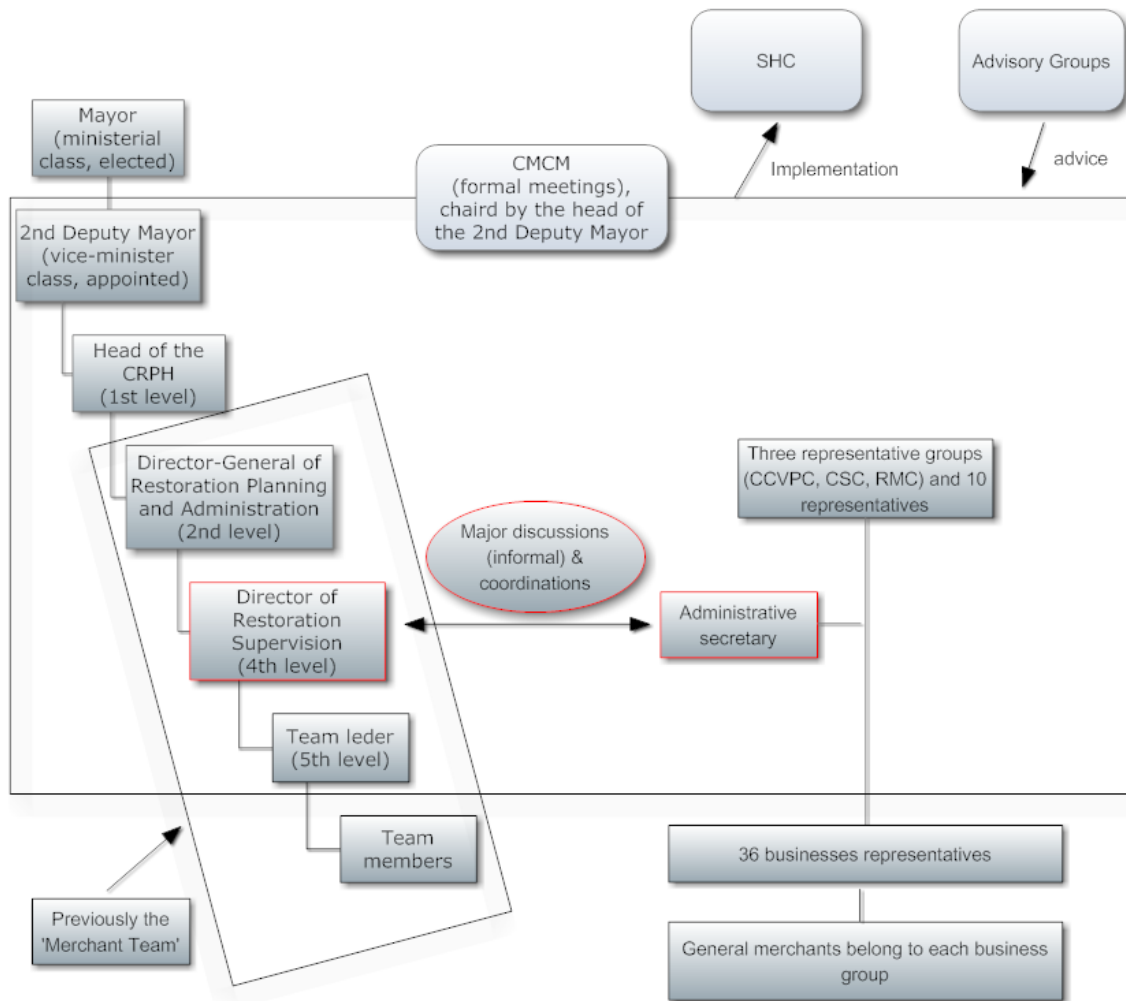


Figure 8.7 Governance structure for the DDCP (early stage, between 01.07.2003-31.12.2005)

As a result of the three times of preparatory meetings, it was agreed to set up a joint committee, consisting of relevant officials of the SMG and the ‘ten representatives’, called the Committee for Measures for the CGC Merchants (hereafter CMMC) in October 2003 (see figure 8.7). In the committee, there were formal meetings once a month from November 2003 chaired by the 2nd deputy mayor (Seoul Metropolitan Government, 2003a). Yet, it seemed that the committee was chaired by the head of the CRPH on his behalf for a long time due to the vacancy of the 2nd deputy mayor. Because the CRPH (a task force organisation for the CRP) was a temporary organisation, it was dismantled on

31st December 2005 after the completion of the CRP¹⁹. Hence, a new task force organisations, called Bureau of Planning for the Dongnam Relocation Project (hereafter BPDRP), were established in January 2006 (under the supervision of a Director-General level official, i.e. 2nd or 3rd level), and until January 2007 the DDCP was taken complete charge of the relocation project by the organisation.

It is important to note that according to a regulation, called ‘Composition and operational regulation of the CMCM’ (Seoul Metropolitan Government, 2003a), unless members of merchants of the CMCM, i.e. the ‘ten representatives’, step down willingly or they were dismissed by the mayor, there was virtually no way to change members of merchants in the CMCM. In fact, no merchants’ members of the CMCM resigned during the main stages of the DDCP. Although there were periodic elections in merchants’ groups and thus some MRs changed over time by the elections, the members of the CMCM remained. This regulation worked as a significant entry barrier and prevented other competent members from joining the committee and thus there were some conflicts regarding the entitlement of the membership of the CMCM. Yet, it does not seem that the conflict was significant and majority merchants thought something like ‘better the devil you know than the devil you don’t know’, which in Korean idiom after a literal translation “the former governor was a good governor” (according to an interview with a merchant). In other words, even though there were issues of representativeness, legitimacy and competency regarding the members of merchants in the CMCM, this did not become a significant issue. This is discussed further in 8.2.2.2.

In the early stage of this committee, Lee, Sang-cheol, one of the MRs of the CSC, became the administrative secretary of the entire merchant groups and had informal discussions with Mr. Choi, who was in charge of the relocation project at a working level. They frequently met and coordinated opinions of each side and decided agendas that were to be discussed in the formal meetings. Until Mr. Choi was in the position in September 2004, it seemed that MRs and the SMG officials had generally retained good relationships. However, these became worse when he moved to another position. Another official took over his position until January 2005 for 6 months, and again another official took the position until the end of Phase 2, June 2006. These frequent changes in main officials in

¹⁹ The CRP officially completed on 30th September 2005, and there was a gap between the completion of the CRP and dismantle of the CRPH. It was because there were some residual administration works to be completed.

charge undermined trust that had been built, lower the task continuities, and obscure responsibilities. Successors generally did not fully understand the context of tasks took over from the predecessors, especially when agreements had been verbally or unofficially made. The DDCP was continued, however, many tentative agreements (see table 7.8) made in informal meetings without producing any formal documents were not able to be continued. These phenomena were particularly distinctive when Mr. Choi moved his position.

Furthermore, on 25th November 2004, the implementation of the project came to the charge of the SH Corporation (hereafter SHC), a SMG-affiliated public corporation (invested fully by the SMG), mainly established for urban development projects for public purposes, such as building affordable houses. Subsequently, the SHC became, legally, an implementer of the DDCP, whereas authorities for appointment and approval for the project still belonged to the SMG. This SHC is particularly important to understand the DDCP. As was reviewed in Chapter 3, as the DDCP moved forward, there were problems of blurred locations of accountability and responsibility, which were especially distinctive during Phase 3. Detail information about the SHC and concrete issues are discussed further in the next chapter, especially in 9.2.2.

Lastly, there were also some advisory groups and special committees intermittently. They were formed as occasion needs for such as professional advices or evaluations of applications. Accordingly, there were three main actors and some temporary groups or committees: the SMG, merchants, the SHC, and advisory groups. Although there were minor changes, the governance structure for the DDCP generally remained throughout the project.

8.2.2.2 A change in bargaining power of the merchant group after the agreement

Prior to examination of main issues in Phases 2 and 3, it is crucial to look at a change in bargaining power of the merchant group. It was mentioned in the previous chapter that although the DDCP was *de facto* compensation, officially the DDCP was not a type of compensation. Precisely speaking, it was a type of settling of a civil complaint, and thus was a 'gift' which the SMG did not need to give in a legal sense. Yet, because it was generally acknowledged that it would be the CGC merchants who would receive significant loss due to the CRP. Hence, despite the merchants' opposition activities

caused considerable inconveniences to the general people, they were generally understood by the public and the media, and also received legal and knowledge supports from some NGOs.

In contrast, from the SMG's perspective, providing satisfactory compensation was practically and, arguable, legally not possible. Yet, considering various circumstances, including the central government, it would have been impossible to proceed the construction process without making an agreement with the merchants. Therefore, the SMG was quite desperate as the deadline approached. Meanwhile, the situation was also desperate for merchants. There was a high possibility that they would gain nothing after the construction work started without making an agreement. There were also significant internal conflicts among merchants groups in relation to the relocation market. Both groups were desperate, and power imbalance was not significant. Even though the mayor has a significant power in Korean local politics (Chapter 4), especially in Seoul (Chapter 6), based on collective bargaining power derived from strongly unionised merchants, together with supports and understanding of other social groups, they could reach to an agreement. The agreement was viewed as successful and a win-win case by the public, and the majority of merchants were also quite satisfied with the result.

However, conditions changed fundamentally after the agreement was made. Unlike the CRP which received a significant media attention, as soon as the agreement was made, not much media attention was given to the process of the DDCP until the project turned out to be a complete failure. Merchants also lost their unionised collective power. After the agreement was made, which was quite satisfactory to the majority of them, they lost motivation for participating in opposition activities, which means lowered followership of general merchants. In fact, the majority of them had great expectations for the new market. Because the site was within the greenbelt area and thus was not very expensive for compensation, it was generally known that the cost of buying a shop with 23.1m² for an area for exclusive use would be around £34,700 – £57,800. It was also widely known that a loan of maximum 80% of the price of a shop with special conditions was going to be provided. This estimated price and loan were very important reasons why the merchants had great expectations and thus supported the agreement made with the

SMG. A majority of merchants were tenants paying high rent²⁰ (see 7.2.3.1), and therefore, providing an affordable shop with special privileges was very appealing for general merchants.

Until the time when the price for a shop was announced, merchants including MRs tended to believe and trust the SMG that they would build a shop for merchants at affordable price. They also had an easy-going way of attitude in relation to the project, especially at the early stage. They thought the SMG was a group of competent professionals “who knows much better than them” (interview with a MR), who were going to build a good and appropriate relocation market for merchants. These beliefs and trust worked in two ways. Firstly, they resulted in an erosion of the followership of the general merchants, as could be seen in an interview: “why you are acting up, although they [the SMG] are going to give us shops?” (Interview with a MR). Secondly, they loosen attention, wariness, and an attitude of active participation of the MRs in the CMCM. Because MRs were running their own businesses and because they thought the SMG would make a proper thing for them, many of them did not spent as much efforts and energy than during Phase 1. In particular at the early stage of Phase 2, rather than critically analysed issues in the CMCM, it seems that because they were busy with their own work and ‘over-trusted’ the SMG, as well as their lack of capacity to check the SMG, many issues just moved on as the SMG planned or wanted.

There were also structural limits to the merchant groups. Although the merchant group was organised for a common interest of the entire CGC merchants against the CRP, they could not make a single well-organised group. In the CGC area, 66 merchants groups existed (table 6.5), among which 24 groups participated in the opposition activities (table 7.5), and the number of groups increased to 36 after the agreement was made. These 36 groups formed three federations (8.2.2.1), and the three federations constituted the CMG. Each business group has their own interests, which sometimes differs from other business groups. Due to the differences of interests, there were frequent disagreements among the groups, as well as within and among the three federations. Moreover, between merchant groups and federations, there was not much trust. These resulted in a low collective bargaining power of the merchants as a whole.

²⁰ The rent differed significantly depending on various conditions such as location and accessibility, and therefore is not possible to provide detail amount. Although it was physically deteriorated area, because it is located in the CBD area with vibrant markets, the rent was quite high compared to other parts of Seoul.

The organisational power and power of MRs in each group were also generally quite low. Although there were some exceptions, majority groups were not well organised and even some of them were formed hurriedly to oppose the CRP. Merchants' groups had been rather informally organised for social meeting, rather than hierarchically systematised. All members were an owner of each shop, and they had quite lateral relations in each group. Although leaders had been chosen by members, in this organisation system, leaders in each group did not have much authority. There had not been much needs to make collective decisions systemically and efficiently until the CRP was put forward. Although situation changed dramatically after the CRP began, the organisations still had difficulties to make a collective decisions efficiently. Organisational structures and institutions were not yet established well, and therefore, leaders in each group did not have much authority.

Moreover, due to the generally low education and economic level of the merchants (see 7.2.3.1) including the MRs, their knowledge was quite limited to understand, for instance, planning documents and procedures. Furthermore, due to the continuous internal conflicts within the CMG and thus could not easily made a unionised voice of the CMG, they had difficulties to hire professional advisory members who could provide knowledge support during Phases 2 and 3. Considering a famous dictum by Francis Bacon "knowledge is power", the fact that merchants did not have sufficient professional knowledge and also were not sufficiently received professional advice significantly lowered their bargaining power. In addition, as was discussed in Chapter 7, for individual members, the majority of whom were not affluent, participating in rallies or other activities was practically burdensome.

Consequently, it was a difficult situation for the MRs to make collective voices effectively and to mobilise their members, and as a result, merchants had low collective bargaining power. Based on the four forms of power reviewed in Chapter 3 (see 3.2.2.2), it can be summarised that merchants generally had very limited *commend power* and their power primarily relied on *coalition power*. Due to the not well institutionalised leadership system in each business group, federation, and the CMG, as well as eroded followership, command power in any of merchant groups were very limited. Their coalition power was not stable and highly influenced by interests of groups issue by issue. This phenomena became particularly distinctive in Phases 2 and 3 after one single goal was achieved, i.e. oppose the CRP or receive a compensation in return. Furthermore, merchants also had

neither systemic power nor pre-emptive power, which related to politically or (or and) economically anchoring on the society, structurally.

In the rest of this section, with a close focus on power and justice, three main issues in Phase 2 are reviewed: setting up the qualification standard for applying for the relocation; size of the land for the relocation, and layout and height of the buildings; and deciding the method of development. All the three issues were closely inter-related, and the first two issues proceeded together, not step by step.

8.2.3 Setting up qualification standards for applying for the relocation

8.2.3.1 Stances of each side

After the commencement of the construction, all merchants' focuses moved on to the DDCP. The first step for the project was setting up the qualification standard for applying for the relocation, in other words, making standards of 'who are eligible to relocate', a question related to a question of 'who deserves'. This was also important because the qualification standards related to the issues of size of relocation market, which is discussed further in the next sub-section.

Although not all merchants participated in the opposition rallies or activities, opportunities for the relocation were *entitled* equally as long as 'certain conditions' were met. Thus, the focus of setting up the qualification standard was setting up the 'certain conditions'. Although some merchants who heavily participated felt unfair about this providing the same opportunity, they agreed to provide the opportunity to as many of the CGC merchants as possible, as long as they would be beneficial to vitalise the relocation market. According to Park, Chang-ki, the chair of the CCVPC, "at least half of the current CGC market has to relocate to be able to keep the network" (Segye Ilbo, 2004), and according to interviews with other MRs, this was a common view of them. It is worth noting that merchants' feeling of unfairness regarding providing a right to relocate disproportionately had moral implications and thus justice. The core of the feeling of unfairness derived from moral desert, i.e. whether some merchants who did not spent time and energy deserved the same amount of 'fruit' as other merchants who actively participated in. Setting qualification standards and provided rights was related to *entitlement*, which may not be in accordance with *moral desert* (Cummiskey, 1987, see

also Chapter 2). Yet, considering that merchants who actively participated in the opposition activities also agreed with providing the same entitlement to other merchants who did not in the end, I do not discuss this issue further in this thesis.

Furthermore, we shall understand that relocation and vitalisation of the market was not only a matter of quantity of merchants (i.e. how many people would relocate); rather it was a matter of quality (i.e. who and which businesses relocate). As was discussed in Chapter 6, merchants knew and emphasised numerous that *commercial vitality* would be very difficult to create and they thought it would take at least 3-5 years to make a new market vitalised. The first condition for making a vital market was transplanting the *organic industrial network* to the new market, which was the most important source of the competitiveness of the CGC market (see 6.4.2). The second condition was relocation of merchants and businesses who could be part of the industrial ecosystem and thus could contribute to increase the competitiveness of the new market. Thirdly, most MRs were concerned about speculation in real estate by exploiting the special privileges, because this would prevent the vitalisation of the market by causing empty unites here and there. To reiterate, in relation to the entitlement for the relocation, the main focus of the merchants was the *vitalisation* of the new market.

In contrast, for the SMG, the vitalisation of the market was not their single focus. Vitalisation was indeed an important issue, but they also had another duty: seeking the public interest. What was also important for them was the number of entitled merchants was closely related to the amount of area allocating for the merchants. According to the agreement, in total 495,000m² would be allocated for the “market complex” (see the first article of the agreement in table 7.10), and as can be seen in an official document issued on 3rd June 2003 (Seoul Metropolitan Government, 2003c), which states:

“B: Generating an alternative site in Mun-jung district, Song-pa-gu with an area of 495,000m² for businesses who are willing to relocate will be carried out, and the site, in principle, consists of distribution, processing, and supporting facilities, such as a freight terminal or a collection / delivery centre etc., although the size of area for the relocation can be changed depending on types of business and the number of merchants who are willing to relocate in the future.”

The site was not planning to be allocated exclusively for making an alternative market for the merchants, but it included other purposes such as distribution. There was no

concrete plan for how much land would be allocated for each purpose, but it depended on the number of merchants who would willing to relocate among who were entitled, as can be seen in an interview:

“[in general] When we build a shopping centre, finding out demands needs to be preceded. For example, how is their [the CGC merchants] circumstances and how many of them are going to relocate. We had to prepare the shopping centre suit to the demands, didn’t we? ... They wanted all the land, but we said ‘no, it’s impossible’. ... 495,000m² meant the entire available land for the project. Then, think with your common sense. It is empty now. If we had developed the entire land as the shopping centre, what might it have happened? Merchants did not go there. If we had built like that, it meant low efficiency.” (Interview with an official who heavily involved in the process)

From the SMG’s perspective, relocating businesses that were fit to the CGC area would not be good for Seoul (see Seoul Metropolitan Government, 2006b, p.258) for three reasons: firstly, it would be wasting of a previous land at the South-East part of Seoul (see 8.2.1.1); secondly it would weaken the competitiveness of the remaining CGC market for the purpose of the post-restoration space²¹; thirdly it would also weaken the competitiveness of the new market. Furthermore, the SMG was also concerned that the site would be used as a means of property speculation, which would be against the interests of the wider Seoul population and other merchants who were going to make attempts to vitalise the new market. For these reasons, from the SMG’s perspective, giving ‘unnecessarily too much’ land to the merchants was against the public interest, and therefore, it was not ‘right thing to do’ to provide as much land as the merchants demanded.

Accordingly, there were commonalities and differences between the SMG and merchants about the qualification standard. Both of them wanted to make the standard strict: the entitlement should be given to merchants and businesses who were anticipated losses, who would actually relocate to the new market, *and* who would contribute to the competitiveness of the new market. In contrast, the CGC merchants who were willing to relocate hoped that as many of the CGC merchants could relocate and thus could

²¹ For example, businesses related to tourism or some types of retail businesses that would fit better in the CGC market than the relocation market, e.g. jewellery shops.

transplant the industrial ecosystem, so that they could have their own competitiveness and in turn vitalise the market; whereas the SMG thought relocating many merchants meant they needed to give more land for the site. These differences were revealed in defining the definition of ‘relocation’ and application of the definition to the qualification standard.

8.2.3.2 Issues regarding the definition of ‘relocation’: how it was discussed during Phase 1 and how it changed over time?

From the merchants’ perspective in general, although there were some different opinions among them, it was not acceptable to move to the new market where there was no commercial vibrancy after closing their shops in the CGC market. Even if sufficient number of merchants would relocate to the new market, it was generally acknowledged among merchants that it would take three to five years to make the new market commercially vibrant. It is not clear whether the SMG agreed with the merchants’ perspective about vitalising the market at the time. Yet, later on when the SMG failed to sell the shops and vitalise the market, the CEO of the SHC admitted: “in general, it takes around 2 years for lotting-out shopping malls. After finish the lotting-out, it takes another two-three years to vitalise it ...” (Seoul Metropolitan Council, 2009, translated by the author).

As was noted above, this commercial vibrancy was a crucial issue for merchants. They had witnessed several times how difficult they were to vitalise specialised markets when there had been several efforts led by the SMG to relocate some ‘inappropriate types of businesses’ to other parts of Seoul after the late 1970s and onwards (see 6.4.1.2). All the markets took several years to vitalise. Therefore, merchants were very concerned to give up their shops in the CGC market where they were industrial networks and regular customers. Moving to a new market meant giving up all these important uncalculated assets. Furthermore, as was reviewed in Chapter 6, some businesses, such as clothes and fashion, had even higher spatial dependency in the CGC area than others. It was very difficult for them, particularly wholesalers, to survive outside of the Dong-dae-mun area where all the fashion industries were gathered and formed a cluster. Therefore, the majority merchants claimed that because the new market was to be provided for a compensation purpose, it should be given to people who were willing to open shops in the new market. This varied and some merchants support closing the previous shops in

the CGC market, because otherwise it would be difficult to prevent some merchants using their entitled shops for property speculation purposes. Although their stances heavily depended on their interests, the majority of them were against the idea of ‘relocation’ after closing ones in the CGC market.

This opposition of clothing businesses were particularly strong. During Phase 1, the ‘relocation’ was one of the core reasons for the CSC strongly oppose the project. Although I do not have any officially produced evidence²², one MR of the CSC said in an interview:

“I said [Mr. Choi] ‘take out the term ‘relocation’ from the agreement’. Because there was strong oppositions of members about relocating to here [alternative shopping centre] after close there [the CGC market]²³, we said we couldn’t accept it, so took the term ‘relocation’ out and send it again. We thought it was a sort of compensation, so closing there before coming here didn’t make any sense. At the time when this was built, there was no commercial vibrancy, and it was obvious that our businesses were going to die. Who then would have wanted to move here?” (Interview with a MR of the CSC)

After the agreement and when the agreement document (figure 7.13) was sent to him, he requested the SMG to send it again after taking out the term ‘relocation’, and he said he received this.

From the SMG’s perspective, it would have been impossible to build a shop for more than 60,000 merchants in the CGC area (see table 6.5) who wanted a shop in the DDCP. The DDCP was understood as a kind of compensation, and hence, if there was not proper standards and regulation, it was apparent that far more number of merchants would have applied. Moreover, it would have been difficult for the SMG to make different rules of relocation to each group because it would again generate severe conflicts regarding issues of fairness. For these reasons, the SMG added ‘relocation’ as a condition for applying for a shop in the DDCP in the recruit notice, opened the book for applications between 16th August – 15th September 2004 (Seoul Metropolitan Government, 2004).

²² Document that could check this ‘fact’ did not exist anymore in the SMG archive due to the overdue of time for preserve the document.

²³ This was because the place the interview was undertaken was in the new market.

Yet, it is important to note that the SMG, during Phase 1, did not say that merchants would have to relocate to the new market after closing the current one, as can be seen an interview²⁴:

“Later on, we surveyed how many people would want to go, there were thousands of merchants. Then, Mayor Lee slightly disclosed his intention saying ‘if merchants want to move there [alternative market], they must close here [CGC market]’. I thought ‘I don’t think it is right. What’s wrong with running both here and there’? I thought it is non-sense to make merchants close their businesses here if they move to there. Who knew their businesses would be good after moving to there? How could they believe that and close here? There was no one who actually closed here [in the CGC market]. Also, why they would go there [if there was that kind of constraints]? At that time, even though Mayor Lee said that, because he did not go into details, I didn’t care it seriously. *I thought [it would be fine] when I would be in charge of the relocation project, because it did not make any sense.* That’s why we didn’t need to think about it carefully. However, I found out problems occurred from it [the condition] later [I left the position].” (Interview with a high-level official, emphasis added)

It is important to see that the official did not care about the mayor’s intention carefully, because he thought it did not make sense, and therefore, he could change the mayor’s thought. I argue that this is a good example of how planners can actually influence in decision making. They are armed with detail information and professional knowledge, and based on those, they could influence and make better and more just planning, as was discussed in Chapter 3. However, this changed as the project developed and officials changed. It was announced by the SMG that the ‘relocation’ meant moving to the new market after closing the current one in the CGC market. In the announcement, it was stated that “... right to (apply for the) relocation will be given to merchants who actually want to relocate to the relocation shopping complex” (Seoul Metropolitan Government, 2004).

Yet, multiple MRs argued that even though the term ‘relocation’, the literal meaning of the term contains moving to a new place after closing the current one, was frequently used after the alternative market started to be discussed, there was unspoken

²⁴ It is important to note that there were other opinions about the ‘relocation’ among the officials. However, from my perspective after comparing many other interviews and documents through triangulation, this interview was closest to the truth.

agreement and ambiguity between the officials and merchants about what the relocation actually meant. They argued that regardless of the term ‘relocation’, there was a shared understanding among the merchants and officials that there would be ‘other ways’ to avoid closing the current CGC shop, for example nominal transfer of the previous shop in the CGC market to other’s name temporarily, which is illegal. In interviews with officials, they did not admit this. However, considering that this became a major issue when three ‘special conditions’ were announced in December 2007, which caused considerable opposition of merchants including a hunger strike (see 9.2.5), it seems that the term ‘relocation’ was understood differently by the majority of merchants at the time.

8.2.3.3 Issues with number of merchants and announcement of the qualification standard

The number of merchants willing to relocate was related to the size of the site allocated to the merchants, and in turn related to the public interest. As can be seen in table 7.5, the number of members in both the CCVPC and the CSC was 9,750 in 24 groups. After the agreement was made, the number of groups increased to 36. Although there is no existing data about the number of members, it is inferred that it was more than 9,750, in that relocation was understood as a good chance to make some profit. As was discussed, for neither the SMG nor merchants who were willing to relocate not for speculation, providing entitlement to all of them would be undesirable.

At the time, the SMG had data about the number of merchants in each groups, and thus could estimate how many merchants became eligible to apply depending on certain conditions they set. The first condition made was setting the type of the relocation market as a ‘specialised market’. Subsequently, the SMG set a condition that only ‘more than 50 people in an industry of a similar kind’ were eligible to apply for the new market. This provoked some opposition, however, it was soon settled. It was because, firstly, merchants also agreed that it would be beneficial for vitalisation, and secondly, some small groups that actively participated in the opposition activities were recognised as exceptions.

Subsequently, the first time the SMG estimated around 5,000 merchants who would apply for moving to the new market, which could be found out from several minutes of committees, e.g. (Seoul Metropolitan Council, 2004), and other interviews

with multiple MRs. Based on this estimated number, an estimated size for the relocating merchants was announced on 21th May, 2004 in an information session for merchants, and this is examined in more detail in 8.2.4. However, after the qualification standard was announced on 16th August 2004, the number of application forms requested by merchants was more than 10,000, and this was an unexpected problem for the SMG. It seems that the issue of relocation became magnified at this time. In several information sessions for merchants, it was announced, and according to MRs, many merchants, particularly in the clothing industries, gave up at this point even though MRs of each group tried to convince them that there would be ‘other ways’.

Nevertheless, there was not a significant volume of complaints around the time. At the early stage of the DDCP, a majority had a rosy view about the new market: as long as the new market would be properly built and all the applied merchants would relocate, they generally thought the market could be vitalised. Moreover, as they did not pay any type of deposit, they could choose whether to relocate or not later on when they were required to pay. As a result, a total of 6,390 people applied, and after the first inspection of their qualifications, this became 6,138 in June 2005, and finally became 6,097 in September 2007 after field investigations, as can be seen in the table below (table 8.2).

Table 8.2 Number of people applied for the relocation to the DDCP (source: unpublished working paper of the SMG, 2010)

Types of businesses	Businesses			Number of applicants
	Total			6,097
A	Daily supplies sales (block A)	Total		3,106
		Clothes and its subsidiary materials	Cloths and accessories; clothes subsidiary materials; towel; bags and subsidiary material; leather	1,057
		Electricity, Electronics	Electricity, electronics, lighting	946
		Shoes and daily supplies	Shoes, vinyl, stationery and toy, birds and aquarium, books, cultural equipment, kitchen utensils, sign and advertisement	1,050
		Supporting facility	Restaurants and cafes	53
B		Total		540

	Industrial materials manufacturing (block B)	Industrial materials (manufacturing)	Fabricated metal, printing and publication, sign and advertisement	540
C	Industrial materials sales (block C)	Total		1,111
		Industrial materials (sales)	Metal and non-metal, tool and iron goods, plumbing, bearing, sewing machines, fire-fighting and safety appliances	1,111

8.2.4 Deciding size and layout of the land for the relocation, and storeys of the buildings

8.2.4.1 Re-examination of changes in size for the relocation site

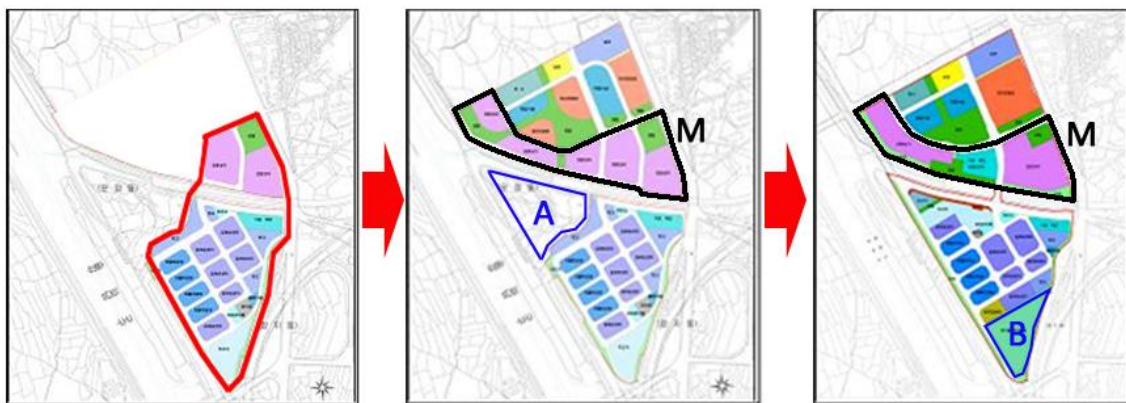


Figure 8.8 Previous land use plans. The first one was set in 2002 before the CRP was put forward (size: 258,134m²); the second one was set in November 2004 (size: 495,000m²); and the third one was set in 2008 (size: 560,694m²), and the current one showed in figure 8.5²⁵. There has been no difference in size since 2008. There were also minor changes twice between 2004 and 2008 (see figure 8.12) (source: unpublished working paper of the SMG, 2010, edited by the author).

Decision on the size for the alternative market was one of the most fundamental reasons for the failure of the DDCP. Therefore, it is important to examine how the size changed overtime through the negotiation processes during Phases 1 and 2.

²⁵ There have been several more changes, but these are the main changes among them in terms of the size of the site or land use.

Prior to the CRP, the site was planned to be developed as a distribution complex. The initial plan was made in 1999, and a more detailed plan was made in March 2002 with the size of 258,134 m² (Department of Transportation and Distribution, 2002). This plan was in accordance with the ‘Distribution Facilities Development and Operation Act’, and this distribution complex consists of largely three facilities: distribution complex facilities, support facilities, and public facilities. Detail facilities are shown in table 8.3. According to the law, more than 50% of the entire designated land except the land for the public facilities must be used for the distribution complex facilities, and within this distribution complex facilities, again, more than 50% of the land must be used for distribution facilities. Other parts of the distribution complex facilities can also be used for other usage, including large-sized stores and specialized shopping district complexes. Moreover, subsidy is provided from the central government for installing facilities for the distribution complex development project, such as road or rail, which in the case of the DDCP, was approximately £ 22.7 million.

Table 8.3 Composition of the distribution complex in accordance with ‘Distribution Facilities Development and Operation Act’

Types of facilities		Contents allowed for the respective types
Distribution complex facilities	Distribution facilities	Distribution terminal, cargo, warehouse, collection / delivery centre etc.
	Commercial facilities	Large-sized stores, specialized shopping district complexes, agricultural and marine product wholesale markets and agricultural and marine product joint markets, and agricultural and marine product distribution centres etc.
Support facilities		Information processing facilities, financial, insurance, medical, educational and research facilities, and convenience and living facilities for workers and users of distribution complex etc.
Public facilities		Road, park, plaza, public car park, rail, river (stream), green area, public reserve space, etc.

