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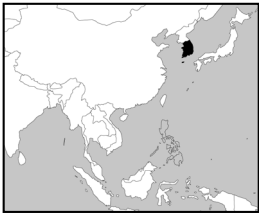
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Housing poverty and the role of urban governance in Korea

Seong-Kyu Ha

Seong-Kyu Ha is a professor at the Department of Urban and Regional Planning, Chung-Ang University, Korea.

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Address: 304 Shingu Villa,
551-19 Banpo 4 Dong,
Seocho-Gu, Seoul, 137-044,
Korea; e-mail:
ha1234@wm.cau.ac.kr

SUMMARY: *This paper describes how South Korea's rapid economic growth failed to produce solutions to housing problems in urban areas. In 2000, nearly one-quarter of all households lived in accommodation that did not meet minimum standards in terms of floor space and basic facilities. Many households live in single rooms in illegal or sub-standard lodgings, or in houses built of vinyl and thin wooden boards; most such accommodation lacks basic facilities. Very few housing options are available to low-income households in Seoul. This, combined with democratization and the increasing gap in housing conditions between the rich and the poor, has contributed to an increasingly vocal civil society, making the governance of settlements a major political issue over the last decade. The ineffectiveness of past and current government policies suggests the need for a conceptual change in government's approach to improving housing conditions for lower-income groups. In the Korean context, since the late 1990s, the enabling approach has begun to be seen as more important than other approaches, in part because it conforms with, but also requires, democratic participation.*

I. INTRODUCTION

BETWEEN ONE-FIFTH and one-quarter of the world's population live in absolute poverty, without adequate food, clothing or shelter. In many of Asia's largest cities, between one-quarter and three-quarters of all households have incomes below poverty lines.⁽¹⁾ By 1990, at least 600 million people in urban areas in Latin America, Asia and Africa were living in housing of such poor quality and with such inadequate provision for water, sanitation and drainage that their lives and health were under continuous threat.⁽²⁾

The economic growth of South Korea has often been referred to as an "economic miracle". In 1960, annual per capita GNP in South Korea (hereafter Korea) was US\$ 69. By 1995, this figure had increased to US\$ 10,079. Despite this economic performance, the Korean housing situation has experienced serious problems. Given the great shortage of housing, owner-occupation has declined, rented tenure has become more common and overcrowding has become endemic. An important phenomenon to emerge has been the increasing polarization in the housing conditions of the better off and of those of the worse off. In 1997, Korean economic growth began to wane and an International Monetary Fund (IMF) bailout became necessary. The impact on the economy of the ensuing crisis was

1. UN Economic and Social Commission for Asia and the Pacific (1993), *State of Urbanization in Asia and the Pacific 1993*, United Nations, New York.

2. UNCHS (1996), *An Urbanizing World: Global Report on Human Settlements*, Oxford University Press, Oxford, pages 108–113.

severe, with the urban poor suffering more than any other group.⁽³⁾ The economic contraction has affected the lives of the poor in many areas and, while there are many difficult issues to deal with, the most devastating problem has been the lack of shelter for the poor.⁽⁴⁾

In this context, effective decentralization, the efficient management of limited resources, popular participation and the development of productive partnerships between the city and the state, civil society, grassroots communities and the private sector have emerged as essential tools in the fight waged by cities against housing poverty. Moreover, good urban governance is a prerequisite for sustainable development and the reduction of urban poverty.⁽⁵⁾

The purpose of this paper is twofold. First, to examine the situation of housing poverty in urban Korea and second, to identify the role of urban governance with regard to low-income housing.

II. HOUSING POVERTY IN URBAN KOREA

a. Housing poverty

HOUSING IS NOT only a necessity of life but also affects all aspects of our existence. Housing provides privacy and security against intrusions, both physical and emotional. It is the principal locus of our personal and family lives.

While the terms “housing poverty”, “housing need” and “housing requirements” are widely used, their meanings are often unclear. Poverty is not simply low or inadequate income but refers also to a lack of physical necessities and other assets.⁽⁶⁾ Often, poverty is precipitated by a loss of assets. Poverty implies deprivation or human needs that are not met. As such, measurements of poverty that are based solely on economic need have been criticized for their inability to portray well-being accurately. Measures that incorporate a broader range of indicators, including non-economic dimensions, have been advanced as being conceptually more useful. Such an argument can apply to housing poverty as well.⁽⁷⁾

Housing needs have been defined in general terms as:

“...the extent to which the quantity and quality of existing accommodation falls short of that required to provide each household or person in the population, irrespective of ability to pay or of particular preferences, with accommodation of a specified minimum standard and above.”⁽⁸⁾

The key element in this definition is the idea of a minimum standard that must be met. While this idea is found in most definitions of housing need, what exactly should this minimum standard be? Many countries are at present attempting to widen their definition of a minimum standard of need to incorporate dwelling type, choice and mobility. But it can be difficult to define a minimum standard with precision or to reach consensus on what it should be. Also, standards can be so hard to achieve that they become meaningless.

Needs, requirements and preferences are all relevant to decisions on housing policies, and while basic needs should be the priority, preferences should also be taken into account. In this paper, we use the term “housing poverty” to represent this broader concept, which includes:

- the basic problems of housing shortage, poor physical conditions and overcrowding;
- the suitability of the dwelling stock in terms of tenure, type, size,

3. Ha, Seong-Kyu and Seong-Woo Lee (2001), “IMF and the crisis of the marginalized urban sector in Korea”, *Journal of Contemporary Asia* Vol 31, No 2, pages 196–213.

