# Innovation or episodes? Multi-scalar analysis of governance change in urban regeneration policy in South Korea

## Abstract

Governance-beyond-the-state has been widely adopted in urban politics in recent decades of global neoliberalism. However, how the governance change actually takes place in the planning system needs careful substantiation and contextualisation. By applying the 'levels of governance' concept, this paper examines diverse factors of governance innovation with a reference to the recent participatory urban regeneration policy in South Korea. Through multi-scalar analysis of the comparative case studies of three districts in the city of Daegu, we explain a combination of various factors at the local level that has a significant influence on governance innovation. We also highlight that governance innovation is engendered on the basis of the material and relational resources available at other spatial scales and involves multi-scalar institutional restructuring. This multi-scalar dimension would broaden our understanding of what makes governance change possible and how it takes place.

## Keywords

Governance innovation, network governance, urban regeneration, levels of governance, South Korea

## Introduction

Under the neoliberalisation, 'governance-beyond-the-state' or 'network governance', which emphasises the roles of private economic actors and civil society in decision-making, has emerged as an institutional arrangement to solve urban problems (Eikenberry, 2007; Jessop, 1998; Rhodes, 1996; Stoker, 2004; Swyngedouw, 2005). This change in governmentality has usually accompanied a restructuring of the institutional arrangements in traditional governments (Brenner, 2004; Healey, 2006; Swyngedouw, 2004, 2005). Despite the continued debates over ambiguous accountabilities and conflicts among different actors (Davies, 2005; Jessop, 1998), network governance has gained much legitimacy, as it allows for collective decision-making and effective use of the local resources (Bekkers & Edwards, 2007; Harvey, 2003; Sorensen & Torfing, 2005).

However, whether this new governance has been successfully established in the formal institutional arrangements is still debatable. Swyngedouw (2005) warned that new forms of governance could simply be instrumentalised without becoming 'enduring' regulation modes. From the institutionalist perspective, this could be depicted as the failure of governance innovation (Healey, 2006; Paddison, 2002). Thus, it is important to know what factors make the opportunity for governance change and how it takes place (Hohn & Neuer, 2006). Healey (2006) argued that enduring 'governance innovation' occurs when a new mode of governance has the capacity to transform from a sporadic and ephemeral *episode* to a more sustaining *process* on the basis of consensual *cultural assumptions*. Drawing on her different 'levels of governance' concept, this paper examines the rise of new governance in South Korea's urban regeneration policy.

In the past decade, urban governance in South Korea ('Korea' hereafter) has experienced significant restructuring. The top-down approach that has long dictated Korea's planning under a highly centralised system has been weakening alongside the recent rise of civil society, and there has been an increasing pressure for civic engagement to be incorporated in the planning processes (Park & Lee, 2009). This governance change has been notably salient in the urban regeneration policy. Amid the national state's support for inclusive planning, many municipalities have strived to work in partnership with other sectors of the society for local regeneration projects (Oh, 2013). The public sector, local businesses, and residents have begun to develop diverse forms of governing groups to initiate and monitor the projects.

However, it is yet uncertain whether this new mode of governance has been 'institutionalised' in the planning processes, such that subsequent projects can perform on similar platforms and reap similar successes in Korea. Moreover, the institutionalisation may vary among local governments under Korea's decentralised political system, which began in 1995. How governance change takes place in association with specific local capacity and contexts in Korea deserves a detailed examination. This paper delves into the dynamics that involve the institutionalisation of the new mode of governance in the planning system that was once predominated by state-led urban interventions. Instead of evaluating the normative outcome of governance innovation, the main aim of the paper is to identify factors at play in the process of institutionalisation of new governance, with a particular focus on multi-scalar analysis.

The discussions in this paper contribute to the literature on governance innovation by providing multifaceted accounts of the dynamics and challenges of governance transformation in the planning domain. Conceptually, this paper seeks to adapt and further enhance Healey's

concept of governance innovation by placing emphasis on multi-scalar analysis (in addition to Healey's original emphasis on different levels of governance) to more aptly be applied to a country (such as Korea and many other countries outside the Western democracies) that has been under highly centralised system but now driving big changes towards more localised and participatory governance. Empirically, it informs and analyses the latest practices in participatory urban regeneration in Korea, highlighting the factors that have been important in institutionalising the new governance.

The rest of the paper is organised as follows. First, we explore scholarly debates on governance innovation and its driving forces in the literature. We then illustrate the new mode of governance in Korea's urban regeneration strategies and, in the process, develop an analytical framework for our study. In the subsequent section, we introduce our case of Daegu Metropolitan City, including its new city-level urban regeneration programs and more detailed and comparative examination of its three districts' participatory urban regeneration using our analytical framework. Drawing on the findings, we end the paper by providing discussions and implications for the contextualised governance innovation.

**Institutionalisation of the urban governance innovation**

In today's neoliberalisation and globalisation, cities have been unleashed into the global inter-city competition with significantly changed governance, which has been captured in concepts such as the 'new state space' (Brenner, 2004), 'entrepreneurial public management' (Harvey, 1989), and 'glocalisation' (Swyngedouw, 2004). In these changed forms of governance, the importance of networks of various actors has been highlighted under the 'network governance'

thesis (see Jessop, 1998; Rhodes, 1996). According to Rhodes (1996), network governance refers to collaborative decision-making by 'self-organising, inter-organisational networks' (p. 660) based on autonomy and mutual trust in a decentralised system. It thereby differs from the traditional hierarchical governance, where the government has a central role in managing others.

