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New shantytowns and the urban marginalized in Seoul Metropolitan Region

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Abstract

This paper examines the living conditions of newly built squatter settlements in Seoul and identifies the policy issues of the poor. Since the mid-1980s, the number of shantytowns has decreased substantially through various redevelopment projects, but some poor people have tried to squat in a new type of low-income settlement, known as “vinyl house village”, in Seoul Metropolitan Region. A survey demonstrates that the enhanced degree of user control in the study area is a very positive element in household attitudes. Even though owner-occupation in the substandard residential areas is illegal, the squatters felt more comfortable than any other residential areas because that they do not worry about any burden of rent increases. But these communities have faced the fear of clearance measures by the municipal government. The government should undertake an in-depth investigation into the present conditions of these settlements. To arrange a counter-plan for their security of life and property including all kinds of convenient surroundings, the governments need to approach them humanely, taking into account local housing situations and community-wide objectives.

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1. Introduction

Rapid economic development in South Korea (hereafter Korea) since the 1960s, which was largely Seoul-centered, was accompanied by an enormous wave of migration from all corners of the nation. The influx of population from outside the city created an acute housing shortage and prices soared beyond the reach of the average citizen. The proportion of the population living in

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slums and squatter settlements varies from city to city in Korea, but figures of 20–30% were common in the 1960s and 1970s. Substandard housing was most prevalent in the capital. Since the 1980s, the number of illegal dwellings has decreased substantially (Ha, 2001).

Korea had a major and consistent crisis of housing scarcity as a result of wartime destruction (1950–1953) and rapid urban growth. Nevertheless, to achieve rapid, continuing industrialization, housing had to be insulated from the rest of the economy. During the 1970s and 1980s low-income groups faced increasing difficulties in gaining access to affordable land as land prices increased faster than the average income and in many cities the prices have sky-rocketed. More attention is being given in Seoul to the trauma of evictions in substandard housing areas where people are forced from homes and neighborhoods in which they have lived for years or even decades. There were certainly massive eviction programmes in many developing countries during the 1970s and 1980s. Probably the largest was in Seoul Metropolitan Region (SMR) where millions were evicted from their homes between 1970 and the early 1990s. Those evicted rarely received any financial support for rebuilding. Since the early 1980s, some poor people have tried to squat in a new type of low-income settlement, which is known as ‘vinyl house village’. The rapid growth of new substandard housing is an attempt to bridge the gap between housing supply and needs.

The conventional squatter settlements (unlicensed substandard residences) have been demolished through urban redevelopment projects. The newly built squatter settlements (vinyl house communities) have also faced the fear of forced eviction and clearance measures by the municipal government. The purpose of this paper is to examine the living conditions of newly built squatter settlements (vinyl house communities) in Seoul and to explore the policy issues of the poor.

2. Historical background of shantytowns in Korea

2.1. *Migration, urbanization and industrialization*

The first phase of Korean urbanization can be characterized by the sudden flow of population into the cities resulting from external factors such as independence (1945), partition and the Korean War (1950–1953). The urban explosion has occurred within the past few decades after the Second World War in Korea on a massive scale. An unexpected large group of returnees and refugees from neighboring countries settled in the SMR. Some of them simply settled in open spaces, such as military reservation areas, widely distributed hillside park areas, and public open spaces near railroads. Here squatters constructed their own houses without the consent of the city government. In addition, mass spontaneous urban squatter settlements began just after the end of Korean War in 1953. Over a million persons displaced by the war returned to the ruined cities. Finding no suitable housing, they built temporary shacks of wooden boards—so-called *panjajib* and *panjachon*.¹

During the 1960s, the causes of such urban growth were increasing industrial activity in the capital region and the spread of social services. The young ages of the migrants have resulted in

¹The original meaning of *panjajib* is a temporary house with a timber-framed structure; *panjachon* indicates a settlement consisting of a number of *panjajibs*.

the growth of the city population by natural increase. They came to the city when young, either to save money for marriage or with a young family at home, but ultimately they brought their families to the city. Much of the increase in city population lived in the shantytowns.

Too poor to purchase land and build a house within a reasonable time, or unwilling to continue to pay rent for decaying accommodation, or perhaps unable to find a room for their families, the migrants were forced towards the illegal occupation of land, becoming squatters. Within the city, shacks constructed of waste materials, or whatever was best suited to keep out the rain or sun, were erected on any vacant piece of land. Individually of small extent, these sites grew by slow accretion.

When Korea's export-oriented economic development took a giant step forward during the late 1960s, yet another tremendous population surge from rural to urban areas occurred. As more jobs resulting from this robust economic growth were available in large cities, many young men and women who were either unemployed or not satisfied with farm-related activities took part in this population shift.

In Korea since the early 1960s, the government has consistently pursued an economic policy that might be described as 'growth-first-redistribution-later'. The dominant thinking among the powerful technocrats in the public bureaucracy was that national poverty could be solved by reducing unemployment and forming self-sufficient economic structures, and that this could be achieved through industrialization rather than rural development. Thus, industrialization was first directed to labor-intensive and import-substitution industries based in urban areas.

