Session I: National Urban Policy Review of Korea

Speech
15:00~15:25
• Welcome address : Yang-Ho PARK (President, KRIHS)
• Congratulatory address and Presentation of National Urban Policy Review of Korea : Angel GURRIA (Secretary-General, OECD)
• Answer address : Do-yup KWON (Minister, MLTM)

Q&A session
15:25~15:40
• Do-yup KWON (Minister, MLTM)
• Angel GURRIA (Secretary-General, OECD)

Photo time
15:40~15:45
• Do-yup KWON (Minister, MLTM)
• Handover the Review to Minister : Angel GURRIA (Secretary-General, OECD)

15:45~16:00 Coffee Break

Session II: Enhancing the Urban Competitiveness and Promoting Green City

Chairman : Won-yong KWON (Professor Emeritus, University of Seoul)

Presentation
16:00~16:40
1. Place-based policies in regional development ; OECD experiences, Joaquim OLIVEIRA MARTINS (Regional Development Policy Division, OECD)
2. Cultural cluster strategy as a tool for urban revitalization: The case of Totatoga in Busan, Korea, Se Hoon PARK (Research Fellow, KRIHS)

Discussion
16:40~17:30
• Makjoong CHOI (Professor, Seoul National University)
• Jaejoon LEE (Deputy Mayor, Suwon City Government)
• Imrak CHOI (Head of Urban Policy Division, MLTM)
• Jongwan JOO (Policy Analyst, OECD)
• Beum-Sik MIN (Division Head of Urban Research Division, KRIHS)
The rationale for regional development policies (or place-based policies)

Some illustrations of the contribution of place-based policies to a structural policy package

Governance and Integration of public policies
Place-based policies in regional development; OECD experiences

Seoul, 27 April 2012

Joaquim Oliveira Martins
Head, Regional Development Policy Division, OECD

Outline

1. The rationale for regional development policies (or place-based policies)
2. Some illustrations of the contribution of place-based policies to a structural policy package
3. Governance and Integration of public policies
1. The rationale for regional development policies (or place-based policies)
2. Some illustrations of the contribution of place-based policies to a structural policy package
3. Governance and Integration of public policies

A debate about place-based policies

OECD Regional Outlook 2011 gathered a Policy Forum of academics and experts about “Place-based or Spatially-Blind Development Models”.

Indermit Gill (WB)
Prof. Paul Cheshire (LSE)
Junghun Kim (Director KIPF, Korea)
Prof. Philip McCann (University of Groningen)
Prof. Andrés Rodriguez-Pose (LSE)
Fabrizio Barca (Ministry of Economy & Finance, Italy)
Two views about place-based policies

- Economic growth is spatially spiky (world is not flat)
- Truly spatial effects account for a minor part of regional differences. Spatial sorting of people of different characteristics is far more important
- Intra-regional differences can be much more important than inter-regional differences

But:
- Spatially-blind policies are not space-neutral and actually favour big agglomerations
- In order to reach people in a broader way policies may need to target places
- No single actor knows what should be done, so innovative solutions can emerge by interaction of exogenous (policy) and endogenous (local) forces

Key principles for an effective Regional policy

Compensating lagging regions does not work:

- It creates dependency, not development
- Richer regions become reluctant to support lagging regions

OECD promotes ‘place-based’ policies focusing on:

- Use of regional specific assets (or create absolute advantages to stimulate competition & experimentation across regions)
- Create complementarities among sectoral policies at the regional (or local) level
- Use of multi-level governance mechanisms for aligning objectives & implementation
1. The rationale for regional development policies (or place-based policies)

2. Some illustrations of the contribution of place-based policies to a structural policy package

3. Governance and Integration of public policies

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Some illustrations

- Integrating regional policy in the OECD structural policy package may suggest new ways of doing economic policy:
  - Granularity of the contribution of regions to aggregate growth
  - Governance factors often emerge as bottlenecks that, when addressed, promote catching-up of lagging regions
  - Granularity of innovation systems: no one-size-fits-all, accordingly coordination instruments are rated the most important to improve performance
  - Labour markets are mostly local and shocks tend to be concentrated regionally
  - The density of cities has an important impact on carbon emissions generated urban areas
Not only agglomeration drives regional growth
(GDP per capita)