At the initial stage of the negotiation process in Phase 1, the SMG suggested approximately 257,400m² for the entire DDCP (Park, 2004c, p.190), which was almost the same amount of the previous plan. In other words, it seems that they suggested the area could be used for commercial use in the 2002 plan for the relocation for the CGC market, which could have been expanded up to certain amount stated in the law. In

addition, as can be seen in figure 8.5, building for manufacturing industries, which is the sky blue colour of the zone 2, was categorised as support facilities and thus was not included in this amount. Therefore, the area allocated for merchants could have been larger. This also could be found in interview with a high-level official: “At first time, we were going to provide 79,200m². We thought it would be enough. ... So, in total around 230,000m²²⁶.”

In contrast, after 23th May, 2003 when they reached a tentative agreement as a relocation for the *de facto* compensation for the loss, CCVPC demanded 590,700 – 1,050,000m²²⁷. Here, the 1,050,000m² meant A+B area in figure 8.3. MRs of the CCVPC needed to convince members of the group and CSC who opposed relocation more strongly. As can be seen in table 7.8, on 1st June 2002, 495,000m² was suggested by the SMG informally, and after negotiations, by the 13th June, it was agreed tentatively as 495,000m² (Park, 2004c, pp.137-138). Subsequently, in the next official meeting, on 16th June, it was agreed as 495,000m², which later on was finally ‘accepted’²⁸ by mayor Lee in the final meeting. It is worth noting that the mayor was quite reluctant to provide considerable amount of ‘precious’ land to merchants, as can be seen in an interview with a high-level official who heavily involved in the process:

“The mayor kept saying reducing the size, and in contrast merchants demanded around 660,000m². After all this pulling and hauling process, it was agreed with 495,000m².”

Later on, the size for the entire DDCP site increased slightly in October 2008 for relocating the recycling centre that used to be located at the A in the middle map to B in the map at the right, and finally the size became 560,694m² (figure 8.8).

It is important to note that although both the SMG and the merchants did not have concrete plans for how to use the land, there was a rough justification of the merchants demanding a larger land, as can be seen in an interview with a MR:

“In order to accommodate the CGC merchants who are working alongside 5.8km of the CGC, 36 types of businesses. ... We tried to accommodate more than 10,000

²⁶ It seemed that he does not remember exact area of the site for the DDCP.

²⁷ It seems that there was difference in size that the merchants demanded between in front of the public and in informal meetings.

²⁸ As was discussed in Chapter 7, technically the negotiation process was a kind of settling civil complaints, as merchants did not have any legal rights to claim compensation for the anticipated loss caused by the CRP.

merchants, and we estimated and draw out a conclusion that we needed 495,000m² in order to relocate all types of the businesses. We got professional advices from OOO and △△△, saying that if all the businesses located alongside the 5.8 km could be relocated in a 700m of space, then we could have considerable competitiveness. ... And also, around 495,000m², we thought it would be enough if divide the site into two and make distribution facilities in the half and make our market in the other half. We thought we empty could do it with building less than five storeys buildings [in the market].”

Two things were very important in this interview. Firstly, majority MRs, including a MR in this interview, were aware that around half size of the 495,000m² would be allocated for the distribution facilities. Secondly, they understood that the site would be made with five storeys buildings. This issue of storeys of buildings was also closely related to the size. Because most of shops in the CGC area were on the ground floor and even rarely on the first floor, they demanded low-rise buildings and a road shop style of layout. All MRs I met asserted that they were against a ‘department style’ layout (retails) or ‘apartment style factories’ (manufacturing industries and industrial material wholesalers), both style of which allocate shops in a single large building. In fact, this was agreed in an informal meeting on 28th May, 2003²⁹ (table 7.8). It was particularly manufacturing industries and industrial material wholesalers who strongly demanded that the apartment style factory would be undesirable for their types of businesses. They demanded many times, including in CMCM meetings (see Seoul Metropolitan Government, 2005d), however, this was not accepted in the end.

8.2.4.2 How much land and how many storeys buildings would be appropriate for the merchants?

To briefly reiterate, it was agreed that “more than 495,000m² of a large-scale market complex will be generated and will accommodate various types of the businesses” (table 7.10, first article). Yet, the 495,000m² was not going to be allocated exclusively to merchants, but distribution facilities, market complex and Vitalisation Complex was going to be allocated ‘pertinently’. As was discussed in Chapter 7, merchants’ demand to

²⁹ “Explained that the relocation site would be made with a basis of 5 storey buildings.”

make a detail plan for the market complex was refused by Mayor Lee, and there was no official agreement about how to ‘allocate pertinently’. In addition, although it was tentatively agreed that buildings in the DDCP would be less than five storeys, it was in an *informal meeting* and there was no document to prove this. Regarding the size of the site and height of buildings, there were only two officially written agreements: the total size, which was 495,000m², and size of individual shops, which was “in average, the area of each shop will be approximately 23.1 m²” (table 7.10, fourth article). There were general understandings on both sides that certain amount of land had to be allocated to the distribution facilities based on the law. According to interviews with MRs, they thought the area for the distribution facilities would be around half of the entire size. Subsequently, merchants demanded the other half of the size for their allocation.

Prior to examining the process of decision making regarding size and storeys of buildings, it is worth reviewing two things: firstly, how the size of the individual shop was decided as 23.1 m² and how the SMG considered the height of buildings during Phase 1; and secondly, what kind of market mall the merchants were considering and demanded. Firstly, as seen in the interview below, although there was no officially agreed concrete plan, there were discussions and shared understanding that the alternative market would be provided with consideration of the current condition of the CGC business environment. The size of shops also would be provided around twice larger than the current one, so that they could have a better physical environment for running businesses than the deteriorated physical environment in the CGC area, and it was one of the main reasons why merchants agreed with the relocation.

“We were going to provide one shop to one merchants who were running business in the CGC market, and around twice larger than the previous one. ... Also it would have been difficult if the manufacturing shops dealing with masses of iron goes to first or second floor. If the shops went up, it would be difficult to run their shops. As it was on the ground floor, it should come to the ground floor.” (Interview with the 2nd deputy mayor during Phase 1)

Yet, in the researcher’s perspective, allocating all manufacturing shops on the ground floor would have been unrealistic and contradictory to the plan of building five storey buildings. There would be not many merchants who would be willing to go on upper

floors, which actually was the case later on, and it seemed that this was because the SMG did not have concrete plans.

Secondly, regarding the types of market mall that merchants wanted to build, the CGC market consisted of various types of businesses with 36 merchant groups who were willing to move. Among the 36 groups, it could be categorised largely into three as can be seen in table 8.2: A. Daily supplies sales focused more on retailing than wholesaling; B. Industrial materials manufacturing; C. Industrial materials sales which primarily focused on wholesaling. It is very important to note that when we analyse the reasons for failure, it is necessary to think those three categories separately. They have very different types of businesses characteristics and thus requires different approaches when we analyse problems and (re)solutions. Therefore, in this thesis from this point, I state specific categories of businesses separately when necessary.

It seemed that the first and second types of businesses did not have a concrete ‘picture’ about the new market that they wanted to build, and this was understandable because they had not ever planned to relocate before the CRP. In contrast, the third type of businesses that had planned for more than 20 years to relocate to another area of Seoul had a clear ‘picture’ about what they wanted to build. They wanted to build something like ‘Guro’ type (figure 8.9), which was the *de facto* standardised type in the entire nation at the time, as also can be seen in a recently built industrial material complex (figure 8.10). The buildings and layout of the Guro and Busan markets were very functionally designed and built. It was a low-rise (three storeys) complex, generally being used as: top roof as a car park for visitors, ground floor as a shop, first floor as an office, and second floor as a storage.

“What we were thinking was Guro. In order to succeed, it had to be built like that. There is no industrial complex that have been built differently from Guro in entire Korea. There are newly built complexes in Busan, Daegu, and Daejeon³⁰. The buildings there were slightly enhanced than Guro, but the overall layout and structure are the same. If a market was built like that [the DDGP], it never ever be able to succeed in Korean distribution system.” (Interview with a MR of the C type)

³⁰ Busan, Daegu, and Daejeon are respectively the second, fourth, and fifth largest city in Korea.

In interviews with MRs of industrial material businesses, they emphasised that they had stated numerous times their hopes for the circumstances and characteristics of the businesses in all sorts of meetings including the CMCM, as could be found in minutes of the January CMCM meeting:

“... as can be seen in the Moonrae-dong case³¹, if the apartment-style factory will be built, the distribution market will fail.” (Seoul Metropolitan Government, 2005d)



Figure 8.9 Guro Machine and Tool market
(source: <http://m.grandculture.net/contents.aspx?use=&lc=GC030&contid=GC03000796>)



Figure 8.10 Busan Industrial Supplies Market
(source: <http://news20.busan.com/controller/newsController.jsp?newsId=20131204000060>)

In DDGP, in relation to the merchants' demand of allocating the second half of the land, the SMG's official opinion was that the area would be given according to the number of merchants who would be willing to move. Yet, 'how much would be appropriate area for certain number' and 'how this would be decided' were still undecided, or more precisely, *not agreed*. Subsequently, on 21st May 2004, the expected size of the relocation market was *notified* in an information session for merchants *without prior discussions with merchant groups* (see figure 8.8, mid-picture, inside of black line with 'M'). It is also worth noting that according to interviews with MRs, in the information session, there was no document or maps, which could be an official evidence or visual aids, was provided to merchants.

The expected size was around 82,500m², and this was calculated based on the SMG's estimation based on the aforementioned data about merchants. It was expected

³¹ A failed case of the apartment-style factory.

that it would be around 5,000 members from 36 groups who would be willing to relocate (Seoul Metropolitan Council, 2004). In the information session, it was quite understandable that merchants strongly opposed the amount of size that the SMG announced. At the time, the head of the CRPH, the chair of this meeting, settled the merchants' opposition by saying:

“[the size of the] relocation market is not yet completely defined. Hence, let's be flexible about the size, which possibly be increased, after screening [applicants] and examination of relevant plans.” (Seoul Metropolitan Government, 2005d)

The date of the announcement of the size was around four months earlier than the date for the applying the application, which started on 16th August 2004. The number of application received was 6,138, which exceeded the SMG's estimation by 1,138. Yet, although the number of applicants was higher than the estimated number, the size for the relocation market remained the same.

There were quite serious disputes regarding this significantly reduced size than the merchants had demanded and thought. In the January CMC meeting in 2005 (Seoul Metropolitan Government, 2005d), MRs made appeals about the allocated size and demanded larger area. The head of the CRPH replied to this demand that it would only be possible after finish of the process of sorting the application by the Deliberation Committee³², and said “because the relocation complex has not been confirmed yet, we will be able to make the size slightly larger after the deliberation and examining relevant plans. Let's be flexible”. Despite his promise to reconsider the size, it was formally approved that the size would be 83,598m² in November 2005, which was almost the same size as previously decided.

The question moves on to how the ‘pertinent’ amount of area was calculated? Why was there a significant reduction in the size of land?

“The size was decided based on a standard that an area for exclusive use for individuals would be around 23.1m². Taking into account the limit of altitude³³ and around 6,000³⁴

³² A committee formed to sorting out applicants who did not satisfied the qualification standards. This committee consisted of some MRs, officials of the SMG, and external professionals.

³³ The entire area was included in the flight safety zone due to the Seoul Air Base located closed to the site.

³⁴ This is because interview was undertaken recently. In minutes produced in a committee meeting in the SMC (Seoul Metropolitan Council, 2004), it was stated that the area was initially planned to accommodate 5,000 people.

people would move there, the size for the entire market was calculated. Then, sizes for additional facilities, parks, shared common facilities, and convenient facilities were also calculated.” (Interview with a high-level official)

As can be seen in the interview, the size was calculated starting from the certain area of individual shops together with considerations of other legal regulations and conditions regarding the site. Then, in what process was the calculation made?

“It was not agreed with the merchants. It was professionals who were specialised in urban planning or architecture ... they said in order for the relocation of this amount of market and for vitalisation of the market, how much area would be necessary and what kind of facilities would be needed at around the market. The area was drew out from that process. Therefore, not all the site was going to be allocated for the merchants. We only provide the area for the shops only. Merchants’ main focus were also on the size for their shops. As said, it was around 23.1m², and that was what we agreed.” (Ibid)

The decision was not made through negotiations or discussions with merchants, but was made in a top-down style based on professionals’ consultancy or advice.

“Of course there were complains about the size. They demanded larger land. However, we could not accept because they would not get the land through a process of a competitive bid. They would get the land with a production price, and therefore it could not be accepted. ... The land is the last ‘yolk’ area in Seoul. It is not acceptable for us to give them the [important] land as much as they wanted.” (Ibid)

Subsequently, the question moves on to why the merchants did not effectively oppose the SMG’s plan, which was obviously against their interests? First reason was, the merchants lost their power significantly after the agreement (see 8.2.2.2). There were stronger complains from the C type of businesses (industrial materials sales which primarily focused on wholesaling), as could be seen in an interview with a MR:

“... we became to know it [the size for the merchants] later. If there had been that kind of condition, the negotiation would have been broken already, long long time ago. If we had known it then, we definitely wouldn’t have agreed with their suggestion. Don’t you think we would have beaten to death by other merchants if we had known that the buildings were built like this but agreed?”

Then, after the merchants became aware of the facts, wasn't there any specific reaction among the merchants?

“No. At that time, to say simply, we lost a lot of momentum after the construction work began.”

Not only the lowered bargaining power of the merchants, but also they also lost their justification for demanding the amount of size that they initially wanted. According to interviews with MRs, the number of merchants who were willing to relocate was less than they initially estimated. This resulted in losing their justification to demand larger land.

Second and the more fundamental reason was because they *did not know enough* to find out whether the size that the SMG announced was actually enough or not.

“However, how could the merchants draw a ‘picture’ when a floor plan of buildings had not yet made? They were talking without a floor plan or master plan. When they said 82,500m², we thought all of us could move in there. We could not think that the buildings could go up to 8th, 9th, and 10th floor [see table 8.1]. At that time, we thought it would be like the CGC tool market, around 3 storeys. Still we thought all of us could go in there. We were ignorant.” (Interview with a MR)

As can be seen in the interview, merchants did not have a clear picture of how large the 82,500m² would be. They also did not have any clue how much land they would need in order to build market buildings with five storeys buildings that could accommodate 6,138 merchants with 23.1m² per each.

Thirdly, merchants did not know at the time how height of buildings the SMG was planning to build, because the SMG did not properly informed the development of plans. All MRs in interviews said that as late as June 2005, the merchants did not know anything about the height, which could be seen from remarks in a CMCM meeting (Seoul Metropolitan Government, 2005c). Although this issue of storeys of buildings is discussed further in the later part of this chapter and the next chapter, it was in September 2006 that merchants were informed about the storeys of buildings.

Consequently, at this time when the size was decided with the SMG claimed that 82,500m² would be enough to build as was agreed, because they did not have information and capacity to evaluate their claims and because they did not have much power and good

justification to effectively oppose their decisions, the issue was just passed without clear conclusion at the time. It is worth noting that when I asked a question in an interview with a MR: “when was the time you regret the most if you have?” He replied:

“When the size of the land decreased to 85,500m². We should have strongly opposed to it. Around the time, we felt something wrong going out here. But we couldn’t quit or resign because if we did, we might have been beaten to death by other merchants.”

Although the reduced size of the site was not the only reason for the failure, the results of this decision were significant.

8.2.4.3 Where was the site for the relocation located within the DDCP and how the buildings are laid out?

Together with the size and height of buildings, there was another issue that was related: deciding the layout of the site for the relocation. Merchants demanded the most valuable part of the land within the entire site for the DDCP, which was along a wide road (figure 8.11, inside of blue dotted line). Following Rawls’s conception (Chapter 2), it was their rational choice to maximise their interests, in that land next to the main roads is more valuable.

According to minutes of formal meetings between the SMG and MRs, this became a main issue in June 2005 meeting (Seoul Metropolitan Government, 2005c)³⁵. In the meeting, one MR raised an issue after he listened to documents provided for the meeting, said:



Figure 8.11 Layout of the site for the relocation (highlighted part, source: Naver Map)

³⁵ Because many important issues could be seen in this minutes, not only about the layout of the site but also about power relations and democratic aspects of the DDCP process, I quote many remarks from this minutes.

“While I was listening to [the presentation of] the materials for meeting, it seems that the plan is being made on a condition that the specialised market will be located along the Tan-cheon³⁶”.

Regarding this problem posing, an official (a team leader, 5th level) replied:

“Let me tell the facts. When the deputy Mayor, Prof. Yang was in the position of the head of CRPH, he explained with layout maps in information sessions and ‘education sessions for upgrading management mind’³⁷ that the specialised shopping malls will be located long the Jang-ji-cheon and Tan-cheon side.”

A³⁸ MR replied again:

“The information sessions did not mean we made decisions there. It was merely a briefing and we haven’t agreed with it. Regarding the information session, there was no proper explanation about what the Song-pa-da-ro³⁹ and the Tan-cheon were. It was just explanation and not decision. Moreover, if there was any problem, we should modify it.”

In addition, although the official said that there was an explanation with layout maps, a MR claimed that “there hasn’t been any meetings explanations with planning or layout map.” It is difficult to find out whose argument is true regarding whether the deputy Mayor, Prof. Yang used a map or not in the session. Yet, as could be seen from the remarks, it was clear that there was no proper discussion previously about the issue of layout, but these were notified in information sessions, which no one could have realised was a place to notify such an important decision, without sufficient explanations for the decision. The basic plan was made around November 2004 (mid-map of figure 8.8), and the ‘education sessions for upgrading management mind’⁴⁰ were taken place between 24th

³⁶ This seems a mistake, and with consideration of contextual meaning, the MR meant Jang-ji-cheon (see figure 8.11).

³⁷ The SMG argues that this was one of measures for merchants who were anticipated to be loss, though merchants said it was not helpful at all and there were just a few times of session with basic level information.

³⁸ This data was acquired through a request of information disclosure, and because all the names were deleted, it was not possible to know who this person was. Hence, I used ‘a’ for all the MRs when I quote this document.

³⁹ The wide main road next to along the dotted blue line (see figure 8.11).

⁴⁰ Lecture sessions for the CGC merchants provided by the SMG. According to the SMG, this was one of measures to help the CGC merchants who were going to encounter changes in business environment after the CRP. Although it was claimed as ‘help’, in general, merchants did not thought it as helpful but regarded it as one of bureaucratic procedures to ‘leave a trace’.

August and 10th September 2004 (Seoul Metropolitan Government, 2006b). Therefore, it could be seen that the SMG made the tentative decision around 10 months before the meeting, but did not notify to, nor mention discussions with, the merchants.

About the demand for changing the layout, the head of the CRPH said:

“In my opinion, because Song-pa-dae-ro is very wide principal road with a great deal of through traffic, I don’t think it would be very helpful for vitalising the malls. Yet, if MRs request, we will reconsider. However, because it is necessary to discuss with Song-pa-gu and residents nearby, which means there will be many administrative procedures, I think it will take a lot of time. Therefore, if you want the relocation project to be put forward fast and successfully, I hope you understand this and to move forward [as we have planned]”.

Although there was no professional study about whether laying out buildings on the Song-pa-dae-ro would have been more beneficial for vitalising the market, and it might have been true that it would have not meaningfully beneficial to layout along the main way. From the author’s perspective, the SMG’s plan (which is the current layout) would maximise the potential of the entire site. However, from the merchants’ perspective, the main purpose of the entire land, at least Zones 1 and 2, was for relocation of merchants, and therefore, they argued strongly that they should take the best part of the land.

What was important, it seems that there was no sufficient discussions or communications between the two groups, as can be seen in a MR’s reply:

“I don’t understand why we become to know the issue related to the Song-pa-gu office, which is already done, at this moment. To conclude, I think we are going to be followed by a framework that the SMG [already] made [by itself]. Then, I feel what the meaning of the CMCM is?”

MRs’ agitated reaction were understandable, in that a MR mentioned about the issue in the January CMCM meeting in 2005 (Seoul Metropolitan Government, 2005d), five month earlier than the meeting above:

“By the way, according to rumours, the relocation market complex is being planned to be located at the back side because of the opposition of Song-pa-gu, but this must not happen.”

The SMG did not react to the remark in the meeting, and five month later, in the June CMCM meeting in 2006, the SMG notified that it was already decided.

As a consequence, MRs questioned the role and meaning of the CMCM and also kept questioning whether they were actually being steered. The previous MR kept asking to the head of the CRPH whether “is it difficult to change the plan [layout plan]?” The head replied “Yes it is.” Subsequently, a MR replied:

“If it is so, there is no role of the CMCM. If later on, the vitalisation facilities and specialised market would not be the same as we have expected to be built, we would feel heavy because we have no idea how we shall explain to our 6,000 members. Likewise the previous answer to our inquiry, until the time, there has been nothing that our opinions have been taken into account.”

There had been various types of suspicion among general members that, for instance, MRs were having a back-scratching alliance with the officials.

Why did the SMG not have a discussion or provide information before? The answer can be seen in a reply of the head of the CRPH (emphasis added):

“... we are sorry for explaining details. However, if explaining all the *small parts*, changing plans and making new a plan repeat, it takes long time and also there will be wastes of time until we complete this relocation project. If this is the case, we cannot sure whether this project will be successful. If the project does not go smoothly, eventually it will be a loss of all the merchants. If there won't be a significant loss, to be very honest, I think it is better to move forward fast.”

As can be seen in his reply, ostensibly, it was mainly because it would have taken longer time if there were discussions for, from the SMG's perspective, small and insignificant issues. However, it is very likely that the SMG did not think layout was a small, insignificant issue. Rather, layout generally is a very important issue in property development, and thus it probably would have been very controversial, generated significant conflicts, and taken a much longer time. This is a good example of non-decision making, i.e. preventing unfavourable issues from becoming formal agendas by operations of power prior to the formal decision making processes (see Chapter 3).

Given the agreement, there was a time schedule, which was finishing the “distribution complex by late 2007” (see table 7.10, 2nd article). In fact, there were pressures from the merchants about the schedule, kept checking whether the market would be provided by the agreed time, as could be seen in a government document, which was a reply to a questionnaire from merchants (Seoul Metropolitan Government, 2005e). Nevertheless, given the agreement, written “solutions for problems will be searched through continuous discussions” (table 7.9, first article) and taking into account the significance of the issue, I would argue that it was a violation of mutual agreement. Moreover, considering the provision of information and participants’ actual influence, in terms of quality of the stakeholders’ participation in a governance about this issue, it generally remained in a tokenism (see Arnstein, 1969, pp.219-221).

8.2.5 Selection of methods of development of site and buildings

8.2.5.1 Selection of methods and principal agents for preparation of the site and construction of buildings

After the decision about the size and layout, the focus of the CMCM moved on to the selection of methods and principal agents for preparation of the site and construction of buildings. As was agreed “The site will be prepared by public development and a method of the building shopping centre will be decided as merchants want” (table 7.10, sixth article), site were going to be prepared by SHC.

Subsequently, a very controversial issue was deciding the method of development of buildings. There were three available development method options: public development, quasi-public development, and association development. This started to be discussed in the CMCM meeting in January 2005. In the meeting, an official (Director-General, 2nd level) explained advantages and disadvantages of the three options:

“In the case of the associative development type, although merchants’ opinion will be able to be taken into account the most [among the three], it will take long time to make the association. In the case of the quasi-public development, merchants’ opinions will be taken into account based on the advice of private development professionals; and public development wise, SHC will take exclusive charge of the development” (Seoul Metropolitan Government, 2005d).

In the case of deciding the method of development of buildings, it seemed that the SMG tried to take into account the MRs' opinions as much as they could. The reasons can be analysed that, firstly, the merchants were 'consumer' of the shops in the mall, who would pay the cost for the buildings. Secondly, it was clearly written in the agreement that this would be decided as merchants wanted. Although it was not possible to obtain the minute, it is written in an official document (Seoul Metropolitan Government, 2005b) that there was a CMC meeting in February and discussed about the development method.

Yet, despite many discussions, the 'ten representatives' could not produce a unified opinion. Seven MRs preferred the association type but three MRs were opposed to this option. The three MRs worried that it might generate serious problems related to corruption, which was an issue around the time in Korea in many housing and shopping mall (re)development projects, as can be seen in an interview with a MR:

"Because there are too many corruption cases. If we made an association and [somebody] became a MR of it, he couldn't have run his business because of anonymous letters, even though he tried to perform it as clean as possible. Who would want to do it then? In many redevelopment cases, there are professional representatives. It's their jobs. However, we are merchants, running businesses. If somebody did it properly [with making significant efforts], they would spoil their businesses, and it was very burdensome. ... In the case of Guro, it took ten years, and there were many problems due to the same reason. The MR was summoned by police several times."

Instead, they argued for public development:

"If merchants built shops by ourselves, some businesses of interests⁴¹ were generated. Then, [if there is some inappropriate issues] the MR could be arrested and problems could become serious. Instead, if we build the building by public development method, we don't need to worry to be suspected. ... If the reliable SHC build it on behalf of us through public development, we just move in and run a business and we didn't need to be suspected. However, that didn't mean they neglect our opinion in designing the building" (ibid)

⁴¹ For instance, supply of consumables, e.g. toilet papers and water purifiers, selecting a building security company are all sorts of businesses of interests that are generated when a shopping mall is built.

There were three reasons for the support. Firstly, it was the most convenient way for merchants because they do not need to do much work for the construction of buildings, but could focus on their businesses. Secondly, they thought it was the fairest option which avoid corruptions and suspicions from other merchants. Thirdly, they had basic trust to the SMG's capacity, which could be heard from many MRs.

“What would we have known as merchants? They are clever people and we believed that they should be better than us, at least.” (Interview with a MR)

It is important to note that as a basis of the support, there was an optimistic belief that they would be able to discuss many important issues with the SMG and the SHC, as they had done until the time.

In the end, the MRs failed to make a unified opinion until June, and hence, the method was decided as public development, which the SMG thought it a better method to finish the project by the agreed time. It is important to note briefly about the funding process of this method: it was going to be funded by the public first and then collected later when shops would be sold after the completion. This was generally understood by merchants that this is a favourable condition for them because they do not need to pay the cost at the time when construction began, but can decide later after the completion. However, this turned out to be rather a weak point of this construction method in terms of authority to participate in. Because merchants did not pay any type of deposit or made any legal contract in relation to the building construction, legally speaking, merchants did not have any legal right to intervene in the process of construction. What they only had was normative status based on a commitment of Mayor Lee. This lack of legal ground of the merchants resulted in lack of power in the following process, which is discussed further in Chapter 9.

The official decision for the method of development of buildings made on 5th September, 2005, and subsequently, the land preparation started on 8th November 2005 under the supervision of SHC. Furthermore, after this decision, it became the SHC who led the actual construction part of the project, including floor and exterior plan and design, under the general direction of the SMG.

8.2.5.2 Establishing detail plans for the buildings and the selection of delivery method for constructing the buildings

As can be seen in table 8.2, categorising the businesses into three large groups was agreed on 15th July 2005, and soon after, the implementation plan was approved in November 2005 (figure 8.12). Subsequently, the next important stage was setting detail plans for the buildings. Under the implementation plan, the three groups were to be allocated to block A, B, C (table 8.2). Advisory groups consisted of professionals from planning, architecture, and distribution were established. Their role was providing advice regarding how to design the given entire blocks, buildings and human and traffic flows in order to vitalise the entire market. Based on the advice, detail standards and qualifications for construction request were made, and location of businesses within each building were decided.

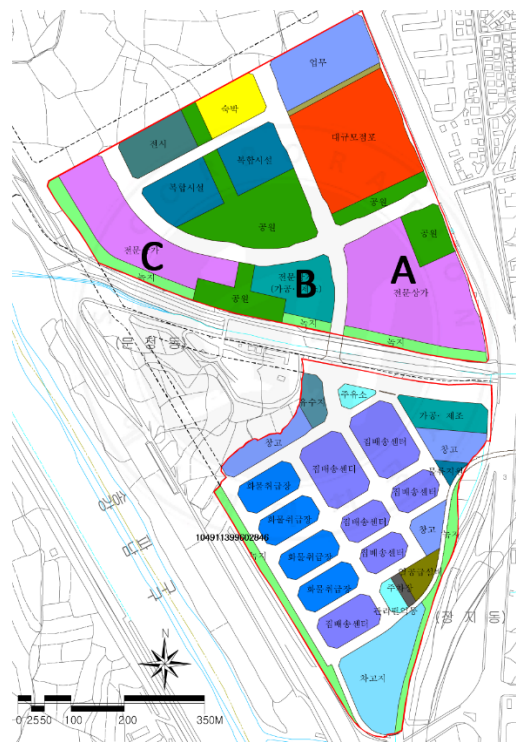


Figure 8.12 Map of the DDCP when the implementation plan was set (Source: Seoul Metropolitan Government, 2005a)

Subsequently, the next step was selecting the delivery method for constructing the three buildings. In order to complete the project as early as possible to meet the schedule, a design-build delivery method was chosen. In this process, although there were discussions with merchants, because it was very technical issue, merchants tended to follow the SMG's opinion. Their only concern was *price*: they requested many times to the SMG to make the buildings affordable.

“Their primary request during the DDCP was reducing the price for the shops. ... How much they could reduce was their primary concern but they did not care about the delivery method. They kept requesting methods to reduce.” (Interview with a high-level official)

Affordability was a key issue throughout the DDCP. This was not only because merchants were not affluent and thus could not afford if it was too expensive, but it was

also related to vitalising the market, an issue emphasised throughout the CRP and the DDCP.

“As long as they relocated us collectively, we were very confident to be able to succeed. Not alone, but as long as they relocate the CGC [market]⁴² collectively, Guro [market] would be knocked out at a single blow. We were confident that much, and system [of the market of the industry] was like that. In the case of tools, all the shops selling £5.8 – £11.6 million were in the CGC [market]. Shops in Guro were much smaller. They were not ‘Mecca’. All of them bought from the CGC and [then] sold [it again].”
(Interview with a MR of the C type of businesses)

For this reason, moving collectively was the key issue for the merchants. In terms of the C type of businesses, after the size was set and as plans became more and more shaped, merchants of the industrial material gradually became aware that the new market would not be built like the Guro type, which made them very disappointed. However, they still had a faint hope at this stage, as can be seen in an interview:

“Still we had a faint hope. If the building would be built like that [apartment style], as long as the price would go down to £57,600, as you know most of merchants were tenants in here [the CGC market], as long as it went down to £57,600, we had hope that we could buy a shop instead of paying rent in here. Therefore, if 6000 or 8000 merchants could go there, even though circumstances would be not so good, we had hope that we could vitalise the market.” (Ibid)

This was why they were so concerned about the prince. However, although they did not realised at this time, this faint hope was *de facto* not able to be realised with the announcement of the expected construction budget, when the Construction Request was announced on 15th May 2006.

Table 8.4 Construction request announced by the SHC (Source: SH Corporation, 2006, edited by the author)

Bloc k	Expected constructi on budget	Number of shops	Expected price	Storeys	construction period

⁴² This did not mean the entire CGC market but a CGC market of a relevant kind that are directly related to forming the industrial ecosystem discussed in 6.4.2.

A	£327.0million	4,074	£80,000	Fifth basement level, Lower than altitude limitation ⁴³	660 days from the beginning of construction (including winter time)
B	£72.6 million	757	£95,600	Fifth basement level, Lower than altitude limitation	600 days from the beginning of construction (including winter time)
C	£183.6million	1,300	£140,800	Fifth basement level, Lower than altitude limitation	

This was a design-build type of development, and in terms of the examination standard, 35% of price, 20% of qualification, and 35% of overall building designs (unpublished working paper of the SMG, 2010). As it was the largest construction request in terms of the amount of budget until the time, many major companies participated in the bidding after they formed consortiums as the scale of each construction was quite large (Ibid). What was important here was the amount of expected construction budget. Based on the expected construction budget, consortiums designed their construction plans. Although the selection of consortiums for each block would be through the bidding competition taking into account the price, it was not the only and the most important criterion (35%), but there were two other criteria. In particular, the overall building design (45%) was the most important factor in this selection method.