4. Existing social housing stock (permanent public rental dwellings) was estimated at about 269,000 units, accounting for only 2.3 per cent of total housing stock. The quantity of social housing has always been far below the number of poor households requiring it.

5. The term “governance” means more than government or management, for it refers to the relationship between government, communities and social groups.

6. Assets include tangible (savings, stores, resources) and intangible assets (for instance, claims that can be made for help or resources when in need).

7. Whitener, LA (2002), “Housing poverty in rural areas greater for racial and ethnic minorities”, *Rural America* Vol 15, No 2, pages 2–8.

8. Needleman, L (1965), *The Economics of Housing*, Staples Press, London, page 18.

9. "Comparative" housing poverty is defined through comparison with others, that is, with people who are deemed to be "in need" or are "poverty stricken". Although the idea of comparative poverty is widely used in the distribution of some kinds of resources, it is not an obvious principle. "Felt" housing poverty is felt by people in need or those affected by poverty themselves. "Normative" and "comparative" poverty are defined by some external arbiter, someone who is not in poverty, and the contrast with felt or expressed poverty draws attention to the question of who defines poverty as constituting a claim for service. If poverty depends on the degree of suffering someone experiences, it may be difficult to assess from the outside. Moreover, there is an argument that felt poverty should be taken into account in attributing priority between competing claims.

10. Yoon, J H (editor) (2002), *Housing in Korea*, Seoul, National Statistical Office (in Korean).

11. The proportion of the population living in slums and squatter settlements was about 20–30 per cent in the 1960s and 1970s. Since the 1980s, the number of illegal dwellings seems to have decreased. There are no accurate data on the population in slums or squatter settlements in 2000.

location and other qualitative aspects of the dwelling and the neighbourhood environment; and

- the ability of households to gain access to suitable dwellings.

However, in considering the extent of poverty in urban Korea, as well as recent trends, this paper will concentrate on what has been termed "normative" housing poverty rather than on "comparative" or "felt" poverty, which relates to the individuals and households who lack safe, secure and healthy shelter with basic infrastructure.⁽⁹⁾ Normative housing poverty is defined by a norm that is generally established by experts, one example being the statutory standard for overcrowding, which defines when a household can be said to be overcrowded.

The minimum standard for housing set by the Korean government is based on three factors:

- minimum floor space (adequate space and privacy): for example, the dwelling floor space area for a household of four persons must exceed 37 square metres;
- facilities (provision of basic services): any housing lacking basic services and facilities, such as running water, electricity or a sewer system is judged to be below standard; and
- structure and environment: housing with poorly built structures such as tents, communal huts and barracks using inadequate building materials are also judged to be below standard.

According to the National Statistical Office, 23.1 per cent of households in 2000 did not meet the minimum housing standard in terms of floor space (number of bedrooms) or in terms of basic facilities (such as running water or a sewer system) (Table 1).⁽¹⁰⁾ Unfortunately, the census did not provide data on structures using inadequate building materials. If this criterion was included, the number of households below the minimum standard would be even greater. Furthermore, the population and housing census in 2000 did not include illegal settlements, slums or squatter settlements, or structures such as vinyl houses, tents or barracks because such settlements were not registered on the list of housing stock provided by local housing authorities. Moreover, the census covered legal residential areas only. Therefore, it is hard to figure out exactly what the real situation is with regard to sub-standard housing.⁽¹¹⁾

	Lacking bedrooms	Lacking basic facilities	Lacking bedrooms and facilities	Total
Number of households ('000)	2,090	744	472	3,306
Proportion of households below minimum standard	14.6%	5.2%	3.3%	23.1%

SOURCES: National Statistical Office (2002), *Report of 2000 Population and Housing Census*, NSO, Seoul; also Yoon, H J (editor) (2002), *Housing in Korea*, NSO, Seoul.

Despite an overall improvement in housing quality, many sub-standard dwellings still remain. Little is known about illegal or squatter housing. Most authorities undoubtedly underestimate the size of their squatter populations, either because they ignore communities outside offi-

cial city limits or because of enumeration difficulties posed by the morphological irregularities of many squatter settlements in Korea.

We shall now examine these sub-standard settlements in terms of their historical backgrounds and characteristics. An unexpectedly large group of returnees and refugees from neighbouring countries and North Korea settled in Seoul following the end of Japanese colonial control in 1945 and the end of the Korean War in 1953. This influx resulted in mass movements to establish squatter settlements. In addition, Korea's rapid economic development during the 1960s and 1970s, which was largely Seoul-centred, was accompanied by an enormous wave of migration from the countryside to the city. This influx of people created an acute housing shortage, with prices soaring beyond the reach of the average citizen. Many squatter settlements (*daldongnes* and *sandongnes*)⁽¹²⁾ appeared on hillsides or in low mountain areas around Seoul. The housing materials used to build these settlements were of low quality, and development was totally unplanned. The proportion of the population living in slums and squatter settlements varied from city to city, but figures of 20–30 per cent were common during the 1960s and 1970s. Since the early 1980s, particularly in Seoul, the amount of sub-standard housing has decreased as a result of urban redevelopment projects. In addition, since the early 1980s, poor housing conditions, such as physical deterioration, lack of facilities and security, and overcrowding have been associated with two new kinds of settlements, namely, *jjogbangs*⁽¹³⁾ and vinyl housing. Information on these new housing types, described below, is drawn from two studies. The first focused on five sample areas representing different locations and distances to the city centre, and was conducted in Seoul by the Korea Centre for City and Environment Research between May and October 1999; the five sample areas were Dongui-dong, Changshin-dong, Youndongpo-dong, Namdaemunro-5 ga and Dongja-dong.⁽¹⁴⁾ In the second study, vinyl-house communities were investigated between July and October 2000 in three typical squatter areas in Seoul, namely, Kulyung, Jeonwon and Hwawhe. Systematic sampling was used to choose the households that were interviewed, and 498 interviews were conducted in the three study areas (250 for vinyl-house communities and 248 for existing unlicensed residences).