Agglomeration forces only
Convergence forces

N8: The horizontal and vertical bars indicate OECD averages
Many rural and intermediate regions are growing faster than urban ones

Granularity of OECD growth across regions
Contributions to OECD-wide growth, TL3 regions

27% of growth driven by 2.4% (or 20) regions...
...and 73% of growth by the remaining

Source: OECD Regional Outlook 2011
NB: This shape of contributions is approx. scale-free (OECD, national, sub-national)
Around 2/3 of aggregate growth is generated outside large metro regions

Contributions to growth by percentage of regions and population share, OECD TL3

| Population Share |
|------------------|------------------|
| 0%               | 50%              |
| 13%              | 66%              |
| 16%              | 5%               |
| Small & intermediate cities; performing rural areas |
| Big metro regions |
| Low growth, rural/urban fringe; remote regions for some economies (Berlin) |

Bottlenecks hindering regional catching-up

<table>
<thead>
<tr>
<th>Bottlenecks for Growth</th>
<th>Frequency</th>
<th>in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutions: governance, leadership, capacity, continuity, mobilisation</td>
<td>7</td>
<td>19%</td>
</tr>
<tr>
<td>Geography</td>
<td>5</td>
<td>14%</td>
</tr>
<tr>
<td>Density cohesion: internal fragmentation, labour market mismatch</td>
<td>5</td>
<td>14%</td>
</tr>
<tr>
<td>Policies: shift mentality, silos, fragmentation, adjusting policies to assets, linkages, cross-border</td>
<td>4</td>
<td>11%</td>
</tr>
<tr>
<td>Infrastructure connectivity</td>
<td>3</td>
<td>8%</td>
</tr>
<tr>
<td>Human capital</td>
<td>3</td>
<td>8%</td>
</tr>
<tr>
<td>Innovation: includes entrepreneurial</td>
<td>2</td>
<td>5%</td>
</tr>
<tr>
<td>Business environment: public sector activity and industry</td>
<td>2</td>
<td>5%</td>
</tr>
<tr>
<td>Policies: spatial planning</td>
<td>2</td>
<td>5%</td>
</tr>
<tr>
<td>Diversified differentiated and market awareness, economy</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>Demographic factors</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>Environmental constraints</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>Internationalisation: international competition, brand-name attractiveness</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Policies: urban regeneration, urban development</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Availability of financing</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Presence of natural assets and amenities</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Tourism</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>FDI</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>37</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Promoting Growth in all regions, OECD (2012), forthcoming
Factors enabling regional catching-up

<table>
<thead>
<tr>
<th>factors for growth</th>
<th>frequency</th>
<th>in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>infrastructure connectivity</td>
<td>8</td>
<td>15%</td>
</tr>
<tr>
<td>institutions (governance, leadership, capacity, continuity, mobilisation)</td>
<td>7</td>
<td>13%</td>
</tr>
<tr>
<td>human capital</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>innovation includes entrepreneurial</td>
<td>5</td>
<td>10%</td>
</tr>
<tr>
<td>policies (shift mentality, silos, fragmentation, adjusting policies to assets, linkages, cross border)</td>
<td>5</td>
<td>10%</td>
</tr>
<tr>
<td>business environment public sector activity and industry</td>
<td>5</td>
<td>10%</td>
</tr>
<tr>
<td>geography</td>
<td>4</td>
<td>8%</td>
</tr>
<tr>
<td>internationalisation (international competition, brandname attractiveness)</td>
<td>3</td>
<td>6%</td>
</tr>
<tr>
<td>policies (urban regeneration, urban development)</td>
<td>2</td>
<td>4%</td>
</tr>
<tr>
<td>FDI</td>
<td>2</td>
<td>4%</td>
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<td>presence of natural assets and amenities</td>
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</tr>
<tr>
<td>diversified, differentiated, and market awareness, economy</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>other</td>
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<tr>
<td>demographic factors</td>
<td>0</td>
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<tr>
<td>availability of financing</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>density cohesion (internal, fragmentation, labour, market, mismatch)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>policies (spatial planning)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>agriculture</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>environmental constraints</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>total</td>
<td>52</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Promoting Growth in all regions, OECD (2012), forthcoming