The design-build method, called ‘turn-key’ in Korea, has both advantages and disadvantages, as can be seen in Park (2013, p.55):

“Because constructor in charge of both architectural design and construction, the orderer can reduce management tasks and can be introduced various ideas from the private sector, and also by carrying out the architectural design and construction side by side, duration of the overall process can be reduced. In contrast, because of the restrictions⁴⁴ in participation, there are difficulties to accumulate experience and information⁴⁵, and because of the qualitative assessment of the building design assessment, there are controversies in terms of fairness, transparency, and bribery.”

⁴³ Due to the Seoul Airport.

⁴⁴ Generally, there are criteria for participation, regarding level of technology or size of companies.

⁴⁵ This is generally about some small- or medium-sized companies that they cannot participate due to the restrictions.

Despite the advantages, due to the disadvantages, this design-build method had not been used often in public development. Rather, the lowest price award system that separates the design and construction was the most common method in public development.

In terms of average bid-droppings in 2007, the design-build was around 94.2% whereas the lowest price award system⁴⁶ was around 67.1%, and this tendency was consistent in other years (table 8.5). This means contract price had been decided around 10% lower than expected construction budget when using the design-build method, while around 29% lower when using the lowest price award system. Even if we assume that there would be no corruption, under this selection system, it was expected that the contract price would be higher than lowest price award system and would be decided at around 90% of the expected construction budget. These problems related to price and corruption have pointed consistently since the introduction of this method (see for example, Korea Research Institute for Human Settlement, 2003, Anti-Corruption & Civil Rights Commission of Korea, 2010).

Table 8.5 Bid-droppings rate by methods of ordering (year) (Source: edited from Anti-Corruption & Civil Rights Commission of Korea, 2010, p.19)

Methods of ordering	2007	2008	2009 (until August)
design-build	94.2	92.3	94.3
lowest price award system	67.1	72.4	72.5

As can be seen from table 8.4, the expected construction cost for each shop were £80,000 - 140,800, and this did not include other costs, for example cost for the land purchases, site preparation, or anticipated expenses for advertisement. As was mentioned in 8.2.2.2, there was a shared understanding among merchants that the cost would be around £34,700 – £57,800 for each person to buy a shop with 23.1m². Indeed, although it was before the detail plans were shaped, in a special meeting in the SMC in October 2005, a supervisor level official⁴⁷ who were in charge of the DDCP in the SHC said “£444,6million is expected for the operating expenses, £258,7million for making the complex and £186,0million for making access roads” (Seoul Metropolitan Council, 2005b). However, from the initial stage of the construction buildings, the price for

⁴⁶ There has been other way of methods of ordering construction, for example the ‘alternative bidding system’. Yet, because these two are the most common methods in Korea, I do not review other systems.

⁴⁷ 2nd highest level in the entire institution.

constructing the three blocks was far higher than they expected, the sum of which was expected around £583.2million. Compared to the £258.7million, it was already more than two times higher.

There was a strong demand from merchants to announce an expected price for the shop from around this time. However, from the SMG's perspective, there was nothing that they could be sure about the price at this stage yet, because the way to calculate the 'production cost' was still under internal discussion and they also could not expect future expenses. Therefore, officials tried to avoid the issue because they were concerned about taking responsibility for their remarks in the future. Yet, a managerial level official (4th level) who was in charge of this project held information sessions and informally announced, with a precondition that nothing was confirmed at that stage. In interviews with both sides, however, accounts differed. Merchants claimed that the official said it would be around £58,000, whereas the official said he announced it would be around £81,000. Inferring from interviews and remaining documents (Seoul Metropolitan Government, 2006a), it seems that the announcement was made in February 2006, before the expected construction budget was officially announced.

As no evidence remains, it is not possible to prove the truth. Nevertheless, it was clear that the price became far higher than the merchants expected at this stage, despite their consistent emphasis on the price. Even the price that the official announced was far higher than was initially expected, but was still lower than what was actually announced three months later. This could have been because he deliberately lied to merchants, in that he voluntarily held the informal information session which might need to take responsible for his remarks. Rather, it was more likely because the official did not have professional knowledge about this construction part, as his expertise was general public administration, which could be found during interviews with him.

Subsequently, why the expected construction budget was announced higher than the merchants understood? It was not clear whether the officials were also aware of the price that the merchants were expecting. In general, there is a trade-off effect between the quality and the price, and it seemed that officials who were in charge of this process focused more on quality, as could be seen from an interview, as an answer to the author's question whether the price could have been cheaper when the expected construction budget was announced:

“No, it couldn’t. Because certain amount of building was already set, and cost for the amount could be drawn out. Therefore, when the amount of building was set, we could calculate the amount we announce, and then companies bid after they make plans and designs. ... Price was not high. Because this was a public project led by the SMG and not a private project, and there was no profit we made during the entire planning and management process. ... It was not too high quality. Basically, in order to build a shopping mall, let’s say if we had built with cheap materials. Then, there would have been a lot of criticisms that it is jerry buildings. Therefore, it was necessary to build a fairly good quality buildings, so that people gather and said ‘oh good’. Think if we had omitted many things and just painted the building, which is going to stay there 100 years, how do you think? Yet, we did not use A-level exteriors.”

Moreover, due to the small size site, the buildings was built with 10-11 storeys (table 8.1), and in the case of block B and C, the ‘apartment style factory’ were built. Even though the style was not fit for the industrial material manufacturing businesses and wholesalers, the size was already fixed and there was no other option. Therefore, additional, costly facilities had to be installed, which would have not been necessary if they were not built as the ‘apartment style factory’: large size lifts were installed to elevate heavy trucks to higher storeys, and wide corridors were made so that forklifts could move two ways. These resulted in considerable increase in price for construction.

8.3 Summarising this chapter from a justice perspective

In this chapter, from the start of the DDCP to the end of Mayor Lee’s mayoral term, which was mid of the DDCP, has been scrutinised. During the period, the project started with satisfactory agreement were gradually moving towards ‘something wrong’ direction. At the time, because it was at the mid of the project, not many ‘problems’ were yet emerged onto the surface, many fundamental ‘wrong’ and ‘bad’ decisions were already made, which resulted in the complete failure of the DDCP. In this summary section, I briefly review four main issues, and evaluate them from a justice perspective.

Firstly, there were some problems on organisations and personnel both in the SMG and the merchants. In the SMG, owing to the job rotation system in civil service in Korea, officials started to change their position after the construction of the CRP started.

The frequent change in officials in charge undermined trust that had been built, lower the task continuities, and obscure responsibilities. Successors generally did not fully understand the 'context' of tasks. Moreover, because the agreements remained at a principle level, and concrete issues were agreed either verbally, tentatively, or unofficially without any documents or official commitment, many of these were not succeeded. These remained significant distrust between MRs and officials and between MRs and general merchants. The situation became even worse due to the vacancy of the control tower, i.e. the 2nd deputy mayor, who was the chair of the CMCM, who should have taken overall charge and simultaneously had overall authority.

Secondly, there were also problems on the organisation of merchants, and it was closely related to issues of power. 36 merchants groups initially gathered to achieve their common interests, i.e. opposed to the CRP or gain 'sufficient' compensation, but each group had their own interests which might have differed from others. It was a federation without having a strong leadership or internal institutions about, for example, selecting representatives, authorities and responsibilities of the representatives, and so on. They even failed to establish a single group until the end of the DDCP, and also failed to make a single voice about many important issues, for example appointments of a professional advisory group. Moreover, the representatives of the federation were not selected based on their merits or capacities in relation to the project. They also did not have sufficient knowledge about constructions or market developments, and under circumstances that they were not supported by professional advisors, they were reactive throughout the project. In addition, followership of general merchants lowered considerably after the agreement was made. In these situations, merchants could not make a strong collective power after the agreement was made.

In contrast, in the SMG, as time passed and officials changed, their political and moral responsibility lowered. Successors generally had much less understanding of merchant related issues, and did not have much rapport with or trust in merchants. Moreover, the agreement were made merely at a principle level, and this meant there were much 'discretion' to the SMG. They also had quite tight schedule for the building the relocation market. In this situation, as could be seen in 8.2.4.3, many important issues were not discussed properly, and important information was not provided to merchants. In this situations, merchants in the committee could not be influential, and there were also non-decision makings, avoiding discussions about sensitive issues. Even though

merchants sometimes raised objections, it seemed the SMG overcame them in a ‘wishy-washy’ style, by saying something like ‘let’s see later’ (Seoul Metropolitan Government, 2005d) or ‘we’ll do our best’ (Seoul Metropolitan Government, 2005c), however, in the end many of the objections were not reflected. Consequently, power imbalance between the merchants and the SMG generally increased as time passes, and even though the project was undertaken by a partnership with participation of merchants and thus seemed democratic, the quality of participation remained largely in tokenism without much actual influences.

In these environment, there were two main planning decisions in Phase 2, which later on influenced in failure of the project. Firstly, the size for the market allocated to the merchants reduced significantly. During Phase 1, it was officially agreed that 495,000m² of ‘market complex’ was to be provided and unofficially agreed that less than 5 storeys buildings were to be built. As the plan took shape, it was found that only around 82,500m² was for the merchants. There was not enough discussions in this process of decrease in the size of land, and merchants opposed to this decision. However, because merchants lost their bargaining power significantly at the time and also did not have sufficient knowledge to notice that it would be too small size to build a market or buildings that they wanted, they could not systemically oppose the decision.

Secondly, despite strong and consistent emphases of the merchants about the price, when the expected construction budget was announced, it was far higher than the merchants generally understood. The price was very important because it was strongly related to vitalisation of market, in that unless most of merchants who applied do relocate, the industrial ecosystem would not work and thus the market would be difficult to vitalise. Majority merchants were not economically affluent and thus they could not afford to relocate if the price was too higher for them. However, this situation was not sufficiently taken into account, but the SMG focused more on the quality of the buildings. Although no merchants noticed at this stage when the expected construction budget was announced that the price would be much higher than they initially expected, price for each shop was actually almost decided at this stage. This high price later became one of the main reason for the failure of this project. Accordingly, the judgement was not ethical and just oriented, in that firstly, it did not taken into account the telos of the project, which was a de facto compensation for the unavoidable losses to the merchants, and secondly, it did not care merchants who would not be able to afford high price.

CHAPTER 9: Examination and Analysis of the Third Phase of the Entire Process and Outcomes of the DDCP

9.1 Introduction

In this chapter, the third phase of the CRP and the DDCP are analysed. As was mentioned in Chapter 5, although the DDCP is still an on-going issue, I mainly discuss the period until the fourth round of sales of the DDCP shops, which was 5th August 2010. This is because until the fourth round of sales, shops were sold exclusively to the CGC merchants with the ‘production cost’, and after then the rest of shops started to be sold to the general public with an appraised value.

Section 9.2 examines the main issues and events, mainly in a chronological order. This section starts by reviewing the ‘internal’ and ‘external’ planning circumstances during Phase 3, which were quite different from the previous phases. With regard to the internal, the DDCP was not a priority of the new mayor. Meanwhile, the relationship between the merchants and the SMG / the SHC were, in general, becoming worse. The main purpose of the project became faint, trust and respect were becoming eroded, and the dissatisfaction of both sides increased. There were strong power imbalances between the two group, and this made it difficult for the merchants to effectively influence the project. Regarding the external, the long-term property market reached its peak in 2007, and was followed by the Global Financial Crisis in 2007-08, which strongly affected the sales of shops. In section 9.3, the outcomes of the DDCP is examined, and also the outcomes of the both CRP and the DDCP are briefly overviewed.

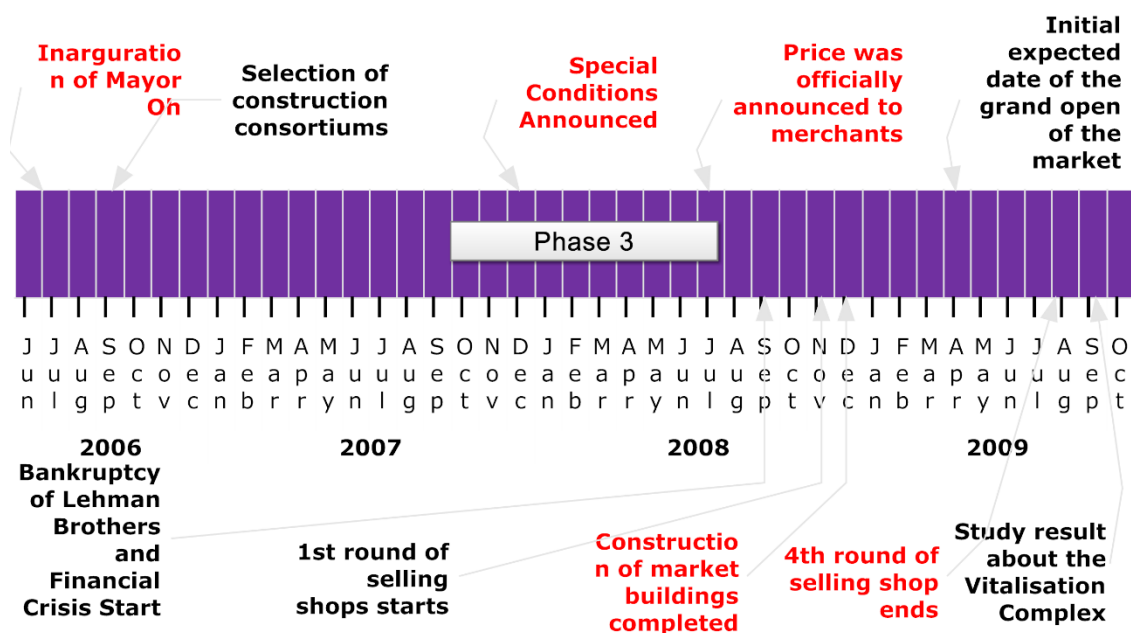


Figure 9.1 Main issues and events in the phase 3 (source: author)

9.2 Phase 3: implementation of the building the alternative shopping centre

9.2.1 Overview of background situation and some characteristics of shopping centre development

9.2.1.1 Election of Mayor Oh in 2006 and domination of Han-na-ra Party in the SMC

Mayor Lee finished his term in June 2006, and Oh, Se-hun, from the Han-na-rah Party, became the new Mayor in the 2006 local election. In the same election, out of 106 members the SMC, 102 members were from the Han-na-rah Party. As a result, the city's power was overwhelmingly dominated by one political party. Throughout Oh's mayoral term, he emphasised enhancing urban competitiveness through 'design', with a catch phrase 'design Seoul'. Large amounts of the city's budget were spent for other issues, such as building Dong-dae-mun Design Plaza, a flagship building for culture and convention purpose, costing



Figure 9.2 Dong-dae-mun Design Plaza
(Source: Kim, 2014)

£280million (figure 9.2). Another main focus during his mayoral term was enhancing the environment in Seoul through, for example, air quality improvement and making a water front space for the people. In order to do this, there were emphases on making roof gardens, and extensive diffusion of renewable energy facilities (Seong, 2006, Lim, 2013).

It would be fair to argue that from Oh's perspective, the CRP was Mayor Lee's achievement¹. In contrast, the DDCP, particularly the relocation market, was only a burden imposed on his metropolitan administration that had to be completed. Even though the administration had made a great deal of effort, it would have remained in the public memory as Mayor Lee's achievement. In fact, the relocation market, which was going to be built through a public development method, required a large amount of money – more than £1billion – that the SMG invested first and then would collect later after it was completed and shops were sold. For this reason, it seemed that the DDCP was pushed back as a priority.

9.2.1.2 Brief examination of property market situation between 2006 and 2010

As the Korean economy has recovered from the East Asian Financial Crisis in 1997-98, the property market in South Korea increased rapidly especially after 2001 (figure 9.3). This, however, reached a plateau in 2007 affected by the global financial crisis in 2008. This global financial crisis in 2008 was a kind of “external uncertainty” (Abbott, 2005, pp.242-243), where the event came from the wider social and economic environment and actors in a planning process had little control over it. It was also difficult for the actors to foresee the events.

This global financial crisis affected the DDCP in three ways. Firstly, this directly affected the sales of the shops. This decrease in expectations of the property market, and hence, many merchants in the end gave up buying the shop they applied for. Secondly, the financial crisis did not only influence the property market but also the overall economy, and this recession affected business forecasts. Many merchants gave up starting

¹ In fact, the CRP finished in September 2005, and the project was regarded as a great success by a large majority of public. Lee was evaluated as a politician with a strong and capable leadership that successfully managed very difficult conflicts, especially with merchants. He received enormous political attention and in 2007 Presidential election, he was elected and became a President of Korea. Although the CRP was not a single factor that he could be elected, it was widely acknowledged as one of the most important achievements that contributed his election.

a new business at this hard time, and this in turn affected sale records. Thirdly, most of the planning process for the DDCP were made and implemented during the property boom, and during this time, the SMG and SHC were quite confident of the success of the project, as can be seen from an answer of the head of the Balanced Development Bureau in a committee in the SMC (Seoul Metropolitan Council, 2006):

“At the moment, we think it [the relocation market] will be vitalised. ... Because it is a large-scale complex, and also we believe that all the project that the SMG has supported through policies been successful.”

They also thought that even if merchants would give up buying their shop with the special price, there would be many other people who would buy the rest of shops at a market price, which was an appraised value. The SMG did not worry much about selling the rest of shops owing to the good location of the site (see 8.2.1.1.) and the property market circumstances.

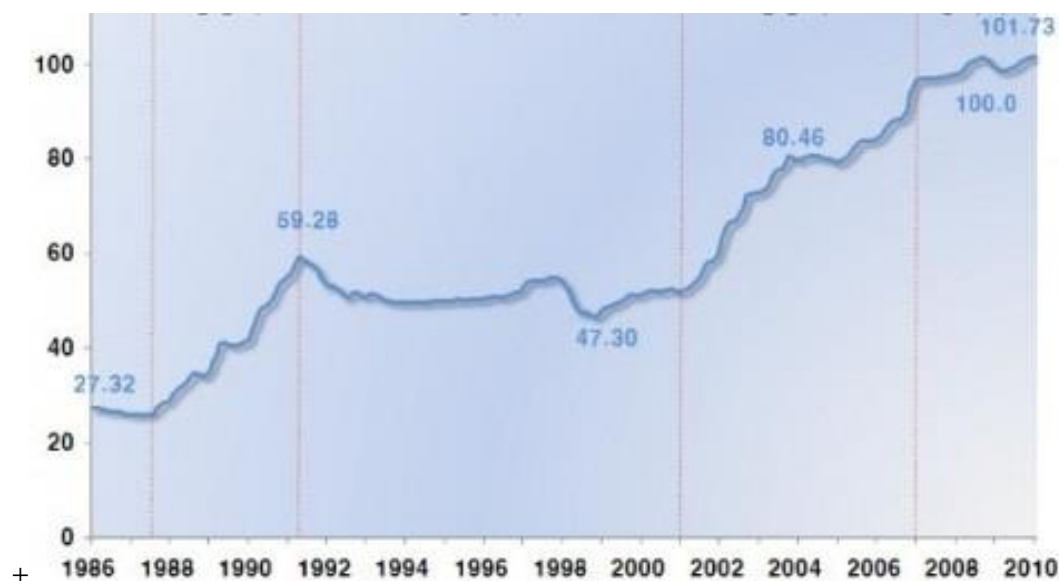


Figure 9.3 Apartmentsales price index (source: Lim, 2010) ²

9.2.1.3 Characteristics of shopping mall development project, and their relations to issues of justice

² Although this is the change in the apartment sales price index, this shows the overall patterns of property market over the last around 20 years.

In order to understand the later part of the DDCP, it is necessary to briefly review characteristics of shopping mall development in general. Commercial real estate development, including retail shopping malls, tends to incorporate greater capital and financial risk or leverage than residential development (Marylhurst University Online Degrees). Simultaneously commercial property development have relatively higher return at the expense of the higher risk, whereas property development tends to provide lower return (Koulizos). Even though economic values of both residential and commercial property are affected by many elements, for example location, future expectations in relation to the property, or accessibility, there is one important difference. Unlike residential properties that become to have use value, as well as exchange value, when they are completed, commercial properties do not have use value when they do not produce any profit from it. In contrast, when commercial properties are successful, the owners or investors can earn higher return. Additionally, each shop runner – either rentee or owner – can also expect GRG only when it is successful.

According to Kim (2011), many recent shopping malls are owned and managed by one company and lease or rent each shop to other companies or shop runner. This is because they can make strategies to manage the overall shopping mall and respond to market or other variables promptly. In this case, because overall sales from shops in a shopping mall is directly related to the owner company's profit, they strategically set a merchandise allocation plan. In contrast, in the case of the DDCP, each shop were sold to shop owners. In this case, it is not possible to make a strategic plan and reflect other changes swiftly. This model (build and sell each shops) certain had disadvantages and structurally had problems to compete with other competing shopping malls for the former type.

In terms of risk and return, in the case of the DDCP, if shopping mall come to be successful, each shop owner could make a great deal of profit, and the profit would be even larger because they initially purchase the shops with a special price. In contrast, if the shopping mall come to be a failure like the current DDCP, each shop owner would not be able to expect much value, as they cannot expect both use value and exchange value. This is because the shopping mall is owned by many individuals and because they are owned and run by them, they cannot collectively change to other business or shops easily. Therefore, even if each shop has its own potential use and exchange value, it

cannot be realisable unless the shopping mall become active and each shops can make profits.

These issues are also closely related to a question ‘how much the CGC merchants deserve’. As was discussed in 8.2.1.3, the issue of ‘how much they deserve’ is an issue that I do not discuss further in this research. Still, because the shopping mall was built for a *de facto* compensation for the merchants’ losses, it was argued that the project was for benefitting merchants by providing shops lower than market price that they would pay if they would purchase a shop without the special privileges. Therefore, the special privileges, especially the price, were in effect assumed as the ‘appropriate’ amount of compensation.

Here, three things are important to note. Firstly, the characteristics of the commercial property development discussed above made it difficult to secure ‘appropriate’ amount of profit for merchants stably. It was likely to be either a large amount of profit or a large amount of loss, even though they would purchase shops cheaper than market value. Secondly, no professional analysis about how much the project could expect profit, such as feasibility study, was conducted before and after the DDCP started. There was no comprehensive strategy for the development either. Although the SMG received advice from advisory groups, the first study about strategies for vitalising the market was conducted in March 2008 for 60 days (Prime Industry Limited, 2008). As was mentioned earlier, at the initial stage, the SMG was quite confident in success of the project until the failure was actually realised. This shows the lack of strategic plan for the shopping mall development, which strongly affected the failure of the project.

Thirdly, for the reason above, some property development experts found primary reason for the failure of this project from the lack of strategy, as well as stepping off on the wrong foot – selling shops to individuals rather than owned and managed by a company (Kim, 2011). This diagnosis is indeed convincing, especially to analyse the failure of the Block A (see table 8.2), where many merchants consisted of retailers. However, I do not discuss this issue further in this thesis. This is because first and foremost, this diagnosis may be an appropriate explanation of the failure of the Block A, but not Blocks B and C, where most merchants were specialised wholesalers. Secondly, it would beyond the boundary of this thesis, because this issue can in-turn raise many

other fundamental questions starting with ‘what if’, for example, what if the merchants were agreed with renting the property for a long term instead of purchasing shops; or what if this project was led by a professional property investment company rather than the SMG.

Indeed, this diagnosis provides very important implications, particularly regarding advantageous and disadvantageous of the state and market in this type of urban development, which in turn can lead to discussion about role and limits of the state and market. However, my primary focus of this research will be limited to ‘why merchants did or could not move into the market’, based on an assumption that if they all moved into the market as was initially planned, the market would have been successful or at least much better than the final outcome that will be examined in 9.3.

9.2.2 Governance structure, and discussions and power relation between the merchants and the SMG / SHC during the construction of buildings in phase 3

9.2.2.1 Governance structure

After the building construction work began, it was SHC who mainly dealt with the DDCP issues as an implementer, whereas the SMG, as a higher-level institution, still supervised the SHC. Although the project was still under the overall supervision of the 2nd deputy mayor, there was a major change in a subordinate organization. The BPDRP was dismantled and merged to the ‘Balanced Development Bureau’ (hereafter BDB) in January 2007. This meant that the organisation dealt with the DDCP was degraded, in that the BPDRP, a bureau level organisation that took exclusive charge of the project under a 2nd or 3rd level official, was dismantled but the project was managed by the department level, under supervision of a 4th level official, and then directly supervised by the head of the BDB, a 1st level official. The reason for this reorganization was twofold: not much important roles were left for the project and this project was less important than other issues that the new mayor was focusing on. As can be seen in 9.2.2.2, this reorganisation resulted in reduced authority of the organisation mainly in charge.

In the field of the DDCP, most works were supervised by the SHC, more specifically under the 2nd development headquarters. Here, it is important to reflect on the characteristics of local public corporations in general, and the SHC more specifically. As

Kang (2012) demonstrates, local public corporations are established to perform public services that improve public welfare, yet at the same time, they are also concerned with efficiency or economic feasibility. Hence, they are operated differently from the public administration system, and adapted the public sector's operation system to a large extent. In order to secure the both pursuing public welfare and economic feasibility, their autonomy regarding management, finance, and labour relations are secured under the 'Local Public Enterprises Act' (Ibid, p.98).

In the case of the SHC, it was founded in 1989 and was 100% funded by the SMG (Ministry of Public Administration and Security, 2008). The corporation has implemented many types of SMG's public projects, e.g. public housing projects, however, according to an interview with an official, the corporation did not have any experience in developing a large-scale commercial property development. As an affiliated institution, they are directed by the Mayor of Seoul. The SHC is also required to attend inquiries or inspection in the SMC. After the delivery method was decided, as was examined in 8.2.5, most remaining issues were technical and required certain expertise. Even officials in the SMG could not fully understand much of technical issues, and a considerable amount of tasks regarding the DDCP, particularly related to the construction and technical issues, were delegated to the SHC. Hence, it was the SHC that managed most issues at the working level, with overall supervision of the SMG.

It is important to note that this later on resulted in blurred responsibilities for certain issues. As can be seen in the interview below, the SMG and the SHC neglected the merchants. Evasion of responsibility between the institutions and among officials can also be seen in the interview, especially from the term 'Ping-Pong':

"The SMG and the SHC are different. It [DDCP] was a promise of the SMG, and the SHC were merely in charge of the construction. Therefore, while it was being built, when I made an appeal in the SMG, they said 'go to the SHC'. ... Because SHC was an affiliated institution, when we requested something [to the SHC], ... since they were only in charge of the construction, they said go to the SMG when you have any requests. They tried not to deal with us. There were only one or two officials in charge of the project because they delegated most processes to the SHC, and thus played a Ping-Pong by saying 'talk to the SHC'. We could not have proper discussions." (Interview with an advisory member appointed by merchants)

From the merchants' side, there were continuous great and small internal conflicts, as was discussed in 8.2.2.1, and thus had no uniform voice. There was not a significant change in the CMCM, and the ten representatives still played major roles in discussing issues with the SMG. Because issues were very technical and needed special expertise to understand, they appointed two advisory members: Dr. Lee³, whose expertise was distribution and commerce (appointed in 2006) and Mr. Jung, whose expertise was building construction (appointed in 2007). The representatives started to attend meetings with the advisory members. Yet, at this time, the relation between the SMG and the representatives drifted apart, and the SMG did not take into account the merchants' opinions. This resulted in a significant power imbalance and accumulated distrust. It is worth noting that because the FMCM was a federation without a well-organised structure, e.g. with regular membership fee and well-systematised governing system, there were internal conflicts within the FMCM when they appointed the advisory members. Hence, they could not make any payment to the advisory members, although they promised they would pay later when the DDCP finished satisfactorily.

9.2.2.2 Discussions and power relations between the merchants and the SMG / SHC during the construction

As was examined in 8.2.2.2, there was a significant power imbalance between the two groups, especially after the construction of the CRP started. The reasons for the imbalance were primarily structural. Firstly, this project was not required by the law but a gift. This project was based on political and moral obligation rather than legal. However, this political and moral obligation became faint as time passed, especially when the mayor and officials changed. Furthermore, as was discussed in 8.2.5.1, merchants at this stage did not have any legal rights to intervene the construction process, as they did not pay any type of deposit or made any legal contract in relation to the project. However, these meant they did not have any legal right to claim, and this affected power relations with construction companies, the SMC, and the SMG. The SMG was relatively more responsive than the other two, because the SMG had political and moral obligations, as

³ I would like to do not use the full name of the consultants as it might cause disadvantages to them in the future.

well as because they were the creditor. Yet, construction companies did not have any legal or moral obligation to listen to merchants' requests.

In general, power gap between the merchants and other groups widen as time passed, and during Phase 3, the imbalance of power between the groups was even larger than previous phases. During this phase, there were not much issues that merchants could intervene on, as many issues were quite technical, and also merchants' knowledge and opinion was disregarded. Furthermore, trust between the groups collapsed and the SMG was suspicious of the merchants' real intentions behind requests, particularly related to the issue of real estate speculation, and as will be explained in 9.2.5, special conditions were made due to this concern. In a situation of accumulated distrust and dissatisfaction, as well as a severance of shared understanding of previous contexts, parties started blaming each other and cooperation was virtually ruptured. Consequently, although formally there were discussions - more precisely, requests -, the effectiveness of these was weak. For these reasons, merchants felt a sense of betrayal. During Phase 1, even the 2nd deputy mayor was friendly and respectful. They could feel that officials did their best within their administrative discretion. This became less as time passed, and especially in phase three under the new mayor, the attitude of the officials were much less respectful and responsive than before, and often their manners were even high-handed.

In contrast, from the officials' perspective, especially those who were involved in Phase 2 and 3 but were not during Phase 1, they could not understand the attitude of the merchants. As was reviewed in Chapter 4, the authoritarian culture has remained in public administration, and officials dealing with the private sector generally stood in a dominant position. Yet, the merchants in the DDCP were quite different from other groups that they had been dealing with:

“Wow... they were really something. ... They were kings. When they were not satisfied with something, they just ran into the 2nd deputy mayor's room, and people said they sat down on the deputy mayor's desk and so on. They were really something.”
(Interview with an official)

It does seem that sometimes when merchants were not satisfied, they were at times aggressive, which also can be seen in a representative's remarks:

“When there was a meeting in Dong-bo-sung⁴, the deputy mayor was hit⁵ by me with this [ashtray]. I said I won’t participate anymore.” (Interview with a representative)

Merchants’ attitude had been quite strong and tough from the beginning of the CRP, as can be seen in 7.3.2 that they first made a high position official kneel down when he first came to see MRs. Yet, it is worth noting that these attitudes were not common, but it happened only when there were severe conflicts. As will be shown in 9.2.5.3, inferring from an opinion of a high-level official, it seems that most of the time they were quite reasonable and polite.

Within this unfriendly and somewhat antagonistic environment, it was the weak who were disadvantaged and suffered more. As mentioned earlier, all the resources and authority were under control of the SMG, and merchants did not have any of them. Moreover, there were not much documented evidence that could prove their rights. As can be seen in the mayor’s remark in 7.3.2.3, requests of merchants to make a concrete agreement was refused. Throughout Phase 2, as well, not much official documents were produced and given to merchants. Many important decisions had been made by officials and announced furtively without proper documents. Even not all official CMCM meetings produced minutes, but only six out of more than three years of minutes of the meetings remain. Therefore, there was no way to prove their argument, but their arguments merely became claims without evidence. This antagonistic and distrust environment made it difficult to have close discussions. Merchants did not trust the officials and officials did not trust merchants. In addition, it is important to note that the aforementioned situation was a *tendency*, and it did not apply to all merchants and officials. Some, although not many, officials tried very hard to help merchants within their administrative discretion and authority.

9.2.3 Selection of construction consortium for building the three blocks and establishing working designs

9.2.3.1 Process of selecting the consortiums, and its effects on price and quality of the buildings

⁴ The name of a restaurant.

⁵ In my perspective, this was not true, and was exaggerated. However, this interview shows a scenery of their attitude.

After the announcement of the construction request on 15th May, 2006, various consortiums applied, three for building A, three for building B, and four for building C. After Mayor Oh started his mayoral term, Choi, Chang-shik was appointed as the 2nd deputy mayor, in charge of the overall supervision of the DDCP. According to MRs, from this moment, there was a considerable change in the attitudes of the officials. Merchants, either who supported the public development method or association development method, did not expect that they would lose their power in decision making processes afterwards. Prior to examination of the process of selection of construction consortiums, it is worth noting that all the factors about this selection system discussed in this thesis are based on a manual produced in 2006 by the Ministry of Construction & Transportation (2006).