Korea is not a well-endowed country in terms of natural resources. The government tried to tackle the problem of limited national resources by changing the trading pattern from import substitution towards exporting products processed using imported materials. By carrying out an export-oriented economic policy, Korea hoped to solve the problem of limited national resources and, at the same time, to gain access to international capital markets. The government concentrated its resources on the creation of further resources and investments. The 'unbalanced development' strategy specialized in those sectors in which the country had the greatest comparative advantage. This was carried out to allow the country in the short run, using the 'big push' strategy with massive investment in major projects, to achieve a large overall shift in national production.²

In terms of spatial impacts, the Korean government adopted 'growth pole' strategies until the late 1960s and 'growth centers' from the early 1980s onwards. All these policies were accompanied by rapid economic, spatial and social change. The government's policy for industrialization was centered on cities to maximize efficiency in existing facilities. Modern industrial and service activities benefited greatly from the economies of agglomeration. This spurred the growth of the industrial economy in the cities.

The policy made it necessary for people to move among occupations, industries and areas. Some people who could not or did not readjust to the changes were left out of the mainstream of society. This was often described in terms of informal sectors, dual labor markets, marginal or peripheral jobs or people, underemployment or latent unemployment. Problems of unemployment or underemployment, low income, irregular working, wage discrimination and wage

² In 1960, per capita GNP in South Korea was US\$79. This figure increased to US\$10,079 in 1995. During 1965–1989 the country's per capita GNP increased 7.0% annually. This annual growth rate was the second highest in the world.

exploitation tend to be concentrated on the poor and in the same families and neighborhoods. All these factors and background created shantytowns in urban Korea.

2.2. Urban planning and housing renewal

During the 1950s, Korean cities did not have any urban land-use regulation to control unplanned development and squatter settlements. The government enacted the Urban Planning Act of 1962, in which land-use planning was adopted. The Act became a major factor in urban development and restructuring.

Although the cities' boundaries continued to expand outwards, the size of the population grew larger and the development of urban infrastructure intensified, the development of land-use regulations lagged far behind actual urban growth. With accelerated economic growth and a steady improvement in living standards for many residents, the demand for better housing stock and amenities received far greater attention.

A large majority of urban renewal projects actually took place during the 1980s, after the Urban Redevelopment Law was passed in 1976. Such joint redevelopment projects were supposed to take on the spirit of a homeowner (landowner)–construction company partnership. The projects were initiated on a voluntary basis under the direction of a committee of homeowners and construction company officials, selected by representatives of homeowners' cooperates, theoretically to build high-rise flats, sharing the profits. A redevelopment association was created to work with homeowners in order to ensure that the necessary two-thirds of them approved of the project so it could proceed.

There were two factors responsible for this renewed interest and increased activities: the 1988 Summer Olympics and the activities of some powerful corporations (Kim & Chae 1997; UNCHS, 1996). As an important part of the efficient preparation for the Olympics, the city had to be beautified. Many urban slum clearance project areas were identified and cleared for site preparation near places where the Olympic venues were scheduled. Although the original intention of the partnership between homeowners and construction companies was indeed noble, it was estimated that less than 20% of the original residents were able to purchase an apartment unit that they could identify as their dream home. Consequently, it appeared that many of these renewal projects did not benefit the original residents who did not have adequate financial resources. What did result was a vicious cycle of forced relocations for the majority of residents in the project areas, whose existing community unity and social network were systematically destroyed. The profit motive of the powerful major corporations, coupled with the lack of political foresight and wisdom by the municipal government, simply did not mix well with the low socio-economic status of the affected residents.

Both the urban planning and slum clearance projects in Korea seem to indicate that most housing renewal projects and planning regulations were not based on a clear understanding of the potential needs of all affected residents and likely future changes, particularly in community dynamics. In reality, the projects actually reduced the number of available housing units for the low-income households. This means that the slum clearance projects led to further deterioration of the housing situation of the poor and provided a new environment to build other slums and squatter settlements.

Since the early 1980s, poor housing conditions and overcrowding have been associated with a new spontaneous settlement, the so-called vinyl house. Originally vinyl houses, or green houses, were built for flowering plants. The vinyl house is a new type of squatter settlement which is constructed with thin wood board layers and covered in vinyl. Most of vinyl house occupants are poor tenants who were forcibly evicted from the housing renewal areas or the homeless. Vinyl house squatters settle in vacant hillside areas or public open spaces without any rights to land ownership nor with building permits.

3. New substandard settlements and the urban marginalized

When we look at the housing conditions in urban areas, it is extremely important to examine poverty of housing of the substandard housing. The most glaring expression of the population explosion and the housing deficit is in the so-called 'squatter' settlements, which are a prominent feature of many of the cities. These settlements, which Turner and others prefer to call 'autonomous urban settlements', but are more commonly known as *barrios*, *favellas*, *bidonvilles*, or simply shantytowns, have generally sprung up without, or in defiance of, government approval (Mangin, 1967; Turner, 1976; Drakakis-Smith, 1981; Gilbert & Gugler, 1992; Ha, 2001).

One of the most interesting attempts to relate housing poverty was that of Merrett who suggested a predicative approach which attempted to describe dwellings and the use that households make of them. Merrett (1984) states that

Consumption standards, whether actual or targeted minima, must be stated by means of four predicates, or sets of attributes, which describe dwellings and the use households make of them. These predicates, which together define the use-value of the house, are those of physical character, control, environmental locus and relative locus. The first two are relevant to the house, a base from which one moves into the wider world.