Granularity of innovation systems

Italy

- Medium-tech manufacturing and service providers:
  - Central Italy
- Traditional manufacturing regions:
  - Northern Italy, Southern Italy
- Structural inertia or de-industrialising regions:
  - Mediterranean, Central Italy
- Primary-sector-intensive regions:
  - Southern Italy

Knowledge intensive city/capital districts:
- Paris
- Milan
- Florence

1. Place-based policies in regional development; OECD experiences

**Employment creation/destruction is concentrated regionally**

Rank distribution of net non-farm employment creation, US states, 1990-2007 and 2008-09


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**Labour markets are mostly local**

Average inter-regional mobility over labour force, 1995-2009 (in %)

Source: OECD Regional database, 2012
Depending on urban density, carbon emissions can vary by a factor of 1-3

Group of OECD cities in countries with a comparable range of income and energy prices

1. The rationale for regional development policies (or place-based policies)
2. Some illustrations of the contribution of place-based policies to a structural policy package
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The New Economic Thinking & Governance

- The economic paradigm of the 1990s was mainly based on getting the framework conditions right and expecting the market to deliver
- This meant achieving the highest possible scores on every structural reform policy indicators (e.g. OECD Going for Growth)
- This approach may lead to a fragmented and unbalanced approach to policy, with sectoral Ministries in charge of implementing their own structural policy targets (e.g. tackling inequalities through a social policy or pollution by environmental policies only).

⇒ Solving coordination failures and using policy complementarities need to be addressed through appropriate governance arrangements

New thinking requires a broader (OECD) policy model

Figure 1.2: New Development Paradigm: A Policy Complementarity Matrix

<table>
<thead>
<tr>
<th>Economic Policies</th>
<th>Social policies</th>
<th>Environmental policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustained growth</td>
<td>Social cohesion</td>
<td>Sustainable Environment</td>
</tr>
<tr>
<td>Growth creates room to increase equity</td>
<td>Environmentally sustainable social policies</td>
<td>Poor are most hurt by environmental degradation, environmental policies can enhance inclusiveness</td>
</tr>
<tr>
<td>Social inclusiveness can increase efficiency (Knowledge &amp; Trust)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Beyond GDP: Integrating regional dimensions in the OECD Better-Life index

<table>
<thead>
<tr>
<th></th>
<th>CITIES</th>
<th>RURAL AREAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>EFFICIENCY/INCOME</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>ENVIRONMENTAL QUALITY</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>SOCIAL DIMENSIONS:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public goods (e.g. Health, Education)</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Community produced goods (e.g. Trust, Security)</td>
<td>-</td>
<td>+</td>
</tr>
</tbody>
</table>

Source: OECD Regional Outlook 2011

Innovation policy: a whole range of instruments...

<table>
<thead>
<tr>
<th>Knowledge Generation</th>
<th>Knowledge Diffusion</th>
<th>Knowledge Exploitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional instruments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology funds</td>
<td>Science parks</td>
<td>Incubators</td>
</tr>
<tr>
<td>R&amp;D in centres/supports/grants</td>
<td>Technology Transfer</td>
<td>Startups support innovation services</td>
</tr>
<tr>
<td>Support to scientific research and technology centres</td>
<td>Offices and schemes</td>
<td>(business support and coaching)</td>
</tr>
<tr>
<td>Support to infrastructure development</td>
<td>Technology brokers</td>
<td>Training and awareness-raising for innovation</td>
</tr>
<tr>
<td>Human capital for S&amp;T</td>
<td>Mobility schemes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Talent attraction schemes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Innovation awards</td>
<td></td>
</tr>
<tr>
<td>Emerging Instruments</td>
<td>Innovation vouchers</td>
<td></td>
</tr>
<tr>
<td>Public private partnerships for innovation</td>
<td>Certifications/accreditations</td>
<td>Industrial PhDs</td>
</tr>
<tr>
<td>Research networks/poles</td>
<td></td>
<td>Support to creativity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Innovation benchmarking</td>
</tr>
<tr>
<td>Experimental instruments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cross-border research centres</td>
<td>Competitiveness poles</td>
<td>Regional Industrial Policy</td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
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</tr>
</tbody>
</table>

... which need better governance

Source: results from an OECD Survey on the Governance of Innovation systems

Governance tools to work with other levels of government and the private sector

Multiple tools are used in any given country (generally 4 or more)

Regular dialogue and consultation rated most important among tools

Note: 24 reporting countries (20 OECD, 4 non-OECD countries), one country reported no tools.