In the planning sphere, area-based, project-oriented networks of actors have increasingly been important in urban governance (Paddison, 2002), especially in many of the Western planning practices (see Gallent & Robinson, 2012; Muir, 2004). Recently, signs of a similar trend are beginning to be observed in developed Asian democracies, which had been associated with top-down government-centred planning practices (see Cho & Križnik, 2017; Harada & Jørgensen, 2016; Ng, 2018). However, the signs of new changes need to be 'institutionalized in the routines of governance practices' (Healey, 2006, p. 305) if they are not to be short-lived. Institutional rearrangements here do not simply denote organisational restructuring of multiple government bodies, but rather concern the processes of collective actions by relevant actors (Pierre, 1999).

In fact, Healey (1999, 2004) suggested a 'sociological institutional' approach which, while approving the role of 'institutions' in forming social action, highlights the important working of social interaction among actors and cultural resources (e.g., norms, values, knowledge) of a particular time and place. Here, she explained the governance innovation by using the operational terms: 'episodes', 'processes', and 'cultural assumptions'—the three 'levels of governance'. Episodes refer to particular events or experiences of new governance practices—whether in the area of new network formations, discourses, or regulatory practices. For these episodes to be sustainable, they need to move to the next level, i.e., governance processes—as

established discourses, networks, or regulations. In other words, new concepts and discourses in the form of episodes need to translate into the 'taken-for-granted' governance processes (Healey, 2006, p. 306). This transition would involve breaking through the resistance embedded in the established system, which can be referred to as 'punctuation of path-dependencies' (Peters et al., 2005, p. 1297). Finally, cultural assumptions are the level at which certain governance practices and agendas are generally accepted in the society. The formation of a new governance concept often engages complex social relations among the governments, social organisations, lobby groups, and individual citizens. Therefore, aligned cultural assumptions in the society would help legitimise and sustain resonating governance innovation. Although the three levels of governance are thus mutually interrelated, they can be analysed separately in light of the different temporalities assigned to each level.

In addition to the different levels of governance innovation process, there is a question of what triggers and drives it, punctuating the path-dependency of policy governance. Because governance involves cooperative relations between the public sector and the private sector, specifically the civil society (Davies, 2005; Rhodes, 1996), identifying the drivers of governance change requires an examination of both the *government* and *the civil society*. Depending on whether the former or the latter has more power in shaping urban outcomes, literature has often identified them as top-down or bottom-up approaches, respectively, and has produced insights and normative values of each strategy (e.g., Fromhold-Eisebith & Eisebith, 2005; Gualini, 2002; Mommaas, 2004; Lidegaard et al., 2018). However, Healey et al. (2002) perceive the essence of urban governance to lie on the dynamic interactions between the actors from these two spheres. In this paper, we also intend to regard the capacity of the coalesced initiatives comprised of the government and the civil society for collective actions as *institutional capacity* (Healey et al.,

2002) and focus on elucidating how knowledge resources, relational resources, and political resources are mobilised by the initiatives in the process of institutional capacity building (Booher & Innes, 2002; Healey, 2006).

Despite our view of intertwined social relations among various actors as the basis of building institutional capacity, there is a need for multi-scale analysis of governments, especially where the governments have exerted strong influence in urban politics, such as in Korea. Because of Korea's relatively nascent local democracy, we expect that social actors and resources involved in governance transformation to be varied across different spatial scales of governments, and also their relationships to be dynamic, rather than static (Fig. 1). This paper thus argues that the new urban regeneration governance in Korea is an *inter-scalar, multi-directional* process. In the remaining parts of our paper, we use this analytical framework to examine the dynamics of the governance change, which is contextualised in the case studies of new urban regeneration policy in Korea.

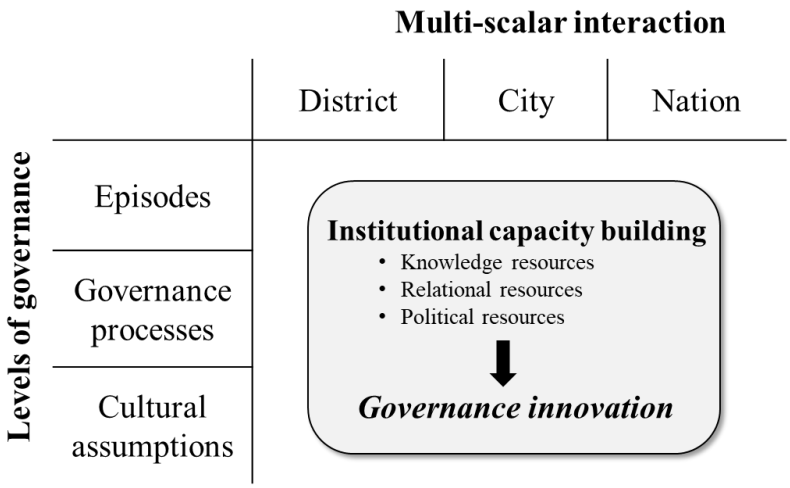


Figure 1. Analytical framework of Korea's urban regeneration: Modified from Healey (2006)[1].

## The rise of new governance for participatory urban regeneration in Korea

Korea's new urban regeneration policy took off in the late 2000s. Before then, regeneration mostly involved market-driven and wholesale development of high-rise residential complexes, replacing existing housing stock. Since the 1980s, the speculative investments in redevelopment projects have been concentrating in the areas where sufficient surplus profits were guaranteed, displacing poor renters and destroying the pre-existing sense of community (Bae et al., 2005; Shin, 2009). At the same time, deteriorating neighbourhoods with limited development potential have been left unattended without proper measures to maintain amenities and infrastructure (KRIHS, 2013). To address these pitfalls, in 2007, the national government announced a new planning goal of 'Building a Liveable City', which focused on improving the quality of urban life and revitalising community solidarity. The new plan then paved the way for Korea's first urban regeneration policy framework, launched in 2010 (Kim & Kim, 2016).