The predicative approach would be more useful in a technical and a social sense than those narrow-minded appraisals in terms of the volume of physical units needed to compensate for some 'imbalance' between the total number of households and the total number of dwellings in Korea. It should be noted here that the main constraint is a lack of available data and information on housing poverty in Korea. Unfortunately, the published information on those of user control, environmental locus and relative locus is extremely sparse.

In this study, an investigation of the newly built squatter settlements (vinyl house communities) and existing unlicensed residences was carried out by means of interviews with squatters and field surveys between July and October 2000.³ The case study areas selected were three typical squatter areas: Kuryung, Jeonwon, and Hwawhe⁴ in Seoul (Fig. 1). Systematic sampling was used to choose the households to be interviewed and the number of interviews in three study areas was

³ Apart from this housing survey, an additional study was made of information on rent and prices of dwelling from real estate agents. Information and other materials were obtained from the public authorities and research institutions.

⁴ One of the typical newly built squatter settlements in Seoul is Kuryung Village, started in 1986. A stream of evictees started to build the so-called vinyl houses on privately owned land. There were originally 120 households. After a year, many real estate brokers associated with local gangs built vinyl huts and sold them to the poor people during the presidential elections.

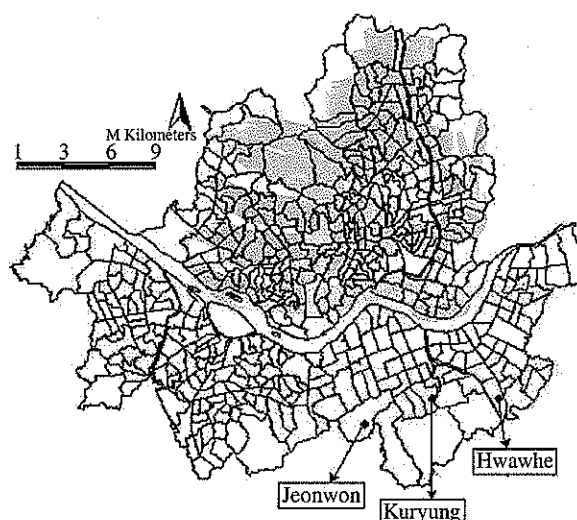


Fig. 1. Administrative boundary of Seoul and location of study areas.

498 (250 for vinyl house communities and 248 for existing unlicensed residences). One interview took an average of 30 min. Only the household heads or housewives were interviewed because an appreciable number of interviewees other than household heads or housewives were unable to answer clearly the questions about housing motivation, satisfaction and dissatisfaction of present accommodation.

In order to get more useful data and information and to make comparisons between the new and old squatter settlements, the field survey included some old unlicensed residences as well. These old, substandard residences are supposed to be demolished as part of the housing renewal projects and were mostly located in the hillside areas or typical low-income residential areas.

With respect to the living conditions of squatter settlements, they suffer from a lack of public services. They have been experienced disadvantages in access to all sorts of welfare programs mainly due to their unlawful nature. Inhabitants of the newly built squatter settlements are all satisfied with the low price of their housing, even though they recognize that the residential environment is poor.

3.1. *The socio-economic and physical character of the substandard settlements*

Little is known for certain about Korea's illegal, or squatter, housing. Most authorities undoubtedly underestimate the size of their squatter populations, either by ignoring communities outside the official city limits or because of the enumeration difficulties posed by the morphological irregularities of many squatter settlements in Korea. Since the 1970s, Seoul's illegal houses have represented over 15% of the dwelling stock. A government estimate is that there were 320,000 illegal households in 1976 (MOHA, (1977)).⁵ The most important point is that

⁵More than 65% of the illegal households were in Seoul. The same source estimates that the 320,000 illegal households represented about 4% of the country's population and about 8% of the urban population in 1976.

illegal housing is most prevalent in the SMR. But since the 1980s, the number of substandard dwellings has decreased because of mass demolition through urban redevelopment and housing renewal projects.

Unfortunately, there are no accurate data on the number of newly built squatter houses nor of the squatter population in Seoul. According to the Seoul Metropolitan Government, the number of newly built squatter houses (vinyl houses) was estimated at about 2079 units (6752 residents) in late 2000 (Seoul Metropolitan Government, 2001). But based on the field survey in the new vinyl house communities, there were 3446 households (9116 residents) in Seoul in the three case study areas.⁶

Vinyl house communities differ from existing unlicensed residences in that the former do not have definite forms or rules with regard to their location, while the latter are typically found on the city outskirts at the foot of mountains or riverbanks, etc. In the case of Seoul, the formation of vinyl house communities has been centered in Gangnam district (south of the Han River), where their development has begun relatively recently (KOCER, 2002).⁷

The majority of residents (62.5%) have been living in this squatter settlement for more than 11 years. Most of the remainder had lived in vinyl houses between 6 and 10 years and only about 14% of residents had lived less than 5 years in this community. This relatively low degree of recent mobility was reflected in the fact that the vast majority of people were creating a stable community even though they were faced with forced eviction.

The range of internal amenities is one of the important indicators of a dwelling's physical character, including toilet and heating system. As shown in Table 1, internal facilities in the study area are very poor compared to those of cities. The majority of housing units (70%) had no private toilet inside the dwelling units. They generally had no more than a communal toilet with conventional facilities, such as a pit latrine. Toilet facilities are the worst feature of basic service and received the highest dissatisfaction rating in the substandard settlements.