Proposals with basic designs for the buildings were submitted on 23rd August 2006, and the evaluations of proposals and selections of consortiums of each block were conducted for three consecutive days from 19th to 21st September 2006. This process was under the overall supervision of the SMG, managed by the Department of Technical Evaluation. Here, it is important to understand the process of the evaluation of proposals. In order to secure the fairness of the evaluation process and to prevent corruption, with an assumption that by doing so, it is possible to choose the best proposal (among the submitted), the panel of judges were chosen from a pool consisting of a large number of professionals from relevant fields. Composition of the panel of judges, i.e. on which fields and how many professionals in each field were needed, was decided within the Department of Technical Evaluation. After then, professionals were selected purely randomly within the pool, and in principle, no one knows – even the officials in the department – who will be chosen as the judges. This way of selecting was mainly designed to prevent corruption and bribery.

Under this selection system of design-build methods, after the submission of the proposals, a technical committee (see table 9.1) made common questions to ask to the consortiums on the date of evaluation through a deliberation process, and the questions were informed to the consortiums three days before the evaluation date. On the date of evaluation, these questions were answered in the evaluation debate, and the technical committees could also ask additional questions on consortiums' presentations. Based on the consortiums' presentation and answers to questions of the technical committee, the evaluation scored the proposals, and the consortium for each block that receiving highest score was selected.

This way of evaluation emphasising fairness, however, had several problems or weaknesses. Firstly, it could not guarantee the quality of the professionals. They were chosen randomly, not merit based. Therefore, although they were a professional of a field, for example architecture, landscape, or civil engineering, there was a possibility that the chosen professionals were not fit for the specific area of each case. In other words, it was questionable whether the chosen professionals were the right people to choose best proposals.

Secondly and more fundamentally, there was a critical flaw in the system of the evaluation related to the evaluation committee. The panel of judges for each project consisted of a technical committee and evaluation committee, and the professionals who actually give scores on proposals, the evaluation committee. A technical committee is a professional committee for a particular project consisting of relevant professionals. They are chosen about a month before the evaluation process for thorough deliberation about the proposals, and they are chosen, largely in a randomly basis. They play a role of assistant of an evaluation committee in order to make a good decision on the date of evaluation. An evaluation committee is also a professional committee for a particular project, and because they actually give scores in an evaluation process, they are chosen more strictly. It is stated that they are chosen the day before or the day, purely in a randomly basis. On the day, the members of evaluation committee give scores companies give presentations, with question and answer sessions with the technical committee.

The critical flaw derived from the qualification of professionals of the evaluation committee, which “professionals who have expertise or ample experience related to construction related fields” (Ministry of Construction & Transportation, 2006, p.5). Based on this regulation, members of the evaluation committee was randomly chosen from fields related to the construction, such as architecture, machinery, electricity, landscape, and civil engineering (see table 9.1). In contrast, there were no member of the evaluation committee who could evaluate other aspects than related to the construction, for instance political aspects or any other policy aspects. Therefore, in this evaluation, there was no room for evaluating the purpose of the project, i.e. *what this project was for*. Moreover, the key for success of the project, here means the vitalisation of the market, was not merely about engineering, architecture or design issues about buildings. Rather, it, particularly for the Block A focusing on retails, was about the flow of human traffic and merchandise design of the malls. Yet, as can be seen in table 9.1, all the judges were from

fields of architecture or engineering for evaluating technical issues, not political, policy related, or market vitalisation.

Table 9.1 Panel of judges for each block (the composition of the fields of professionals in each block are the same) (source: an official answer to a request of information disclosure)

	Technical committee	Evaluation committee
Field	Number	Number (detail composition)
Architecture	8	5 (officials:2, academic:3)
Machinery	2	1 (government official)
Electricity	2	1 (academic)
Landscape	2	1 (official)
Civil engineering	2	2 (official:1, academic:1)
Distribution	2	
Total number	18	10

This was mainly because this public development method was designed for public procurement, mainly to choose construction or design companies for projects like building government offices or infrastructure buildings, e.g. tunnel or bridges. Because they are not commercial projects, there would be no need to consider vitalisation or more political or policy issues, which in this case were about telos of the projects. In other words, whether the buildings would be good or fit for the merchants in non-engineering aspects was not their main concern in judging the proposals in this evaluation process.

Moreover, as was reviewed in 8.2.5.2, the design-build method has a substantial disadvantage, in that the method is vulnerable to corruption. Despite the aforementioned efforts to make a fair judgement, the method led to many bribery cases. Major construction companies has procured the entire lists of judges and ‘managed’ them, by providing vouchers or cash, or by requesting research projects that were not particularly necessary but with high price. This was because many projects decided by the design-build methods were large-scale and higher value-added for companies, and large part of evaluations were made qualitatively, in this case 45% (see 8.2.5.2). In fact, a significant bribery incident happened in the DDCP, and 11 judges were under indictment (Prosecutor's Office, 2008). It was sentenced that even though it was not proven that the

bribe was generated systemically by the construction companies⁶, “The justice department, however, recognised and gave the guilty verdict that they exchanged money and valuables in exchange of the selections of the constructors” (Kim, 2009).

The most important issue for merchants – price – was neither the only nor the most important factor in the evaluation. Therefore, in order to gain a higher score but maximise the consortiums’ profit, the consortiums added many ‘unnecessary’ items which were not essential but could increase price, for example high quality central hall with nude lifts in Block B (figure 9.4), the building of which is for manufacturing; solar energy panels on Block C (figure 9.5); an indoor garden on a storage floor in Block C (figure 9.6); and roof gardens on Block A and B (figure 9.7). Those facilities was expected to be beneficial for constructors, in that with consideration of Mayor Oh’s main focus in his administration, i.e. design, environment, it would have improved the possibilities to receive higher scores in the evaluation process. ‘New technologies’⁷ were also used in the constructions of buildings, and by using the new technologies, construction companies could obtain a higher score in evaluation and could increase cost (Anti-Corruption & Civil Rights Commission of Korea, 2010).

It also could be argued that to certain extent, these were ‘desirable’ for the SMG and from the public interest’s perspective. The proposals with these elements would contribute to improved urban natural and physical environments. Constructors could apply new technologies, and thus the experience would contribute to enhancing their technological competitiveness. However, the problem was all of the costs were added on the cost for construction, which in the end were charged to merchants. According to the official ‘Garden Five’⁸ website, “more than 5% of the entire building construction cost were spent for installation of facilities for new renewable energies” through solar energy panel or geothermal heat (Garden Five, 2008).

⁶ Legally, this was related to issues of ‘joint penal provisions’, which has been very controversial in the Constitutional Court, an institution of which deals only with the Constitutional law. In the Supreme Court, it was sentenced that the money was generated by the employees of construction companies without involvement of companies, and therefore, it seems that only employees were sentenced for dereliction and embezzlement.

⁷ Certain technologies are designated as ‘new technologies’ by the government.

⁸ The official name of the DDGP which was given in 2008. This name was made through a consulting as one of marketing strategies.

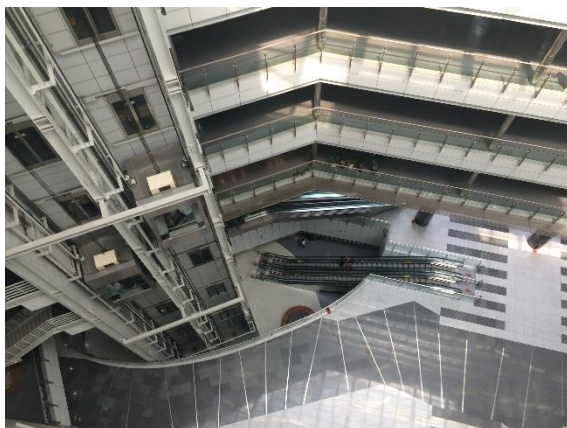


Figure 9.4 High quality central hall with nude lifts in Block B (source: author)

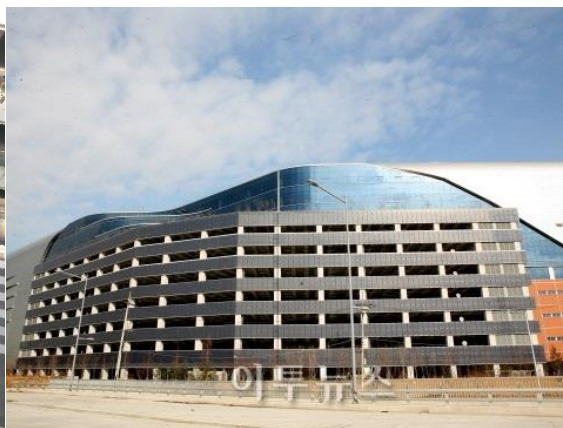


Figure 9.5 Solar Energy Panel on block C (source: E2news)



Figure 9.6 An indoor garden on a storage floor in block C (source: author)



Figure 9.7 Roof gardens on block A and B (Source: Daum Map)

Yet, according to an advisory member appointed by merchants, there was no need to apply the ‘new technologies’, from the merchants’ perspective. He argued that according to a law, “when the ‘new technology’ is applied in turn-key⁹ construction projects, it is not possible to increase or decrease the price but to reflect all the cost in what companies proposed”. Moreover, he found many cases of changing materials, which was fraud in a legal sense. For example, in the company’s proposal, they suggested that expensive materials would be used in certain parts, yet when he visited the actual site with representatives, he found many cases of using cheap materials, as can be seen:

⁹ A term ‘turn-key’ is used in Korea, and is the same as ‘design-build’.

“They changed many materials, most of which to considerably cheaper ones. For example, in specification, they wrote they are going to use materials made in Italy. Yet, they actually used materials made in China that imitated their forms.”

With representatives, he tried to tackle this problem, however, failed. It was mainly because of the indifference of officials and their evasion of responsibility. He and the merchants also did not have sufficient power to effectively confront the issues within the governance system at this time either, as can be seen below:

“When I made appear, they said ‘I will check it’ and that was it. Even when I appeared very in detail and even when I made appears about very technical issues, they didn’t really care. They just said a few words to people who are in charge of inspection or technical examination. Then, they just said ‘this is better quality than the previous one’ and that was it. I sent a letter like ‘in terms of price and quality, this is certainly worse than the original one, but why has it been changed?’ Then, there was no reply. When there were unfavourable issues to them, they just did not reply.”

What was crucial here is that these buildings were designed excessively from the start, planning to use unnecessary materials for merchants. Those materials actually were not being used but replaced with other cheaper materials. Although it was a serious moral problem, functionally, there has not been a serious problem yet caused by using cheaper materials. Other aforementioned unnecessary facilities that increased cost were also installed without taking into account the merchants’ priorities.

Fundamentally, these were caused by the ‘wrong’ standards and expected construction budget established by the SMG, which was based on wrote *judgements* (see 8.2.5.2). If they set them more carefully with consideration of the *telos* of the project and affordability for merchants, they would not have set them as they did. They could have made a different examination standard and increased the score for price, which was 35%. They should have reduced the expected construction budget significantly, so that more merchants could have moved into the building. Furthermore, the SMG should have supervised the process of the evaluation more thoroughly. This kind of corruption was not new since the design-build method was introduced in Korea (Park, 2013). If it was difficult to manage or supervise within the system of the time, they should have considered different methods. Because of the corruption, it was likely that inferior proposals were chosen.

Finally, a question arose. Why merchants did not participate in the evaluation process? In fact, merchants wanted to participate in the evaluation process and strongly requested to do so. However, as can be seen in the interview below, they could not participate for two reasons. First the SMG was concerned about corruption in the evaluation process. Secondly it was related to the issue of ‘who knows best’: from the SMG’s perspective, because merchants were not appropriate people who had capacity to evaluate properly, they were excluded:

“We let the representatives participate in the designing process. Then, when we select constructors, rumours spread that representatives were going to participated in the evaluation process. ... Then the consortiums visited the representatives with maps and explained, which meant they lobbied their proposals because it was known that the representatives were going to participate in. Yet, you know that lobbies generally generates noise? There were probably some kind of confirmations like ‘don’t worry, if I participate in, I will choose this’. We heard that kind of noise. ... Moreover, they were not professionals, but merchants. That’s why they shouldn’t be participate in the panel of judges. ... Proposals selected by professionals of relevant fields would be good, while it would not be right that merchants chose proposals subjectively, saying ‘this is good’. There were no professionals among the merchants, and that’s why they were excluded. It was not there area of expertise, and the process should have done by professionals.” (Interview with a high-level official)

Merchants, however, analysed the situation in a different way. It is virtually impossible to find out whether merchants actually had any intention to receive any type of bribe. Yet, from multiple interviews with representatives, merchants’ arguments focused on one issue: only Daewoo and Samsung actually made efforts to gather the opinions of merchants, and only their proposals applied the merchants’ needs.

“In bidding process, in the block A, there were three consortiums, which were Daewoo, Samsung, and GS¹⁰. Daewoo and Samsung installed a camp in the CGC [market] with higher than director level. Especially in the case of the Daewoo, an executive director ‘lived’¹¹ here. In terms of Daewoo’s design, the merchandising design was made by

¹⁰ The official name of the companies are respectively: Daewoo is Daewoo Engineering & Construction, Samsung Construction & Trading Corporation, and GS Engineering and Construction. All the three companies are major construction companies in Korea.

¹¹ An emphasising expression, and it means stayed in the area for a long time or be a constant visitor.

Nomura¹². They collaborated with us more than one month and visited all types of businesses. ... We thought the Daewoo's plan was better than the other two. When we see the building built by GS, there are a lot of pillars, the size of which is 120x120cm, and are stuck in every shops. Daewoo was much better, there were only handful of pillars stuck in each shop. What this mean is they carefully thought about the merchandising plan and flow of human and applied them in the design.” (Interview with a MR)

“There were three proposals. Yet, GS hadn't sought any advice from us, for example what kind of shops do you want or how do you think about merchandising design. We met Daewoo and Samsung often and exchanged opinions, and they tried to listen to our opinions. ... Yet, GS was chosen that we hadn't seen any of their face. ... We thought among the two, Daewoo was better than Samsung. It was also much cheaper.” (Interview with a MR)

Here, I do not evaluate about issues of ‘who know best’ and how much professional knowledge and lay knowledge should have been taken into account in the selection process. Different planning theories emphasises different types of knowledge, especially between professional knowledge and lay knowledge (e.g. Alexander, 2013, Healey, 2006). In principle, a process of selecting a construction company should be designed case by case based on situated ethical judgement. It is important to see, however, effects of this selection process. In the evaluation process in the DDCP, merchants' lay knowledge based on their everyday business experience was not reflected enough. This was partly¹³ due to the Korean design-built selection system, and also partly because, as could be seen in the interview, the officials who were in charge of this process thought professionals knew far better than merchants, whereas he disregarded the merchants' lay knowledge.

9.2.3.2 Establishing working designs for the buildings after the selection of consortiums and setting up merchandise plans

¹² Its official name is Nomura Real Estate Development, and this is a Japanese company specialised in commercial property, including retail mall design.

¹³ The reason I wrote ‘partly’ is because even though, by law, merchants could not be a member of judges, their knowledge could have been reflected through communicating with the technical committee.

At this stage merchant learned about the number of storeys for the buildings after the proposals were chosen. However, there were nothing to do about the storeys at this stage, even though the buildings were higher than they had thought until this time. There were not many issues left to decide at this stage except two that are examined below: setting up working designs for the buildings and setting up merchandise plans for each building. This process is reviewed because it provides important implications for price and failure of the project.

The fast-track construction method based on the design-build method was used in order to save time for the construction. Under this method, “the contract is signed prior to the completion of working designs, and ex post facto amendment contract is made that substitutes statement of items” (Lee, 2014a, p.14). In other words, a proposal with the basic plan for the building is chosen in the evaluation process. Based on the basic plan, construction starts simultaneously with setting up the working design. For this reason, depending on changing plans during the construction, price can be changed. In the DDCP, there were three times of amendments of the construction contract, and prices of each building increased every time. The detail price is examined further in 9.2.6, however, it is important to note why the change was made. Allegedly, according to the SHC, the changes were made mainly because they accepted the merchants’ demands (SH Corporation, 2009a).

Yet, according to representatives in interviews, they did not demand something “ridiculous”, but mainly essentials so that their types of businesses could move in. For example, there was a demand from a representative of the ‘birds and aquarium’ group, which was about increasing electricity capacity and water supply and an outlet system for their type of business. It seemed that many of the amendments could have been expected and reflected in the construction ordering process. As long as there were proper processes to gather opinions from merchants and examinations of professionals, many unnecessary amendments could have been avoided and costs could have been saved.

Another issue at this stage was about setting up the merchandise plan. This was a serious issue accompanied by significant conflicts, because it was very closely related to the types of businesses’ interests. Taking into account a widely referred aphorism among property experts regarding three most important factors in desirability of a property ‘location, location, location’, it was understandable why merchants were very sensitive

to the issue. At the time when the price was not announced, all types of businesses wanted to occupy ground or underground¹⁴ floors close to the metro station (Unpublished working paper of the SMG, 2010). It seems that conflicts were particularly serious in Block A (see figure 8.5, table 8.2). This was because: most businesses were retail; and the building was directly connected to the subway station, and thus depending on locations, the value of shops would differ higher than other blocks. Generally, the merchandise plan is a critical issue that directly related to what makes or breaks of an entire retail shopping mall project (Kim, 2011), and hence, seeking only individuals' interests was likely to result in loss of everyone in each building and the entire relocation market. Therefore, there were discussions among the representatives with the aid of professionals. According to an interview with an official, because this was very sensitive issue for each type of business, professionals could not "dare to" be involved very deeply, as it might bring about severe oppositions of other groups.

Because of this 'political process' when designing the merchandise plan, the plan was not able to be established purely rationally in instrumental or economic sense (see Alexander, 2000), which was arguably necessary for this type of commercial property development. This was inevitable because this project started with a specific purpose, i.e. relocation of the CGC merchants, and therefore there were already 'stakeholders' having certain interests. In this respect, the DDCP was different from the usual type of retail commercial development. Shopping mall development is a high risk property development (see 9.2.1.3), and most retail shopping malls are developed under very careful strategies, including plans for the location of the mall, merchandise design, and advertisement plan, under a developer (or a developer group) with their exclusive responsibility and authority in order to maximise the possibility of its economic success (Kim, 2011, pp.174-206). In particular, setting up a good merchandise design with a careful design of the flow of human traffic is one of the critical issues in shopping mall design (Ibid). However, since the start of this project, it was structurally very difficult to set up the merchandise design purely under the instrumental rationality in order to maximise the interests of the entire shopping mall.

¹⁴ Underground floors of all the buildings are directly connected to the Jang-ji subway station (see 8.2.1.1).

9.2.4 Distribution facilities and Vitalisation complex

9.2.4.1 Distribution Facilities

Meanwhile, the other sub-projects that together constitute the DDCCP – distribution facilities and vitalisation complex, respectively zone 3 and zone 1 in figure 8.5 – were making slow progresses, all of which were agreed to be completed by 2007 (table 7.10). Merchants, especially wholesale businesses, needed storage space, and it was planned that those spaces would be located in zone 3 together with distribution facilities. The distribution facilities, such as cargo or distribution terminals (table 8.3), would have been beneficial to wholesale industries, in that their businesses were selling their goods in large quantities to all over the country (see 6.4). The project was announced in November 2004¹⁵ and was going to finish by 2007.

According to Oh (2009a, b), initially, many logistic companies were interested in this project. Yet, there were delays without clear reasons, especially after Mayor Oh started his term. Suggested proposals at the initial stage were functional, so that companies could maximise the profits (figure 9.8). At this time, the facilities were to be made with five overground levels and one or two underground levels (600% of floor area ratio). However, suddenly in January 2009, the SMG suggested different design guidelines with a sample design (figure 9.9). This design guideline was far from functional: it was two overground levels and three underground levels, and the two overground levels were not even for the distributional purposes but for park and exhibition centre. Due to this design change, profitability decreased significantly. Hence, the project stopped until 2011 when the design changed to figure 9.10, which is the similar to the initial one (figure 9.8). This is now under construction, and will be finished by 2014. This delay caused mainly by Mayor Oh's different policy priorities.



¹⁵ At the same time when the DDCCP was announced. See figure 8.8 for the land-use plan.

Figure 9.8 A plan suggested by a consortium (Source: unpublished working paper of the SMG, 2010)

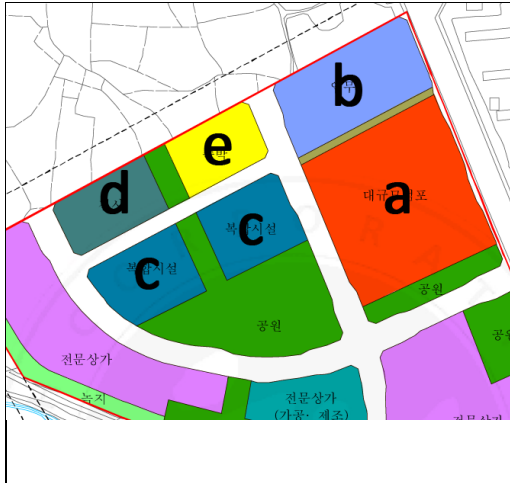
Figure 9.9 A sample design suggested by the SDI (Source: unpublished working paper of the SMG, 2010)

Figure 9.10 The accepted final design (Seong, 2013)

9.2.4.2 Vitalisation Complex

The Vitalisation Complex (Zone 1 in figure 8.5) was to be generated with an area of 101,781m² (except public facilities such as roads and parks) in order to facilitate vitalisation of the relocation market. This complex was discussed before the agreement was made, with a basis that in order to vitalise the relocation market, it would be necessary to provide some facilities that would be able to attract customers to the area. Yet, it is worth noting that, at the time, there was no formal in-depth discussion about the Vitalisation Complex, but the discussion remained merely at a ‘mentioning’ level. What was more important, although there was some *advice* from professionals including urban planners that it would be needed some kinds of facilities to vitalise the market, there were no proper professional study about what kind of facilities and how much size would be needed, and how much making this complex would be effective to vitalise the market. The effectiveness of the Vitalisation Complex was also questioned by merchants in a CMCM meeting (Seoul Metropolitan Government, 2005d), and there was no proper reply to this question.

Figure 9.11 Implementation plan for the Vitalisation Complex and initial plan for its usage (Source: Seoul Metropolitan Government, 2005a, 2007)

	Land use	Preferred usage	
	a	Large-scale shopping mall	Outlet mall, large supermarket, education
	b	Office	Office, officetel ¹⁶
	c	Complex development	Movie theatre, sales or office facilities
	d	Convention facilities	Convention, conference, and concert hall, Office facilities
	e	Accommodations	Hotel and additional facilities

¹⁶ Combining of office and studio.

Meanwhile the plans for the DDCP were shaped. In January 2005, it was emphasised in a meeting by a 2nd level official that “All the commercial facilities, supporting facilities, distribution facilities, and Vitalisation Complex are to be developed simultaneously, and in order to vitalise the market, the relocation market should not be developed on its own” (Seoul Metropolitan Government, 2005d). However, compared to the progress of the relocation market development, there has been significant delay in developing the vitalisation market. Despite the SMG’s awareness that it was necessary to develop together with the relocation market in order to facilitate vitalising it, it was not until 2007 when there was progress. A basic level investigation of circumstances and preferable usage of each unit of land was undertaken in May 2007 (Seoul Metropolitan Government, 2007), which was one year before the completion of the relocation market. In September 2009, a study result (SH Corporation, 2009b) was generated regarding market research and proposed development alternatives. Yet, there was no careful consideration of how to facilitate the relocation market that was already generated at this time. As a result of the study, a large-scale shopping mall and cultural, conventional, and accommodation facilities were planned (figure 9.11) (SH Corporation, 2010).

However, the preconditions when the SMG dispose the land relaxed considerably as time passed. For example, in the complex facilities, it was required to generate “among the accommodation facilities, culture and conference facilities, include conventional or concert facilities” (SH Corporation, 2010, p.9) as a pre-condition of the disposition of the land. Yet, due to the relaxed regulation, they are now being built as ‘officetel’, which are actually very close to studio flats. Consequently, there were several problems related to its plan and development. Firstly, the effectiveness of the Vitalisation Complex to facilitate the vitalisation of the relocation market was questionable. Secondly, although it was supposed to be finished in 2007, it was not until 2007 that a plan for disposition of land was generated. Thirdly, the telos of the site faded away, and there was a significant decrease in the size of facilities for hotel or convention centre. Instead, many studio apartments have been built in the site, and it has not and also seemingly will not be able to perform vitalisation function properly.

9.2.5 Special conditions, inflexible regulations about sales of shops, omens of failure, and inflexible, top-down and authoritarian governing style

9.2.5.1 Three special conditions and issues of 'right amount and legitimate' profit

On 28th October 2007, three special conditions were decided by the SMG and the SMC, and announced on 14th December 2007 to representatives in an information session. It is important to note that the three special conditions stemmed from the issue of relocation scrutinised in 8.2.3. Later on, this special condition came to be one of the key direct reasons for the failure of the DDCP.

As can be seen in table 9.2, the special conditions included restriction on resale of the shops, compulsory closing down the shops in the GCG market, and restriction on running another business apart from one in the relocation market. There were five reasons for the SMG to set up the three special conditions: 1. to prevent speculation in real estate by selling the shops provided with special privileges, in order to restrict possibilities of unearned and unjust benefit to merchants; 2. vitalising the relocation market by making merchants focus only on shops in the DDCP; 3. to facilitate redevelopment of the current CGC market area after merchant relocated to the DDCP; 4. to induce relocation of the 'inappropriate types of business for the city centre' and prevent moving back to the city centre (see 6.4.1.2); 5. To secure fairness because it would be unfair if merchants who received a shop with special privileges can also run their existing businesses (Seoul Metropolitan Council, 2006, 2008).

Table 9.2 Three special conditions (Source: unpublished working paper of the SMG, seen by the author, 2010)

1	Restriction on resale of the shops in the DDCP for three years from the date of making contract
2	Compulsory closing down the current shops in the CGC market within three months after the coming to the CGC
3	Restriction on running another business apart from one in the relocation market (between the date of closing down the shop in the CGC market and when the restriction on resale finishes)

Among the five reasons, from the SMG's perspective, the first and fifth issues were related to issues of fairness and justice. The two issues could generate politically sensitive issues, which could have been related to preferential distribution. This

preferential distribution generally could be politically sensitive, especially if the relocation market would have been very successful and merchants could have obtained a large amount of profit from its margin when they resold their shops. However, what was important, there was no pre-discussion with merchants about the special conditions, but was made by the SMG and the SMC only by themselves and suddenly announced to merchants. Including the third reason, the justifications by themselves may be able to be evaluated as just and good for the merchants, the process was certainly not. Moreover, despite the initial justifications of the SMG, it was also questionable whether the conditions were appropriate and effective means to achieve the justifications. This is discussed in the following this sub-section.

9.2.5.2 Merchants' opposition against the special conditions

Because there was no discussion with merchants before, from the merchants' perspective, it was a sudden and shocking notification. As was noted in 8.2.3.2, the relocation, which means moving to the new market and closing the previous shop, had already started to be mentioned by Mayor Lee during phase 1, although this was not confirmed at that stage. Even though the relocation started to be discussed in Phase 2, merchants generally understood that even though it was written as 'relocation' on official documents, there would be ways to keep their current shops at the time. Since there was no document produces that could prove this, merchants in interviews claimed that officials told them they would not need to actually relocate later on. As was reviewed in 8.2.3, although it is not possible to know their real purpose for stating the term 'relocation', from the SMG's perspective, it was necessary to sort out people who actually wanted to move in from people who wanted shops for speculation, and this probably would have been the primary reason. It could also have been because they were worrying about the issue of preferential distribution, as was shown above.

Later on, there had been internal discussions within the SMG about special conditions based on the five reasons mentioned in 9.2.5.1, and councillors did not call this into question at a committee meeting in the SMC (Seoul Metropolitan Council, 2006). In fact, according to other proceedings afterwards, they also agreed that it would be neither desirable nor fair if merchants did not relocate and run both the previous shop and the shop in the DDCP. This can be an indication that there was no people who represent

the interest of the CGC merchants in the SMC. If there was, the SMG's plan would have been questioned or been informed to merchants so that they could appeal to the plan. Yet, merchants did not know this plan and discussion until 14th December 2007¹⁷.

For merchants, it was a very sudden notification, and for the majority merchants in Block A, especially for the merchants working in the Dong-dae-mun area, it was a very difficult condition to accept (see 6.4.3.3). This meant they had to give up a considerable amount of tangible and intangible assets that they had accumulated, such as human and business networks with many regular customers. As was noted in 6.4.4 and 8.2.3.1, from the merchants' perspective, the vitalisation of the market was essential for them to be able to make profit from their businesses, and it was widely known that it would take 3-5 years to make the market vibrant. In other words, there would not be much profit until that time, whereas meanwhile they had to pay maintenance costs and bank interest for the money they would borrow to buy a shop. Taking into account that generally commercial property developments are indeed high-risk projects, it was also not certain whether the market could be vitalised despite their efforts in the future. Furthermore, the first article of the special condition meant that even if they realised that there would be no good prospect after their trial of running businesses, they would not be able to sell their shops for three years. These were too high risks for them to bear, as could be seen in the interviews below:

“Isn't it a common sense? GRG once attached to shops in the CGC market were around £57,800-£115,600. Shouldn't we have earned at least to afford instant noodle [in the CGC market] and make effort to vitalise here?” (Interview with a MR)

“Because the business environment in the CGC area came to be very different from the previous, and that's why we got benefit. I gave up all my GRG and tried to survive at here. If I would not be able to survive, shouldn't I come back here and live with earning money for eating food? (Interview with a MR)

For the reasons above, the announcement of the special conditions raised strong opposition of merchants, including hunger strikes. As a result of this strong opposition, the period for closing down the shops in the CGC market was extended before the

¹⁷ In various newspaper articles on 5th September 2006 (e.g. Yoo, 2006), it was written that these special conditions were notified to merchants. However, from various circumstance evidence, for example there was no follow-up articles regarding this issues; it was not became a social issue; all merchants interviewed argued that it was late 2007; and there were severe conflicts accompanying rallies and a hunger strike in early 2008, it seems that it was first announced on 14th December 2007.

beginning of sales of shops, from 3 months to 6 months, and subsequently to 1 year. Later on, when sales of the shops failed, the SMG and SHC changed several conditions, and this is discussed further in 9.3.

9.2.5.3 Omens of failure and inflexible, top-down and authoritarian style of public administration in the SMG in relation to the issue of special conditions

Already around this time, there were omens of failure for the project. In order to vitalise the market and be competitive, it was necessary to move to the relocation market collectively. However, as was discussed in 9.2.2.2, merchants who did not pay any deposit or made any legal commitment thought that they would not move to there unless they could expect a reasonable profit from it. Although they applied and participated, they were often excluded and disregarded, and therefore, it seems that they did not feel much responsibility for the project. They were merely waiting for the announcement of the price and were going to make a decision then. Indeed, under this high-risk situation, it was rational attitude in economic sense.

There was another regulation regarding this market: only one shop per a merchant was allowed. This was primarily because this project was regarded as a ‘preferential distribution’, and therefore, if merchants bought more than one shop with the special price, it could become a social and political issue. Because the location of the DDCP was very good, it was generally regarded that there would be a high possibility to make a profit from the resale of the shops.

However, it is important to note that vacant shops are not good for attracting customers to the mall and vitalising a market, as can be seen from a newspaper article:

“In malls in the Dong-dae-mun market, there are fake shops. Although those are vacant shops, in order not to be found that they are vacant, merchants put some goods there.”
(Seong and Park, 2003)

Therefore, merchants requested to be allowed to be able to buy multiple shops for merchants who could afford to. This however, was refused by the SMG due to the aforementioned reason. Yet, officials who were working close to the merchants also noticed these omens, and therefore, the department in charge of the relocation policy tried to amend some policies:

“The occupancy rate should have been higher than 80-90%. Yet, when I listened to what they said, they wouldn’t move in if it would be expensive. Moreover, because there was a regulation that only one shop per one merchants, in my opinion, quite many shops would be vacant. ... Think that it would not be vitalised. Then, when I calculated the price that the SMG had to take charge, it could be tens of millions of pound” (Interview with a high-level official)

He therefore proposed several times to his supervisors, however, most of his proposals were rejected.