The newly set goal of the urban regeneration policy emphasised an inclusive approach based on community participation and capacity building and launched various funding schemes to support local initiatives (KRIHS, 2013). This new approach can be considered a milestone in Korea's urban renewal history, in that the government statutorily specified community participation in the urban renewal processes and committed constant financial support for the new governance of regeneration (Hong et al., 2013). Under the scheme, local initiatives comprising diverse local actors have been required to come up with innovative urban regeneration strategies, in order to competitively bid for national grants. When selected, the national grant would usually cover 50 percent of the local project costs, while the rest are matched by local governments.

The new scheme is important because, as a national report revealed, about 67 percent of Korean cities were suffering from urban decline in the form of depopulation, economic recession, or physical deterioration, and 70 percent of them were lacking financial and administrative capacity to counter the problem on their own (URIS, 2014). The availability of a national grant and its selection criteria led to a number of local governments immediately seeking to reconstruct their own institutional arrangements. They set up intermediary organisations[2] to assist in community engagement in the regeneration projects and to mediate the communications between governments and local communities (Kim, Y. S., 2017). However, the most critical process under the new scheme is at the district level, as it emphasises local community capacity building and active participation of local residents.

The success of the participatory urban regeneration ultimately depends on whether or not governance innovation actually takes place on the ground at the district level, amid the nationally laid out new institutional framework. In this paper, we assume the institutionalisation of the new governance processes at national and city levels as a given context and focus on analysing specifically the district-level governance innovation. When narrowing down to examine the district level governance changes, which involve multi-scalar interactions, the axes of Figure 1 continue to be relevant. We thus adopt them as our analytical framework, including the examination of the factors, to examine our cases in the Daegu Metropolitan City (or simply 'Daegu').

## Dynamics of governance innovation: Comparative case studies of three districts in Daegu, Korea

Daegu is the fourth largest city in Korea and comprises about 2.5 million people. Despite being one of Korea's eight metropolitan cities, Daegu has experienced continuous depopulation, slow growth, and deterioration of the inner-city areas, especially since the Asian financial crisis in the late 1990s (Joo & Seo, 2018). Further exacerbating the challenge of declining inner cities, the suburban expansion in the 1990s has been accelerated by new town developments in the outskirts. In order to tackle the uneven urban growth problem, the Daegu Metropolitan Government (DMG) has set out community engagement programs to carry out urban regeneration projects since 2009 (Joo & Seo, 2018). DMG has organised the 'Community Participatory Planning School (community design workshop)' annually to promote civic engagement in the planning processes for urban regeneration projects and held 'Open Urban Regeneration Academy (community education program)' to help citizens better understand the goals of this new mode of project management. DMG also established a city-level intermediary organisation—Daegu Creative Urban Regeneration Centre (DCURC)—in 2015 to coordinate its district-level intermediary organisations—Urban Regeneration Support Centres (URSC)—which are commissioned by district offices and operated by non-profit organisations (NGOs). DMG has also assisted the district offices in submitting their urban regeneration proposals to the national government and provided part of the financial support for the selected projects under the matching fund mechanism.

Daegu has a total of seven districts (*gu* in Korean) and one county (*gun* in Korean). While some districts have continued to successfully form networks and mobilise local knowledge and relational resources for their regeneration projects, other districts have been rather slow in their governance change (interview with a civil servant of DMG, 2016). The three districts we examined are Jung-gu (the 'central district' comprising the old downtown of Daegu),

Nam-gu (old inner district with low-rise detached houses in the neighbourhoods), and Dalseo-gu (the largest district in the city with sizeable industrial complex and high-rise housing estates near the border of the city). These three cases were purposefully selected to illustrate significant differences in terms of the processes and outcomes in the urban regeneration governance change, based on our preliminary research using various sources, such as the press release of DMG, DCURC's documents, policy documents of the three district offices, DMG, and the national government, and local news reports. In our fieldwork, we conducted in-depth face-to-face interviews with civil servants of DMG and district offices, senior research fellows of DCURC, and urban professionals engaged in the regeneration projects in the three districts. The synthesis of the collected data was supplemented by authors' visits to and observations in the urban regeneration sites.

*From city's episode towards district's governance process: The case of Jung-gu*

Jung-gu benefited from its localised identity as the old downtown in the new urban regeneration efforts. In 2001, a local NGO initiated a project to revitalise the city's old downtown area, first starting with a comprehensive investigation of its historic and cultural assets. Based on the study, the NGO managed to conserve a historic building, which was under a threat of demolition, by publicising its historic value (Ryu, 2014). Its campaign for the conservation of historic buildings in the downtown area has brought wider publicity and managed to build citywide social networks.

Taking advantage of this city-level 'episode', the Jung-gu District Office (JDO) won a national grant from the Ministry of Culture, Sports and Tourism to improve the historic

landscape of the whole district in 2007. Using this fund, JDO set up an official network, which centred on the local NGO with collaborating DMG, a local university, and a public research institute, to develop the strategies to enhance the design of the public spaces in the historic sites. This network has since managed the district's regeneration projects, and in 2008, JDO established the 'Jung-gu Downtown Regeneration and Culture Foundation (JDRCF)', institutionalising the network and its activities with the goal of envisioning the district to become the city's key tourist destination and cultural hub. By internalising the knowledge and relational resources accumulated through the activities of the NGO, JDO has endeavoured to transform the city-level episode into the district-level governing process.