1. Place-based policies in regional development: OECD experiences

Example of complementarities of policies in an Urban green growth package

<table>
<thead>
<tr>
<th>Pre-Growth Policies</th>
<th>Infrastructure and Investment Policies</th>
<th>Innovation Policies</th>
<th>Human Capital Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Policies</td>
<td>Regulations and investments in support cogeneration of energy, district heating/cooling, and city purchase of renewable energy</td>
<td>Funding and technical assistance for regionally-based renewable energy R&amp;D</td>
<td>Retraining of traditional economy workers for renewable energy production</td>
</tr>
<tr>
<td>Impact on Jobs</td>
<td>Renewable energy production is more job-intensive than fossil fuel energy production</td>
<td>Low and high-skill job opportunities at renewable energy start-ups</td>
<td>Facilitates transition between traditional economy jobs and renewable sector job opportunities</td>
</tr>
<tr>
<td>Impact on Costs</td>
<td>District heating/cooling can increase access to renewable energy by enabling or requiring participation of buildings in district</td>
<td>Lowering barriers to commercial development of renewables can lower final cost, thus enabling greater demand</td>
<td>–</td>
</tr>
<tr>
<td>Impact on Businesses</td>
<td>Can attract firms given renewable sources of energy less vulnerable to price fluctuations than fossil fuels</td>
<td>Funding and technical assistance can attract renewable energy SMEs and R&amp;D activities, and add value to local academic institutions</td>
<td>Skilled labour pool can better attract renewable energy producing firms</td>
</tr>
</tbody>
</table>

Source: OECD Regional Outlook 2011

- Outcome indicators need to take into account the structure across the different policy areas; identify imbalances and weakest links

Thank you!
Cultural cluster as a tool for urban revitalization
: The case of Totatoga in Busan, Korea

Se Hoon PARK
(Research Fellow, KRIHS)

- Cultural cluster as an urban strategy: concept and research framework
- Totatoga story(1): background and strategies
- Totatoga story(2): Formation of artist social network and its local impact
- Policy implication for incubating cultural cluster
Cultural Cluster Strategy as a tool for Urban Revitalization

: The case of Totatoga in Busan, Korea

Se Hoon Park
Research Fellow, KRIHS
shpark@krihs.re.kr

Contents

- Cultural cluster as an urban strategy: concept and research framework
- Totatoga story(1): background and strategies
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- Policy implication for incubating cultural cluster
What is cultural cluster?

- Concept of cultural cluster
  - “clusters of nonprofit, commercial, and informal cultural assets linked by artist as producers and participants as consumers or practitioners” (Stern and Seifert, 2007)
  - Focused on the production function of culture

- Related concepts and differences
  - Cultural industrial cluster: cluster of firms in cultural industry sector, such as film, game, media contents etc.
  - Cultural district: focused on consumption function of culture (ex. Insadong in Seoul)

Why is cultural cluster important?

- Pitfalls of conventional approaches in culture-led development
  - Place marketing is a strategy of selling place’s cultural assets to tourists
  - Creative class: Florida’s 3Ts (tolerance, technology, talent) is focused on urban environment to entice global talents
  - Cultural strategies often lead to “flagship development projects”

  ➔ Unexpected results: Volatile economy, Polarization, Displacement, etc.
2. Cultural cluster strategy as a tool for urban revitalization: The case of Totatoga in Busan, Korea

Incubating cultural cluster?

- Culture district as a self-defeating thesis?
  - Many cultural districts have shown the vicious circle of the development
  - No place for artists in Seoul: Daehakro → Hongdae → Munrae → where?

  ![Vicious circle of cultural cluster]

  **Policy support**
  - Artist concentration
  - Network activated
  - Increased sales and rent price
  - Artist dispelled and district commercialized

- Policy concerns: Can cultural cluster be implanted?