“[They said] It would take 3-4 years to vitalise the market, and financial charge also would be around £3,500-4,000. How could they appropriate the expenses? Please allow to work in the CGC market. I also thought it was very reasonable, and tried to allow them to run both businesses for longer period. ... I therefore proposed several times to my supervisors but kept rejected.” (Ibid)

After several times of being rejected, since he thought merchants’ requests were very reasonable, he prepared a meeting between representatives and his supervisors, i.e. the 2nd deputy mayor and 1st level government official (see 9.2.2.1). He thought if they had an open and face to face discussion, merchants could convince the supervisors. However, as can be seen below, the effort eventually failed:

“I once prepared an overnight meeting for them [merchants], so that they could have a 2 days open discussion between around 100 merchants and my supervisors in the training centre of SMG. ... They [merchants] were not mere merchants whom we usually think like selling goods in a shop. Therefore, [I said] ‘Like you are talking to me, say it to the supervisors. Don’t be too emotional, and say it politely. Because they [supervisors] also have common knowledge, they might change their mind.’ ... The deputy mayor did not come and a 1st level official came. Even there, he misunderstood me that I was their side. I wasn’t. I just thought we would be able to solve the problem well. ... However, the next day, he [the 1st level supervisor] came to me and said it’s not possible.” (Ibid)

His supervisors were inflexible and directed him to follow the commitments made earlier in this project. They were quite authoritarian, in that they ordered their direction followed by their subordinate, and in the end they became angry as the official kept

proposing different opinions. They did not listen carefully to merchants and even a subordinate of a managerial level.

“The problem was officials, though I was one of them in my lifetime, were too inflexible and required follow the commitments made previously. There was no reason to help merchants when they said they were certain reasons. There was no reason to change laws, but just change their policy. See, although at first time, the buildings started to be built under a condition that one shop per one person. However, meanwhile many circumstances changed. There were people died, changed their jobs, quitted their businesses for certain reasons. Don’t you think there were many? ... Later on, they were kind of angry at me and I was scolded, because I was only advocating them. It was not advocating but I tried to save the taxpayers' precious money. Did they do like that if it was their money? ... I couldn’t understand them. What was more, I was not a minor employee, but a manager. I was so frustrated, then imagine how much the merchants were frustrated!” (Ibid)

After around 3-4 months, he retired from his post after continuous frustration and disappointment. Still at the time, the real estate business market was fine. However, a few months later, the market was depressed when the global financial crisis occurred (see 9.2.1.2). In my view, the SMG lost the last chance to vitalise the market, although it was already quite difficult at this stage. Two things are worth noting here. Firstly if BPDRP still existed and had higher administrative authority and discretion, the situation could have been improved. Secondly, many representatives pointed to the supervisors (the 2nd deputy mayor and a 1st level official) as two of the main figures who directly caused the failure.

9.2.6 Announcement of the price for each shop

9.2.6.1 Changes of design and increase in price and composition of the ‘production cost’

As was discussed, the buildings were built by using a fast-track construction method, and hence, depending on changing plans during the construction, the price could be changed. There were several times of design changes during the construction process, and there were four times changes of the contracts (table 9.3). These changes in design

were followed by increases in price, which were 4.0–9.1% including inflation rate, and according to Kim (2010b), this was higher than prescribed in relevant laws. To a certain extent, design changes were inevitable because there was no detailed design initially in this method of construction. Yet, whether they needed those many changes and those increases in price, as well as who wanted those changes, were still in question. Because the design change is a very technical area, I do not have enough resource and knowledge to evaluate this further.

Nevertheless, it is important to note that the process of design change was undemocratic, and merchants' requests were not taken into account much. To a question whether merchants' requests were taken into account the construction, an advisory member appointed by the merchants replied in an interview:

“No. I told you already, it was almost none. I sent them many official documents and letters. Their reply was very simple: I will consider it. ... Even though I put a lot of effort, if I had requested 10 things, only 1 was realise.”

More importantly, the initial price and the land cost could have been drawn out in 2006, and therefore, the anticipated price, at least of each block, could have been notified earlier. However, it was not notified until it was confirmed in the SMG, and it seems that the reason was related to issues of responsibility and the characteristics of public administration, in that once it was notified officially, they needed to take legal responsibility for the notification.

“At that time, because it was not internally confirmed, we couldn't open to the public. It was quite burdensome to me as well to announce it.” (Interview with a high-level official)

Table 9.3 Change in price during the construction and 'production cost' for each block¹⁸ (SH Corporation, 2009a, edited by the author)

	Change in price during the construction			Land cost (million)	Construction cost + other various expenses (million)	'production cost' for each building (million)	'Production cost' for the CGC merchants (m ² ,
	Initial price ¹⁹ (million)	Final price after adjustment	Rate of increase				

¹⁸ Approximate values, rounded off to the nearest hundred thousand.

¹⁹ The proposed and selected prices when consortiums were chosen.

		nt (million)	ase (%)				average price)
Block A	£294.3	£321.1	9.1	£81.9	£363.9	£445.8	£1,047
Block B	£70.6	£73.4	4.0	£8.3	£78.5	£86.9	£729
Block C	£172.2	£181.3	5.3	£22.8	£205.7	£228.5	£837
Total	£537.1	£575.8		£113.0	£648.2	£761.2	

9.2.6.2 Announcement of the price for each shop and renunciation of shops by merchants

Price was finally announced in July 2008. The prices for each shop were calculated helped by relevant professional institutions. Prior to discussing this issue further, it is worth noting how the price was calculated and costs of detail items are still unrevealed as was mentioned in chapter 8. According to the SHC (2009a), the total cost for the construction of the site, which is the ‘production cost’, consisted of construction cost, land cost and ‘other various expenses’ (see table 9.3). The land cost includes cost for land preparation, and the ‘other various expenses’ includes capital expenses, share in court, indirect cost, VAT, and management expense.

As were mentioned several times in Chapters 7 and 8, it had not been agreed or discussed what the items of the ‘production cost’ were, and this is still unclear and not revealed to the public. As the detailed information of the price has not been opened to public and thus was not possible to know all the details, it is very important to note that unlike what was internally discussed during Phase 1 and early Phase 2 (see 8.2.1.3), it seems that the production cost included road construction costs, as was written in a report produced by the SMG (2009b, p.10).

Prices of each shops were calculated after processes of calibrations taking into account the location of shops and blocks. In terms of the price of land, Block A was more expensive than other blocks as it was close to the main road and linked to the subway station (table 9.3). In order to be fair, only up to around 23.1m² for the exclusive use (including area of common use space, the entire area sold was around 85.54m² in the case

of the block A) was provided to each merchant²⁰ who applied for relocation at the special price. According to the SMG, the average price per shop was around £104,046 (unpublished working paper of the SMG, 2010)²¹.

Table 9.4 Price for each shops (per merchants; for majority merchants in the block)
(Source: SH Corporation, 2008, edited by the author)

	Area of exclusive use space ²² (m ²)	Contracted Area ²³ (the entire area sold) (m ²)	Ratio of area for exclusive use	Lowest price per shop (£)	Highest price per shop (£)
Block A (based on 23.1m ² for the exclusive use)	22.68	66.95	33.88%	37,222 (level 8)	327,908 (ground floor)
Block B (based on 46.2m ² for the exclusive use)	46.35	146.08	31.73%	106,793 (almost the same regardless of floors)	
Block C (based on 23.1m ² for the exclusive use)	23.22	79.15	29.34%	63,439	248,712 ²⁴

This £104,046 as an average price was much higher than what merchants expected, which was around £34,700 – £57,800 (see 8.2.2.2). They thought some shops on the street level or at a good location would be around £57,800 and shops at a not desirable location could go down to less than £34,700. As can be seen in table 9.4, the price of some shops at good locations went up to £326,843, which was more than 5-9 times more expensive than they expected. Although it is not easy to calculate an average price for a shop, it seems that it was around twice more expensive than merchants expected. When the price

²⁰ There were a few exceptions. For some types of businesses which were recognised that their businesses in the CGC market was bigger than 23.1m² and needed more area than 23.1m², such as manufacturing, birds and aquarium, and freeze, were allowed to buy 46.35m² in around 2006. Yet, again in order to be fair, more than 23.1m² was provided with appraised value.

²¹ However, there is possibility that this is not precise and trustworthy information because details of the calculation is not provided. In the ‘price per shop’, some storages and small shops might be calculated together, and therefore, whether the provided price refers to the price of ‘standard’ shop (around 22.68m² – 46.35m², depending on types of business) is not certain.

²² This varies slightly shops by shops.

²³ This varies up to 20m² depending on levels.

²⁴ Some shops bigger than around 23.22m² was more expensive than this.

was announced, merchants were shocked and outraged by the considerably higher prices than they thought.

This could have meant a reduction of their ‘benefit’ that they expected through this project as a type of compensation. However, a more important issue was it was certainly unaffordable for the majority of merchants in the CGC market. As was reviewed in Chapter 6 and 7.2.3.1, most of them are not affluent. It was not only difficult for the majority of them to prepare the large amount of money, and even if they borrowed money from the bank, the interest was generally too much for them to pay back. This high price made the shops unaffordable for many merchants, and this had a knock-on effect. One of the most important source of competitiveness of the market was industrial eco-system, and therefore, unless many merchants moved to the relocation market collectively, it was difficult for the market to be successful. Many merchants gave up to buy a shop, and this decision affected others’ decision. In particular, when business magnates (big merchants) decided not to move there, many other merchants also gave up:

“I gave up right after the price was announced. ... Realistically, although some people could go there, there would have much more people who would not go. Then market would die. Among the 6000 merchants, at least 70-80% of them should have move there in order to vitalise it. People here had run business for more than 10 years know the answer right away. Not more than 20-30% would go there. ... No people who were, so-called, ‘professional business men’ in this market went there. ... Business magnates, who are very important to vitalise market, would never have moved to there, because they knew there is no possibility there.” (Interview with a MR of the C type of business)

9.2.6.3 Tracking the change of price over time

Arguably, price was the most important reason why merchants gave up in the end, and hence, it is important to review the change of price over time. Many merchants claimed in interviews that there was several times of informal announcement, saying the price for a shop (23.1m²) would be around £34,700 – £57,800. As was examined in 8.2.5.2, in October 2005, the SHC was expecting around £258.7million for constructing the three blocks. Yet, in May 2006, the price went up to £583.2million when the construction request was announced. Proposals were selected, and at the time when proposals were initially selected, the sum of the three blocks were £537.1million (table 9.3). Yet, due to

various design changes, this went up to £575.8. As a result, the price for a shop went up to much more than merchants had thought until the price was announced. Although the price varied depending on locations, prices of some shops at good locations went up to £326,843, which was more than 5-9 times more expensive than they expected (table 9.4). Although it is not easy to calculate an average price for a shop, it seems that it was around twice more expensive than merchants expected.

Subsequently, why the price went up to such a high price despite the merchants' strong demands for lowering the price. Firstly, although the road construction cost was not going to be included in the production cost, it was included in the end (see 8.2.1.3 and 9.2.6.2). Secondly, initially when the expected construction budget was announced, the price was far higher than understood among merchants. Already at this time, the price was almost decided and was too high for the majority merchants to afford (see 8.2.5.2). Thirdly, there was some issues related to corruption in the selection process (see 9.2.3.1), and this may have increased price of the market. Fourthly, deriving from the evaluation system of the design-build method and also the high expected initial construction budget, there were an excessive designs in three blocks with other unnecessary facilities and technologies that increased their costs (see 9.2.3.1). Finally, there were a number of design changes, which increased the cost of construction. These changes could have been avoided or reduced in number if the initial design was more carefully made (see 9.2.4.2 and 9.2.6.1).

9.3 An examination of the outcomes of the DDCP, and an overview of the outcomes of the CRP and the DDCP

9.3.1 An examination of the outcomes of the DDCP: complete failure of the relocation market

The construction of the buildings finished between October and December 2008, and before the completion of the buildings, between 5th and 14th August, there was an application process for selling the shops. During this period, 4,757 out of 6,097 merchants applied. Soon after, the selection process for shops in a raffle, there was the first application period between 17th November and 5th December 2008 (table 9.5). Shockingly, only 766 (12.0%) merchants made a final contract. It is important to note that in the

number of shops sold, storage room was included. Therefore, although I failed to receive an exact figure from the SHC, the number of shops sold for businesses purpose was lower than this (see table 9.6 for the aggregated number).

Table 9.5 Application periods for sale and quantity sold including storage room
(Source: made by the author, based on data from SH Corporation, 2009a)

Round	Period	Number of shops sold (or rent, which was relaxed from the 3 rd round)	Ratio (%)
1 st	17.11 – 5.12.2008	766	12.0
2 nd	11.12 – 19.12.2008	253	4.5
3 rd	19.01 – 06.02.2009	425	7.9
4 th	06.05 – 05.08.2009	962	11.6
Total		2,406 ²⁵	39.5

This was indeed a shocking result for the SMG and the SHC, and they urgently searched for measures to increase the sales. There was many discussions with merchants, and as a result, there was the 3rd relaxation of the special conditions and some measures for promoting sales were announced on 29th December 2014 (table 9.6). Unlike the two previous relaxations announced before the date of starting sales, which were partial and only relaxed a length of period for the closing shops in the CGC market, the 3rd relaxation was quite comprehensive and several measures and relaxations were announced. The period for restriction on resale of the shops in the DDCP was shortened from three years to two years. There was also relaxed the regulation for renting the shops, not sales. In principle, all shops were sold to merchants. Yet, some shops were rent to merchants only who were order than 65 year old, and this was relaxed to 60 in this relaxation. The SHC agreed to pay any interest above 5%. Buying more than one shop per merchant was also allowed, although it was provided at the appraised value.

Table 9.6 Relaxation of the special conditions and measures for promoting sales of shops (SH Corporation, 2009a, p.8, collected information by the author)

	Date	Relaxations and measures for promoting sales
1	24.07 .2008	• Extension of compulsory date for closing down shops in the CGC market: from 3 month after moving in → 6 month
2	09.10 .2008	• Extension of compulsory date for closing down shops in the CGC market: from 6 month after moving in → 1 year

²⁵ It seems that there were some people who cancelled the contract after this time. The number of shops sold or rent after the four rounds of sales are written in table 9.7.

3	29.12 .2008	• Shorten the period for restriction on resale: from 3 years → 2 years. • Relaxed regulation for rent: from older than 65 years → older than 60. • Paying any interest above 5% (from the date of paying the balance until the finishing date of restriction of resale) • Allowance for purchasing multiple shops for each merchant: providing with appraised value for extra shops per each merchant ('production cost' for up to one shop)
4	22.04 .2009	• Relaxed requirements for buying the shops: 6,097 merchants to all merchants running their business in the CGC area. • Shorten the period for restriction on resale: from 2 years → 1 year • Paying any interest: above 5% → above 4% • Up to three shops for each merchant was allowed with the 'production cost' • Allowance for rent to the entire CGC merchants: for 2 years and then sell with special price (the amount of rent for a year: the announced price for each shop multiple the interest rate on time deposits of the time; according to merchants, the amount of rent itself was quite low compared to other shops, the rent for a shop priced £115,600 was around £243/month).

After this 3rd round of relaxation of the special conditions, there was a 3rd round application period. However, unlike the SMG's expectations, only 425 merchants applied and made a contract. The shopping mall was going to open in April 2009, but it was postponed to July, 2009. Finally, there was a 4th round of relaxation of the special conditions with an announcement of some measures to promote sales, and this time it was very comprehensive and striking (table 9.6). They relaxed the application requirements, from only 6,097 merchants who applied and met certain requirements (see 8.2.3) to all merchants who were running their businesses in the CGC area (see figure 6.17). The period for restriction on resale of the shops in the DDCP was shortened from two years to one year, and they also lower the paying any interest, from above 5% to above 4%. Up to three shops for each merchant was allowed with the 'production cost'. Moreover, most importantly, rent was allowed to the entire CGC merchants for two years. Soon after the announcement of relaxation and several additional measures to promote sales and rent of shops, there was a 4th round of sales. However, despite the comprehensive relaxation and striking measures, only 962 merchants applied for a shop, including for rent.

Meanwhile, despite the special conditions, there were some merchants who re-sold their shops at the 1st round of sale, receiving a certain amount of premium. This was immoral of the merchants who sold their shops, in that not only because it was an un-

earned benefit, but also this would result in making it harder to vitalise the entire relocation market, as was mentioned in 9.2.5.2. However, it is important to note that although immoral, their behaviour could not be detached from the un-vitalised market. Although it is merely an assumption, if merchants thought they could earn enough profit from business in the relocation market and also can expect a good amount of GRG and sales margin in the future, the number of merchants who sold their shop before the official opening of the malls would have been much lower. It was an economically rational behaviour for the individual merchants.

Accordingly, as can be seen in table 9.7, around 33.2% of the entire shops were sold to the CGC merchants, and the number of shops sold or rented for businesses were around 28.3%. Block C was particularly serious, and only 6.1% of shops in the entire block were occupied. Some shops were resold to other people who were seeking profit through another resale, and some shops were sold for businesses but did not open due to the inactive market. Hence, the number of shops that were actually running businesses was even lower. As can be seen in table 9.8, the number of merchants who actually moved in and were running business was much lower than the contracts made. In the entire buildings, only tens of merchants actually moved in, compared to the number of shops in entire buildings, it was merely from 1.54% to 7.68%. Owing to the inactive market, many shops closed as time passed, which left even more difficulties for remaining shops. Consequently, the relocation market generated for a purpose of providing *de facto* compensation for the CGC merchants failed to achieve the initial purpose and resulted in a complete failure, which is still inactive as can be seen in figure 9.12 and 9.13.

Table 9.7 Number of shops sold to the CGC merchants by blocks and types on 31th August, 2009 (Source: Seoul Metropolitan Government, 2009b, p.12, edited by the author)

	Total		Block A		Block B		Block C	
	Number of shops for the CGC merchants	Sold or rent (%)	Number of shops for the CGC merchants	Sold or rent (%)	Number of shops for the CGC merchants	Sold or rent (%)	Number of shops for the CGC merchants	Sold or rent (%)
Total	6,864	2,277(33.2%)	4,356	2,083(47.8)	659	97(14.7)	1,849	97(5.2)

Shops	5,267	1,490(28.3%)	3,510	1,330(37.9)	629	97(14.5)	1,128	69(6.1)
Storage	1,597	787(49.3%)	846	753(89.0)	30	6(20.0)	721	28(3.9)

Table 9.8 Number of shops sold and moved in on 13th November, 2009 (Source: SH Corporation, 2009a, p.22, edited by the author)

	Number of shops built (see table 8.1)	Number of shops made contract	Number of shops moved in	Ration of moving in (%)	
				Compared to the contract	Compared to the total number of shops constructed
Total	8,360	2,372	189	7.97%	2.26%
Block A	5,358	2,143	98	4.57%	1.83%
Block B	734	104	56	53.85%	7.63%
Block C	2,268	125	35	28.00%	1.54%



Figure 9.12 Vacant shops in block A in 2013 (7th floor) (Source: author)



Figure 9.13 Vacant shops in block C in 2013 (2nd floor) (Source: author)

Finally, this failure of the DDCP did not only result in loss of merchants. Significant amount of tax payer's money was invested in the project. For generating the three blocks, £774 million was invested first by the SHC, and it was supposed to receive back from merchants when they would buy the shops. Yet, because not many shops were sold, the SHC had to bear the burden: until August 2009, only £74 million was reimbursed (Ko, 2009) and the rest amount of the money remained as a debt of the SHC. Due to the debt, the SHC has paid considerable amount of financial expenses, around £57,800 per

day only for the bank interest (Yoon, 2010). This is still an on-going issue, and because of the failure of the project, the institution has paid a significant amount of tax payer's money, which is bad from the public interest perspective. This project shows that the public interest and the sectional interest are not separated but rather closely related.

9.3.2 An overview of the outcomes of the CRP and the DDCP for the main stakeholders and its implications for justice

9.3.2.1 Overview of the outcome of the CRP and its implication for justice

For general public, the CRP was good for the Seoul and Korean community. As a result of the CRP, the 'problematic' space of the CGC area turned into an attractive place for the public, and thus it enhanced the interests of the general population. As can be seen in figure 9.14, 9.15, as well as figure 7.1, 7.2, many people visit the restored CGC and enjoy the urban green space with flowing clean water. A number of festivals and fashion shows are held, and they attract a considerable number of visitors to Seoul. Positive effects after the restoration can be categorised into five (cf. table 7.1): 1. Enhanced liveability and urban natural environment; 2. Increased economic competitiveness through place making; 3. Increased urban vibrancy around the area; 4. Improved safety; and 5. Restored historical heritage.

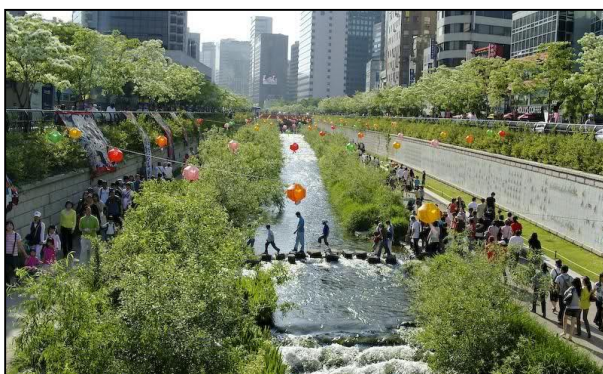


Figure 9.14 People are enjoying the restored CGC



Figure 9.15 Festivals on the CGC

However, it was generally acknowledged that it would be merchants who would lose the most by the project. There were four types of key losses. Firstly during the construction process, an unfavourable business environment was generated unavoidably

due to traffic congestion and inconveniences for business activities caused by dusts, noise, and reduction of spaces for on street car parking. Merchants were also concerned that during the construction, regular customers might have moved to other competing markets and not come back after the construction. Secondly, car lanes would be reduced dramatically after the construction, which in turn reduces accessibility to the CGC market. Thirdly, merchants were concerned that the industrial ecosystem would be weakened if some shops and businesses would leave the CRP due to the negative effects of the CRP. Fourthly, a decrease in commercial viability directly affected the decrease in the GRG, which is proportional to the expected future value of the business from a shop. Although the losses could be alleviated to a certain extent through various measures, a large part of the losses were unavoidable if the project was to be realised. Therefore, merchants strongly opposed the project.

Their argument was simple: ‘no construction would be possible unless sufficient amount of compensation for the losses would be provided’. Yet, according to the SMG, provision of cash compensation was legally very difficult. Moreover, there were various practical difficulties to provide individuals with compensation of the anticipated amount of losses (see 7.3.1.3). Therefore, after intense negotiations, provision of ‘compensation through policies’ was agreed. It was evaluated as a successful win-win case for both merchants and the SMG. Shortly after the agreement was made, the construction work began and the losses were realised. It was reported that sales decreased sharply by two third (Seong and Park, 2003). It is important to note that the agreement remained at a principle level, and details of the agreement would be decided as the agreement were to be fulfilled.

From an ethical perspective, it was the right thing to do for politicians and officials who had a duty to pursue the public interest or the common good (see 7.2.2.1). In particular, restoration or preservation of historical heritage were also what they were ethically required to do (see table 3.4). The domain of *desirable justice* is located within the arena of this common good, although pursuing goodness for the entire community *per se* did not necessarily mean it was just. With regard to the unavoidable infringement of sectional interests for the common good, it was argued that ethically, reasonable forms and amount of compensation should be provided. Therefore, if ‘sufficient’ amount of compensation were given to the merchants in the end through the project, this would have been a successful case of desirable justice in planning.

9.3.2.2 Overview of the outcome of the DDCP

Following the agreement, MRs could participate in an official committee for the project, called the CMCM. Yet, their real influence in the committee was very limited. Competitiveness in the CGC market largely derived from the industrial network, and therefore, the MRs emphasised the importance of moving collectively to the new market. In order for this to happen, affordability was a key condition, as a majority of the merchants in the CGC market were tenants and not affluent. It was generally known by merchants that the cost of buying a shop with 23.1m² for an area for exclusive use would be around £34,700 – £57,800. They claimed that they were informed of this by officials several times. Even though merchants requested the expected price for a shop many times from the start of the project, the price had not been announced until July 2008. Unlike merchants' initially expected price, the price of some shops at good locations went up to £326,843, which was more than 5-9 times more expensive than they expected. Many merchants gave up their right to buy a shop. As can be seen in figure 9.12 and 9.13, merchants who have moved in have suffered significantly due to the un-vitalised shopping malls. Many merchants either who rent or bought a shop have lost their shops to foreclosure, and have suffered dispossession proceedings because they could not reimburse money borrowed for their shops. Many became delinquent borrowers, and a few of them have committed suicide.

Merchants who stayed in the CGC have suffered as well. Many merchants relocated to the new market, and many left the CGC and relocated to other markets, e.g. Guro, and therefore, the industrial network became weakened. Meanwhile, the business environment has changed dramatically (Chapter 6). Many people order through on-line, and also many customers prefer to visit nicely designed shopping malls rather than the CGC type of conventional market. Some areas in the CGC market, like near the Sewoon Sangga where a re-development project proceeded (figure 9.16), have declined more seriously. Generally, no GRG remains any more even on the main road (figure 9.17), which reflects the expected profit from a shop. Yet, it is worth noting that these pictures focused on particular areas, and still many shops are running and the market, in general, is still active, although commercial vibrancy has declined considerably since 2002, before the CRP. As a result of the CRP, unlike the general population, merchants have

experienced significant losses, and the losses could not be compensated through the DDCP.



Figure 9.16 Closed shops in a week day near the Sewoon Sangga (Source: author)



Figure 9.17 closed shops on the main CGC road in a week day (Source: author)

Moreover, the failure of the project caused significant loss for the general public as well. It was agreed that the relocation market would be provided by late 2007, and in order to meet this, the SMG was pressed for time. In this situation, when MRs could not reach a consensus about development methods, e.g. who would be principal agents and who would fund the project, the SMG proposed and made decisions as a public development method. This method means the public – in this case the SMG and the SHC – would be principal agents and would be funded by tax payers' money first and revenue collected after the completion of the project by selling their shops. Therefore, a great deal of tax payers' money was invested. Yet, the project in the end resulted in a complete failure. A considerable part of the tax payers' money could not be recouped yet, which was against the public interest. £774 million was invested, but only £74 million was reimbursed by August 2009.

Accordingly, although the CRP looked like a win-win case of conflict resolution, through the DDCP, it turned out to be a lose-lose case. Even though a significant amount of tax payers' money was invested in previously public land, the project failed to achieve

its initial purpose and resulted in many merchants suffering from debts and a declining market. The SMG also lost a precious reserved land that could have been used differently. An historical market, the CGC market, also became much less vibrant, which was a loss to both merchants and the Seoul and Korean community as a whole.

9.3.3.3 Review of the outcomes analysed by main stakeholders

The last part of the evaluation of the two projects is the perspectives of the analysis of the outcomes as they impacted on the main stakeholders. In 7.2.2, I categorised all main stakeholder groups of the CRP, and there was only one additional main stakeholder involved during the DDCP, which was the SHC. Yet, the SHC was a SMG-affiliated public corporation fully financed by the SMG, and thus was under the authority of the SMC. Therefore, despite their heavy involvement especially during Phase 3, I do not review them separately but combine them with the SMG. Moreover, rather than review all the main stakeholders, I select five groups that were particularly meaningful in relation to the justness of the two projects in terms of their outcomes, specifically issues for merchants. Those groups are: politicians, officials, merchants whose business were anticipated to benefit, merchants whose business were anticipated to lose, and general population (or members of the community of Seoul and Korea). I do not review outcomes for external property owners or residents, because they were not directly related to the issues for the merchants. Among the five groups, I review four groups in this sub-section, as one group, general population, was already reviewed earlier.

In 7.2.4, I stated that there were broadly two types of ‘interests’ regarding the CRP: interests that were directly related to individuals and interests that were related to the community as a whole, not directly to individuals. The first type of interests in the two projects can be sub-divided into political interests, interests of the administrator, and economic interests. They were: elected mayors (Mayor Lee and Mayor Oh), officials in the SMG who were involved in the projects, and merchants. There were also other politicians, such as the councillors in the SMC (see 7.2.2.2). However, their involvement and influence was limited in both the CRP and the DDCP, and thus they are not reviewed separately. Merchants can be sub-divided into two groups (see 7.2.1.2 and 7.2.3.1). The first group was merchants of service or tourism-related businesses (e.g. coffee shops or restaurants) or some retailers (e.g. the fashion industry) who could benefit from the

increased number of visitors to the restored river site. The second group was mainly wholesalers and manufacturing industries whose benefits achieved by the increased number of visitor to the restored river was outweighed by disadvantages arising from the construction work and following outcomes. Those merchants were the main members of the opposition groups and also mainly participated during the DDCP.

The second type of interests were mainly related to the general public (community as a whole). Yet, as was mentioned, since the outcomes of the CRP and the DDCP for them were already reviewed earlier, I do not review them again. Moreover, in spite of the CC's active involvement during the CRP, they are not reviewed separately as well for two reasons. Firstly, despite their active involvement, their actual influence in the merchants related issues were limited. Secondly, the purpose of the establishment of the CC and their active involvement was to check the SMG and to lead the restoration in a 'right' way (see 7.2.2.4). In other words, they were involved to pursue the common good, not their own individual interests, and therefore, the outcomes of the two projects to the members of the CC is similar to those of the general public. In addition, there were also other groups who were only involved in the DDCP in relation to the issues for merchants, for example residents in Song-pa-gu (see 8.2.2.1). However, the group did not actually participate in the DDCP and also did not meaningfully influence the outcome of it. Hence, I do not review this group and focus mainly on the four groups in this section.

Firstly, Mayor Lee was certainly one of the chief winners from the outcomes of the CRP and the DDCP. He was highly praised by the majority Korean people after the 'successful' completion of the CRP for his strong political leadership which had converted a very 'problematic' area into a green way and site for the general people. He was also acclaimed as a political leader who resolved severe conflicts in a 'democratic' and 'just' way, by forming a governance with the CC and direct negotiations with merchants, and as a result made an agreement with merchants by making a commitment to provide an alternative shopping centre. In the next presidential election, he was elected as president of South Korea in 2007. Until the 2007, no serious problem with the project has been revealed to the public and the project was still in progress. This meant only positive images regarding the CRP and the DDCP were attached to Mayor Lee up to this time. Although the CRP was not a single factor that he could be elected, it was widely acknowledged as one of the most important achievements that contributed his election.

In comparison to Mayor Lee, Mayor Oh was neither a winner nor loser as a result of the projects. As was noted in the earlier part of this chapter, for Mayor Oh, this project was just an inherited responsibility that he was obliged to complete, based on the previous agreement between Mayor Lee and the merchants who opposed the CRP. Therefore, the project was not his main priority during his mayoral term. During Mayor Oh's term, policy decisions regarding the DDCP tended to follow the main decisions and formal agreements made during the previous mayor's term. It is important to emphasise here that only formal agreements and decisions were followed, and not informal and verbal agreements. . As was described in Chapter 1, although the project failed, reasons for the failure were unclear. In particular, although many people criticised the SMG for the failure of the project and the waste of a great deal of tax payers' money due to the failure of the DDCP, the amount of responsibility assigned to Mayor Oh was not also clear either. This was because the project itself and most of main decisions were decided during the Mayor Lee's term. Mayor Oh was elected again in 2010, and despite the failure of the DDCP, it was not a major obstacle to him being re-elected.

Secondly, officials during the CRP who 'successfully' handled merchant related issues were also winners. Many of them, particularly officials in the 'merchant team' (see 7.2.2.1), were promoted after the agreement. The two managerial level officials in the end became the first-level officials, and according to interviews with many officials, the contributions they made during the CRP was highly appreciated and significant in their promotions. In contrast, officials who were in charge of the DDCP were generally neither winners nor losers. As was noted in 4.3.4.2, officials changed their duties (not their ranks) periodically, and the duties dealing with merchant related issues in the DDCP were not favourable among officials. For officials, the duties were very difficult to handle and it was difficult to demonstrate good achievements. However, owing to the job rotation system that changed duties periodically, it was very difficult to find out who had responsibility for certain policy decisions and implementations. Therefore, unless officials made any obvious mistakes, they did not suffer any particular disadvantages. Three very high position officials who were in charge of the DDCP under the Oh's mayoral term were promoted to the vice mayor position later on, and one of them was promoted after the failure of the DDCP.