The majority of dwellings (85%) had piped water supply and the remainder had to depend on wells or tanks for their water supply. Average floor space per dwelling was 29 m² (8.86 pyong), which was much smaller than for dwelling units in the urban areas as whole, 84 m² (25.6 pyong) in 2000.

A principal source of domestic heating and cooking used by the Koreans is known as 'ondol'. 'Ondol', meaning floor-heating system, refers to a system of fuels under the floor, through which the hot gases from coal briquettes burning in the kitchen pass to the chimney. During the 1960s and 1970s, coal briquettes were the most popular domestic fuel in urban Korea. But since the 1980s most newly built flats and detached houses now use gas or electricity instead of coal briquettes. About 20% of households in the study area still used coal briquettes, whilst only 4% used electricity for cooking and heating.

⁶The scale of vinyl house communities discovered in the Korea Center for City and Environment Research investigation totals 10,930 households, with an estimation of around 4760 of them existing in Seoul, and the remaining 6170 in towns and districts of Kyonggi province adjacent to Seoul (KOCER, 2002).

⁷By 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 of 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 1
Housing conditions in vinyl house communities, 2000

Housing characteristic		Number of households	Percent
Heating system	Coal briquette	33	20.4
	Oil	93	57.4
	Gas	24	14.8
	Electricity	7	4.3
	Other ^a	5	3.1
Total		162	100.0
Toilet	Private (owned)	48	30.2
	Public	111	69.8
Total		159	100.0
Floor space (pyong) ^b (Average = 8.6 pyong)	Less than 5 pyong	35	24.0
	5–9	49	33.6
	10–14	41	28.1
	15–19	79	53.7
	20 pyong and over	7	4.8
Total		146	100.0
Duration of residence (Average = 9.56 years)	Less than 5 years	21	14.3
	5–9 years	34	24.1
	10–14 years	79	53.7
	15 and over years	13	8.8
Total		147	100.0

^a Unknown or no heating system.

^b 1 pyong is equivalent to approximately 3.3 m².

With respect to the physical character of the dwellings in the study area, selective indicators of housing quality demonstrate an appalling lack of basic services and overcrowding. Moreover, many vinyl houses in SMR are built using wooden boards and combustible materials like vinyl polymers. All housing materials were of low quality and development was totally unplanned.

Consider now the employment and occupational status of household heads in the study area. According to the government statistics in 2000, 4.1% of household heads were unemployed (NSO, 2001), but in the study area, these proportions turned out much different, with 29.8% of the household heads unemployed (Table 2).

The most popular job of household heads was construction worker, in which unskilled laborers can get a job easily. There were no big differences in employment status of household heads between new and old squatter settlements. The analysis of the occupational status of household

Table 2
Employment status of household heads, 2000

Employment sector/job	Vinyl house communities	Existing unlicensed residences	Total
Agriculture	8 (3.8%)	4 (1.7%)	12 (2.7%)
Manufacturing	6 (2.9%)	7 (3.0%)	13 (2.9%)
Construction	45 (21.6%)	62 (26.6%)	107 (24.3%)
Driver	4 (1.9%)	15 (6.4%)	19 (4.1%)
Self-employed	26 (12.5%)	19 (8.2%)	45 (10.2%)
Salesman	16 (7.7%)	24 (10.3%)	40 (9.1%)
Clerk	23 (11.1%)	16 (6.9%)	39 (8.8%)
Unemployed	62 (29.8%)	82 (35.2%)	144 (32.7%)
Other ^a	18 (8.7%)	4 (1.7%)	22 (5.0%)
Totals	208 (100.0%)	233 (100.0%)	441 (100.0%)

^a Including hawkers, cart pullers, and other difficult-to-classify positions.

Table 3
Length of unemployment,^a 2000

Time ^b (year)	Vinyl house communities	Existing unlicensed residences	Total
Less than 1	6 (7.4%)	5 (5.1%)	11 (6.1%)
1–2	6 (7.4%)	9 (9.1%)	15 (8.4%)
3–4	17 (21.0%)	39 (39.4%)	56 (31.3%)
5–9	21 (26.3%)	23 (23.2%)	44 (24.6%)
10 and over	30 (37.5%)	23 (23.2%)	53 (29.6%)
Total	80 (100.0%)	99 (100.0%)	179 (100.0%)

^a The criterion for unemployment is as applied by the Employment Insurance Act, where a person working less than 18 h per week (3 h per day) is considered as unemployed.

^b This is merely that proportion of the population that was unemployed.

heads indicates that the proportion of unemployment is very high and the majority are unskilled and manual workers.

The main problems of unemployed squatters were that half of them had been unemployed for more than 5 years. Being out of work was not a recent experience for many squatters. In the new squatter settlements more than one in three (37%) had not had a full time job in more than 10 years (Table 3).

The average monthly income of households in the new squatter settlements was 885,000 won (US\$680)⁸ compared to the 2,386,900 won (US\$1836) of salaried and wage earning households in 2001. As one would expect, the lowest incomes are those earned by residents in substandard settlements (Table 4).

⁸ US\$1 was equivalent to approximately 1300 Won in 2000.