b. New sub-standard settlements: *jjogbangs* and vinyl houses

The *jjogbang*, or “divided room”, emerged as an important form of rental accommodation as a result of housing renewal projects in inner-city areas and of the IMF crisis. A number of squatter settlements were demolished from the early 1980s as part of city beautification or redevelopment projects. Even though the number of squatter settlements decreased as a result, the number of poor tenants did not. Evicted squatters scattered around the city, and some still remain in inner-city areas. For these evicted tenants, the *jjogbang* has emerged as an alternative form of shelter and, since the IMF crisis, it has bridged the gap between the housing needs of the poor and unemployed and the housing supply in Seoul.

Even though the *jjogbang* is very popular with the urban poor, little information is available on trends and conditions. There are no data in the census or in any other government statistics. All that is known is that there were approximately 5,000 *jjogbangs* in the areas studied, mainly in inner-city Seoul.

12. *Daldongne* literally means “moon village”, and *sandongnes* are those villages on hillsides or in low mountain areas around Seoul. Here, squatters constructed their own houses without the consent of the city government.

13. According to the Korean dictionary, the literal meaning of *jjogbang* is “divided room”, or a room where the emphasis is on its smallness. *Jjog* means part of a divided thing, or a unit to calculate a split article; *bang* means a room or sleeping space.

14. The author was the project manager for this survey.

The main characteristic of the *jjogbang* is its small size, averaging approximately 3.3 square metres. It is either a rented room with beds, or a room that is available at sleeping times in boarding or rooming houses. It is based on an illegal lodging or rental system, is available at a relatively low cost and is centrally located. Most *jjogbangs* suffer from a lack of facilities and poor services, and their tenants are mostly poor and homeless people.

Another characteristic of the *jjogbang* is the daily payment system. The daily rent is usually US\$ 3–5, with a monthly rent in 1999 anywhere between US\$ 100 and 120. *Jjogbangs* are located primarily in commercial or semi-industrial regions. The high value placed on industrialization and commercialization, and the high rate of commercial development, have increasingly eroded the central city's residential role and have pushed residential development towards the outer suburban areas. Most sub-standard housing is concentrated in the marginalized portion of the inner-city areas and is crowded and in a poor state of repair. Facilities for water, cooking, storage and laundry are very poor and have rarely, if ever, been improved. There are usually insufficient toilets and washrooms, with one toilet usually serving more than 15 residents.⁽¹⁵⁾

According to the National Statistical Office, the unemployment rate was 6.8 per cent during the IMF crisis of 1998. In the study areas, the rate was much higher, with 49.3 per cent of tenants unemployed and another 35 per cent employed on a part-time basis as construction workers, restaurant workers or as street cleaners. The rest of the tenants were beggars, peddlers or rag pickers. Although there were some residents aged over 60, the majority ranged mainly between the ages of 30 and 60. These residents lacked the necessary resources to get a *chonse*⁽¹⁶⁾ contract with landlords and, as a result, were forced to wander from one *jjogbang* to another or to sleep on the street.

Half of all *jjogbang* residents were single and 34 per cent were married, and family breakdown is closely tied to housing problems. One in five people sampled had been asked or told to leave by their family, and one in three became *jjogbang* tenants because of divorce, arguments, rows or domestic violence within the family.

Vinyl houses are constructed of layers of thin wooden board with a vinyl covering on the outside. Most vinyl-house occupants are poor tenants who have been forcibly evicted from housing renewal areas and most simply settle on vacant hillside areas or public open spaces, without any rights to land ownership or building permits.

There is no accurate data on the number of newly built squatter housing units or on the squatter population in Seoul. According to the Seoul metropolitan government, the number of newly built squatter vinyl houses was estimated at about 6,000 units in 2000.⁽¹⁷⁾ There were 3,446 such households (9,116 residents) south of the Han River,⁽¹⁸⁾ where the three sample areas chosen for the interviews and field survey were situated.

The majority of residents (75.7 per cent) had been living in these squatter settlements for more than 11 years. Most of the remainder had lived in vinyl houses for 6–10 years and only about 9 per cent of residents had lived there for less than five years. This relatively low degree of recent mobility was reflected in the stable community that the vast majority of people were creating, even though they were faced with forced eviction.

The range of internal amenities is an important indicator of a dwelling's physical character, and includes such things as a toilet and a heating

15. Ha, Seong-Kyu (2002), "The urban poor, rental accommodation and housing policy in Korea", *Cities* Vol 19, No 3, pages 195–203.

16. A renter makes a lump sum deposit of "key money" at the beginning of occupancy, which is fully refunded at the end of the contract period. The landlord usually invests this fund and interest earnings represent imputed rent. *Chonse* is most frequent in cities, and the proportion of *chonse* households has been growing since the 1960s. There are many kinds of *chonse*, detached house or room, for various income groups.

17. Seoul Metropolitan Government Housing Department (2001), unpublished document on illegal housing (in Korean). I would think that 6,000 is an underestimation.

18. By the early 1980s, the overall cityscape and function of the city shifted towards the newly developing districts of the city, mainly south of the Han River. These concentrated development efforts were a momentous beginning to an era during which the area south of the Han River dominated the city's growth and became an integral part of Seoul's overall development strategies.