As another example of this effort, in 2009, when JDO (and collaborating DMG) won a national grant under the 'Building a Liveable City' policy to carry out two pilot projects in Jung-gu, part of the grant was used to establish the 'Jung-gu Urban Regeneration Support Centre (JURSC)'—Daegu's first intermediary organisation for urban regeneration. Since then, JURSC has organised public consultations, community forums, and neighbourhood festivals, aiming at developing (in)tangible resources embedded in the local communities which could be harnessed in the governance of urban regeneration (KRIHS, 2012). The statutory support to further institutionalise the new governance was specified in the district-level ordinance in 2016, and the Urban Regeneration Division was set up within JDO to handle the administrative and financial issues.

In short, Jung-gu's pioneering network initiatives have been substantially institutionalised at the district level, leveraging the national financial assistance and the citywide relational resources. Between 2011 and 2017, JDO won national funds totalling KRW23.2 million[3] for six

new regeneration projects, which is the largest amount of grants and numbers of projects won compared to other districts in Daegu.[4] As matching funds, DMG has contributed KRW9.95 million and JDO KRW9.55 million.[5] With the emphasis on local community, city-wide NGOs, and historic conservation experts as the key actors, Jung-gu's urban regeneration programs have received much limelight and won a number of tourism, culture, and urban governance awards from the national government (DMG, 2017b). Furthermore, its relatively early (and successful) start in the participatory governance in urban regeneration has resulted in a number of precedent projects, with a potential to inspire other districts, both in Daegu and other cities in Korea.

One of the key factors that has led to the early start of governance change in Jung-gu was the political and relational resources of the head of the JDO. Before being elected in 2006, Ms. Yun Sun-yeong had been a consultant for DMG's cultural policy in the 1990s and had acted as the representative of the NGO that contributed to the conservation of the historic building back in 2002. Her expertise in cultural policies and her social network with the local art experts have been helpful in envisioning the future of the district as the cultural and historic centre of the city (KRIHS, 2012). In fact, the establishment of JDRCF was one of her election promises in 2006. Being the chief director of JDRCF herself, she has promoted a wide range of revitalisation projects during her three consecutive incumbencies from 2006, leveraging arts and cultural resources in the downtown area and exerting her political resources to carry through the plans. A director at JDO pointed out that Ms. Yun's critical role in the district's earlier regeneration projects as follows:

> 'She was previously the leader of the 'Yi Sang-hwa[6] Memorial Association'. Right after the election, she started to find ways to create a historic street near the house of Yi Sang-

> hwa. […] Speaking of the 'Bongsan Cultural Street Improvement' project that started in 2007, we [JDO] couldn't even think of planning such a project because we didn't have money. But she was committed to improving the image of the cultural street in Jung-gu by all means and finally pushed it through' (KHRIS, 2011, p. 172).

As more than 80% of the Bongsan project was funded by DMG (DMG, 2017b), one of the key measures must have been getting DMG on board.

In fact, another key factor is the district's strong identity as the central district, which has given rise to the consensual 'cultural assumption' that Jung-gu was important not only for the district but also for Daegu at large. For this reason, it was relatively easier to broaden the boundaries of the networks and obtain the legitimacy of the project operation. A few historic conservation projects have benefited from the public consensus on the historic value of the buildings, which were seen as 'public goods', rather than private properties (KRIHS, 2012). Some of the key stakeholders in the downtown regeneration areas have been generally supportive of the projects and sometimes willing to donate their lands or buildings for revitalisation purposes (Jeong, 2009). However, there have also been disputes between DMG and JDO.

> 'Jung-gu is obviously the centre of Daegu. In this regard, both DMG and JDO have enjoyed the success of downtown regeneration. However, as a few regeneration projects in Jung-gu became widely known as successful cases, there has emerged a noticeable contention between DMG and JDO in terms of who is to be given the credit. DMG thinks that JDO has publicised the district-level efforts too much without giving enough credit to

DMG. So, it seems that DMG is thinking of gradually cutting down its fund for the regeneration programs in Jung-gu' (interview with a local architect, 2016).

Its identity as the city's central district with historical and cultural significance has for sure contributed to a number of successful city and district episodes in Jung-gu. Also, when institutionalising as governing process, the extensive relational and knowledge resources of the city-wide NGO and the district head's capacity and city relations played an important role (Figure 2). Yet the multi-scalar relations and engagement in the process of governance change, in turn, can indicate possible challenges if the relationship were to stop being collaborative. It would be critical to maintain and nurture relationships across different scales, particularly for Jung-gu under the unique circumstances compared to other districts.