Thirdly, merchants whose businesses were related to service or tourism, as well as some retailers, benefitted from increased number of visitors around the restored CGC

and they were generally regarded as winners. This, however, requires further research because, as was demonstrated in 7.2.3.2, this may be different depending on the ownership of the property. As the area is located in central Seoul, a rent gap existed before the restoration. Property values have increased dramatically after the restoration, and this meant there may have been gentrification effects accompanied with displacements due to the increased rents or property values. For this reason, generally speaking, there was a possibility that the benefits may have been distributed only to property owners.

Fourthly, in the case of the merchants whose businesses received negative impacts due to the CRP (e.g. wholesalers, businesses related to industrial materials, manufacturing industries, and businesses that required car park facilities under the CGEH), most of them have suffered due to the noticeably less vital CGC markets of those businesses or the unvitalised new market. This was described in more detail earlier. Largely speaking, it was businesses in the three markets along the CGC that suffered the most: businesses near the Sewoon Sangga, some businesses in Dong-dae-mun market, and Hwang-hak-dong market (figure 6.17). Among them, it can be argued that property owners have suffered less, due to the increased property values. Affluent merchants also suffered less, as many of them had strong regular customer networks and also had capital. Hence, they could move into other areas with better business environments relatively easily. The other types of merchants, who were tenants and not affluent, were generally the group who suffered the most. They had difficulties to move to other areas with better environments due to the lack of their networks and capital. This was particularly the case after they had invested a large amount of money in the new market. Because many of them moved into the new market after closing their previous shops, they had no choice but to wait for the new market to be vitalised, which was not realised in the end.

However, it is crucial to note that the amount of the impact caused by the CRP to the less vitalised CGC market is still not clear. As was reviewed in Chapter 6, many conventional businesses in the CGC market, including the manufacturing industries and businesses in the Dong-dae-mun market, were already experiencing decline. This was mainly due to five reasons: changes in the industrial structure in South Korea and especially in Seoul (see 6.2.2); the rapid emergence of e-commerce (see 6.4.2.2); intensified domestic competition in South Korea (see 6.4.2.2); deterioration of the physical condition of the CGC market (see 6.4.2.2); and intensified price competition with Chinese products (see 6.4.3.3). Therefore, even though it was apparent that the CRP

intensified the decline of the conventional businesses in the CGC market, how much it accelerated this decline remains in question. Yet the CRP indeed sharpened the decline of the conventional businesses in the CGC market, and this is an outcome for which the SMG and the general public had moral responsibility. This is discussed further in the next chapter. Table 9.9 is the summary of the outcomes arising from the two projects analysed by main stakeholders.

Table 9.9 Outcomes as a result of the two projects analysed by main stakeholders (Source: author)

Stakeholder group		Outcomes	
Politicians	Mayor Lee	One of the chief winners. Highly praised after the ‘successful’ completion of the CRP for his strong political leadership in a ‘democratic’ and ‘just’ way.	
	Mayor Oh	Neither a winner nor a loser. The responsibility of the failure of the DDCP was not clear, and the failure was not a main obstacle when he was elected in the next local election in 2010.	
Officials who were involved in merchants-related issues	Involved in the CRP	Winners. Many officials who were involved in the merchant-related issues were promoted after the project.	
	Involved in the DDCP	Neither winners nor losers. Owing to the job rotation system and the policy decisions made before Mayor Oh’s term, attributed responsibilities for the failure of policy decisions and implementation were unclear.	
Merchants whose businesses were related to tourism and service and some types of retailers	Property owners	Winners. Property values increased rapidly after the CRP. The environment for their business was also enhanced.	
	Tenants	Unclear and requires additional research. It is likely that the improved business environment has been reflected in the rent.	
Merchants whose businesses were related to industrial materials and manufacturing industry, and required car park	Property owners	Losers. Generally received loss	Suffered less due to the increased land value.
	Affluent merchants (owners / tenants)		Suffered less, as they could relocate to another good area for business with the existing networks that they had already built.
	Tenants and not affluent		Suffered the most. They had difficulties in relocating to another area with a good business environment due to the lack of

space under the CGEH			capital or business networks. This was particularly the case after they invested in the DDCP.
General public			Winners in the sense that they became able to enjoy an enhanced environment of an area of Seoul. Simultaneously, however, they were also losers as they, as taxpayers, suffered a significant collective financial loss due to the DDCP. Whether they were, overall, winners or losers can be different depending on people's values.

As was mentioned several times elsewhere, even before the CRP, it was anticipated that it would be the (certain types of) merchants who would lose the most, and the loss was realised as soon as the construction began. Although the DDCP was followed after the CRP in order to compensate their loss, which was not recognised by the law and thus was not subjected to legal compensation, the project failed to achieve its aim. Among the merchants, people who were not affluent and tenants, the least-advantaged among the merchants, suffered the most. In contrast to the merchants, as a result of the CRP, general people have been enjoying the enhanced environment and other four benefits wrote in 9.3.2.1. Accordingly, the outcomes of the CRP and the DDCP regarding merchants raise two important issues in relation to justice: firstly, considering the socially disadvantaged (in this case, I mean tenants and not affluent merchants among whom suffered a large amount of loss due to the CRP) in planning practices (in the CRP and the DDCP); and secondly, public undertakings conducted for the common good but simultaneously harm the good of individuals. These issues are reviewed further in the next chapter.

9.4 Summarising this chapter from a justice perspective

In this chapter, Phase 3 were analysed, and overall outcome of the CRP and the DDCP was briefly examined. In section 9.2, four main issues during phase three were examined with a general overview of wider political and economic situation of the time, as well as governance structures and power relations among the main actors of the project. Subsequently, the outcome of the DDCP was briefly reflected on.

During phase three, it was shown that under the new mayor, the policy priorities changed and the success of the DDCP was not the main focus of the SMG any more.

Rather, their main policy focus, particularly emphasising design and environment, affected in a negative way from merchants' perspective, in that it seems these aspects were reflected when constructors were chosen, which resulted in an increase in costs. At this phase, there was a severe imbalance in power relations, and merchants' opinions were not carefully taken into account, but rather merchants were often excluded from many decision making processes.

Choosing the proposals suggested by constructors was a very important process. However, due to the weaknesses in the evaluation process of the design-built methods, there was potential corruption and it seems that this affected decisions in choosing the proposals. Moreover, there were problems in the composition of the panel of judges. Due to the law no professional whose expertise was distribution or retail design could participate, and the panel of judges consisted of professions of architecture and engineering. Therefore, there was a high possibility that there was a 'wrong' decision in the evaluation process.

Meanwhile, there was a long delay the other two zones comprising the 'market complex' supposed to finish by 2007. Neither zones started construction until the relocation market was completed in late 2008. The Vitalisation Complex was going to be generated to facilitate vitalising the relocation market. Yet, it was not clear how much the Vitalisation Complex would be helpful to vitalise the relocation market. More importantly, the SHC received a study result in 2009. Land use plan was announced in 2010, and a small size hotel and convention facilities are planning to be built. Yet, it seemed it would be unlikely that they would be helpful for the vitalisation of the market.

One of the main reason for the failure of the project occurred from setting up the special conditions. The process of setting up the conditions were one-sided, and merchants were shocked and strongly opposed. The purposes of the special conditions were reasonable, however, not only the effectiveness of the condition was seriously questionable, but also the conditions did not take into account the merchants' 'reality'. The project was a high-risk and high-return type of development, and therefore, it was not certain that the market would be able to be successful. Vitalisation of market was expected to take time, around 3-5 years, the special conditions were not acceptable for many merchants. Closing the current shop in the CGC meant losing the invisible assets, such as networks. For these reasons, the conditions were unacceptable for many

merchants, and therefore, they strongly opposed. The conditions were slightly relaxed, and were greatly eased after the SMG and SHC realised the failure of the project. Even though a few officials tried to help merchants, they were also frustrated due to the authoritarian style of supervisors and their inflexibility.

Subsequently, issues of price was examined. From the start of the project, merchants were very sensitive to the price and consistently requested that the price be announced. Although it was possible to calculate the expected price of each block, the price was never announced officially. There were several times design change, and this reflected in the increased cost. Consequently, the prices for each shop were announced. Because it was more than 5-9 times more expensive than the merchants had thought, they were shocked and started to give up.

The outcome of the entire processes turned out to be a major failure. Only 39% of shops were sold or rented, and among the 39% of the entire number of shops, considerable numbers were storage rooms and rented shops. Initially, there was no plan to rent shops for general merchants except who were older than 65. However, due to the low rate of selling the shops, the SMG and the SHC started to rent. Yet, still not many merchants applied for the rent, and especially in the case of the Block C, only around 5% of shops in the entire building were sold. The market failed to be vitalised, and as a result, merchants who moved in suffered significantly. Moreover, it was a great loss to the entire Seoul citizenship. Enormous amount of money was invested, but because of the failure of the project, not much return was realised and a large amount of money was paid for bank interest.

Lastly, the outcomes of both the CRP and the DDCP were overviewed from a justice perspective. In an ethical perspective, pursuing the CRP was the right thing to do for both politicians and officials who have a duty to pursue the common good. However, an unavoidable infringement was anticipated to be generated in pursuing the common good. Ethically, reasonable forms and amount of compensation should have been provided. In this case, however, there was no legal grounds for providing an appropriate amount of compensation for the actual losses. In fact, it was also practically very difficult to calculate an appropriate amount for actual losses, and it was practically impossible for the SMG to provide the amount. This was why ‘compensation through policies’ was

improvised. Until this time, it was known as a win-win consequence for the merchants, the SMG, and the entire Korean community.

However, despite the satisfactory outcome for both groups, the DDCP resulted in a failure and generated a lose-lose outcome for the merchants, the SMG, and the entire Korean community. A large majority of merchants, either relocated or stayed, received significant losses due to the projects. This project also left significant debts to the SMG, which eventually are to be paid back from the tax payers' money. The SMG also lost a precious reserved land that could have been used differently. An historical market, the CGC market, also became much less vibrant, which was a loss to both merchants and the entire community. Moreover, as a result of the outcome of the CRP and the DDCP, it was some types of merchants in the CGC market who mainly lose by the two projects at the expense of the good for the whole Seoul and Korean community. In particular, it was tenants and not affluent merchants who suffered the most. These two issues raises questions in relation to justice, and this is reviewed further in the last chapter.

CHAPTER 10: Conclusion

10.1 Introduction and brief summary of the research objective, questions, and design

This study aimed to evaluate the justness of the CRP and the DDCP with a primary focus on issues for merchants, and to use this as a lens to explore the possibilities of establishing a more just planning process in Korean society.

The study initially embarked on establishing the reasons for the ‘seemingly’ unjust outcome for a particular group – the CGC merchants – as a result of two government-led urban (re)development projects – the CRP and the DDCP – undertaken for the apparent good of the entire Seoul and Korean community. As was reviewed in Chapter 1, the reasons for the failure of the DDCP has not been uncovered clearly and are still very controversial. The problem is that the DDCP was already built and opened, but since then merchants who have moved in have suffered from the lack of vitality of the new market. Many of them have already left the market, but some are still remaining and waiting for the markets to be vitalised. Urgent measures are required to tackle this problem. However, due to the lack of comprehensive research from a justice perspective, ‘what is the right thing to do?’ or ‘which direction ought we to go?’ are not clear and is a very contentious situation. The building still remains as a ‘white elephant’, with many vacant shops and is wasting a great deal of tax payers’ money for the maintenance costs.

Similar type of planning practices – legitimised based on the concept of the public interest, yet at the same time unavoidably generate losses for certain groups – have been frequently undertaken in Korea. The reason why this research is particularly important in Korean society is that the outcomes of the undertakings have been often, again, ‘seemingly’ unjust for some groups. Although there has been considerable improvement in terms of democracy in planning processes (Chapter 4), the outcomes of these planning processes still raises questions in relation to justice. Therefore, based on the findings throughout the analysis and evaluation of the two projects, I have also sought the possibilities of establishing a more just planning process in Korean society.

As has been emphasised several times elsewhere (in Chapters 1 and 5), it is important to note that the failure of the consequences of planning projects, as well as the

generation of losers as a consequence of the failure, do not necessarily mean the projects were unjust. In planning reality, there are several inevitable bounds and uncertainties, and thus these realities can hardly constitute an ideal. Planning practices also involve multiple stakeholders, having different interests and values, and they are undertaken within certain limits and constraints (e.g. space, time, budget, human resources). Hence, it is very difficult, if not impossible, to satisfy, or at least convince, every stakeholder in planning processes. Consequently, it was argued, after Campbell (2012a, 2002), that it is always better and more just that in planning processes and outcomes we should pursue within given contexts and situations, rather than seek ‘the best’ or ‘the most just’ ones.

Accordingly, two primary level research questions were established:

- How can we evaluate the processes and the outcomes of the CRP and the DDCP from a justice perspective?
- In the light of the theoretical review and the empirical case study, if planning should pursue the public interest (or the common good) and often unavoidably harm minority interests, how can planning be more just in relation to the interests of the latter?

As was demonstrated above, the primary focus is given to issues for merchants following the motivations for this research. Moreover, in evaluating the justness of the two projects and exploring more just planning practices in Korean society, a further focus was given to the role of *planners*. This is based on a belief that although planners may not be ultimate decision makers, they are taking key roles in planning practices and thus have potential to make planning practices better and more just. Planners within the Korean public administration system refer to working-level officials in charge of planning issues (see 4.3.4).

In order to analyse and evaluate the empirical case, a conceptual framework was developed in Chapter 2, mainly based on Sandel (inter alia, 2009) and Campbell’s (inter alia, 2006), respectively, theories of justice and justice in planning. It was argued, after Campbell (2002), that planning as an activity is about making choices between better and worse, right and wrong. Justice in planning, then, is about an art of situated ethical judgement towards the better and more just (Campbell, 2006). Given the political aspects of planning reality, we need to understand the ‘situations’ where planning decisions are made. For this reason, urban political environments, power within urban governance, and

the possibility of making ethical choices as a planner in the planning reality were reviewed in Chapter 3. This was followed by reviewing the ‘situations’ of Korean planning in Chapter 4 and of the planning environment of the CRP and the DDCP in Chapter 6.

Methodological issues were addressed in Chapter 5. In order to find out the reasons for the failed economic consequences of the DDCP, an investigative type of research methodology was adopted. ‘Five Ws and an H’ (who, when, where, what, why, how) questions were asked on every main issue in Chapters 7, 8, and 9. In this process, specific attention was given to four main parts, which were converted into research questions: The first part was an investigation into reasons why merchants could or did not move into the relocation market. This was followed by an evaluation of the meanings of this not moving into the relocation market from a justice perspective. In relation to justice, this research has focused on issues of both “justly arrived at” and “just distribution” (Harvey, 1973, cited in Campbell and Marshall, 2006, p.250), which respectively are about a process and an outcome. Subsequently, by reflecting on the conceptual framework of justice in planning set out in Chapter 2, possibilities of better and more just projects were explored. Thereby four sub-primary level research questions, drawn from the first primary research question, were:

- Why merchants could or did not move into the relocation market in the end?
- What are the meanings of merchants not moving into the relocation market from a justice perspective?
- What were reasons for the less desirable and less just outcome (if there was any)?
- How could the projects have been better and more just?

Subsequently, based on the theoretical review and the analysis and evaluation of the empirical case study from a justice perspective, the second primary research question – ‘in the light of the theoretical review and the empirical case study, if planning should pursue the public interest (or the common good) and often unavoidably harm minority interests, how can planning be (more) just in relation to the interests of the latter?’ – is further developed in this chapter.

In this conclusion chapter, I firstly summarise the conceptual framework and possibility of application of it in planning practices that I explored throughout Chapters 2

and 3. Subsequently, the findings of the empirical case study are re-organised and re-summarised by research questions. In the next section, implications for the Korean planning system and practices are examined. This is followed by exploration of implications for theoretical debates of justice in planning. Finally, limitations of this research are examined, and future research agendas are proposed.

10.2 Summary of the conceptual framework and its application in planning practices

10.2.1 Conceptual framework regarding justice in planning

Setting up the conceptual framework started from reviewing various concepts of justice, mainly those of utilitarian, Rawls (often categorised as ‘liberal egalitarianism’), and Sandel (often categorised as ‘communitarianism’). Although each account provides useful insights for conceptualising justice in planning, inappropriateness or deficiencies were found. Firstly, although a utilitarian concept of justice is very influential in public policy decision making including planning, this cannot be an appropriate account for justice in planning due to two moral weaknesses. Firstly, there is no way to secure rights or interests of minorities from tyranny of planning decisions under the name of the ‘public interest’, which in this account of justice is, ‘the greatest happiness of the greatest number’; and secondly, there are problems of mis-calculation when we calculate all values into pleasure and pain. However, in making planning judgements, well-designed cost and benefit analysis, which is based on the utilitarian concept of justice, can still be used as a useful source that planners and decision makers may take into account. This is because although the number and the sum of utilities do not have absolute ethical values on their own, they still ethically and practically *matter* in policy decision makings.

Secondly, Rawls’ (2001, 1999, 1993) concept of justice provides compelling ideas about equality, liberal values, and procedural justice which are crucial elements of justice. Rawls’ primary focus in order to make a just society was setting up a fair system of distributions; then within this system, ‘free’, ‘equal’, ‘rational’ and ‘reasonable’ people would choose based on their personal values. For him, capacity to choose (right) is prior to purpose or ends of what we choose (good), and thus individual rights cannot be violated for the sake of the welfare of society as a whole. This emphasis on the importance of

individual rights provides an important buttress from the tyranny of the ‘public interest’ of the utilitarian account. Setting up the fair system starts with two principles of justice that are neutral and do not presuppose any conception of the good life. According to Rawls, all people would agree with these two principles if they were at the ‘original position’ behind the ‘veil of ignorance’. In particular, the second principle of justice, which is about fair equal opportunity and benefitting the least advantaged, provides important grounds for equality oriented public policies, including planning. Moreover, in politics and public policy making, the concept of ‘reasonableness’, which embodies rationality, morality, and reciprocity, is especially important. According to Rawls, based on this concept of ‘reasonableness’, reasonable people would be able to reach to a reasonable, and thus just outcome through an open and un-coerced deliberation process.

However, it was argued that Rawls’ account had several deficiencies and theoretical problems. Firstly, Rawls’ accounts were developed based on idealised circumstances and agents, and thus were not suitable for applying in planning which deals with particular cases in everyday practices (Campbell and Marshall, 2006). Secondly, Rawls’ focus primarily on distribution was also criticised by post-modern and post-structuralist theorists. Young (1990) stressed the importance of focusing on why and how the distributive injustice is produced in situated reality. She then asserted the importance of recognition of difference and eliminating institutionalised oppressions, through which can be attained truly inclusive procedural justice. Thirdly, Rawls’ assumption that ‘reasonable people in an un-coerced and democratic process would be able to reach to a reasonable, and thus just outcome’ was also challenged by many planning theorists, both from theoretical and practical aspects (inter alia, Campbell, 2006, Fainstein, 2000).

More fundamental challenges were raised by Sandel (2009, 1998, 1984b). His critiques were twofold: Firstly, he challenged Rawls’ assumptions on human nature by calling it ‘unencumbered self’, which is free to detach itself from moral ties to whatever community were antecedent to it. Secondly, based on this critique, he suggested that setting up neutral principles of justice is neither possible nor desirable. In particular, without having prior moral ties among others, the second principle, a principle of sharing cannot be agreed. Therefore, principles of justice cannot exist without particular perceptions of good, and thus cannot be neutral. Moreover, a society governed by the liberal concept of justice without taking into account values of particular communities are not desirable either. Instead, after MacIntyre (2007), Sandel suggested a narrative

understanding of human nature and community. The key in this understanding is that we have particular moral responsibilities to other members of the community who (at least partly) share history, identity, telos and future.

Furthermore, Sandel contradicts the idea that justice should be neutral, and also refutes the idea that the ‘right thing to do’ should / can be drawn out from universal principles. Instead, after Aristotle, he proposed teleological understanding of justice. In this account, reasoning justice requires us to think about *telos* of a particular social practice and *virtue* the telos honours, asking questions:

- What is something (a particular social practice) for?
- What virtues does the telos of the something honours, and thus, who deserves what?

Justice inescapably involves moral questions about *particular* cases, about their telos and virtues that the telos of the particular cases honours. Regarding justice in politics and public policy, we shall ask first about the telos of politics and the state. According to Aristotle, the purpose of politics is cultivating virtue of citizens, and the telos of the state is leading its citizens to good lives. Accordingly, this inescapably requires deliberation about meanings of ‘good life’ for the community as a whole. Consequently, justice in politics and public policies can only be reasoned through a politics of the common good, and therefore, the process is inescapably judgemental with our values.

This provides important insights for planning, where it deals with particular cases, and arguably the activities are justified “in the hope of realizing better place-based outcomes than would be achieved otherwise” (Campbell, 2012b, p.135). Justice in planning cannot be achieved by following an algorithm or an ‘ethical cookbook’, but it can only be achieved through judgements. The two questions – regarding telos and virtue – are to be answered first, and contexts and situations are to be taken into account in making ethical judgements. Moreover, the ‘better outcome’ does not mean ‘good’ for undeserving specific individuals or groups, but means good for the entire community, the common good. It is important to note that the common good or the public interest should not mean simply the ‘interest of the many’. The common good or the public interest is more than the mere aggregation of the interest of individuals; like society it is more than the sum of individuals. At the same time, it was argued that individuals are important components of a community or a society, and therefore, their interests should not be

violated unless there are just reasons for doing so. This is an important condition to be a good community or society. Therefore, it was argued that it is always a *balance* between the good of the community and of individuals (or members of the community), and justice in planning seeks the morally and ethically *right* balance.

Moreover, it was argued that the politics of the common good has severe risks stemming from moral particularities, which may lead to moral arbitrariness. The concept of community is also blurred and entails dark sides that often have been grounds for oppression and selfishness. We shall understand multi-dimensional aspects of community and multiple obligations that we have, deriving from multiple communities with which we are involved. In order to reduce its dark sides, procedural justice and Rawls' concept of reasonableness were suggested. Furthermore, to reduce the risks and the dark sides, it was argued that a politics of the common good are to be guided by universal values. The universal values towards justice in planning include individual rights, procedural justice, greater equality and equity, democracy, diversity and tolerance, solidarity among members of a community, and intergenerational justice. It is important to understand that it is not absolute to secure all those values, though securing them is strongly recommended. Tensions and priorities are likely to exist deriving from the political nature of planning, which vary depending on contexts and situations.

Accordingly, the domain of justice that justice in planning pursues is the common ground of the universal values and a politics of the common good, which was named 'desirable justice'. Consequently, influenced by Campbell (2006), it was argued that justice in planning is about situated ethical judgement pursuing the common good guided by universal values. Given limited resources, choices are inevitable, which is likely to generate winners and losers. However, it is nevertheless crucial to pursue more just outcomes within the given situation. The aforementioned discussions are summarised in a table 10.1

Table 10.1 Conceptual framework of justice for the evaluation of planning practices (source: author, from table 2.2)

Domains of planning practices to be evaluated	Both process and outcome, 'together but separately'. Justice in planning ought to be concerned with both 'justly arrived at' and 'just distributions'.
Domains of justice to be pursued in	At the common ground of the universal values of justice and the common good. Universal values of justice refer to individual

planning through a politics of the common good	rights, procedural justice, greater equality and equity, democracy, diversity and tolerance, intergenerational justice, and solidarity among members of a community.
How to discover justice	Justice can be reasoned through a politics of the common good, guided by universal values of justice.
Relation between the interest of the community and its members	The concept of the common good should not mean the ‘interest of the many’. Justice in planning is about seeking a right balance between the interests of individuals and the community as a whole.
The first step for reasoning justice in a particular case	Search for the telos of the case, and subsequently search for virtues that the telos of the case honours.
How to achieve more just planning for planners in political processes	Situated ethical judgement is required, taking into consideration the contexts and situations within which the practices take place. Planners should pursue a better and more just planning process and outcome in a given situation.

10.2.2 Application of the conceptual framework in planning practice in the face of power

Following the earlier argument, what planners should understand is even though their judgement should be guided by the universal values, there is no ‘ethical cookbook’ in planning practices which lead to *the most* just outcomes. Attitudes, knowledge and strategies of making good ethical judgements were suggested. In relation to the former, after Forester (1999), planners shall be “finely aware” of relevant knowledge and information of the situation, and be “richly responsible” of multiple responsibility, goals and obligations. I added two more important attitudes: will and courage to act ethically. Regarding the relevant knowledge, having knowledge about local politics, power, and planners’ reality encompassed by structural constraints and bounds are particularly important, which enable planners to anticipate and counter-act through strategies.

The structural constraints and bounds are not nevertheless deterministic, and therefore, influenced by Forester (1982, 1984, 1999), emancipatory strategies for planners were examined. It was firstly argued that planners should distinguish types of bounds, particularly between inevitable and socially unnecessary. What planners should focus on is reducing and coping with the latter. Some unnecessary bounds are generated in everyday practices of a pluralistic society, but some are generated systemically and covertly based on social system and structure. Therefore, based on knowledge of how

they are operating, it is important to anticipate and try to counter-act. In order to do so, examination of resources that planners can mobilise were presented. Planners are armed with expertise and have a certain amount of authority, called administrative discretion, however they cannot always make final decisions. They also have many chances to work with decision makers and provide advice and information. They also play an interfacing role with various sectors, and throughout the process, they are often likely to have more information than other participants.

Based on the resources, planners can be highly influential in planning practices and can contribute towards better and more just planning processes and outcomes. Firstly, planners can make decisions based on their administrative discretion. Secondly, although it is planners' duty to follow laws and regulations, depending on situations, planners also can be protected by them, which enable planners to secure due process. Thirdly, Forester (1982) emphasises the importance of using information which can be an important source of power for planners depending on how they utilise it. His argument goes beyond the liberal-advocacy advocates who suggest equality in information, technical skills, and chances. He suggests that there are also inevitable and unnecessary misinformation, and asserts that power and social structures are highly influential in the process of making unnecessary misinformation, deliberately. Therefore, strategies are necessary to reduce this structurally distorted information. Necessities of anticipation of power mechanisms was proposed, and four conditions for un-manipulated communication were suggested: comprehension, trust, consent, and knowledge. Moreover, according to Forester, misinformation can be a strategy and be ethically right for planners depending on situations. This is a part of situated ethical judgement, which should be guided by universal values. Consequently, justice in planning is an *art* of situated ethical judgement based on attitude, knowledge and strategies for pursuing justice.

10.3 Summary of findings: answers to the research questions

10.3.1 How can we evaluate the processes and the outcomes of the CRP and the DDCP from a justice perspective?

10.3.1.1 Why merchants could or did not move into the relocation market in the end?

- **Overview of reasons for the for the unsold shops**

Answers for this question are presented thematically. It is important to note that the reasons for merchants not moving in may be *a part* of reasons for the failure of the project. Considering that a shopping mall development is generally a high-risk type of project (see 9.2.1.3), there is certainly a possibility that the market would fail to be vitalised for a number of reasons. In 9.2.1.3, I suggested that lack of strategy, which stemmed from structural reasons, may have been another important reason for the failure of the Block A. Nevertheless, the fact that not many merchants moved in was one of the most important reasons for the failure of this market, and the most important one in relation to justice. Table 10.2 shows the 11 main reasons of merchants for not moved into the relocation market.

Table 10.2 Main reasons of merchants for not moving into the relocation market
(Source: author)

No.	Issues	could not / did not	Details
1	Price	C	Price was too expensive, and thus majority of the merchants could not afford it.
2		D	Price was more expensive than its value, and therefore, merchants who could afford also did not buy.
3	Special conditions	D	The special conditions lowered the economic attractiveness and higher the risks of the shops.
4		C ¹	The special conditions were unacceptable for majority merchants, particularly whose businesses had strong spatial dependency; and who could not economically bear until the market can possibly be vitalised.
5	Another regulation in sales	D	It was expected that some shops would be vacant, and this was expected to prevent the market from being vitalised. Yet, the SMG did not allow more than one shop per each merchant.
6	Building and shop designs	C	The buildings and shops were not suitable for some types of businesses, especially manufacturing.
7		D	The design of buildings and shops were not attractive for wholesale businesses.
8	No obligations or prepaid deposit	D	No deposit had been paid and there was no penalty for not moving into the relocation market.

¹ Although this case was not completely fit into the ‘could not’, on the author’s perspective, it was closer to the ‘could not’ than ‘did not’.

9	Expectations for development gain and compensation	D	Some merchants expected compensation from the Sewoon Sangga redevelopment process (see figure 7.12, 13), which was in progress at the time. Hence, they decided to stay rather than relocating to the new market.
10	Global Financial Crisis	D ²	Due to the Global Financial Crisis in 2008, uncertainties in property market and economy in general increased. This lower the motivation of purchase the shops.
11	Knock-on-effects	D	For all the aforementioned reasons, many merchants did not or could not move in, and these had a knock-on-effect, and other merchants who initially planned to move in decided not to come in the end.

Simply speaking, there were two types of reasons for not moving in: ‘could not’ <C> and ‘did not’ <D> in table 10.2. ‘Could not’ means even if (or though) they wanted to move in, they could not, whereas ‘did not’ means merchants could move in, but they thought it was not worth moving in. Among the reasons in table 10.2, (1), (2), (3), (4), (7), (8), (10), and (11) were primary reasons, whereas (5), (6), and (9) were less influential in the number of merchants’ moving in. More detailed explanations are presented below.

○ Price

Arguably, price was the most important reason why merchants did or could not come into the relocation market. Price was a very important issue for merchants, the majority of whom (ca. 90%, see 7.2.3.1) were tenants in the CGC market and economically not very affluent³. This was not only a matter of individuals related to an issue of affordability, but this was also an important issue for the entire merchants in a collective sense. They thought unless a large majority of merchants would move in collectively, it would be difficult to vitalise the market. However, they were notified almost at the end stage of the DDGP, even though the approximate price could have been notified earlier.

² Similar to the previous one, although this case was not completely fit into the ‘did not’ in that some merchants lost considerable amount of their money from fund or stock investment, on the author’s perspective, it was closer to the ‘did not’ than ‘could not’.

³ Again, tenants are not necessarily poor. In fact, according to interviews, merchants said there were a number of wealthy merchants who did not owned their shops. Yet, it was rather exception, and they generally said that around 80% of merchants were not affluent.

Once the price was announced and merchants were disappointed and became sceptical about the success of the market, some people could not, and some people decided not to move in to the new market. Failure of the relocation market was quite apparent after the third round of selling shops failed (see 9.3). After then, rent became available to all merchants in the CGC area in the fourth relaxation of the special conditions and the amount of rent was not very high, which meant, price and affordability became not main issues any more. Still, however, not many merchants moved into the new market in the fourth round selling shops (table 9.6).

Moreover, for individuals, buying a shop was generally a large amount of investment. Thus, some merchants who could afford did not buy because they thought the shops would not be economically valuable for the price. These could be seen in an interview clearly:

“If the shop was built like a Guro, there would have been not many people didn’t go there [relocation market]. Even rent. If the condition would be like now, why we wouldn’t go there? Absolutely would go there. Here [the CGC market], the rent I paid for a 13.2m² shop on a street was £1,620/month. Compared to here, there were very low. If I did not have money to buy, I could have gone there with rent. ... It was just an excuse that people could not go there. Who we are? We are dealing with these materials! Do you think we didn’t go there because £115,600-231,200? As long as we had a certain that the market would be vitalised, [we would have moved there]. It’s because even if we moved there with £115,600-231,200, if the market would become vitalised, the value of the shop would easily go up to £1,156,000. We all knew that.”
(Interview with a MR of the C type of businesses)

- **Special conditions and inflexible regulations about sales of shops – (3),(4),(5)**

Special conditions and inflexible regulations about sales of shops were the second important reasons for merchants not moving into the relocation market. The special conditions stemmed from the definition of the ‘relocation’ (see 8.2.3.2). It seems there was a widely shared understanding among merchants, which was shared with officials, that even though the term ‘relocation’ was used in the qualification standards announced in August 2004, they thought it was just a word. They thought there should be other ways to not literally ‘relocate’, but run both an existing shop in the CGC market and a

new shop in the relocation market. Yet, later on, from 2006, special conditions were being discussed internally in the SMG. This internal discussion was also announced in a committee meeting in the SMC, but there were no objections about this plan in the meeting (see 9.2.5.1). From the SMG's perspective, there were several reasons for setting up these conditions and regulations, there were one fundamental reason: to prevent speculation in real estate, with the shops provided at a special price. This could be related to the issue of *preferential distribution* and thus was a potentially quite sensitive issue. There was no discussion between merchants but was notified unilaterally and suddenly in December 2007.