Table 2: Housing conditions in vinyl-house villages		Number of households	%
Toilet	privately owned	48	30.2
	public	111	69.8
	(Total)	(159)	(100.0)
Floor space (<i>pyong</i> *) (average: 8.9)	less than 5	35	24.0
	5–10	49	33.6
	10–15	41	28.1
	15–20	14	9.6
	more than 20	7	4.8
	(Total)	(146)	(100.0)
Duration of residence (average: 9.6)	less than 5 years	21	14.3
	5–10	34	24.1
	10–15	79	53.7
	more than 15 years	13	8.8
	(Total)	(147)	(100.0)

*One *pyong* is equivalent to approximately 3.3 square metres.

SOURCE: Ha, Seong-Kyu (2003), 'New shantytowns and the urban marginalized in the Seoul metropolitan region', *Habitat International* Vol 27 (forthcoming).

system. As shown in Table 2, the internal facilities found in the dwellings in the study areas were very poor compared to those in most urban areas in Korea. The majority of housing units (70 per cent) had no private internal toilet but, rather, used a communal toilet with conventional facilities, such as a pit latrine. Toilet conditions were the worst of the basic services in these sub-standard housing units.

The majority of dwellings (85 per cent) had a piped water supply and the remainder depended on wells or tanks for their water. With respect to kitchen facilities, only 10 per cent of the units in the study areas had a modern kitchen. Average floor space per dwelling was 8.86 *pyong* (29 square metres), much smaller than the average in urban areas of 25.6 *pyong* (84 square metres) in 2000.

According to government statistics published in 2000, 4.1 per cent of household heads were unemployed.⁽¹⁹⁾ However, in the study areas, 29.8 per cent of household heads were unemployed and more than one in three (37 per cent) had not had a full-time job for more than ten years. The most popular employment sector was construction, where unskilled labourers can easily find employment. About 38 per cent of households in these new squatter settlements had an average monthly income below 500,000 won (US\$ 400), compared with an average of 2,386,900 won (\$1,910)⁽²⁰⁾ in Korea's urban areas.⁽²¹⁾ As one would expect, the lowest-income bracket is mostly made up of residents from sub-standard settlements.

It is clear that buying a house is not a feasible option for the majority of tenants in Korea and that social stratification increasingly determines differences in tenure. Surprisingly, in the squatter settlements, the most popular form of tenure was owner-occupation. Most squatters became owner-occupiers illegally, neither paying property taxes nor registering their houses, which is the cheapest way to purchase a house or build a new one.

Despite these illegal methods of owner-occupation in sub-standard residential areas, most squatters felt more comfortable there than in any other residential area. This was because they did not have to worry about

19. National Statistical Office (2002), *Report of 2000 Population and Housing Census*, NSO, Seoul.

20. US\$ 1 was equivalent to approximately 1,250 won in 2000.

21. National Statistical Office (2001), *Annual Report on the Family Income and Expenditure Survey*, NSO, Seoul.

22. See reference 16.

any increases in the *chonse* deposit.⁽²²⁾ In 2000, the proportion of owner-occupancy in vinyl-house areas (78 per cent) was much higher than in conventional squatter settlements (43.5 per cent) or in the rest of Seoul (47 per cent). The landlords of those who rented vinyl housing were generally squatters who had occupied the area earlier, and rents were much lower than in traditional low-income residential areas.

III. URBAN GOVERNANCE FOR HOUSING POVERTY

ONE OF THE main reasons for the housing poverty problems described above has been the inadequacy of the institutions and institutional framework for the development and management of human settlements. Governments have often helped destroy or stifle the "social economy" in cities, an economy that is so central to prosperity and to the capacity of the inhabitants of each locality to identify and act according to their own priorities. Making full use of the potential that cities have to offer requires "good governance".

a. Factors for emerging urban governance

In most countries, the governance of human settlements has become a major issue over the last two decades. The term "governance", as it refers to the relationship not only between governments and state agencies but also between government and communities and social groups, means more than just government or management.

Three factors have helped urban governance in Korea emerge as a key issue in the discussion of policies for human settlements, namely, democratization, decentralization and the role of NGOs.

Democratization. The Fifth Republic of Korea was established in 1980, with General Chun Doo Hwan at the helm. However, in 1987, the military regime was faced with a serious political crisis as a result of the so-called "June Uprising". This was a national movement against the military regime, and sought to bring about the restoration of democracy in Korea. The Chun regime eventually succumbed to citizens' demands for a constitutional amendment that would allow the direct election of the president. This development marked an important transitional stage in Korea's pursuit of democracy and eventually led to the replacement of the authoritarian military government by a civil government.

In the late 1980s, political reforms and changes in Korea brought about many of the same situations that emerged in other low- and middle-income countries in Asia and Africa as a result of the collapse of military regimes. The 1980s were a period of important transformation in the pursuit of a democratic political system, as well as in social development. In order to create a more democratic rule of law and administrative system, various amendments and radical policy changes were instigated. These kinds of social and political reform policies provided the foundation for the new civic government that took office in 1993.

The democratic process and positive political transformation that took place in the 1980s were not the result of one single factor but, rather, of many interacting factors. The democratic process was the result of interaction between the state, political circles and civil society, and political democratization was brought about through the efforts of a grassroots

civil society movement. Moreover, political élites' conflict, cooperation and compromise processes also affected the achievement of positive political reform in Korea.

One of the important consequences of this period has been the strengthening of a "political culture" in Korea, a culture that reinforces a close relationship between, on the one hand, political leaders and governmental institutions and, on the other, major social and economic groups. Nevertheless, democratic governments are more likely to operate in response to public opinion and – given the necessity of periodic and open elections – are less likely to take arbitrary and self-serving decisions than non-democratic governments.