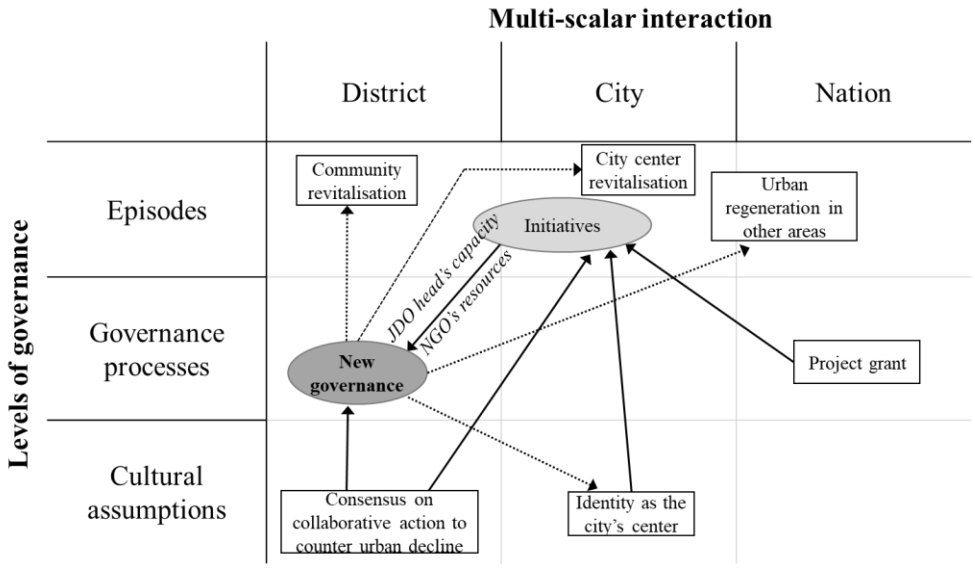


Figure 2. Governance innovation in Jung-gu

*Favourable cultural assumption for governance change: The case of Nam-gu*

In the case of Nam-gu, its district office (NDO) was the very first initiator of the new governance of urban regeneration, as the district has been struggling with a number of development challenges. First of all, Nam-gu has failed to secure its own industrial or business engine to sustain the district's economy, and subsequently has undergone steady depopulation over the past few decades. Secondly, it hosts the US army base, which has been prohibiting high-rise (re)developments in its nearby areas (Kim, Y. H., 2017). Local communities have long been discontent that they could not exert their property rights freely, while their neighbourhoods have continuously deteriorated. Thirdly, due to the weak local economic base and real estate market, NDO has had weak fiscal conditions[7]. NDO often found it difficult to make timely investments in urban infrastructures and amenities. Therefore, there existed strong demand among its residents for district revitalisation, of which NDO was fully aware (Kim, Y. H., 2017). When urban regeneration burgeoned in the national planning policy agenda, NDO promptly set up a bureaucratic division to be in charge of urban regeneration. This division was the first in Korea dedicated to urban regeneration policy to be set up in a district office.

NDO's institutional capacity building for new governance was accompanied by episodes involving multi-scalar engagements. For example, in 2009, two groups of local residents and community activists from Nam-gu participated in DMG's first 'Community Participatory Planning School'. Both of their proposals won national grants for implementation. With the fund, NDO established an urban regeneration support centre (NURSC) in 2010 and began to help local residents and retailers to form a 'Good Neighbours Association' to discuss and negotiate the issues related to urban regeneration projects. A group of local urban professionals and social enterprises has provided consultations, as a 'Good Neighbours Advisory Panel' or 'City's Doctors', to the local communities on their ideas of neighbourhood revitalisation (Kim, J. S., n.

d.). Currently, NURSC is also organising annual 'Neighbourhood Revitalisation Idea Competition', where local residents are invited to suggest their ideas to physically and socio-culturally improve their neighbourhoods. The selected proposals then become the basis of NDO's urban regeneration plans in the following year, helping to further reinforce the district's cultural assumption that is favourable to the new governance (NURC, 2017). Furthermore, NDO has been organising its own 'Open Urban Regeneration Academy' since 2014, hoping to nurture more capable local residents and activists for the projects (Jeong, 2014). With these efforts, the governance of urban regeneration projects in the district has changed from being led by the district office towards more network-based approaches, indicating a new mode of governance.

In this governance change, the role of the district head was significant. Since becoming elected in 2006, Mr. Im Byung-hun has strived to identify the problems in the district and communicate closely with the local residents. He and local communities were able to build mutual trust, which not only contributed to the governance innovation but also allowed him three consecutive terms of district headship. According to a local urban planner,

> 'I think the efforts of the head of NDO have contributed to the success of Nam-gu's urban regeneration. For the past ten years, Mr. Im has accumulated knowledge about the problems and resources in Nam-gu and was able to gain trust from local residents. He likes hiking and listens to the local residents, whom he meets along the hiking tracks. I suppose that his administrative capacity and trust from the local communities have facilitated the formation of the networks and the promotion of community participation.' (interview, 2016)

In our fieldwork, we also found out that, unlike in Jung-gu, where a network of already well-established city-level NGOs and local experts took the lead, Nam-gu's network has largely relied on one local architect. As a local resident and an advisory committee member of the district, she volunteered to engage in the first two regeneration projects in the district and met with residents' representatives and local retailers, explained to them about the significance of the projects, and encouraged them to speak out. In one of the projects aiming to revitalise a cultural boulevard, she used her own social capital to arrange artists and local youth counsellors to organise annual festivals. She was also an important communication channel between the district office and the local community and provided consultations on the proposed plans. Drawing on her accumulated knowledge and relational resources, she has been deeply involved in the subsequent projects as a chief coordinator. What can be implied here is the importance of a key actor's social capital in making the community-centred projects work, in addition to the institutional arrangements being provided by the governments. With strong and resourceful leadership—outside and inside the government—and local demand for a new change, the new governance model of urban regeneration actively took root in Nam-gu (Figure 3). To date, the district has won six national awards in recognition of the effective use of the local assets and social capital in its urban regeneration projects (NURC, 2017). The Presidential Committee of Korea has rated NDO's governance of urban regeneration at the top grade for the five consecutive years since 2012, in light of the active community participation. The favourable recognition of Nam-gu's practices throughout the country has strengthened the pride of both the local communities and the district office and encouraged them to keep up with their new governance mode (interview with a civil servant, 2016). In addition, the acknowledgement of Nam-gu's participatory urban regeneration projects through news media is making its way to

influence other localities' episodes (NURC, 2017; interview with a staff member of DCURC, 2016).