The special conditions, however, were unacceptable for a large amount of merchants, especially those to be relocated in Block A and businesses who had a strong spatial dependency. This meant that they had to give up a considerable amount of tangible and intangible assets that they had accumulated, such as human and business networks with many regular customers. It was more pressing for merchants in the Dong-dae-mun area, as there was a strong spatial dependency (see 6.4.3.3). Moreover, from merchants' perspectives, vitalisation of the market was essential for them to be able to make a profit from their businesses (see 6.4.4 and 8.2.3.1), and it was widely known that it would take 3-5 years to make the market vibrant. This meant there was high possibility that merchants could not earn enough profit to pay for their living expenses, maintenance costs and bank interest for loans to buy a shop. Furthermore, the first article of the special condition meant that even if they realised that there would be no good prospect after their trial of running businesses, they would not be able to sell their shops for three years. For these reasons, there were strong oppositions of merchants, including hunger strikes.

One of the special condition was about the number of shops each merchant could purchase in the relocation market, which strictly limited to one shop per each merchant until the third relaxation of special conditions (see table 9.6). This was understandable, in that there were possibilities of property speculation. However, according to merchants and officials who were in charge, in early 2008 before the official start of selling the shops, there were strong indications that fairly many shops would not be sold. Because vacant shops would affect vitalisation in a negative way, both merchants and officials tried to abolish the regulation. However, this was not accepted by higher level officials (and possibly also by the mayor) until the DDGP turned out to be a failure with only 16.5% shops were sold to the merchants (table 9.5).

Considering commercial property development projects generally entail high-risks, it was not certain that the market could be vitalised in the future and merchants, investors, could earn profit. These regulations lowered expected profit from, and heightened risks of, the project. For some merchants, e.g. those were in the Dong-daemun area, they *could* not accept the conditions, whereas for some, it was not a rational choice in economic sense for them to purchase.

- **Inappropriate buildings for the types of businesses of the CGC merchants – (6),(7)**

In short, buildings, more precisely Blocks B and C (see figure 8.5), were functionally not appropriate for the B and C types of businesses (see table 8.2) and were also ‘over designed’. There were two fundamental reasons for these ‘problems’. Firstly, because there were not enough space, it was not possible to build a ‘Guro market style’ of buildings (see figure 8.9) that they demanded. In particular, C types of merchants asserted that it was a necessity, not a choice, to build a building like Guro in the Korean business environment (see 8.2.4.2). Yet, because there was not enough space, there was no choice but to build an ‘apartment style factory’ of both buildings B and C. This type of building was not only functionally inappropriate: because the buildings had to be built as multi-storeys (10 storeys), additional facilities had to be added. For example, lifts for trucks had to be added and corridors had to be widened. These additional facilities, which would not have been necessary if the buildings were built in the ‘Guro style’, were reflected in the price. As a result, buildings became more expensive and functionally undesirable for the B and C types of businesses. Moreover, for some businesses, particularly manufacturing industries, the buildings were not merely undesirable, it was not possible for merchants to move in, because their machines and activities were not fitted to the building. For example, some machines were too heavy and big to move in to a shop in the building. Some businesses generated too strong physical impacts for the buildings to accommodate.

Secondly, the buildings were over designed, and these overly designed interiors and exteriors directly reflected to the prices. This problem stemmed from the delivery method for constructing the buildings – design-built – and the expected construction budget that was contained in the construction request, which was announced on 15th May,

2006 (see 8.2.5.2). Under the system of choosing construction companies of the time, it was rational for construction companies to design buildings as intensively as possible within the amount. Therefore, many unnecessary facilities and functions for the merchants, such as nude lifts, solar energy panels, a garden on a storage floor, and roof gardens were added, in order to gain higher scores in the bid process (see figures 9.4, 9.5, 9.6, and 9.7). These functions might have been desirable for the general population, they were not *fit* for the B and C business types of CGC merchants (see figures 6.25, 6.26, 6.27, and 6.28).

The fundamental reasons for these problems were insufficient consideration for *telos* of the project and buildings. Blocks B and C were not fit for their purposes: it was built *for* the B and C business types of CGC merchants, and the reason the buildings were built was *for* providing *de facto* compensations for their losses, which were unavoidably generated in the process of pursuing the common good. Moreover, in this process, their assertions based on their knowledge from their business experience (similar to ‘local knowledge’, see figure 2.1), an in Korean business environment, a Guro style of market building is inevitable, and apartment style of buildings must fail, was not accepted. Officials and professionals thought a smaller size land would be able to accommodate all of them, and buildings on the land could be vitalised.

- **Other reasons – (8),(9),(10),(11)**

Other reasons were all about ‘did not’, which in other words, individual merchants chose not to move in as it was less beneficial. Firstly, there was no obligation or prepaid deposit (see 8.2.5.1). Therefore, when they thought it would be difficult to gain more profit than their initial investment, they could easily gave up. Secondly, Some merchants near the Sewoon Sangga (see figures 6.23, 6.24, 6.25, 6.26, 6.27, 6.28, 7.12, and 7.13) also had expectations of receiving compensation or a development gain when the Sewoon Sangga redevelopment project would proceed (see 7.2.3.2). The vitalisation or success of the relocation market was not certain, and from many merchants’ perspective at the end stage of the DDGP, the possibility of this seemed quite low. In this situation, they chose to stay in the CGC area and expect the compensation or development gain. Thirdly, the global financial crisis in 2008 was an unexpected event for the actors which they could not control. As can be seen in figure 9.3, property market conditions boomed between

2002 and 2007. Yet, there still were ‘omens’, particularly after late 2007, and therefore, it was not purely unexpected events happened out of sudden.

The last reason why people did not relocate was knock-on-effects. This means because of all the aforementioned reasons, many merchants did or could not move in, and this in-turn affected other people’s choices. Taking into account that a considerable amount of the competitiveness of the CGC market derived from the industrial eco-system and network, unless a certain portion of the CGC merchants relocated collectively, these eco-systems and networks would have been difficult to generate. This was one of the reasons why merchants were concerned very much with affordability⁴. When it became apparent that the majority of merchants would not relocate, other merchants also gave up.

10.3.1.2 What are the meanings of not moving into the relocation market of merchants from a justice perspective?

In order to answer this question, it is necessary to start with two questions: what was the DDCP, more specifically the project to build a relocation market, for? What virtues the telos of the project honoured, and thus, who deserved what? Firstly, the project was agreed to provide compensation through policies to the CGC merchants for the unavoidable losses which were not recognised by the law. Hence, the project was designed to benefit the merchants by providing a shop with 23.1m² with special privileges. The core of the special privileges was price: the shopping centre was built on a previously green belt area, and therefore, through the eminent domain⁵, it was possible to acquire the land at a much lower price than real transaction price of areas nearby. This special privilege in relation to the price was a core of the *de facto* compensation. The inexpensive land price made it possible to provide shops at a much lower price, which was widely expected among merchants at around £34,700 – £57,800 for purchasing one shop. It was expected that this price would be affordable for most of merchants including those who were not economically affluent if they would take out a special loan designed for the CGC merchants. In short, the telos of the relocation market was to provide merchants with a

⁴ Another main reason was related to profitability. Yet, because moving collectively was a key issue for the success of the market, which in turn related to the profitability, the two issues are very closely related.

⁵ Similar to the Compulsory Purchase Order in the UK.

‘special benefit’, as a *de facto* compensation, by providing the CGC merchants with a shop at a special price.

Secondly, what virtues the telos of the relocation market honoured, and thus, who deserved what? As was just discussed, the project was designed to provide a special benefit, and this benefit would have been available, firstly, by providing an ‘appropriate price’. Secondly, the relocation market should have been vitalised so that merchants could generate an ‘appropriate amount’ of profit from the shops. However, it is practically and morally not easy to define how much would have been ‘appropriate’ or how much merchants deserved. Theoretically, it was argued that which rights, values or virtues should be recognised should be reasoned and decided through a politics of the common good, taking into account contexts, situations, characteristics of particular cases, and relevant laws and regulation (10.2.1.3). Yet, despite the importance of the issues, in the process of the CRP, how much compensation would be appropriate was never discussed, primarily due to the lack of time. In fact, it would have been very difficult to find out the answer, mainly owing to the practical difficulties of calculating the actual losses reviewed in 7.3.1.3, and thus the process would have been very contentious. It would still be very difficult issue, and it requires more profound research in relation to public law and further information, for instance the previous incomes of the CGC merchants. From a moral perspective, I will try to reflect on this further in 10.3.2.

It was the CGC merchants who morally deserved to gain the ‘appropriate amount’ of benefit from the project. However, the loss were not recognised by the law, and thus legally speaking, it was not compensation. It was rather a ‘gift’ from the SMG, not a ‘compensation’, based on political and moral obligations to compensate the actual losses. This was reflected throughout the processes of the CRP and the DDCP, and the difference between the two had important implications for power. The mayor and some officials did not consider the discussions between merchants and the officials a ‘negotiation’ but considered it as a ‘settling civil complaints’, even though it was acknowledged as a *de facto* negotiation by high-level officials. Because the SMG did not have legal obligation to produce documents, merchants’ demands for the documentations of main discussions were refused. The finally agreed discussion was not considered as an ‘agreement’ either, but was considered as a ‘notification’.

Moreover, throughout the process of the CRP, there were strong structural constraints imposed to the negotiation between merchants and the officials: no cash compensation and no delay of the commencement of the construction. To a certain extent, these structural constraints, particularly the latter one, contributed to making the negotiation process more constructive by focusing on practical and feasible issues. However, this meant they did not have enough time to develop detailed conditions of an agreement, but had to remain at a principle level. Nonetheless, what was agreed at the end of the CRP was quite satisfactory to both merchants and the officials. Even though merchants worried about the less than concrete agreement, they finally gave consent to the project, partly based on trust in the SMG, especially the officials who were in charge of the merchant related issues.

Yet, officials in charge of the relocation market changed periodically, and situations changed. Because many important discussions during the CRP were informal and because many concrete agreements were not documented but remained verbally, these frequent changes in officials in charge lowered the task continuities, and obscured responsibilities. Successors generally did not fully understand the ‘context’ of tasks. Consequently, trust that had been built was gradually undermined as time passed, and finally collapsed. Moreover, even though a committee for the project with participation of MRs and high-level officials was formed, and thus the process of the shaping the relocation market seemed ‘democratic’, the quality of the actual participation was low and remained as tokenism. There were frequent mal- / mis-information, non-decision makings and one-sided decision makings. Merchants were not influential in the process and many of their demands were not accepted. Their opinions based on their knowledge from their everyday business experience were frequently neglected. The reason for this tokenistic participation was primarily based on the significant power gap between the merchants and the SMG, which partly stemming from the non-existence of legal obligations for the provision of the relocation market and stipulated merchants’ rights in the participation. In summary, after analysing policy decisions that were made in the two consecutive processes, taking into account the contexts and situations when the decisions were made, it can be evaluated that the processes could have been much more just than they actually were. In particular, in making policy decisions, the universal values of procedural justice and democracy should have been taken more seriously.

As a consequence of the process, although the relocation market project started with a satisfactory agreement, it ended with complete failure. It left considerable losses to the CGC merchants, both who remained in the CGC market and who relocated to the relocation market. Due to the worsened business environment after the CRP, the previous CGC market became much less vibrant than before. The GRG (see 6.4.4), the amount of which according to merchants was around £56,000–113,000 for shops next to main roads before the CRP, hardly exist anymore. The CGC market might have been gradually declining due to structural reasons, e.g. change in business environment with the emergence of electronic commerce and the industrial structure of Korea and Seoul (see Chapter 6), the CRP, which was undertaken to enhance the common good, indeed sharply accelerated the decline of the CGC market. As was argued in 9.3.3.3, although how much the CRP accelerated this decline remains in question, in principle this is an outcome for which the SMG and the general public had moral responsibility. This is discussed further in 10.3.2.

As a result of the CRP and the DDCP, merchants who relocated to the relocation market also have experienced significant losses. Even though they invested a significant amount of money and have regularly paid maintenance costs, there has been little return, if not deficit, due to the lack of vitality of the market. Even though the market was designed to provide an appropriate amount of benefit at the expense of the unavoidable losses caused by the CRP, the project merely provided additional losses to the merchants. Moreover, the CRP and the DDCP worsened the business environment of the CGC market, and for this reason, the merchants who remained in the CGC market also have experienced losses.

In particular, as was mentioned in 9.3.3.3, among the merchants, people who were not affluent and tenants, the least-advantaged among the merchants, suffered the most. The difference between this group and affluent merchants, in general, were twofold: firstly, the affluent group could move into other areas with better business environments relatively easily, as many of them had strong regular customer networks and capital. Even once they purchased shops in the new market after closing their existing shops, many of them could make another choice after they realised the failure of the new market. Secondly, as was shown in 10.3.1.1, either the affluent merchants moved into the new market or not, it was their choice. In contrast, in the case of merchants who were not affluent, they could not afford a shop until the fourth relaxation of the special condition

when it was quite obvious that the market would not be vitalised. Therefore, to a large extent, it was not their choice that they did not move again.

As was argued in the first part of this sub-section, according to the telos of the DDCP, it should have been merchants who could have been moved into the new market with an 'appropriate price'. The new market, at the same time, should have been made for merchants to be able to make an 'appropriate amount of profit'. Yet, it was shown that it was not possible to guarantee the 'appropriate amount of profit' for merchants; it could be realised only when the market would have been vitalised. In order for the market to be vitalised, although it varied depending on businesses in the new market, generally speaking it was a necessary condition that a majority of merchants of a type of businesses moved in collectively. Therefore, the fact that a large number of merchants could not move in had various implications for justice in relation to the outcome of the DDCP. The project failed to achieve its telos: to provide compensation through policies to the CGC merchants for the unavoidable losses which were not recognised by the law. One of the most important reasons was the price that was much more expensive than the initial plan, and its influence on the failure of the project was discussed in 10.3.1.1. Accordingly, based on the telos of the project, not only the unaffordable price itself was less just, in that some un-affluent merchants could not move into the new market, but this unaffordable price had larger implications for justice: the unaffordable price for some merchants had knock-on-effects and contributed to the failure of the entire market to be vitalised.

Accordingly, based on the consequence of the DDCP that made un-affluent merchants suffer the most, and in turn caused knock-on-effects, which eventually caused the failure of the new market project, I argue that universal values of greater equality should have been taken more seriously in the decision making process. In the case of the DDCP, benefitting the un-affluent merchants would have been beneficial not only for the un-affluent merchants, but all the CGC merchants who relocated or were willing to relocate. To restate, the telos of the DDCP was to provide compensation through policies to the CGC merchants for the unavoidable losses which were not recognised by the law, and therefore, arguably the SMG should have made special efforts for all CGC merchants who experienced losses due to the CRP to be able to relocate into the market. Some possible policy measures will be discussed in 10.3.1.4.

Consequently, both in the processes and outcomes of the two consecutive projects for the CGC merchant related issues, it has been identified that the projects could have been more just in a number of ways. In addition, the DDCP also left significant losses to the SMG and the entire community. The initial investment was from the tax payers' money, and there has been little amount of return from the project. £774 million was invested, but only £74 million was reimbursed by August 2009, and considerable amounts of financial expenses are being paid, around £57,800 per day for the bank interest only. This outcome of the DDCP itself was neither good for the entire community nor for the merchants.

10.3.1.3 What are reasons for the less desirable and less just outcome?

○ **Imbalance of Power**

During Phase 1, power imbalance was not so significant, and this was because the SMG had to persuade merchants otherwise the CRP was difficult under the President Noh's administration. In this phase, power imbalance existed, stemming from unrecognised merchants' losses, strong mayor's power in Korean local public administration, and merchants' lack of legal and planning knowledge. This was why the mayor could proceed with the project very speedily. However, until the construction started, the imbalance was not so significant, and in the end, merchants were generally quite satisfied with the agreement made.

Imbalance of power became much more distinctive after the agreement was made and the construction work began (see 8.2.2.2). The DDCP was not compensation that was required by the law, but was provided based on political and moral obligations to compensate unavoidable losses. These political and moral obligations became 'thinner' as officials in charge changed under the rotation system. This became even worse in Phase 3 when the new mayor was elected (see 9.2.2.2). He had less political and moral obligations to the project. For him, it was a burden that needed a great deal of financial resources without providing much political achievements⁶. Therefore, the project was no longer on a priority list during his mayoral term. Officials, who were changed quite frequently, also did not have much sense of obligation or emotional attachments to the

⁶ The achievement would go to Mayor Lee, not to the new mayor, Mayor Oh.

merchants. Many of them thought merchants a ‘confounded nuisance’ who demanded ‘unreasonable’ things.

In contrast, merchants lost much of their collective bargaining power after the construction began. Due to the different interests of each groups, the 36 merchant groups failed to have stable coalitions and make a single voice. The groups were not well organised either. The educational background of CGC merchants, in general, was low. Hence, not only did they have much knowledge about planning, law, or construction, but they also had difficulties to understand them in meetings. The capacity of the MRs in this sense was also not much better. Furthermore, the MRs did not focus exclusively on the DDGP, but they were running their own businesses at the same time of the project. In these circumstances, the MRs could not be very influential in meetings, and the meetings were dominated by the officials and other professionals armed with relevant knowledge. Moreover, the power of the groups were not structurally anchored to the society either, and thus could not exert systemic or pre-emptive power stably (see 3.2.2.2).

One step further, I argue that not well-organised interest groups with members having not much planning knowledge are very common in planning, especially in planning activities in relation to the have-nots. Reflecting from this failure of the case, I argue that the state should play a more active role for a justice-oriented planning. This is discussed further in the following this chapter.

- **Problems derived from the Korean local public administration system and remaining top-down decision making culture**

During Phase 1, relationships between the merchants and officials were generally good, and trust was built between them. However, as was reviewed in 4.3.4.2, in the Korean public administration personnel system, officials change periodically, from once in 6 months to once in 2 years. Under this system, there were transfers of personnel after Phase 1. Although formal decisions were generally retained, the relationships and trust were not. Moreover, unlike formal decisions, issues informally discussed and tentatively agreed were not progressed. New officials did not understand the context of the process, and they generally could not do more than what were already officially decided. It also took time to understand ones’ job when new officials were transferred. Furthermore, when things went wrong, it was also difficult to clarify who was responsible. Under this

system, administrative responsibility was difficult to establish. An apathetic attitude and self-protectionism were easily seen, particularly during Phase 3, because officials would transfer from the ‘troublesome positions’ (in charge of the DDCP, which deals with many merchants and many difficult issues) to other positions after a certain period anyway.

Moreover, as was reviewed in Chapter 4, a “Government-Leads-People-Follow” (Chung, 1986, p.41) style of top-down decision making culture was distinctive during the Phases 2 and 3. Although it was agreed that a bespoke organisation would be established and “solutions for problems will be searched through continuous discussions” (table 7.9, 1st article), as could be seen in 8.2.4.3, there was no ‘continuous discussion to find solutions for problems in the CMCM. Many important decisions were already made by the officials without informing the merchants, and there was a place for notification, rather than discussions and collaborations.

Based on this top-down decision making culture, there was an underlying belief that officials and professionals knew better than merchants. In interviews with officials, what I could hear very often was “they were merchants. What do they know about OOO?”, about main issues, such as the decision on the size of land, layout of buildings, storeys of buildings, and the decision on special conditions. In particular, as could be seen in an interview with a high-level official in 8.2.5.2, dealing with merchants, from his perspective, who were rude and demanding unreasonable requests, were tiresome duties, rather than productive and mutual learning processes. As also can be seen in 9.2.2.2 and 9.2.5, throughout the late Phase 2 and during Phase 3, this un-collaborative and top-down style of decision making processes persisted. Yet, this style of decision making had a clear weakness. Knowledge of merchants based on their business experience were not seriously taken into account. If it had been, Blocks B and C would not have been built in the current style, and more land would have been allocated appropriately to the merchants (see 8.2.4.2).

- **Under documented formal and informal meetings**

Un-fulfilment of (informally or tentatively agreed) agreements, if what merchants’ claims were true, was one of the fundamental reasons for the failure of the project. However, since there was no ‘valid’ evidence, it was not possible for merchants to prove this and were treated as their one-sided claims. There certainly were possibility that

merchants misunderstood some of discussions in meetings. They were many informal meetings while they were having dinner or drinks, and there were no way to prove what were discussed in these meetings. Even most formal meetings did not produce minutes, only six remain out of more than 40 CMCM meetings. Merchants requested the production of minutes in a December 2005 meeting, which was already around 18 months after the construction began. Yet, only five more minutes were produced after the request. There is a possibility that some data were discarded due to passing the mandatory period for preserving official data, which is usually five years (see 5.4.2). Yet, two interviewees working in relation to the SMC and who previously inspected this issue of failure of the DDCP witnessed that when they undertook the inspections in around 2008 and 2009, there were not much official data accessible including the minutes.

○ **Situated ethical judgements?**

Before I examine planners' judgements in the two projects, it is important to note that some of these seemingly unethical judgements might have been due to situations, i.e. structural constraints, at the time, which I could not see especially as an outsider. These structural constraints might have derived from the mayor, higher level officials, the SMC and so on that would be difficult for working level officials to tackle. Yet, according to my experience in this research with 86 interviews of different participants and triangulating them with other data, it was broadly identifiable, from the researcher's own judgement, whether some decisions were *de facto* compelled to be made due to some structural constraints or not. Considering that there is always rooms for manoeuvre for agents (3.3.1.1), in the following paragraphs, I evaluate decisions on main issues made by working level officials, in a collective sense, taking the situations into account.

In Phase 1, in given situations, officials did their best to make ethical judgements. At the first time when the team was formed, officials were received cautiously by the merchants. Merchants thought that the officials were appointed to convince merchants to cooperate with the CRP. In this situation, the officials made significant efforts to build trust with the merchants. They were given a large amount of administrative discretion, and they tried to resolve problems that were as favourable to merchants as possible within

their discretion. They also met merchants numerous times⁷ and built good relationships. Merchants started to trust officials when they found that the officials were not merely on the SMG's side and their agents in any situations, but they tried to be reasonable and make ethical choices within given structural constraints. They did not accept all the merchants' demands, but convinced them reasonably what was possible and what was not, and what was favourable for the merchants and what was not. Many merchants said in interviews that they received a great deal of help from officials, regarding planning regulations and laws.

Throughout these processes, trust was built. Based on this trust, the merchants and officials could develop conditions of the agreement, through many times of formal and informal negotiations. Providing a relocation market with special privileges were promised. This relocation market was based on political and moral obligations that the SMG and Seoul, as a community, owe to the merchants at the expense of anticipated unavoidable losses. Agreement was made, but due to the urgent time, it remained at a principle level. Even though merchants were concerned about the agreement, they finally agreed with the relocation and the CRP based on trust of the officials and the mayor. Within the given structural constraints, it seems that it was the best feasible outcome for the SMG and the merchants.

However, as time passed and officials and the mayor changed in the process of the DDCP, political and moral obligations were weakened, and many issues discussed in informal meetings were not progressed by successors. In fact, later on, the informal agreement and undocumented commitments in the informal meetings turned out to be fundamental reasons for the unjust outcome.

In the process of the DDCP, there were many cases that officials, or planners, also did not make ethical judgements in given situations for a better or more just outcome. This started from setting up qualification standards for relocation. The definition of the relocation was not discussed clearly in Phase 1 and early Phase 2, and thus merchants and officials had different understandings about the relocation (8.2.3). Based on the officials' understanding of relocation, special conditions were made, which were unacceptable for

⁷ As was wrote in Chapter 7, it is claimed that the officials had 4,200 times of 'meeting'. It is widely acknowledged, even among the officials in the SMG, that this was highly exaggerated. Yet, it is also widely acknowledged, even among merchants, that the officials actually tried to do their best to listen to their voices and had many times of formal and informal meetings.

some business groups. In this decision making process, officials were not “finely aware” (2.4.2.2) of merchants’ circumstances and knowledge about business environment in the CGC market.

In the process of deciding the size, there was no democratic process. This was notified by the officials in an information session. No documents or visual aids, such as maps, were provided. Hence, merchants, who did not have sufficient professional knowledge, could not understand and recognise whether it would be really enough as the officials claimed, arguing it would be enough to accommodate merchants who wished to move. It is not possible to know the real intention of the officials’ who were in charge, e.g. whether it was deliberate or not that they did not provide sufficient and understandable information or did not informed it in a formal meeting with formal documents. This was a case of *misinformation* by officials in decision making process, particularly in relation to comprehensibility and truth (table 3.3). Their justification was securing the public interest: providing ‘unnecessarily too much land’, which was a previous land at a ‘yolk’ area (see 8.2.1.1), would be against the public interest. Therefore, they decided, with discussions with professionals, by themselves and then notified merchants unilaterally. In this process, many times assertions of the MRs, particularly those of B and C type of businesses (table 8.2), were not accepted. Yet, if they understood the context of those businesses that should be built like ‘Guro’ style in the Korean business environment better (see 6.4.2.1 and figure 8.9), they may have made different decisions.

There were similar issues about the misinformation in relation to Vitalisation Complex and Distribution Facilities. One of the justifications of the SMG to reduce size of the land for merchants was the relocation market by itself could not succeed, and some other facilities that could support the relocation market would be necessary (see 9.2.4.2). Yet, when the decision was made, they did not have any professional study about the effectiveness of the Vitalisation Complex in actually vitalising the relocation market. Moreover, they also did not have any detailed plans for the site until September 2009, almost one year after the completion of the relocation market and more than five years after the decision for the size allocation was made. Similarly, Distribution Facilities has not been completed due to some unreasonable delays (9.2.4.1). Considering the agreement that the entire DDGP was supposed to finish by 2007, this was nonfulfillment of the agreement.

In the process of selection of methods of constructing buildings, officials did not care much about merchants' economic conditions. The primary concern of them was affordability at this stage. If buying a shop would be too expensive to purchase, many of them would not be able to buy, which would weaken the industrial ecosystem. Knock-on-effects (table 10.2) were already expected at this stage, and therefore, they emphasised this issue numerous times. An official who was in charge of this task admitted that there were many demands to lower the price. Yet, he did not listen to it carefully because it was not reasonable from his perspective. He thought making lower quality buildings would create other problems due to the low quality, and from his perspective, building lower quality buildings in this precious land was not the right thing to do. This resulted in 'over design' of buildings for those types of businesses (see 9.2.3.1). We can see three issues here.

Firstly, he was not "finely aware" of the economic circumstances of merchants and did not have much knowledge about their businesses. Secondly, this issue was related to values: he prioritised more the quality of buildings rather than affordability. If he thought more about what the building was *for*, the priority should have been different. Moreover, this is also why we need universal values for planners. His judgement was not just-oriented, according to the conceptual framework that I set. If there were guidelines that he were strongly recommended to follow unless there were reasonable reasons, the outcomes could have been much more *just*, as well as better in this case. The judgement should have been more equity and equality oriented. Thirdly, this was a very important stage that would decisively influence the price for each shop. At this stage, a rough price could have been drawn out depending on how much the SMG would post on the Construction Request. Merchants would have been able to understand that there are trade-off effects between quality and price of buildings. Accordingly, if there were a process that merchants could choose an option and took some responsibility by paying certain amount of deposit, the outcome may have been more just.

In the case of the special conditions and inflexible regulations about sales of shops, structural constraints imposed on a working level official (but still at a managerial level) were distinctive. The working level official understood merchants' circumstances and demands and recognised the omens of failure. Therefore, he tried his best to help the merchants and abolish the unnecessary regulations (9.2.5.3). However, many structural

constraints were imposed to him, and in the end, he was frustrated and eventually retired⁸. Although there were some more cases of officials who tried to do ethically right things towards more a just outcome, these were relatively few throughout the DDCP.

Finally, I argue that ultimate political and moral responsibilities for the failure of the DDCP have to be attributed to both Mayor Lee and Mayor Oh. They had considerable authority, as the mayors, over personnel and distribution of resources (7.2.2.1). Taking into account that in Korean local politics, the power of the mayor is particularly strong (Chapter 4), they should take larger responsibility for the failure of this project than working level officials. Furthermore, Mayor Oh, the successor of Mayor Lee, should have had stronger political and moral obligation to the merchants and focused more on *telos* of the project.

10.3.1.4 How the projects could have been better and more just?

We can think of answers for this question by focusing on two parts, the two of which are closely inter-related (see 3.3.1.1): ‘problems’ caused by agents, mainly from wrong judgments of officials or the mayor; and problems stemming from structures, mainly from Korean political or planning institutions or systems. I answer the former one in this section, and will examine the latter one in the next section. Two things are worth noting in advance, which are also applied in the subsequent section. Firstly, as Rittel and Webber (1973) wrote “Problem understanding and problem resolution are concomitant to each other” (p.161), and therefore, the ‘resolutions’ I suggest start from how I understood and defined the problems in the earlier part of this thesis, particularly in 10.2.2.3. Secondly, planning problems are “wicked” (Ibid., see 2.4.2.1 and also Campbell 2002): in particular, planning problems are located in very complex societal and political networks, which are linked to other problems, agents, contexts, and situations of the time. Therefore, resolving one problem may cause other problems. In addition, the problems I define and resolutions I suggest here are inevitably simplified considerably.

By reviewing, chronologically, firstly the CRP should have proceeded more slowly and more time should have given in main issues when were necessary. From the

⁸ It would be difficult to say it was the only reason why he was retired. Yet, it could be seen from many interviews that the experience of frustration was the most important reasons for his retirement.

early stage of the CRP, the mayor set two ‘principles’, i.e. no cash compensation and start of the project on 1st July 2003. As was noted earlier, the deadline on the one hand contributed to making the negotiation more constructive. On the other hand, because of the too tight deadline, the officials and the merchants did not have sufficient time to make more concrete agreements. Moreover, considering that the ‘rationalised reality’ was not true, and there were other options about the CGEH, the project could have been undertaken in fundamentally different ways. The relocation market could have been built earlier than the start of the CRP, so that merchants could have relocated earlier than the actual losses were made. More precise investigations or simulations about effects of the construction or anticipated losses could have been done, which may have enabled the set-up of more effective measures.

Moreover, many people raised issues of practicality or realisability related to the mayor’s mayoral term. This meant because political power generally decreases as time passes in a fixed term, the project would not be possible if it did not start at the time. However, the project was not needed to start in Mayor Lee’s term, between 2002 and 2006. He could have challenged for re-election (or even challenged for election for the third term if another 4 year was not enough) and could have been judged by voters again on the continuation of CRP. The project could have been started later when sufficient preparations had been done.

Secondly and closely linked, agreement should have been made more concretely. The agreement remained at a principle level, and as a proverb says ‘the Devil is in the detail’, later on, there were significant differences in interpretations of the details, for example about date of completion, size of the land, and special privileges. This was one of the fundamental reasons for the undesirable outcome for both merchants and the SMG in the end.

Thirdly, the CGC merchants should have been included in the formal governance of the CRP. Two sufficient conditions should have met in this inclusion: their delegates or representatives should have been able to participate in the SMC or the CC (particularly Planning and Coordination Committee), and they should have been able to make effective voice. In doing so, merchants could be able to reflect their opinions in relation to the CRP from the decision making process, rather than against the decisions after they were made without their participation. Moreover, the exclusion of merchants caused significant mis-

recognition, which again was reflected in formal decision making processes. As a result, sufficient and appropriate measures for merchants could not be made in the formal governance.

Fourthly, every decision should have been documented and opened to general merchants in order to increase administrative responsibility and administrative continuity, and reduce unnecessary misunderstandings. Although it might have been difficult to make minutes in informal meetings, at least main decisions should have been documented. Moreover, every formal meeting should have produced minutes. These official documents should have been opened to the general merchants, as well as to public, unless there were legitimate reasons for closed doors, taking into account the advantages and disadvantages of the open and closed door meetings (see Kim, 2008a). In the case of these two projects, the initial stage of the informal negotiation provided more advantages over disadvantages of the closed door meetings, in that minority business groups in the CCVPC could make their voice freely without being suppressed by hardliners. Still, however, important decisions should have been documented, and the documents could be treated confidentially. Moreover, except very limited situations, in principle, every important decisions should be documented and opened. Nevertheless, some alternatives, for example embargo, could be considered.