Decentralization. It was not until the 1980s that a wide debate began in Korea on the issue of the balance of power and the distribution of functions between central and local government. Decentralization can take a variety of forms. Assuming that it involves the delegation of autonomy from a higher, or more general, level of the state to a lower, or more specialized, unit (or area), three major variants can be identified, namely, deconcentration, devolution and privatization.

In 1999, the Presidential Commission on Devolution Promotion for Local Authorities was established in order to transfer powers to certain parastatal agencies of the central government. While these parastatal agencies have some autonomy in day-to-day management, ultimately, the government controls them. Genuine devolution is considered by some to involve the transfer of power and functions to sub-national political entities, investing them with real autonomy in many important respects.

Another body involved in the distribution of functions is the Presidential Commission on Government Innovation, established in 1999, which deals with the following issues:

- reducing the workforce and slimming down central and local government structure, with state-owned enterprises and other quasi-governmental institutions focusing on the core competencies of public functions;
- implementing privatization programmes for state-owned enterprises and their subsidiaries, significantly increasing efficiency and performance; and
- introducing competition and performance-oriented compensation into the public sector through such programmes as the Open Career System.

The role of NGOs. In Korean society, the non-profit/non-governmental sector played a passive role during authoritarian rule, but the recent democratization drive has put a spotlight on the role of this sector in checking the power of the state.

Towards the end of the 1980s, sweeping changes were made in Korea, and democracy was enhanced as a result. This, in turn, brought about an explosive growth in non-governmental and non-profit civil movements. Most existing NGOs or civil societies emerged in the aftermath of the democratic movement of 1987.

Housing movements in Korea can be categorized as movements of either residents or intellectuals. Residents' movements have emerged spontaneously, launched by rapidly mobilized residents' groups, and well-known examples in Seoul include the Sanggedong and Mokdong redevelopment areas squatters' associations. Intellectuals' movements are usually composed of religious organizations and NGOs, with the Citizens' Coalition for Economic Justice (CCEJ) standing out as a prominent example.⁽²³⁾

23. Ha, Seong-Kyu (2002), "The role of NGOs for low-income groups in Korean society", *Environment and Urbanization* Vol 14, No 1, pages 219-231.

The CCEJ is an influential NGO founded in 1989. Their slogan, *"Let's achieve economic justice through citizens' power"*, reflects their belief that deep-rooted economic injustices cannot be resolved by government alone but, ultimately, must be addressed through organized citizens' groups. The CCEJ believes that the fruits of economic development should be shared by all common people and not just by a small group of "haves". Moreover, the CCEJ has proposed a new methodology of gradual, but thorough, reform of the economic system. On top of this, in recognition of the need for continuous, cooperative efforts by civil society to bring about the reform of urban policies and systems, the CCEJ Urban Reform Centre was established to deal comprehensively with urban problems. This urban reform movement strives to transform Korean cities into good, healthy places, based on a sustainable, environmentally friendly lifestyle.

b. Governing agendas in housing

The strategies and policies of the Korean government regarding housing are comprised in the following agendas (Table 3).

Pro-growth agendas focus on the importance of encouraging business development, particularly that of construction companies, for a city's economic well-being and housing production. In the late 1980s, the government formulated a five-year housing supply plan with the objective of constructing 2 million dwellings between 1988 and 1992. At the onset, the government tried to address the housing problems of different income groups by employing different subsidy and finance packages, and the 2 million dwellings construction plan proved to be a success in terms of achieving mass housing production in a relatively short span of time.

In urban areas, housing renewal projects, achieved through the demolition of sub-standard housing, were one of the crucial measures used to achieve mass housing construction and high-density development. A new style of redevelopment project, a so-called joint project, has been introduced, based on a spirit of partnership between homeowners and construction companies. This project to build high-rise flats and to share the profits was initiated on the basis of voluntary agreements between homeowners and construction companies selected by representatives of homeowners' associations.

In a joint redevelopment project, the city government designates an urban redevelopment area and grants approval for all the plans; large construction companies provide the finance and carry out the construction; and an association of homeowners takes responsibility for the project. Introduced in Korea in 1983, joint development projects are now the most prevalent method for improving sub-standard housing areas. All houses in a projected area are demolished and new high-rise apartment buildings (15–25 storeys high) are constructed; these are the predominant housing type. The majority of high-rise apartment units have three rooms and measure, on average, 118 square metres. This means that the average floor space per household in redeveloped areas is higher than in other areas of Seoul.

Joint redevelopment projects are basically profit oriented and do not take into account the total urban system. Rather, housing is treated as a commodity on the open market. Open-market mechanisms, however, are not protected unless social welfare and security are factored into the housing equation. Housing renewal projects have changed the spatial patterns of low-income residential areas in Seoul. Since the 1960s, these

Table 3: Governing agendas in housing policy and urban redevelopment	
Governing agenda	Governing strategies/ programmatic tools
Pro-growth	<ul style="list-style-type: none"> • Housing renewal (joint redevelopment projects) • Market mechanism • Mass housing construction
Urban growth management	<ul style="list-style-type: none"> • Growth control • Environmental improvement • Height restriction/ land utilization plan
Housing rights	<ul style="list-style-type: none"> • Public housing provision • Tenants' participation • Minimize eviction
Community involvement	<ul style="list-style-type: none"> • Residents' and community participation • Choice of redevelopment method • NGO/CBO involvement in housing renewal process

projects have forced low-income residents out of the inner-city towards middle-ring areas and, finally, to the outskirts of the city. In the 1990s, most of the sub-standard settlements in the Seoul metropolitan area were located in satellite cities and suburban areas, where housing and land prices are relatively cheap. Urban redevelopment projects have played a decisive role in bringing about urban sprawl in Seoul.