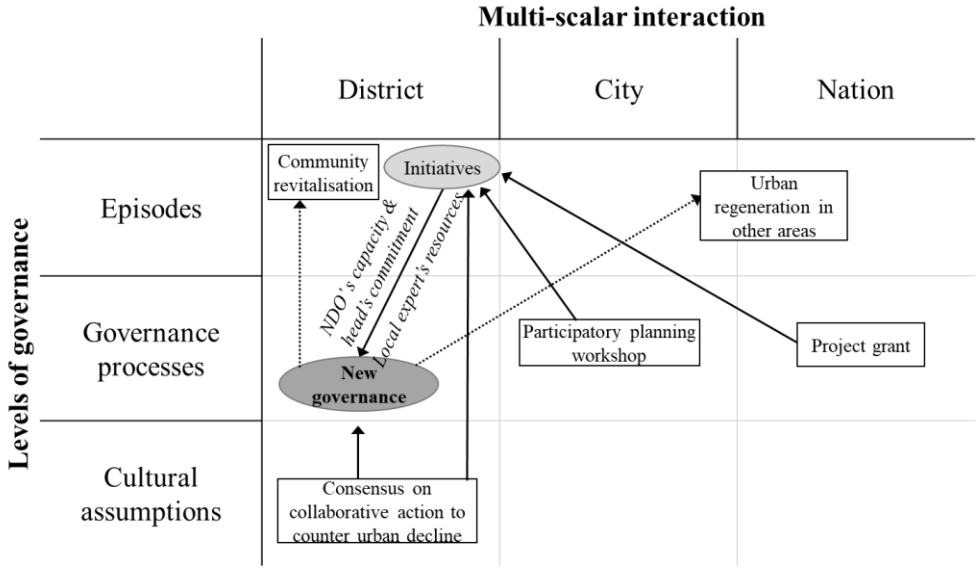


Figure 3. Governance innovation in Nam-gu

However, the new governance is not without challenges. The local architect, who was earlier mentioned to have played the leading role in community-led urban regeneration projects, commented in our interview,

> 'To be honest, it is really a demanding task. It's difficult to find suitable persons to represent different parties and help the stakeholders to reach a consensus on certain issues. People sometimes misunderstand my voluntary work. They think that I am doing this to gain profit for my future businesses. This misunderstanding has often let me down. […] I think that NURSC should be operated by a more experienced organisation with professional knowledge and strategies of mediating between the local communities and the government, so that it could take over my role.' (interview, 2016)

It appears that despite the institutionalisation of its processes, the network governance is still at its nascent stage. In fact, studying the participatory urban regeneration cases of Seoul, Park and Kim (2018) highlighted how in Korea's yet immature civil society for urban governance, pushing for 'participating citizens' required the government to officially nurture a few intermediary actors (or activists) to support and implement participatory practice on the ground. In Nam-gu, the local architect took proactive initiative to carry on the similar roles, which were successful but also faced difficulties in the process. Whether and how the network governance can be fully established and stabilized remains to be seen.

*Equivocal place identity and weak leadership: The case of Dalseo-gu*

Dalseo-gu is a district where old residential neighbourhoods, new high-rise apartments, and industrial complexes coexist. In view of a sizeable industrial complex and the population influx to the new housing developments over the past twenty years, the Dalseo-gu District Office (DDO) has had relatively strong fiscal capacity, earning the second highest tax revenue in Daegu (DMG, 2017a). Moreover, given relatively new urban developments in the district due to suburbanisation, the cultural assumption in the area has not had urgency for urban regeneration, unlike the case in Jung-gu and Nam-gu. Yet the district had old residential neighbourhoods, which invited room for episodes of community-driven urban regeneration to take place.

For example, in 2012, a team of college students and local volunteers participated in a voluntary program to help low-income elderly residents to repair their run-down houses in an old neighbourhood and to beautify their neighbourhood alleys by painting the walls. The event left a positive impression on the local community, and so the residents' representatives from this

neighbourhood decided to participate in the '2013 Community Participatory Planning School', organised by DMG, to 'learn how to advance [their] experiences and implement this kind of project more effectively' (DCURC, 2015, p. 293). In the design workshop, they came up with a plan to revitalise their neighbourhood by optimising the existing geographical features and, in 2015, won a national grant to implement the plan. Residents of the old neighbourhood had strong social connections with each other and actively participated in the street refurbishment activities and community events to revitalise the area. DDO set up the 'Committee for Building a Liveable Neighbourhood' at a district level and supported this event and arranged donations from the local businesses. The partnership between the public sector and private sector formed for the project was awarded the excellent administrative practice of the year by the national government (Kim, 2015).

However, this inspiring episode has been an exception. A few other subsequent revitalisation projects in this district, albeit being labelled as 'participatory urban regeneration', were implemented in the traditional government-driven approach, which focused on physical refurbishment on an *ad hoc* basis. One of the projects initially had intended to build up a network of local residents, university students, and migrant workers to create a multi-cultural neighbourhood, aiming to achieve social cohesion, but so far, only the public spaces have been refurbished on a small scale without much impact on community building and social integration (Kim, 2016).