Table 4
Monthly income of households (vinyl house communities and existing unlicensed residences, 2000) ('000 won^a)

Amount (won)	Income of household head	Total household income	Income in existing unlicensed residences
Less than 25	45 (24.7%)	31 (13.5%)	32 (16.7%)
25–49	20 (11.0%)	27 (11.8%)	33 (17.5%)
50–99	76 (41.8%)	87 (38.0%)	70 (37.0%)
100–149	29 (15.9%)	46 (20.1%)	35 (18.5%)
150 and over	12 (6.6%)	38 (16.6%)	19 (10.1%)
Total	182 (100.0%)	229 (100.0%)	189 (100.0%)

^a US\$1 = 1300 won in 2000.

3.2. Dwelling control

This set of attributes relates to the control exercised by the household over its use of accommodation. On this set of attributes, for the substandard housing areas as a whole, no research data have been collected or published as far as the author is aware.

This section examines this issue in view of the residents' satisfaction and dissatisfaction with the present dwelling in the study area. The survey results demonstrated that the enhanced degree of user control in the study area was a very positive element in household attitudes.

The rapid increase in housing prices and the shortfall in housing resulted in many moderate- and middle-income households seeking accommodation in the rented sector. Low-income households will never be able to take part in owner-occupied markets without increasing their wages at a faster rate than the increase in house prices. On the other hand, once a household falls into the low-income group, these arrangements make it increasingly difficult for it to gain access to owner-occupation.

It is clear that buying a house is not a feasible option for the majority of the existing tenants in Korea and that social stratification increasingly determines tenure divisions. Surprisingly in the squatter settlements, the most popular tenure was owner-occupied. The reason for this was that most squatters became owner-occupiers through an illegal method without paying property tax and with no registration of the house. This means that the illegal road to owner-occupation in squatter settlements was the easiest and cheapest way of purchasing a house.

Despite the illegality of owner-occupation in the substandard residential areas, the squatters felt more comfortable this way than in other residential areas because that they did not worry about the burden of *Chonse*⁹ deposits. The ratio of owner-occupant in vinyl house areas (78%) is much higher than in the old squatter settlements (43.5%) and even in Seoul (47%) in 2000 (Table 5). Of the land in these areas, the state or the city owns approximately 27%, but owns 49.6% in old squatter areas. Thus, most new substandard houses were built on the private land rather than

⁹ A renter makes a lump sum deposit of 'key money' at the beginning of occupancy, which is fully refunded at the end of contract period. The landlord usually invests this fund and the interest earned represents in imputed rent. *Chonse* is most frequently found in cities and the proportion of *Chonse* households has been growing since the 1960s. There are many kinds of *Chonse* detached houses or rooms for various income groups.

Table 5
Household by type of occupancy in squatter settlements and Seoul, 2000

Tenure	Vinyl house communities	Existing unlicensed Residences	Seoul (2000) ^a
Owner-occupied	197 (78.8%)	108 (43.5%)	1179 (39.7%)
<i>Chonse</i> ^b	8 (3.2%)	74 (29.8%)	1300 (43.8%)
<i>Bojeongbuwolsoe</i> ^c	8 (3.2%)	50 (20.2)	401 (13.5%)
<i>Wolsoe</i> ^d	5 (2.0%)	15 (6.0%)	43 (1.4%)
Rent free	13 (5.2%)	1 (0.4%)	42 (1.4%)
Unknown	19 (7.6%)	0 (0.0%)	0 (0.0%)
Total	250 (100.0%)	248 (100.0%)	2965 (100.0%)

^a 1995 Census data.

^b A renter makes a lump sum deposit of 'key money' at the beginning of occupancy, which is fully refunded at the end of contract period. The landlord usually invests this fund and the interest earned represents in imputed rent.

^c This tenure system is a kind of security deposit with monthly rent. At the beginning of the contract period, the tenant makes a refundable deposit but pays a monthly rent. In case of non-payment, the rent is deducted from the deposit.

^d *Wolsoe* is monthly rent.

Table 6
Land ownership in squatter settlements, 2000

Type of ownership	Vinyl house communities	Existing unlicensed residences	Total
Private	147 (72.2%)	89 (39.9%)	236 (54.0%)
Public	65 (27.0%)	133 (49.6%)	198 (45.3%)
Owned by squatters	2 (0.8%)	1 (0.4%)	3 (0.7%)
Total	214 (100.0%)	223 (100.0%)	437 (100.0%)

public land. Land ownership is one of differences between the old and new squatter settlements (Table 6).

3.3. *Environmental locus*

The research also examined the attitudes toward the neighborhood environment and the area within a short walking distance. The willingness to live in a house can reflect a number of qualities in the neighborhood. Municipal rubbish removal systems are sometimes available, but more often garbage is privately disposed of, or dumped in a communal area or any public area. Absence of a system for removing garbage and trash from living areas continually exposes the healthy to the contaminated wastes of the ill and disease carriers.

In the substandard residential areas, local services are often lacking, especially clinics and schools. The substandard settlements have rarely been accorded attention or priority in development planning and policy in SMR. Public infrastructure facilities are not usually extended

Table 7
Reason residents liked their area, 2000

Reason	Percent of households
Inexpensive housing price/rent	47.3
People/social links	17.2
Reasons related to work	15.6
Development potential of area	12.8
Amenities/facilities	2.1
Schools	0.7
Other	4.3
Total	100.0

to them. Residents therefore were constantly trying to cope with extremely irritating and recalcitrant problems of everyday life.