Urban growth management agendas are developed to protect or improve the urban physical environment. Growth control strategies are defensive in nature and seek to moderate or restrict the rate and kind of development in a locality by increasing the government's land use powers. Other goals may include the preservation of certain land uses, such as open spaces or historical districts. Housing renewal projects have produced mass housing, especially multi-dwellings⁽²⁴⁾ and, in fact, all of the housing built as part of these urban and renewal projects in Seoul are apartments; however, these areas have higher densities than other areas. Although urban renewal projects, particularly joint redevelopment projects, have contributed to the supply of fairly good quality mass housing, there has been increasing criticism by some urban planners, the mass media and scores of residents concerning the collapse of community and the high-density development. If these high-density apartment construction projects fail to provide sufficient infrastructure and public services, they actually end up making the human living environment worse. Overall, the outcomes from the pro-growth housing and urban redevelopment agendas have proven to be far removed from the environmental improvement ideals of upgrading the urban physical environment or implementing better air and water quality, while also enlarging the city's green spaces.

According to the Seoul metropolitan government, the reconstruction of hillside residential areas should be based on the principles specified in the land utilization plan, and the requirements necessary for a reconstruction permit in hillside residential areas that have been designated as landscape and height restriction zoning districts will be strengthened.⁽²⁵⁾ The banks of the Han River, as well as major cultural assets, will be designated as special scenic areas in order to preserve and increase the beauty

24. Between 1991 and 1996, the percentage of dwellings newly completed as part of urban renewal projects in Seoul was 28.5 per cent.

25. Hillside residential areas located 40–100 metres above sea level will be designated, in principle, as Type I residential areas (30 per cent or less building-to-land ratio, 90 per cent or less capacity ratio).

26. Seoul Metropolitan Government (1997), *1934–2011 Urban Planning of Seoul*, SMG, Seoul.

27. Murphy, D (1990), *A Decent Place to Live*, ACHR, Bangkok; also, see reference 2.

28. The national constitutions of 53 countries have some provision for housing rights. Housing rights have long been included within international covenants or conventions, such as the Universal Declaration on Human Rights of 1948 and in the resolution of the UN Commission on Human Rights adopted on 10 March, 1993.

of Seoul.⁽²⁶⁾ Many city plans have had to be reviewed as a result of the public's complaints that pro-growth-oriented city plans will bring about such negative side-effects as damage to the environment.

Housing rights agendas. The Korean government's policies regarding housing rights are embodied in the Housing Law enacted in 2003. According to the law, the government should establish minimum housing standards and priority should be given to those households living below those standards. However, there are serious human rights issues with regard to evictions in housing renewal projects. Millions of poor people, or squatters, have been evicted over the past two decades in Korea. In Seoul, 720,000 squatters were evicted, often violently, between 1985 and 1988.⁽²⁷⁾ Most evictions concern renters who refuse to move out of the areas where they live. It has been observed that joint redevelopment projects typically involve serious human rights violations, as poor tenants are forcibly removed from their homes. In many redevelopment project areas, groups of thugs, sometimes right under the eyes of police officials, are brought in to demolish houses and force people out. Renters, who usually make up 60 per cent of the population in redevelopment areas, are excluded by law from a share in any benefits. The economic reason for the evictions is that these projects are meant to make a profit for the developers rather than improve the quality of life of low-income tenants.

One significant change that took place during the 1980s and early 1990s was the increasing influence on government actions of national and international laws concerned with people's right to housing.⁽²⁸⁾ Since the early 1990s, renters evicted from urban redevelopment areas have been offered two alternatives; either receive compensation for moving expenses, usually three months' living expenses, or receive the right to move into government rental housing following construction on the project site. Only renters excluded from compensation (because they have been residents for less than three months) or those demanding on-site temporary housing have suffered forcible eviction. Compromises are reached with about 10–20 per cent of all renters. While the first alternative may seem attractive, given the steep rises in rents in the Seoul area, the compensation offered is insufficient for tenants hoping to relocate near the redevelopment site, and thus most have to move outside of the city. The second alternative allows residency in the same neighbourhood but there is scant provision for interim housing for the four years until the project is completed. The result has been the destruction of communities. The Seoul metropolitan government has drawn up some plans to provide support for redevelopment projects initiated by communities, however, when dealing with low-income housing redevelopment, the government is faced with serious financial difficulties.

Community involvement agendas focus on perceived issues of social or redistributive justice and on the role of NGOs and community-based organizations (CBOs). As mentioned earlier, the majority of housing renewal projects in Korea are exploited as a means of making a profit rather than as an opportunity to improve community dynamics. As such, little consideration is given to the issues of community service, social welfare or to the advent of a total urban system.

In Korea, religious organizations, CBOs and NGOs are at the forefront of citizens' housing movements. Some NGOs and religious organizations have tried to establish anti-eviction campaigns and to lobby for governmental policies favourable to the urban poor. NGOs have emerged as critical intermediary institutions supporting citizens' organizations' efforts

to obtain access to resources and to negotiate with local government and other state institutions. NGOs have helped form community organizations within the areas in which they are active and have responded to the needs of existing citizen groups.