There is a complex array of the factors that can explain why governance change has not taken place in this district. First of all, there was a lack of urgency, consolidated local identity and need for urban regeneration, as the district was characterised by a mixture of old and new

residential areas, universities, and industrial complexes. Moreover, a number of suburban neighbourhoods have been developing into high-rise residential areas, which brought considerable capital gains to the local residents. In fact, the residents in the neighbourhood that won the national fund in 2015 have recently agreed to redevelop their neighbourhood into a high-rise housing complex. This decision was a huge blow to the efforts to establish a new governance in urban regeneration.

> 'This kind of incident [the decision to redevelop into high-rises] not only discourage the civil servants and DCURC staffs who have been striving to set up the community-led regeneration governance, but also hinder other neighbourhoods from taking on the participatory urban regeneration. It seems like the participatory regeneration project is now regarded as a 'tentative measure' to prevent deterioration of the neighbourhood environment from taking place, just until a wholesale redevelopment can take place. If this becomes a trend, I think that DMG should take back some of the project fund allocated to the neighbourhood' (interview with a senior research fellow from DCURC, 2016).

Without a coherent and strong demand for a new governance model, it was only when a new head of DDO was elected in 2016 that some changes began to be made at the administrative level. By then, most of other districts in Daegu had strived to set up new governance models, actively seeking national grants. Under the new leadership, DDO changed the 'Urban Landscape Division' to 'Urban Regeneration Division' and set up a district-level urban regeneration support centre (DURSC) in 2017. It also enacted a local ordinance in 2016 that stipulates the scope of the district office's assistance for community participation in urban regeneration. In 2018, DDO

launched its own training program to nurture community activists who can take the lead in public participation and forming networks in the future regeneration projects. Yet the roles of DDO and the DURSC so far continue to focus on formulating physical improvement plans for old neighbourhoods, without much room for public engagement (interview with a civil servant, 2018).

The lack of new governance process in Dalseo-gu can be explained by three intertwined factors (Figure 4). First, the consensus on a collective action for regeneration was relatively non-existent due to the equivocal place identity (district cultural assumption). Second, lack of political demand led to lack of leading actors' commitment for participatory governance. Third, without the district head's strong commitment, the institutional settings to help community involvement in the urban regeneration projects were absent until very recently, thus delaying the district's institutional capacity for governance change.

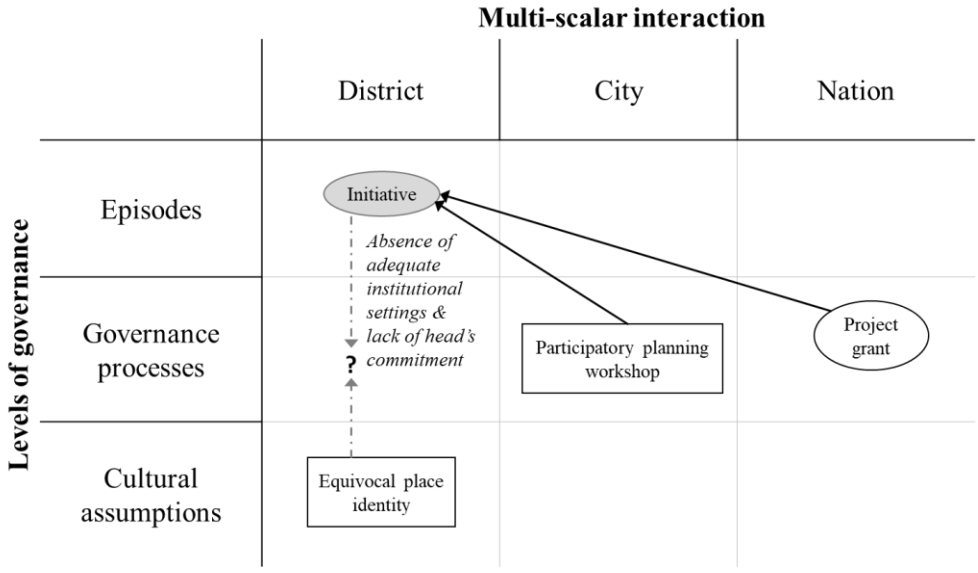


Figure 4. Governance innovation in Dalseo-gu

**Discussion and conclusion: Pathways to governance innovation**

Over the past decade, the governance of urban renewal in Korea has experienced a significant shift from the hierarchical bureaucracy concerted with a market-driven tendency to a territorially-focused network governance. The participation of the residents and local actors from the very beginning of the planning processes is a manifestation of the recent innovation in Korea's traditionally hierarchical urban planning system. This governance change has emerged amidst the redirected national policy framework towards 'building a liveable city' and the growing devolution of power to local governments in the public policy sphere. In addition, the increasing demand for public participation and awareness of the need for more locally customised strategies to counter urban decline have effectively formed the basis on which the governance change was conceived.

Applying Healey (2006)'s 'levels of governance' concept, this paper identified that the institutionalisation of the new governance mode in Korea has taken place across different spatial scales. In this new setting where national and city-level policy changes provide various resources and institutional assistance to participatory local regeneration projects, the lowest-level district is the key territorial platform. It was at this district level where the governance change—characterised by community-based planning methods—was initiated and operationalised, and sometimes its change has had influence in generating similar practices in other cities.