According to the survey, squatters' complaints are mainly about lack of safety, such as fire and flood. They also physically characterized by a high risk of fire because most houses were built with combustible materials like vinyl polymers. There was a big fire at a newly built squatter settlements in Segok-Dong, Gangnam-Gu, Seoul. A pre-dawn fire gutted a greenhouse in southern Seoul, March 4, 2001, killing 10 people, including a newborn baby, sleeping inside the vinyl house built for flowering plants. Ten out of the 11 people who were sleeping inside the greenhouse died apparently after inhaling toxic gases. Police said that deadly gases from burning vinyl and insulation materials like Styrofoam increased the number of victims. The victims included four children aged between 1 and 8 (Korea Herald, March 5, 2001). The greenhouse cannot be used for residential purposes, but the family has illegally lived there as it had been unable to get a house due to poverty. Many vinyl houses in the huge 11-year-old complex have been vacated since the nation was hit by the 1997 financial crisis due to the low price of flowers and increased oil prices. Since then, roughly 111 households, a total of about 400 people have settled in the "nest", by illegally modifying the facilities (Table 7).

3.4. *Relative locus*

This subsection considers the availability of alternative transport modes to points in space beyond the neighborhoods, and to the costs in time and money of such journeys. Surprisingly, the squatters have no complaints at all because the vinyl house communities are located near subway stations or the city bus station. Convenience of the location emerged as an important attribute of the squatter areas as the survey resulted showed it as one of the more satisfactory aspects of the squatters' lives (Table 8).

As shown in Table 7, housing prices and rents were seen as highly satisfactory to the squatters in the study area. One of the important determinants of satisfaction was the easy access to part-time jobs and job information from neighbors. These findings suggest that the interests of residents are centered on inexpensive housing prices (rent) and jobs.

People and social links also contribute to the satisfaction of residents in the study area. Substandard housing areas are usually highly stable communities, frequently from common village or provincial backgrounds. Kinship ties, especially among the in-migrants, play a strong

Table 8
Reason residents disliked the area in which they lived, 2000

Reason	Percent of households
Fire and flood	26.0
Threat of eviction	19.6
Toilet/bathrooms/rooms	18.2
Resident registration problems	17.1
Amenities/facilities	9.5
Crimes/violence/rough area	3.4
Schools	2.6
Access/transport links	1.0
Jobs	0.2
Others	2.4
Total	100.0

role in the lives of squatters, both in terms of their initial choice of settlement and the communal organization that develops within those settlements.

Residents were questioned concerning what they thought was the most aspect of living in vinyl houses by order of priority. The top reasons were ‘the threat of demolition’, ‘lack of facilities (toilet, bathrooms, room)’, and ‘resident registration problems’.

With respect to the future plans of squatters, most of the residents (more than 80%) in substandard areas have no intention of moving to a legal residential area, primarily because of lack of affordability. Even though the proportion is not large, about 12 percent residents are still making regular savings for just such a move someday.

4. Policy issues

This study has used a new method in evaluating substandard housing which includes a distinct perspective on the nature of housing consumption. The approach is concerned not merely with the physical attributes of individual houses, but also with the use made of them by households. In particular, ‘the physical character of the dwelling’ and ‘dwelling control’ is used to describe a particular dimension of housing poverty which one can call the mismatch between the dwelling and the person occupying it. Consider the critical policy issues of new substandard settlements. It is apparent that housing policy should be formulated on the basis of the nation’s housing poverty to eliminate housing poverty and to provide for future growth in the number of households, such as accommodation being appraised in quantitative terms as well as in terms of physical character, user control, environmental and relative locus.

4.1. Urgently required safety and public housing

In the newly built squatter settlements, the resident’s complaints are mainly about lack of safety from as fire and flood. The vinyl houses are characterized by a high risk of fire as they were built with combustible materials.

Even if vinyl houses are not suitable as homes, the inherently dangerous factors that come with vinyl houses call for an urgent adoption of measures. Installments of fire extinguishers and their maintenance, repair of gas, and electricity fixtures must immediately take place and be pursued regularly. Local governments must be able to not only understand the actual conditions of vinyl houses, but also to take responsibility for the situation. They must decide what actions must be taken with regard to hygiene and safety. It is advisable that as many residents as possible move to another district. However, in the short term, this would prove difficult unless adequate measures are provided so that people are able to move.

Policies concerning the supply and distribution of public housing must be drastically changed in order to cope with the problems of the residentially destitute class. The role of the public sector in housing production does not meet the demand of the low-income group. Korea does not have a long history of public housing and the amount of rental housing is limited compared with state-developed housing for sale.¹⁰ Since the early 1960s, the main emphasis of the Korea National Housing Corporation (KNHC) has been on the expansion of state-developed housing for sale rather than the provision of rental accommodation. The proportion of housing for sale to total housing constructed between 1962 and 2000 was 62%. Even though the corporation produced rental dwellings, these houses were sold after a 5-year period passed.

Since 1989, a permanent rental-housing (social housing) programme has been implemented. A total of 190,000 units had been constructed by 1992. There were no plans for social housing after 1993. However, the government has supplied short-term rental housing in cooperation with a private construction company. The public rental (social housing) scheme should be extended to all evicted families. And the policy of state-developed housing for sale should be stopped and switched to expanding state-developed rental housing for the low-income group.