It is vital that NGOs continue to explore ways of developing more effective means of supporting and expanding grassroots participation. Some NGOs, particularly the Citizens' Coalition for Economic Justice (CCEJ), need to re-emphasize their role as accessible and community-based organizations rather than serving as NGOs for professionals. NGOs must be linked horizontally and vertically into member-accountable structures that give the poor an effective voice in local and national policy actions. This will allow urban redevelopment to become people-centred development by promoting a true social movement. In July 1987, the Federation of Evicted People of Seoul (FEPS) was organized by a group of people who had experienced eviction as a result of redevelopment projects. The objectives of FEPS are to assist others in eviction cases and to solve other common problems. Moreover, they actively lobby government in order to force it to promote policies that will help to resolve the problems of the urban poor. In the late 1980s, resisting renters from different areas began to demonstrate solidarity. During this period, the main issues raised by renters and CBOs revolved around their right to form their own interest groups and their demand that forced evictions be prohibited. In several redevelopment project areas, renters achieved a high enough level of organization to put up fierce resistance against the thugs who had been hired to evict them.⁽²⁹⁾

The government has drawn up plans to provide support for residential environment improvement projects initiated by communities. In order to support poor tenants' housing security, the government will provide 1 million public housing units by 2013, particularly for low-income communities. The focus of residential environment improvement projects is to improve illegal and deteriorated housing and to maintain public facilities under the Act on Temporary Measures for the Improvement of Dwelling and Other Living Conditions for Low-income Urban Residents, enacted in 1999. The act requires that local government improve the urban infrastructure in the areas designated for residential environment improvement projects. Sub-standard housing can be reconstructed or improved according to the will of the inhabitants and the communities.⁽³⁰⁾

IV. ISSUES AND POLICY ALTERNATIVES

a. The role of the public sector

THE KOREAN GOVERNMENT has played a large and increasing role in almost all aspects of housing production and consumption. A social housing programme (permanent public rental dwellings) was launched at the end of the 1980s. These efforts reflect not only the acute housing shortages in urban areas but also the government's introduction of a welfare measure for low-income groups. In the late 1980s, comprehensive housing development planning was instituted to determine the extent to which national resources should be allocated to public housing development for the poor.

In 1993, the new government announced a new five-year economic plan in which, within the context of deregulation, greater emphasis was

29. FEPS has played an important role in NGO and CBO housing rights movements in Korea.

30. The project is executed by local government or by the Korea National Housing Corporation; US\$ 18,000–27,000 per house, at an interest rate of 6 per cent, is given to owners to construct or improve their house.

placed on the role of the private sector. The social housing system was abolished in early 1993 and, when compared to the previous five-year housing construction plan (1988–92), financial support for new programmes for the poor continued to decline. Meanwhile, the government implemented a phased lifting of price controls on new housing in all regions, beginning in 1995, with the exception of the capital region.

In Korea, existing housing policies have, in effect, not achieved their purpose. While the major objective was to increase home ownership, housing construction policy has focused on middle-income households rather than on the most needy.

The Korea National Housing Corporation, which acts as a public housing construction institution supplying housing to low-income groups, is the most important agency of its kind. Since the early 1960s, its emphasis has been on the expansion of state-developed housing for sale rather than on the provision of rental accommodation. The proportion of housing for sale of total housing constructed between 1962 and 2000 was 62 per cent. Although the corporation produced rental dwellings, these houses were sold once the five-year rental period had passed. One important element in any future policy debate is the question of how large the public sector's role should be, as well as the question of who should produce and who should receive such housing. With respect to state-developed five-year rental housing and housing that is for sale, this system is administratively simple and easily understood by the public. The applicants for state-developed housing which is for sale are required to deposit a considerable amount of money in the Housing Bank (H&CB). There are no subsidies for the poor who cannot pay the deposit. Only those who have the ability to save can obtain state-developed housing, and this does not include many homeless people and tenants. Public housing, nominally targeted at low-income people, has often been allocated to middle-income households.

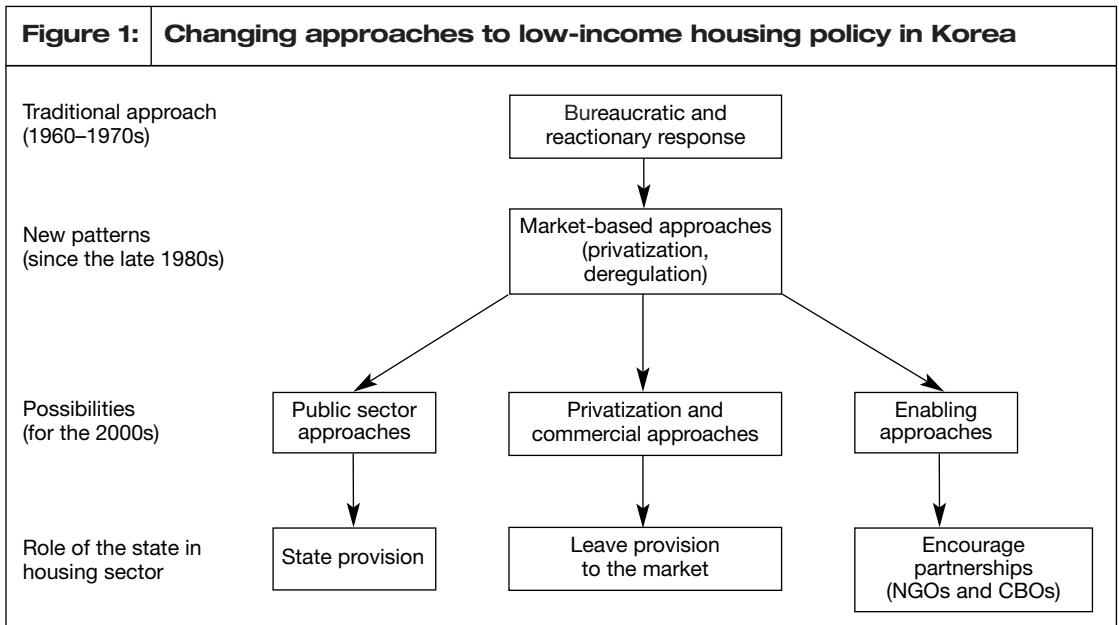
b. New housing policy paradigm

Housing policy in Korea during the 1960s and 1970s was characterized by a bureaucratic and reactionary response and a rather laissez-faire approach to low-income housing problems. During the 1980s and 1990s, government policy focused on the role of the private sector, within the context of deregulation. In line with this policy trend of privatization, particularly since the mid-1990s, the government has lifted various housing-related regulations, such as price controls on new housing. Since the IMF crisis of 1997, the role of market forces in the housing sector has been understood as being of greater importance than the role of the state.