However, while many local governments have realigned their urban regeneration practices to the national restructuring of the new governance mode, whether it has replaced existing hierarchical governance as a 'system' *per se* needs in-depth substantiation and contextualisation. The three case studies presented in this paper illustrated that although the

national-level institutionalisation in Korea has brought the local governments *on board* in the new policy trend to some extent (triggering episodes), not all of them have successfully institutionalised the new governance (as governing process). Local districts have strived to make a transition from their occasional episodes of participatory urban regeneration projects to establishing a governance process, by creating URSCs, enacting local ordinances, setting up necessary divisions and committees, and so forth, using resources available from different levels of government. However, despite being in the same city of Daegu, and having the same access to the national and city government resources, the three districts have shown differences in their pathways to governance innovation in urban regeneration. We identified the following inter-related key factors affecting institutional capacity building, which facilitates governance innovation to account for the differences.

First of all, place identity was important. Our case studies showed that the strong and clear identity as the city centre with historical and cultural assets (i.e., Jung-gu) and local residents' demand for collective actions to improve their neighbourhoods (i.e., Nam-gu) have produced cultural assumptions that facilitated institutional rearrangement for community participation in urban regeneration. In contrast, the unavailability of a clear district identity and the lack of consensus on the need for neighbourhood improvement hindered the institutionalisation of the new governance mode in urban regeneration (i.e., Dalseo-gu). We also found that Jung-gu's place identity as Daegu's historic and cultural centre has resulted in its pathway to governance innovation that was much more integrated with city-level actors and resources, compared to that of Nam-gu.

Secondly, social capital mattered. Indeed, social capital is a high-quality relational resource in network-driven governance change. In Korea, in the absence of a national directory of experts on local urban regeneration projects, forming a governing network has relied on the already existing local social network. However, Korea has also lacked active civil society in urban governance due to its decades of top-down state-centric planning practices. In its new push for bottom-up initiatives, the availability of capable local experts and leaders, who can inject their own knowledge and social capital to regeneration projects, has been critical. In Jung-gu and Nam-gu, the committed local NGO and a local architect, respectively, took on the bulk of the leading role in initiating and carrying out participatory governance, bringing in their own established social capital. While the new mode of governance in Korea's urban regeneration underscores network governance, the actual formation and operation of the network has depended primarily on the few key actors so far. Korea's governance innovation in urban regeneration thus can be identified as having produced a lopsided network governance, without the presence of multiple actors that are capable of sharing responsibilities and roles.

Lastly, the capacity and motivations of political leader (i.e., district heads) were critical, in addition to the institutional support to push for the new governance practice, which involves creating collective action that is different from the existing norm. As an example, the incentives for the district offices to develop and enhance their institutional capacity to promote participatory urban regeneration—such as organising various community events and coordinating residents' planning proposals to win national grants—existed under the overarching national framework for participatory urban regeneration. However, how soon and eagerly the district offices have made the changes depended largely on the heads of their office, according to our findings. The district heads can be elected for up to three consecutive terms, and they have both motivations

(especially when there are the 'right' cultural assumptions for the change) and administrative means to institutionalise participatory urban regeneration within the district offices. In the cases of Jung-gu and Nam-gu, their close knowledge about their districts have also contributed positively to promoting community participation; in Jung-gu, its head even acted as a critical leader with important relational resources in a few key downtown regeneration projects. Both cases seem to show how the strong commitment from the district heads to break through the established policy practices can be important in materialising governance innovation.

While we identified these critical factors to have institutionalised participatory urban regeneration as a 'governance process' in Jung-gu and Nam-gu, at the same time, we also illustrated how the institutionalisation did not indicate the formation of a balanced network governance with mature grassroots participation. Instead, there emerged an asymmetrical network governance, led by few dedicated local leaders and experts, which works for now but may not be sustainable in the long-term. What we can surmise is that despite strong local demand (or cultural assumptions) for participatory governance in the society, whether there is a capacity to realise it as envisioned on the ground is another issue. There appear to be dual cultural assumptions here. One is the general acceptance and expectation that participatory governance is important in urban regeneration, which have greatly facilitated episodes and governance processes at the district (as well as city and national) level in Korea. However, the cultural assumptions necessary for the process—i.e., one's willingness, as a social actor or part of a social group, to proactively bring knowledge and relational resources to urban regeneration projects—seem to be relatively weak.

Moreover, although the process of governance innovation purports to be decentralised to a district level, what actually triggers district governments to commit to proactively initiating and sustaining governance innovation is highly subject to the funding availability from the national government. In this regard, the territorialised re-scaling of urban governance has not, and is unlikely to be, fully materialised in Korea. What has instead taken shape is the national coordination and institutional planning for local participatory governance, leading to a new multi-scalar system of governance innovation. There are a number of developing countries and cities undergoing similar pressures to move from their hierarchical planning to more participatory urban governance in the context of decentralisation and local democracy today. We suggest studying their governance innovation with the sociological institutional approach for comparative and valuable insights.

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**Notes**

[1] Instead of different scales of governments across the columns, Healey's diagram had different structuring relations (i.e., rules, resources and ideas).

[2] The number of intermediary organisations for urban regeneration expanded from 9 in 2014 to 77 in 2017 nationwide (Kim, Y. S., 2017).

[3] As of December 2018, KRW1 million is approximately USD891.

[4] The second largest winner is Nam-gu, with 4 projects and total national grant of KRW14.7 million (based on data from DMG, 2018).

[5] Based on authors' calculation with data from DMG (2018).

[6] Korea's nationalist poet born in Daegu

[7] While the ratio of tax revenue to total revenue of DMG was 51.2%, that of NDO was only 17.5%, the lowest among the eight districts in the city (DMG, 2017).