The KNHC and local governments have provided rental housing with financial support from the central government and loans from the National Housing Fund (NHF). However, a considerable amount of capital input has had to be covered by their balance sheets and by rental deposits from tenants. Under these circumstances, the problem has been how to balance restricted rent-paying capacity among public rental housing occupiers while easing public housing authorities' financial problems. This financial constraint has crucially hampered rental-housing construction in the public sector and confined rental houses to those who can afford the deposit and rent to cover, at least, the cost.

Government efforts alone are not sufficient to solve Korea's low-income housing problems. It should be possible for people to join together, pool their resources and provide themselves with good housing, through non-profit-making non-speculative co-operatives. As an alternative low-income housing strategy in Korea, housing co-operatives can serve as vehicles to channel state assistance to urban low-income groups and as a basis for participation and close cooperation between public agencies and a low-income clientele (Ha, 1994, p. 113).

¹⁰Traditionally, 'state housing' has meant housing that was built, owned, and managed by national or local governments (or by a non-profit housing association). In this paper, the scope of state-developed housing is somewhat different and can be divided into three categories: housing owned and managed by the Korea National Housing Corporation or local governments; housing built by corporations or local government for sale; and rental housing constructed by private companies with loans from National Housing Fund.

4.2. Dwelling control and eviction

According to the survey, more than 80% of household heads in the study areas have no plans for moving and lack of affordability. Housing prices and rents appeared to be the most important determinant of satisfaction in the substandard housing areas. Surprisingly the ratio of owner-occupation in vinyl house areas was 78% percent, which was much higher than that of SMR as a whole (47%) in 2001. The preferred form of tenure in Korea is homeownership, which is associated with individual freedom. Many citizens and policymakers feel that homeownership is the backbone of the country, reflecting democratic ideals and rugged individualism. Even though the owner-occupiers of vinyl house areas became owner-occupiers in an illegal way, they gain considerable satisfaction from their substandard houses in terms of dwelling control. Possession of a house affords the poor considerable economic security. Besides offering shelter, which in itself is no small thing, a house offers proximity to employment and can provide extra income in the form of rent.

Social links such as kinship ties and friendly neighborhoods are also one of the determinants of satisfaction, and substandard housing areas are highly stable communities. With respect to the dwelling control, the study area reveals a very positive response in household attitudes.

Several developed and some developing countries have been able to provide the bulk of their population with housing that is economical and yet meets reasonable welfare requirements. In many low-income countries, sites and services and squatter-upgrading programs are often the best way to provide housing and services that the poor can afford. It is now necessary to explore the expansion of redevelopment projects as low-income housing programs. Millions of poor people, or squatters, have been evicted in the past two decades in Korea. In Seoul, between 1985 and 1988, 720,000 squatters were evicted, often violently (Murphy, 1990; UNCHS, 1996). Ninety percent of the people had to seek space in other already crowded areas. The government usually justifies evictions in two ways: 'city beautification' and 'redevelopment'. For instance, a major eviction program in Seoul took place prior to the 1988 Olympics (UNCHS, 1996, p. 245; ACHR, 1989).

Perhaps the most important question facing the authorities is whether eviction is the best way to address the squatter problem. Without alternative housing programmes, the evicted squatters have no choice but to squat again in another corner of the city. Residents of the squatter settlements rely on the district in which they live for daily social networking and for finding employment opportunities through acquaintances there. This particular type of networking is often efficient, as most of the residents are unskilled workers and have similar socio-economic characteristics. The usually stressful concerns about occupying substandard housing give way to their immediate needs or daily survival as well as to the rise in the vitality of social interaction with other squatter settlers. This is one of the crucial reasons why urban slum clearance projects are very difficult to carry out, as they ignore the meaning of an area's social mosaic.

Although many of the newly developed renewal projects have contributed to an increase in home ownership and stability among *Chonse* tenants who have enough financial resources, there are no guidelines or programme considerations for squatters in the settlements areas. As a result, many squatter settlement areas are plunged into turmoil and squatters demand a more humane treatment of their plight and ask for compensatory relocation. City officials, arguing that they

have no legal obligations to meet these demands, often proceed with the conventional projects, discounting the social and economic concerns raised by the squatters.

However, without a significant revision of the existing housing programmes and a substantial increase in the housing subsidies for the poor, a meaningful reduction of substandard housing units will not be easily attained. It can be observed that urban redevelopment projects typically involve serious human rights violations. The poor are forcibly removed from their homes. Substandard settlements where the poor live should be upgraded rather than being cleared with bulldozers.

4.3. *Relative locus*

There is no systematic survey of the dispersed pattern of the substandard housing in Seoul. It is therefore hard to demonstrate the relationship between the residential areas and the journey-to-work time or travel costs. In general, during the 1960s and 1970s, high-density substandard residential areas were geographically distributed in the area surrounding the central city. One group of high-peak-density areas appeared in the 5-km range from the center of the city, and a second group of high peak density areas came in the 9-km range from the center (Lee, 1977, p. 171). Since the 1980s, the new substandard settlements, such as vinyl house communities, have also been located within the 10-km range from the city center. The vinyl house communities were located near subway stations or the city bus station. It appears that the poor tend to settle at relatively central locations in order to save travel costs and journey-to-work time. What is actually needed by the poor is access to employment opportunities and services. Access can be obtained either by residing close to employment or services, which requires little travel, or residing further away, which requires more travel. In the first case, what is saved in transport cost is usually lost in higher rents, and the reverse is true in the second case.