One important element in the future housing policy debate is the question of the role of the state and how it can empower NGOs, communities and the private sector through cooperative ventures. Figure 1 presents the possible roles of the state in housing policy for low-income groups in the first decade of the twenty-first century, which can be classified into three approaches: public sector approaches, privatization and commercial approaches, and enabling approaches. This author believes that, at present, enabling approaches are the most important and necessary for the low-income housing policy paradigm in Korea. The enabling framework has been developed in response to housing problems and the failure of conventional public sector responses.⁽³¹⁾ The idea that government actions regarding housing should be concentrated on enabling and

31. Turner, JFC (1976), *Housing by People: Towards Autonomy in Building Environments*, Marion Boyars, London.

Figure 1: Changing approaches to low-income housing policy in Korea



supporting the efforts of citizens and their community organizations to develop their own housing is elaborated in the 1996 UNCHS report.⁽³²⁾ Participation and enablement are inseparable as popular priorities, and demand will be a major influence on the development of effective and flexible enabling policies.

The distinction between enabling approaches and market-based approaches has become very significant. Enabling policies do not necessarily imply less government intervention; rather, such government interventions are designed to help those whose housing needs and priorities are not met by the “market”, or who have particular needs that the market does not cater for, for example, vulnerable groups or the elderly. Such government interventions usually centre on ensuring that the resources needed for housing purchase, construction or improvement, especially land, building materials and finance, are available at the lowest possible price. With this approach, the government also structures its interventions in ways that support the resources and skills that low-income individuals, households and neighbourhood and community organizations can bring to the construction or improvement of housing. It is apparent that there is a need for more autonomous local authorities that can respond to the particular needs and priorities of their inhabitants and localities.

Today, a more pluralistic and participatory approach to planning is needed, one in which state agencies function more in partnership with NGOs and community organizations. According to Drucker,⁽³³⁾ nations immersed in the current climate of social transformation need to expand their two-sector notion of society (those two sectors being government and business) to include a third sector. He stresses that this third sector, comprised of NGOs, non-profit and grassroots organizations and a multitude of volunteers should assume a significant share of the responsibility for taking on the social challenges facing modern societies.

Due to the ineffectiveness of most past and present efforts, there should be a conceptual change in what the government should do to improve housing conditions for lower-income groups. In the Korean context, since

32. See reference 2.

33. Drucker, P (1994), “The age of social transformation”, *The Atlantic Monthly*, Vol 274, No 5, pages 53-80.

the late 1990s, the enabling approach has been more attractive than the other approaches, in part because it not only conforms with, but also requires, democratic participation.

In urban areas of Korea, a few community development programmes were implemented and linked to newer development concepts such as basic needs, primary health care, sites and service, and slum upgrading. These programmes eventually faded away for a variety of reasons, including a lack of funding, bureaucratization, political changes and so on.

To make the enabling process successful, the following measures need to be implemented. First, the role played by communities regarding planning and management must be increased; in order to increase efficiency, citizens should be given more control over what happens. Second, the active participation of NGOs and CBOs at all levels will ensure legality of tenure, avoid discrimination and lead to more access to low-income housing by poor residents. Third, there must be a willingness to recognize and learn from past mistakes, so that they are not repeated. Poor residents are not looking to blame anybody for the conditions in which they live; they are only looking to improve them. Next, linkages between neighbouring residents must be maximized. The planners, residents and NGOs must work together to promote community empowerment and regeneration. Finally, the experience and knowledge learned during each stage must be passed on through the efforts of staff members and communities.

V. CONCLUSIONS

THE PROVISION OF housing is widely viewed as a social service. But in Korea, despite some effort on the part of government, the urban poor experience significant housing problems. An "enabling framework" should be developed that would draw on the energy and skills of citizens in responding to housing problems and to the failure of conventional public sector responses. Urban governance is inextricably linked to the welfare of the citizenry, in housing as in other areas. Through good urban governance, citizens are provided with a platform that allows them to use their talents to the fullest in order to improve their social and economic conditions. These talents can effectively be applied to the realm of low-income housing.

Recent shifts in national governance and the increasingly large role played by civil society both in decision-making and in service delivery have meant that community participation in urban governance is coming to be accepted as the norm in Korean society. But the focus on community action and viability should not obscure the need for an "enabling environment" at the macro policy and regional levels. The active participation of public, private and non-governmental partners should take place at all levels, to ensure legal security of tenure, protection from discrimination and equal access to adequate, affordable housing for all.

It is particularly important in Korea that NGOs and CBOs continue to explore and develop more effective ways of supporting and extending grassroots participation. NGOs must be linked horizontally and vertically to member-accountable structures that give the poor an opportunity to voice their demands in the local and national policy-making and implementation processes. By promoting a true social movement, this will allow housing renewal and urban redevelopment to emerge as people-centred development.