Neighborhood effect of cultural cluster

- Cultural cluster strategy is a small budget project, but significant impact on neighborhood
  - Social capital—ties between community members
  - Public assets—investments in place-making
  - Market relations—generating investment and business activity
  - Flows of information, capital, and people between places—bridging divides that isolate distressed neighborhoods

- Cultural cluster strategy is an alternative for sustainable urban revitalization without displacement and polarization
2. Cultural cluster strategy as a tool for urban revitalization: The case of Totatoga in Busan, Korea

Neighborhood effect of cultural cluster

- Strengthen local civic engagement
- Creates connection across barriers of geography, social class, and ethnicity

- Neighborhoods with high levels of cultural assets were more likely to experience improvements in their housing markets between 2001 and 2003 in Philadelphia.

Redefining “creativity”

- Art is not simply the work of a few geniuses, but product of social organization:
  - Howard Becker’s Art World put emphasis on social organization in artistic production
  - “Works of art are not the products of individual makers, ‘artists’ who possess a rare and special gift. They are, rather, joint products of all the people who cooperate via an art world’s characteristic conventions to bring works like that into existence” (Becker 1982).

- Policy should focus on not just creative economy, but “creative society” through cultural cluster strategies in a increasingly polarized urban society.
Research framework

- Full-fledged cultural cluster as a combination of artist community, work network and local connection
  - Artist interviews on more than 10 artists and related people
  - Survey on artists’ social network and its neighborhood impact
  - Social network analysis (SNA) to identify the feature of the cluster

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Totatoga story: declining center of Busan

- Bustling commercial district up until late 80’s with city’s key administrative and commercial function
- Cultural heart of the city with dense historical assets such as Yongdusan park, 40 steps, Jagalchi market, etc.
- Former center of Korean art after Korean war when artists gathered away from NK’s attack

- Losing cultural and commercial vitality after the relocation of city hall and city’s expansion into Haeundae and Seomyeon in early 90’s

- Declining but stubborn area with shrinking finance industries and struggling printing shops, and many vacancies
2. Cultural cluster strategy as a tool for urban revitalization: The case of Totatoga in Busan, Korea

**Totatoga inception**

- Totatoga architect, Cha Jae Kuen at Busan cultural foundation proposed in 2009 the project to Busan city government as a way to revitalize city center through culture
- Accommodating artists by renting vacant spaces with several obligations
- Artist should be independent after receiving 3 year government support

![Diagram showing the relationship between City government, Artists, and Local Society]

**Totatoga inception**

- Totatoga is an acronym of 'Tolerance, '따로도 갓이' and '街', meaning “neighborhood of tolerance and solidarity”
- Simple but innovative approach, distanced from the conventional cultural policies. Mr. Cha said,

  "Coming up with the idea of Totatoga, my belief was firm from the very beginning, because we know very well the problems of the previous policies. First, we need artists from diverse genre, not only visual artists. Second, spaces for artists should be opened for citizens and contribute to local society. Third, the artists should contribute to locals by investing in the given space. In this regard, we are different from the policies in Seoul and other areas, providing luxurious spaces for artists"
2. Cultural cluster strategy as a tool for urban revitalization: The case of Totatoga in Busan, Korea

**Totatoga inception**

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We are *Totatoga* artists!

- Around 380 artists centering on 20 spaces (49 individual artists under 40 year old, 5 operating staffs)
- Diverse background from visual art, writing, performing art, singing, craft art, traditional dance, film making, and cultural planning
- Mostly located at 2~4th floors to avert potential rent increase
We are *Totatoga* artists!

- Kim Soo Woo, a poet and manager of '100 year fish school', a space for lecturing and studying humanities

- Kim Kyeong Wha, an installation artist, a kick-starter of 'Printing street project'

We are *Totatoga* artists!