Since the early 1980s, the government has allowed the private sector to make urban and housing renewal projects for the middle- and higher-income families rather than for the low-income groups, ignoring in particular the original occupants of substandard settlements. The urban redevelopment and residential development processes have induced the low-income groups move out from the traditional residential areas to the outskirts of cities.

With respect to the relative locus, particularly access to employment for the poor, Korea has an unfortunate experience in relocation programs. In the early 1970s, land for a new estate was designated 20 km south-east from the center of Seoul. It was called the Gwang-Ju Danchi. The estate was designated to encompass an area of approximately 9,900,000 m² and to house 60,000 households, particularly for the evictees from Seoul's squatter settlements. The program came to an abrupt halt in 1971, after about 27,000 households had been relocated in the area. The crucial problem faced by the very low-income groups originally relocated in Gwang-Ju was the lack of employment, coupled with the high cost of commuting to Seoul. The location entailed a long journey-to-work and considerable daily travel expenses, which were obviously beyond the means of the residents. Many of the new lower-income residents deserted their homesteads for the city where easy access to a place to work was still available. The affair illustrates what happens when an authority fails to understand the real problems of urban resettlement. In terms of lower-income housing policy, this program was a failure.

4.4. *The marginalized and income inequality*

The number of homeless people has grown since the International Monetary Fund (IMF) crisis. On November 21, 1997, the Korean government formally asked the IMF for stand-by loans. As a result of drastic and on-going reforms of the economic paradigm in Korea which began as a result, a large proportion of the population has been affected by the major changes in economic structure. The problems faced by the government, and society in general, are more than simply finding a solution for the unemployment caused by the restructuring programs. The restructuring has also resulted in severe consequences for families and on self-esteem, and resulted in a waste of human resources among the urban poor of Korea.

In that regard, government has committed itself to both structural adjustment of the economy and protection of the fired workers. This line of policy has caused confusion by pressing companies for structural adjustment while at the same time demanding that they avoid mass firings of workers (Ha & Lee, 2001).

Although the Korean economy has recovered from the 1997 foreign exchange crisis, income disparities among Korea's urban households worsened between 1966 and 2000. According to the National Statistical Office, the Gini's coefficient, which indicates the degree of inequality in income distribution, jumped from 0.290 in 1996 to 0.351 in 2000.

Social dysfunctions resulting from economic inequality and relative poverty require fundamental alterations in national development policy. A preferred alternative paradigm should emphasize the balancing of economic and social development by redistributing wealth and enhancing social security. Top priority should be given to adopting poverty alleviation programs which are directly targeted on the "the poorest of the poor".

The 1997 economic crisis was also a crisis of political legitimacy and national solidarity. The impact of economic adjustment measures to meet IMF requirements will fall—but not equally—on all sectors and segments of Korean society. The lowest income classes were most seriously affected by higher inflation, lower growth, and greatly expanded unemployment. All these conditions, particularly the increase in the price of life's necessities, impose still heavier burdens on the poor. A proper cure for the crisis is the implementation of fundamental reforms to restore elements of economic justice and resume people-centered development, with strong participation by the poor.

5. Conclusions

Government policy toward substandard settlements in SMR has usually been based on the assumption that they are a 'cancerous growth'. Indeed, to develop that metaphor, traditional housing problems have involved surgery (wholesale removal) instead of preventative medicine. The most drastic measures have been justified by pointing to the substandard living conditions in such areas. They attempted hastily to push through settlement schemes which were based on misconceptions and spurious assumptions.

Although substandard urban settlements are an almost inevitable by-product of the high-speed urbanization and industrialization that has occurred in Korea, they are usually seen as a detriment to modernization. Because they represent a failure on the part of urban housing,

welfare, and infrastructure systems, they are met by a thousand vociferous calls for 'city beautification', or the 'elimination of unproductive social elements'.

The criteria of the government with respect to 'substandard' dwellings for the clearance program projects, which are not in themselves targeted minimum standards, ignore user control, relative locus and environmental locus other than in its sanitary dimension. Unless a target for minimum standards is established for squatter settlements, it is not possible to generate housing consumption requirements for the SMR. In the author's opinion, the absence of identifiable minimum standards indicates that the authorities of Korea have not yet prepared serious plans to tackle directly the worst housing conditions of the urban poor in the capital.

Usually, a squatter settlement is stable despite being illegal. The Korean government has a tendency not to recognize the role of squatters in, for example, the construction, industrial and service sectors. Economically and politically weak, squatters provide crucial inexpensive labor for the development of the booming Korean economy. Instead, governments emphasize the fact that a sizeable land area is occupied by squatter settlements as well as the problems related to health, economic and social issues.

The government should make an in-depth investigation into the present conditions of these settlements, initially calculating the number of residents. The government should make a development plan, based on humane grounds, that ensures the security of life and property of these low-income groups. In developing such low-income housing programmes, the authorities must clearly define the target group, taking into account local housing situations and community-wide objectives relating to maintaining 'bottom-up' or popular participation in the planning of housing and other facilities. Top priority should be given to creating co-operative development methods for the poor. It should be possible for people to join together, pool their resources and provide themselves with good housing, through non-profit-making non-speculative co-operatives.

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