Fifthly, more land should have been allocated, so that appropriate forms of buildings for the CGC merchants could have been built. The amount of allocated land reduced significantly from what was agreed, and one of the justification was making the Vitalisation Complex. Yet, this Vitalisation Complex is strongly questionable regarding its motivation and effectiveness (see 9.2.4.2), and this complex has not even been completed.

Sixthly, in the process of the DDCP, the quality of participation should have been better. Here, better means merchants' voices, especially their knowledge from their everyday experience, should have been heard more carefully. Information should have been provided without distortions, and efforts to reduce misinformation or misunderstanding should have been made, for example, by providing visual aids (maps, pictures or figures) and avoiding jargons. Moreover, although it would have taken more time to make decisions on sensitive issues together with merchants, sufficient information should have been provided.

Seventhly, price should have been affordable, so that merchants who were not affluent also could have purchased a shop. Price was a very important issue in the DDCP, and therefore, there were continuous and repeated requests from merchants to lower the price. However, this was neglected, and quality of buildings was prioritised rather than affordability. In this process, there was no merchants' participation or even a survey, but the decision was made by the SMG on its own. In addition, even though there were many requests from merchants to know the price, and even though it was possible to calculate a rough price, the price was not announced until July 2008.

Eighthly, there should have been more financial support for merchants who were not affluent. The support could have been in two forms: firstly, rent could have been considered from the first round of selling shops for merchants who could not afford to purchase a shop (table 9.5). Secondly, additional financial support, e.g. a loan for a longer period or lower interest rate, could have been considered. Although the second form of support might have been difficult due to other financial or administrative regulations, the first form would have been possible with the SMG's own decision.

Ninthly, special conditions (table 9.2) should not have made and enforced, or should have been in a different way. The regulations should have been more flexible when situations changed. Some justifications of the special conditions were reasonable (see 9.2.5.1), particularly about preventing un-earned benefits through property speculations. However, there could have been different ways, for example, if merchants would re-sell their shops within certain years, they must sell it to the SMG⁹. Moreover, when there were reports from working-level officials about signs of vacancies, higher-level officials should have listened carefully, and regulations should have been more flexible.

Finally, authority and responsibility should have been provided together. One of cases that made this problem very clear was when the methods of development of site and buildings was decided (see 8.2.5.1). Merchants did not want to take the risk for the buildings. They wanted government to do all works for constructing buildings, but still wanted to be influential in the process of construction and would have wanted to make decision later when shops were completed about whether they would move in or not. They did not pay any deposit at this point. However, situations did not work out as they

⁹ This would be similar to the operation method of the Community Land Trust, about how they prevent un-earned benefit from the land and real estate.

wanted. They were even more excluded from the following process, because without any kind of contract having legal force, merchants did not have any kind of legal right to intervene in the process.

10.3.2 In the light of the theoretical review and empirical case study, if planning should pursue the public interest (or the common good) and often unavoidably harm minority interests, how can planning be more just in relation to the interests of the latter?

It is important to note that I do not try to find a final or definite answer in this thesis. Rather, I present tentative thoughts about this question from a moral, not legal, perspective. It was argued, influenced by Campbell (2006), that justice in planning is about situated ethical judgement pursuing the common good guided by universal values. It was also emphasised that the common good does not mean a (modified) utilitarian sense of maximising utility, i.e. ‘the greatest happiness of the greatest number’ or simply the ‘interest of the many’ (see Campbell and Marshall, 2002). It was argued, after Campbell (2002, see also 2.4.1.1), that society, as well as community, is not a mere aggregation of individuals; and so is the common good, which is also and always more than the sum of the good of the individuals (or the members of the community) (see also Pennock, 1962).

In order to achieve a good and virtuous community, however, protecting individuals’ rights and interests is imperative, unless there are just reasons. According to Aristotle, the telos of politics and public policy is “to form good citizens and to cultivate good characteristics” and the telos of the state is leading its citizens to “good lives” (Sandel, 2009, p.193). If people’s rights and interests can be easily harmed without a just reason, arguably, the politics and public policy in the community does not fulfil their telos and thus are not just. Simultaneously, however, the good lives of members of community is, in general, inextricable from the good of the community as a whole, or the common good, as Pennock (1962, p.180) wrote “many of our interests are directly social”. Members of the community (at least partly) share history, identity, interests, security of their own community, environment, and a future (see 2.3.2.2).

Consequently, it was argued that it is always a *balance* between the good of the community and of individuals (or members of the community), the two of which are inextricably related. This is what planning ought to always seek; this is what are sought

in situated ethical judgements; and this can be found through the politics of the common good. Yet, it was demonstrated that planning is undertaken within various constraints and limits, and therefore, it is very often accompanied by situations that require the making of choices. Despite certain compromises, choices are usually either/or, rather than simply both/and. Questions in relation to justice arise when the choices unavoidably harm the interest of some specific groups when planners make ‘situated ethical judgement pursuing the common good’. What is then the right thing to do?

Before I try to answer this question, it is important to consider two things: although win-win outcomes are rare and win-lose outcomes are much more common (see 2.4.2.1), the win-lose outcomes are not about a zero sum game among stakeholders, i.e. someone’s interests means some other people’s losses. As long as a *better* outcome is realised (a justification of planning activity), it would be a *positive sum*. Planning activities should be about creating the positive sum for the community as a whole. Moreover, members of a community have particular obligations to each other that do not require consent; called obligations of solidarity (see 2.3.2.2). Accordingly, if planning produces positive outcomes at the expense of the infringement of individual rights for the common good, and more than that if we have moral obligations to each other, arguably, reasonable forms and appropriate amounts of compensation ought to be provided when some form of infringement of individual rights for the common good unavoidably occur in a planning practice.

Subsequently, based on the arguments that: justice in planning is about situated ethical judgement pursuing the common good; a politics of the common good is about seeking a *balance* between the good of the community and of individuals, the two of which are inextricably intertwined; and reasonable forms and appropriate amounts of compensation ought to be provided when the good or right of the latter is unavoidably infringed for the former; let me briefly reflect on the two empirical projects in relation to the research question.

As was reviewed in 9.3.2, the two projects was undertaken for the apparent good of the entire Seoul and Korean community. Simultaneously, unavoidable losses generated, particularly to certain types of merchants. It was, however, neither legally nor practically possible to compensate for losses (see 7.3.1.3). Legally speaking, the losses, called the ‘indirect loss’ in legal terms, in this case were not recognised by the law of the time, and

therefore, were not subjected to compensation. Practically speaking, it was not possible to provide compensation for three reasons: firstly, compensating all the anticipated losses would be beyond the city's financial capacity; secondly, with consideration of the very complex networks discussed in 6.4.2, it would be practically impossible to decide who would be compensated¹⁰ and how much; thirdly, it would be practically very difficult to 'objectively' quantify the losses generated by the project, which was a necessary process to claim against the budget of the SMC. Furthermore, it was also not clear how much loss the CRP generated with consideration of the fact that the businesses in the CGC market were facing many other challenges, including the rapid emergence of e-commerce (see 6.4.2.2).

In this situation, arguably, it was right thing to do for the SMG to provide an alternative form of compensation to merchants within their capacity. It could be argued that the project would have been more just if the central government, which has larger financial and legal capacities, provided a certain amount of compensation that could cover all actual losses. Yet, considering the political environment that the political parties and the President and the Mayor of Seoul belonged to were different, it would have been practically very difficult to realise (see 7.3.1.2). It was also practically very difficult to calculate actual losses, as was just mentioned. Therefore, even though there were a large amount of scope for the process of the negotiation of the CRP to be more just, especially if there were more time to develop the agreement more concretely (see Chapter 7, especially 7.4), if we focus on the planner in this case, arguably the processes and outcomes of the CRP were close to being most just within these constraints. As was stated in 10.3.1.3, this was a good example of the situated ethical judgement that provided compensation for the unavoidable losses of certain groups. Although it was partly inevitable for merchants to agree to the outcome of the negotiation due to the urgent time and many of them worried about the agreement remaining at a principle level, a majority of merchants were happy with the result at this time.

The agreement, however, could not be realised as it was initially planned, and the reason why this in the end was less just than it could have been described in 10.3.1.2. It is important to remember that one of the fundamental factors that contributed to the failure of this project was the law that did not recognise the actual losses generated in the process

¹⁰ In terms of actual losses, some merchants outside of the CGC area could also receive significant losses due to the CRP.

of public undertakings. As time passed, this became an important reason for the imbalance of power between the merchants and the SMG. This is discussed further in 10.4.

Accordingly, I would like to propose three normative arguments here. Firstly, the community should provide sufficient amount of compensation for the actual amount of losses to individuals that were generated for the common good. Even though the compensation would be provided, the project still would have a positive sum for the entire community, and arguably that is what the state should pursue throughout planning activities. Yet, it was emphasised several times that the common good should not mean merely the ‘interest of the many’. Rather, it is always a *balance* between the good of the community and of individuals (or members of the community), the two of which are inextricably related, and the balance can be found through the politics of the common good. Secondly, other members of the community have obligations of solidarity to the members whose interests or rights are infringed by a planning practice for the common good. Thirdly, losses that are generated by public services undertaken for the common good should be recognised by the law or planning regulations, and ‘compensation through policies’ should be used as a complement to, rather than being the main source of, compensation, which was the case in the CRP and the DDCP.

10.4 Implications for the Korean planning system and institutions for better and more just urban (re)development projects

In the empirical part of this thesis, several implications for Korean political and planning institutions or systems were suggested, and I summarise them in this section. Firstly, throughout the examination of the two consecutive cases, it was found that power in local politics was too much concentrated in the executive, especially the mayor. There was not enough means for other institutions or organisations to check the mayor’s power. In contrast, even though the local legislative is another formal representative institution, they did not have sufficient power to check the executive, again, especially the mayor. Civil society should also be empowered, and this was particularly in the case of the CRP and the DDCP when the mayors and the majority councillors of the SMC were from the same political party. Although there were a small number of councillors in the SMC, it was certainly not enough to check the mayor and the executive.

Secondly, the proportion of councillors elected from the proportional representation system should increase, so that socially vulnerable people and some interest groups who have not been represented enough can also be represented. In the case of the CRP, there was only one councillor who represented the interests of street vendors, and there was no councillor who specifically represented the interests of small-scale businesses. Therefore, their interests were not sufficiently represented in the SMC or in the public sector more in general.

Thirdly, social and administrative culture¹¹ should focus more on values of democracy and procedural justice, and less on efficiency and speed. When the mayor pushed the project very speedily, although on the one hand there was resistance from some individuals and groups, more people saw it as a positive, indicating strong and decisive political leadership. This people's support later on made the mayor the president of Korea in the 2007 election. Moreover, as could be seen from interviews in Chapter 7, during the process of the CRP, main members of the CC and officials also thought the project would not be realised if it proceeded slowly, with having sufficient time to tackle other issues such as the needs of merchants and street vendors. However, as was discussed earlier, there could have been other options.

Fourthly, compensation for indirect loss should be recognised more widely, so that it can recognise the actual amount of loss caused by planning projects which are undertaken for the common good. The un-recognised merchants' actual losses caused by the CRP was the fundamental reason why they started from a weak position, whereas for the SMG, providing *de facto* compensation was a 'gift' rather than their legal obligation.

Fifthly, closely linked to the previous point, legal grounds to recognise un-earned development gain should be legislated for. Property owners around the CGC area have earned a significant amount of gain from the CRP (see 7.2.3.2). The restitution of development gain does not only contribute to making more just planning. Through the regulation, practically, the government would also be able to claw back the amount that they are obliged to provide people who receive loss due to planning practices with compensation.

¹¹ From sociological institutionalism, culture is a form of institution (see Alexander, 2005a).

Sixthly, the job rotation system should be reviewed. As was reviewed in Chapter 4, although the system has some advantages, for example developing generalists who have balanced view over various policies, in today's society where many administrative tasks are becoming more specialised, in some areas, disadvantages overwhelmed the advantages. Therefore, at least in some positions in a local government which require professional expertise, like planning, abolishing the job rotation system should be considered. If it is difficult to change the system rapidly, at least the time for each official to stay in a position should be extended.

Finally, institutionalising professional knowledge supports should be considered for people who have difficulties in affording the service from the private sector. In particular, throughout the DDCP, one of important reasons for the significant power gap between the merchants and the officials derived from their knowledge gap. Merchants did not have much knowledge about planning regulations, construction of buildings, and retail mall development, they were inescapably reactive in the process, and they could not contribute to the process by reflecting their knowledge from experience as much as they potentially could. It would be difficult to say that merchants, as a group, had financial difficulties to afford professional services. Yet, if there were a service where people could freely visit and ask for assistance, the outcome would have been better. I argue that the state should play a more active role towards more just planning practices, and therefore, as an example, the Planning Aid system in the UK can be considered. Alternatively, providing a short-term basis professional knowledge support system, something like a pro bono legal service, would also be helpful. Alternatively, especially for people who can actually afford the professional service, invigoration of the construction management system, a professional service provided from the market sector, could also be considered.

10.5 Implications for theoretical debates on justice in planning

Throughout the empirical study, three important implications for planning theories were found. Firstly, I would like to start from the discussion in 2.4.1, about the relations between process and outcome in planning, and would like to discuss further about the situated ethical judgement. The empirical study shows that focusing too much on making a 'good outcome' for wider population in the short run, with prioritising values of efficiency (speed) and feasibility (realisability), would be likely to harm: not only

interests of some minority groups that were anticipated to lose at the expense of the good for the wider population and values of democracy and procedural justice; but in the long run, this also may harm the interests of the wider population and ends with undesirable and unjust consequences for the majority. Chapter 4 showed that throughout the developmental period in Korea, the regimes which gained power through military coups did not have formal, procedural legitimacy. Hence, they relied on output legitimacy, primarily based on economic development. I would argue that, affected by this history, in Korean society, there is culture of ‘all's well that ends well’, which focuses too much on consequences without caring about ‘arriving there justly’.

Societal process, however, is not separated in different phases: end is not terminal but can be another start of other events, or the end affect process of other events. In particular, like we can see with the CRP and the DDCP, the two consecutive projects, which also can be seen as one sequent project depending on which issues we focus on, each outcome of each planning issue directly affects other issues, and in the end strongly affects the consequences of an entire project. There are trade-off effects, as was discussed in Chapter 2, between the values of efficiency and democracy or procedural justice. There would be no ideal planning situation that can achieve the two at the same time in a ‘perfect’ way, in particular where resources are limited. Subsequently, it shall be *balance* between the two based on situated ethical judgements.

However, as Forester (1982, p.75) warns (see 3.3.2), “when “the situation” decides, then those with the power to define the situation really decide”, we, especially planners, should be careful about the situational judgement. As could be seen from interviews with main members in the formal governance and officials during the CRP (see 7.3.1.5 and 7.3.2.4), their understanding of the ‘situation’ might have been practical, but was difficult to be evaluated as ethical. It is important to critically analyse issues of practicality, feasibility or realisability in planning. We shall understand the risk of ‘wrong’ judgements based on situations (see Chapter 2, see also O'Neill, 2000, pp.56-57), and the judgements shall be directed by ethical guidelines set in Chapter 3 (table 3.4), in order to make better and more just planning practices, especially in the long run.

Secondly, closely related to making better or more just processes of planning, it is necessary to focus more on the institutions. Here I particularly refer to public and formal institutions such as laws and regulations (see Alexander, 2005a, p.216), that

influence participants' or organisations' powers and behaviours. It was emphasised several times that two of the fundamental reasons for the power imbalance stemmed from the law, which firstly did not recognise the merchants' losses caused by the construction, and secondly the strong authority of the mayor in local politics. What I have suggested as implications, particularly in 10.4, were indeed related to institutions, more precisely institutional design (see Alexander, 2005a). Many other suggestions in 10.2.2 and issues discussed in empirical chapters also were closely related to institutions and institutional design. For example the CC, discussed in Chapter 7, could have been designed better, which could have been reduced mis-recognition. Design-built bidding process and selection process discussed in Chapters 8 and 9 also was closely related to institutions and institutional design. When construction companies bided, they tried to maximise their profit within the designed institution. By changing scoring method, more desirable and just outcome could have been made. The special conditions were another similar case.

Moreover, it was important to see that although some capable officials could deal with structural constraints better than others and could be able to reach a 'best feasible alternative' within certain situations, some could not. There were significant differences in capacity among officials, or more generally all participants. I argue that, through institutional design, we should try to increase possibilities of generating desirable outcomes. Although designing 'good' public and formal institutions would not be a necessary condition for reaching a better and more just outcome, similar to universal values, these indeed strongly influence, constrain or define people's behaviours, and thus possibly we would be able to steer the behaviours in more desirable ways.

Thirdly, issues of safety and speed showed important implications for the relationships between power, knowledge, public interest (safety), and time (speed). As was discussed in Chapter 7, soon after the inauguration of the mayoral term, the mayor announced that construction work would begin on 1st July 2003, which was exactly one year after his mayoral term. The SMG justified reasons for the commencement date, and all the reasons sounded plausible. In particular, the SMG's claim about the safety of the CGEH, asserted that the CGEH required urgent measures, either a comprehensive maintenance work or removal, otherwise there were significant risks in relation to safety. These arguments, especially regarding safety, were very difficult to challenge for opposition groups and even some professionals in a short period of time, since it required technical knowledge, information, and diagnostic workups.

However, in interviews with people who were closely involved in the process of making justifications, it was found that the safety condition of the CGEH was not as urgent as the SMG officially announced. Furthermore, there were other options to deal with the safety issue, e.g. prohibition of passing, however, those options were not considered in the short period of time with occurrences of many urgent events. It was found out that other justifications were also generated for the sake of supporting the mayor's will. As was discussed in Chapter 3, power appropriated knowledge and rationalised 'reality'. Time and information were also a key source of power, and by controlling it, power could be used by making justifications and knowledge that were difficult to challenge, at least in a short period of time. Simultaneously, *power sets time frames, and time again favoured power.*

10.6 Limitations of this research and future research agendas

10.6.1 Limitations of this research

There were several limitations of this research mainly derived from the researcher's position and validity of data. As was also discussed in Chapter 5, because I was an outsider from both merchants and officials without having any authority to investigate, there were limits in terms of accessibility to data and people. I could meet most of merchants I needed to meet for this research. In contrast, there were some officials, especially who were not retired, who were reluctant to meet me, as there were no incentive but were only risks. Even though I tried my best to meet them through various channels, I finally failed to meet some of them. Moreover, there were some restrictions to accessing some data, especially regarding the price of the DDCP. Not only due to the restrictions, but also because the time when the two projects were undertaken were more than 10 years ago, so some data were not available any more. Therefore, sometimes I had to entirely rely on interviewees' memories and their remarks, which may be questionable in terms of their validity (see 5.3.4.1).

As an outsider who had different values, there were also a possibility that I could not fully understand actors' difficulties and emotions. There probably were many 'problems' that some groups might have considered as such, although I did not regard them as a 'problem'. This was inevitable due to the value difference, however, I tried to overcome this as much as possible through efforts of 'greying positionalities' (see 5.3.3.2).

Moreover, there is limitation in relation to generalisation. As was reviewed in Chapter 6, Seoul is the capital of Korea and thus has different contexts from other cities in Korea. The mayor of Seoul is more powerful than other mayors, as he / she can mobilise much more resources and has higher authority than other metropolitan level governments. These should be taken into account when we reflect some findings of this research to other contexts, in and beyond Korea.

10.6.2 Future research agendas

During the undertaking of this research, several research agendas were identified to be examined further. Firstly, theoretically, the concept of common good (or public interest) and sustainable development needs further exploration. Theories of power, in particular that of Steven Lukes (2005), Hannah Arendt (1970) and Michel Foucault (1982), are needed to be studied further. Theories of ethics, particularly situational ethics, and also theories of practical reasoning should be studied further, and thus ethical guidelines for planners can be elaborated. Theories of democracy, including representative and deliberative democracy theories, and their implications for planning practices are also required to be researched further.

Secondly, regarding the Korean local political and planning system, how to empower the local legislative so that they could check the executive, especially the mayor, constructively should be further researched. In relation to this, how the local legislative can represent the civil society, which is constituted of various sectors and groups having different values and interests. In particular, how the local representative democracy system, particularly the legislative, can represent better the least advantaged, who are not well organised and are disenfranchised, needs to be further investigated. Moreover, the role of planners and their ethical guidelines that reflect Korean context should be researched further.

Thirdly, regarding (Korean) urban (re)development and justice, just compensation and relevant public laws should be studied further. In this research, I left an answer for a question ‘‘how much’ the merchants morally deserve?’ I wrote about moral obligations related to compensation for the loss due to public services in 10.2.1. Based on this, I argued from a normative perspective that a community ought to provide a sufficient amount of compensation for the actual amount of losses that were generated for the

common good. Moreover, like the CRP, that would have produced a positive sum throughout the project, merchants might have deserved to receive some amount of benefit ‘more’ than their actual amount of losses in an economic sense? Or, because the CGC was a covered river and needed a comprehensive maintenance work regardless of the restoration of the river, merchants should not have a right to be provided compensation with a full amount of their actual losses? How much would be ‘appropriate’ and how can this be practically calculated? How about other ‘subjective’ values, for example attached memories to the humanistic sense of place¹² and community? These issues need to be explored further in the future research.

10.7 Conclusion

Planning activities are justified when they are expected to generate better outcomes. They are undertaken to enhance the common good. However, under circumstances of limited resources and ‘fixed’¹³ space, they often generate ‘losers’. Arguably, one of the most important values that a state secures is justice. Then, how can we make the planning activities more just? As a planner, how can we make better and at the same time more just outcomes? This was a core question that penetrated this thesis. Some findings and implications are suggested. I would like to leave a final remark that in the face of power, seeking justice as a planner is often a very difficult task. However, it is an important and necessary task. It is one of reasons why planners are there, appointed as a professional. It is one of *telos* of appointment of a planner in the position.

¹² According to Tuan (1977, p.6), ‘place’ is a space layered with particular meanings of people: “Space is more abstract than place. What begins as undifferentiated space becomes place as we get to know it better and endow it with value”.

¹³ Meaning cannot physically move and cannot be supplied elastically.

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Appendices

Appendix 1. List of Key Documents (arranged by published institutions and date)

Produced by the Seoul Metropolitan Government

- SEOUL METROPOLITAN GOVERNMENT 2009. (In preparation of the inspection of the administration conducted by the National Assembly) Information about the Garden 5 *In: BALANCED DEVELOPMENT BUREAU* (ed.). Seoul (September).
- SEOUL METROPOLITAN GOVERNMENT 2007. A report for strategic disposition of land (DDCP). *In: BALANCED DEVELOPMENT BUREAU* (ed.). Seoul (5th July).
- SEOUL METROPOLITAN GOVERNMENT 2006. An announcement of a meeting. *In: BUREAU OF PLANNING FOR THE DONGNAM RELOCATION PROJECT* (ed.). 17th February, Seoul.
- SEOUL METROPOLITAN GOVERNMENT 2006. Cheong-Gye-Cheon Restoration Project White Paper. Seoul.
- SEOUL METROPOLITAN GOVERNMENT. Minutes of a meeting on 28th January of Committee for Measures for the CGC Merchants *In: CGC RESTORATION PROJECT HEADQUARTERS*, ed., 2005 Seoul.
- SEOUL METROPOLITAN GOVERNMENT 2005. Discussion about deciding the method of development of buildings in DDCP. *In: CGC RESTORATION PROJECT HEADQUARTERS* (ed.). Seoul, 13th June.
- SEOUL METROPOLITAN GOVERNMENT. Minutes of a meeting on 24th June of Committee for Measures for the CGC Merchants *In: CGC RESTORATION PROJECT HEADQUARTERS*, ed., 2005 Seoul.
- SEOUL METROPOLITAN GOVERNMENT 2003. Notification of the result of the final meeting on 21th June 2003 between representatives and mayor Lee. *In: CHEONG-GYE-CHEON RESTORATION PROJECT HEADQUARTERS* (ed.). Seoul, 25th June.
- SEOUL METROPOLITAN GOVERNMENT ORDINANCE ON ESTABLISHMENT AND OPERATION OF THE CITIZENS' COMMITTEE 2002. (c.2). *In: SEOUL METROPOLITAN COUNCIL* (ed.). Seoul.

Produced by the Seoul Metropolitan Council

- SEOUL METROPOLITAN COUNCIL. Minutes of Urban Management Committee (SH Corporation). 2009 Administrative Audit and Inspection,, 2009 Seoul Metropolitan Council, 20th November. Seoul Metropolitan Assembly Secretariat

SEOUL METROPOLITAN COUNCIL. Minutes of the 175th (209th) special committee, Urban Management Committee (SH Corporation). 2008 Seoul Metropolitan Council, 8th September. Seoul Metropolitan Assembly Secretariat

SEOUL METROPOLITAN COUNCIL. Minutes of Urban Management Committee (Balanced Development Bureau). 2006 Administrative Audit and Inspection., 2006 Seoul Metropolitan Council, 17th November. Seoul Metropolitan Assembly Secretariat

SEOUL METROPOLITAN COUNCIL. Minutes of the Construction Committee. 187th Special committee, 2005 Seoul Metropolitan Council, 12th October. Seoul Metropolitan Assembly Secretariat

SEOUL METROPOLITAN COUNCIL. Minutes of the 2nd (182th) special committee, supporting for generating the Dong-nam Distribution Complex. 2005 Seoul Metropolitan Council, 13th May. Seoul Metropolitan Assembly Secretariat

SEOUL METROPOLITAN COUNCIL. Minutes of the 28th (185th) special committee, supporting for generating the Dong-nam Distribution Complex. 2005 Seoul Metropolitan Council, 15th July. Seoul Metropolitan Assembly Secretariat

SEOUL METROPOLITAN COUNCIL. Minutes of Urban Management Committee (SH Corporation). 2004 Administrative Audit and Inspection., 2004 Seoul Metropolitan Council, 30th November. Seoul Metropolitan Assembly Secretariat

SEOUL METROPOLITAN COUNCIL. Proceedings about inquiries about Seoul Metropolitan Government administrations and education administration. 135th Special Meeting, 28h August 2002 Seoul Metropolitan Assembly. Seoul Metropolitan Assembly Secretariat

Others

KIM, S.-C. Present and Future of the DDCP. *In: NEW PROGRESSIVE PARTY*, ed. Policy debate for deliberating alternatives for the DDCP, 2010 Seoul. National Assembly Member's Office Building.

PARK, M.-H. 2008. *Cheong-gye-cheon: conflicts and negotiation*, Seoul, Fantasia.

PARK, M.-H. 2004. *A Study on the Conflict Management Process of the Cheonggyecheon Restoration Project of Seoul: Focused on the Negotiations between the Seoul Metropolitan Government and Merchant Groups*. PhD, University of Seoul (unpublished PhD thesis, written in Korean).

Appendix 2. Information Sheet

Information Sheet

You have been asked to participate in the interview process of a PhD research study. In order to help you make an informed decision, important details about the research project and the interview process will be provided to you in this information sheet.

My name is Taehee Lee, a PhD student in the department of Town and Regional Planning in the University of Sheffield. This research is analysing the policy making processes in the Cheong-gye-cheon Restoration Project and the Dongnam Distribution Complex Project. In this research, I am analysing documents produced during the processes, and I am also trying to meet participants of the projects and analysing the relations and dynamics among the participants and other institutions. Throughout the process, I am trying to find out how and why the policy decisions were made.

As a researcher who did not actually participate the projects, your participation will be truly valuable and thus will be highly appreciated. This research passed the University of Sheffield Ethics Review. All the information obtained will be treated confidentially, and no one except me can access the information. All names will not be revealed in the thesis, and it will be treated that no one will be able to identify your participation in the thesis, unless you do not mind to reveal your name. If you have any question about the research, please feel free to contact to my supervisors: Professor John Flint (john.flint@sheffield.ac.uk) or Dr. Ed Ferrari (e.t.ferrari@sheffield.ac.uk).

I am aware that you are very busy as an (). Yet, would you mind if I ask you around 20-30 minutes? If this is too long for you due to your busy schedule, it is also fine if you could share me around 15 minutes. Thank you very much in advance.

Your sincerely,

Taehee Lee

t.h.lee@sheffield.ac.uk; +82 10 6251 9956

Appendix 3. Consent Form

Model Participant Consent Form

Title of Project: Analysing policy making process within a large-scale urban redevelopment in South Korea: the Cheong-Gye-Cheon restoration project and Dongnam Distribution Complex Project

Name of Researcher: Taehee Lee

Participant Identification Number for this project:

Please initial box

1. I confirm that I have read and understand the information sheet dated: [2nd March] for the above project and have had the opportunity to ask questions.

2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving any reason.

3. I understand that my responses will be anonymised before analysis. I give permission for members of the research team to have access to my anonymised responses.

4. I agree to take part in the above project.

Name of Participant

Date

Signature

Name of Person taking consent
(if different from researcher)

Date

Signature

Researcher

Date

Signature

Copies:

One copy for the participant and one copy for the Principal Investigator / Supervisor.

Date: Name of Applicant:

Appendix 4. Verbal Information for Merchants and Street Vendors

Hi,

My name is Taehee Lee, studying at the University of Sheffield in the UK. This research about CGC project is being conducted as part of my PhD studies in the department of Town and Regional Planning. More in detail about my research, I am analysing the CGC project from social justice perspective, which is different from many others that have focused on successful sides. One of the core parts in my research is regarding the negotiation process between the local government and merchants or street vendors who have worked or worked nearby, and that is why I would like to talk to you now.

In my thesis, I can confirm that all names (people, business, etc) will be written anonymously and will not attribute any comments directly to them as named individuals. Moreover, all the personal information will be treated confidentially, which means all the personal details will not be shared with anyone else and will be save in my personal computer with passwords so that no one else will be able to access. Also, the data will be used only for my PhD thesis and relevant articles in academic journals. Finally, you can withdraw from the study at any time, and you don't have to answer any questions that you do not wish to do so. So, are you happy to participate in this study?

If yes: again, thank you very much for your participation.

If no: that's fine. Thanks anyway.

Appendix 5. Interview with a high-level official, more in detail transcription

“Merchants disregarded the members of the CC. They said they were crazy. ... While we [officials] were having good discussions with merchants, one day the CC members said they would like to do something like mediation between the merchants and the CRPH. ... They suggested having a conference meeting in the SDI building in around May, 2003. It was in the midst of the time when we were conducting negotiations under the table about the relocation¹⁴. Later on in the evening when I was about to go there, a CC member called me and said ‘I think it’s better not to come here because they are quite upset’. I said ‘what are you talking about?’, and I went there. When I arrived there, there was nothing uncomfortable between me and the merchants. We were seating together there. [The reason why merchants were angry was that] Professors in the CC said ‘let’s each of us give in a little, and let’s make this project successful through concessions’. At that time, a merchant stood up and said ‘Okay, we can make a concession. Then what you can give in? What have you made any concession and now you are saying a concession and concession?’ At that time, the professor could not say anything. Like this, merchants did not expect much from the CC.”

¹⁴ This is discussed further in 7.3.2.

Appendix 6. Interview with a high-level official, more in detail transcription

“We set the date to 1st July and started. It was quite pressing to meet the time. ... [If we didn’t set the time], it might have delayed 2 or 3 years, and it might have ended in smoke, and thus we set the deadline. Therefore, we could reach to an agreement otherwise it probably was very difficult. Of course, in theory it would have been right [thing to do] to make the agreement up until all the details and then started the project. However, it would have been difficult to start in Mayor Lee’s term, if we consider the time. Don’t you think it took around 3-4 years? If we made all the agreement on all the details, for example how we calculate the ‘production cost’, don’t you think it took more than 3-4 years? ... This kind of project need to be put forward like a flash of lightning, because there were so many stakeholders. If it had been in a foreign [Western] country, they went through all processes. Do you know a case in Paris¹⁵? It was much smaller compared to the CGC. Look at that, how much time it took. Of course it could be argued that it was reasonable. However, if we had done like that, it could have been difficult. Think how many people opposed to the CRP. Therefore, as time passes, there would be high possibility that the project could have been fizzled out. With consideration of Mayor Lee’s term, if we had delayed 2-3 years, it probably have fizzled out in the end. If merchants had withstood one year, mayor’s power have decreased. We were pushed for time and so did merchants because we set the deadline, and that’s why we could reach to an agreement at a basic outline level. When we made an agreement, both merchants and we could not imagine that there would be so many complicated problems like the current things. If we had known that there would have been so many complicated problems in details, we would probably have taken some more time and made an [more detail] agreement.” (Interview with a high-level officer in the SMG)

¹⁵ Bievre stream in Ile-de-France.