- Priya Kim, a photographer, who delivers photo lectures for senior citizens for free of charge

- Kim Hee Jin, a independent film director, and a manager of 'bokiduemun', a space for independent film
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'Sense of community' among artists

- They are friends and influencing each other
  - 70% of artists have personal relation with more than half of artists in Totatoga
  - 80% of artists have pride of themselves as Totatoga artists
  - According to social network analysis, some are key actors but no one isolated

Artists network at Totatoga
Work network

- An artist’s work linkage from idea inception to sale

- Artists are relying on external organizations for exhibition and marketing
  - Cultural foundation, art institutes and universities in Busan are their major partners for post-production activities
  - Totatoga doesn’t help a lot in expending and diversifying their work network
Work network

- Life as an artist is tough!
  - “I don’t have enough chances to exhibit my works. Holding a photo exhibition cost a lot. I have to pay for myself in printing and framing photos for exhibition. With just one solo exhibition, you would go bankruptcy” (K, photographer)
  - “Film-making requires a lot of facilities and equipments. I usually employ the equipments provided by Busan committee for film industry. My friends even went back to college just in order to use the equipments in the college” (K, film director)
  - “Installation work needs huge cost. But there is no organization providing financial support. I am doing everything I can do to finance my work like delivering lectures and part-time work” (K, installation artist)

Local connection

- Totatoga is operating diverse programs for local citizens
  - Annual festivals
  - ‘Vitamin C30’, lunch time program for local office workers
  - Vitamin C in Tuesday: Cultural program at night
  - Totatoga special exhibition, and international exchange
  - Publishing story telling books of Totatoga writers
2. Cultural cluster strategy as a tool for urban revitalization: The case of Totatoga in Busan, Korea

Local connection

- Artists are community builders
  - A half of artists are engaged in local activities more than 1 hour per week, according to the survey
  - Printing street project symbolized the artists’ contribution to locals
2. Cultural cluster strategy as a tool for urban revitalization: The case of Totatoga in Busan, Korea

Structure of social network at Totatoga

- Cluster is centered on Totatoga office with some key players providing hubs for network
- Work network is weak within community, so artists rely on external organizations for promotion of their works

Revitalization effect of Totatoga

- Artist said, yes but in an invisible way

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Revitalization effect of Totatoga

- No direct economic impact, but significant social benefit has been felt by artists and citizens

  - “Yes. I feel changes here. Perhaps we can call it Totatoga phenomenon. Recently a craft shop came in, some coffee shop and restaurants with unique color came in”

  - “Many artists want to come here. We forgot the value of this place, Busan’s cultural heart, for a long time. Thanks to Totatoga, we come to revalue this place”

Contents

- Cultural cluster as a urban strategy : concept and research framework
- Totatoga story(1) : background and strategies
- Totatoga story(2) : Formation of artist social network and its local impact
- Policy implication for incubating cultural cluster
Totatoga strategies

- Conventional approach
  - Building and remodelling new infrastructure
  - Focused on artists’ art production and residency
  - Rotating artists in residency space
  - No much obligation on artists

- Totatoga strategies
  - Reusing existing space by renting
  - Focused on artists’ local engagement
  - Encouraging artists to be independent at their spaces
  - Artist should invest in their spaces

Innovative approach with limitations

- Policy has been effective in a short period time and small amount of budget
  - No disturbance of local society, no displacement, but significant social effect → good sign for long-term development of cultural cluster and neighborhood

- Roadblocks to a full-fledged cultural cluster
  - So far, the cluster cannot survive without government support
  - Relatively, weak work network, requiring facilities for exhibition, marketing and education etc.
What should we learn from *Totatoga*?

- Cultural cluster can be implanted
  - Policy-supported cultural cluster has similar artists’ network and social effect as ‘natural’ cultural cluster
  - Every neighborhood can be creative districts with adequate policy intervention

- Artists themselves are not enough
  - Clever policy intervention is needed in order to provide artists with motivation for their local activities
  - *Totatoga* selected artists who were interested in local society, and required artists to engage in local matters in return for financial support

What should we learn from *Totatoga*?

- Spatial strategy is important
  - *Totatoga* is providing citizen-friendly “anchor spaces” such as ‘100 year fish school’, ‘bokideumun(rare) film café’ and *Totatoga* gallery which could increase interplay between artists and citizens

- Policy should pursue ‘invisible’ success
  - *Totatoga* approach: No new development, reusing old buildings as they are, asking artists to be independent in their space after 3 years
  - To avoid adverse effect of cultural strategy, policy need to focus on long-term social benefit, rather than direct economic benefit
2. Cultural cluster strategy as a tool for urban revitalization: The case of Totatoga in Busan, Korea

Launching Event for OECD National Urban Policy Review of Korea
Apr. 27. 2012, KRIHS, Seoul, Korea

Thank you