

# Tradition and Commerce in Cultural Districts:

## A Case Study of Insadong In Seoul, Korea

by  
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## **Author's Declaration**

I hereby declare that I am the sole author of this thesis. This is a true copy of the thesis, including any required final revisions, as accepted by my examiners.

I understand that my thesis may be made electronically available to the public.

## Abstract

Cultural clusters with an agglomeration of heritage and historic assets represent national or local history, culture and tradition. Hence, they often become distinctive urban tourism resources supplying multifunctional places for tourists to visit and enjoy. However, the designation of a cultural district by government is not merely a strategy for the preservation of cultural assets and tourism development because a variety of stakeholders, with divergent goals and objectives, are usually involved in the process of converting cultural resources into marketable products. The number of tourists to Insadong, a representative traditional cultural district in Seoul, Korea, has increased rapidly in the last decades with many issues and problems. Insadong is a place where Koreans and foreigners alike experience Korean tradition and it is a unique area where the atmosphere combines both the historical and modern in the centre of the city. The area is also multi-functional, offering a mix of history, entertainment, cuisine, shopping etc. for a mixed clientele. This area has a long history as a cultural business district which was organically generated, but numerous issues and changes have occurred in relation to the commercial development and policy of government. Since this area gained fame as a tourism destination after it was designated as a cultural district, it also encountered problems like rising rental fees, change of space use, modifications in the items for sale, and destruction of small traditional art-related shops, which created the traditional atmosphere. This study examined the policies of the public sector and the role of the private sector in the development of Insadong through examining the government's assessment and perspectives, the NGO's perspectives and the entrepreneurs' situation and expectations for business. Through analyzing crucial events, NGO's activity, and the initiation of government policies, my research reveals dramatic change under the impact of tourism and government policies, as well as recent problems that have occurred at the cultural district. This study also examined aspects of heritage tourism in an evolving culture cluster in a major city. To the author's knowledge, this type of research has not been undertaken previously in Korea and is rare in Asia. However, it is difficult to generalize from a case study. Thus, there is a need to undertake similar studies elsewhere to determine if what has been observed in Insadong is unique or if it is an example of a phenomenon that can be observed in other places.

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# CHAPTER 1

## INTRODUCTION

### 1.1 Problem Statement

Heritage often performs a crucial role in the successful creation of cultural districts in cities. Designation of heritage cultural districts is employed by many countries to assist in the preservation of heritage and as an instrument for urban development (Cinti, 2008). Cultural clusters with an agglomeration of heritage and traditional assets represent national or local history, culture and tradition. Hence, they often become distinctive urban tourism resources supplying multifunctional places for tourists to visit and enjoy (Ashworth G., 2001). However, the designation of heritage cultural districts by government is not a mere strategy for the preservation of heritage and tourism development because a variety of stakeholders, with divergent goals and objectives, are usually involved in the process of converting heritage resources into marketable products.

In addition, as heritage cultural districts gain fame as a tourism attraction, conflicts between the revitalization and conservation of a place of valued historic character may arise. This is especially the case if the district is located in the middle of a metropolitan city where high land values, among other things, may further complicate decision making.

In Seoul, the capital city of Korea, the first cultural district was designated by state government in the Insadong area in February, 2002 (Kim & Yoo, 2002). It was done to preserve places with rich cultural assets in the face of a rapid urban and tourism development (Seoul Development Institute, 2008). Insadong is an historic area. It contains a cluster of culture-related

businesses and Korean traditional-style shop houses, which have continued to present a traditional atmosphere even though it is located in the middle of downtown in an expensive metropolitan city. The area is also a well-known tourism attraction to both domestic and foreign tourists who wish to experience traditional Korean culture: over 10,000 tourists visit every Sunday in an area of approximately 17.5 hectares, extending 700 meters from north to south and 390 meters from east to west (Kim & Yoo, 2002).

Before designation as a cultural district, this area was designated as a commercial area and it was surrounded by urban renewal. Hence, some of the rich cultural heritage was demolished and replaced by modern high-rise buildings (Seoul Development Institute, 2008). In addition, with the growing trend in the 1990s of recognising the importance of culture and tradition as a tool for city revitalization (Boyd, 2002), the city of Seoul sought to connect Insadong to the neighbouring business areas, shopping centres, museums and royal palaces and advertise it as one of the main attractions to foreign tourists (Cho, 2008). As a result, the commercialization of Inasdong in the late 1990s was critical element that led to the creation of a new policy that established a cultural district (Cho, 2008).

The initial purpose of the cultural district was the preservation of places with rich cultural assets and a traditional atmosphere. A system of subsidies was established for culture-related businesses on designated roads in order to retain and maintain the low-rise buildings. At this point, one important question is raised regarding place-making: how can a place maintain its historic atmosphere when faced with capitalist and bureaucratic development processes. The answer to this question is related to the larger processes of socio-political development and value systems in society in general. Particularly, managing conflicts between commercial and cultural interest is difficult in urban development processes in places like Seoul, where revalorization of

assets, including land and location, frequently occurs in the form of urban renewal and redevelopment.

In addition, while it is obvious that designation as a cultural district has succeeded in influencing the growth of tourism in this district, it is much less clear how this policy has played out at the local level and how the different key actors have attempted to protect their interests and, at the same time, improve the district. Thus, the mechanisms that have underpinned the formation of the cultural district and the ways in which stake holders have influenced these, have rarely been examined. This is especially the case in an Asian context, such as Korea, where the attempt to raise living standards has commonly been given priority over heritage preservation.

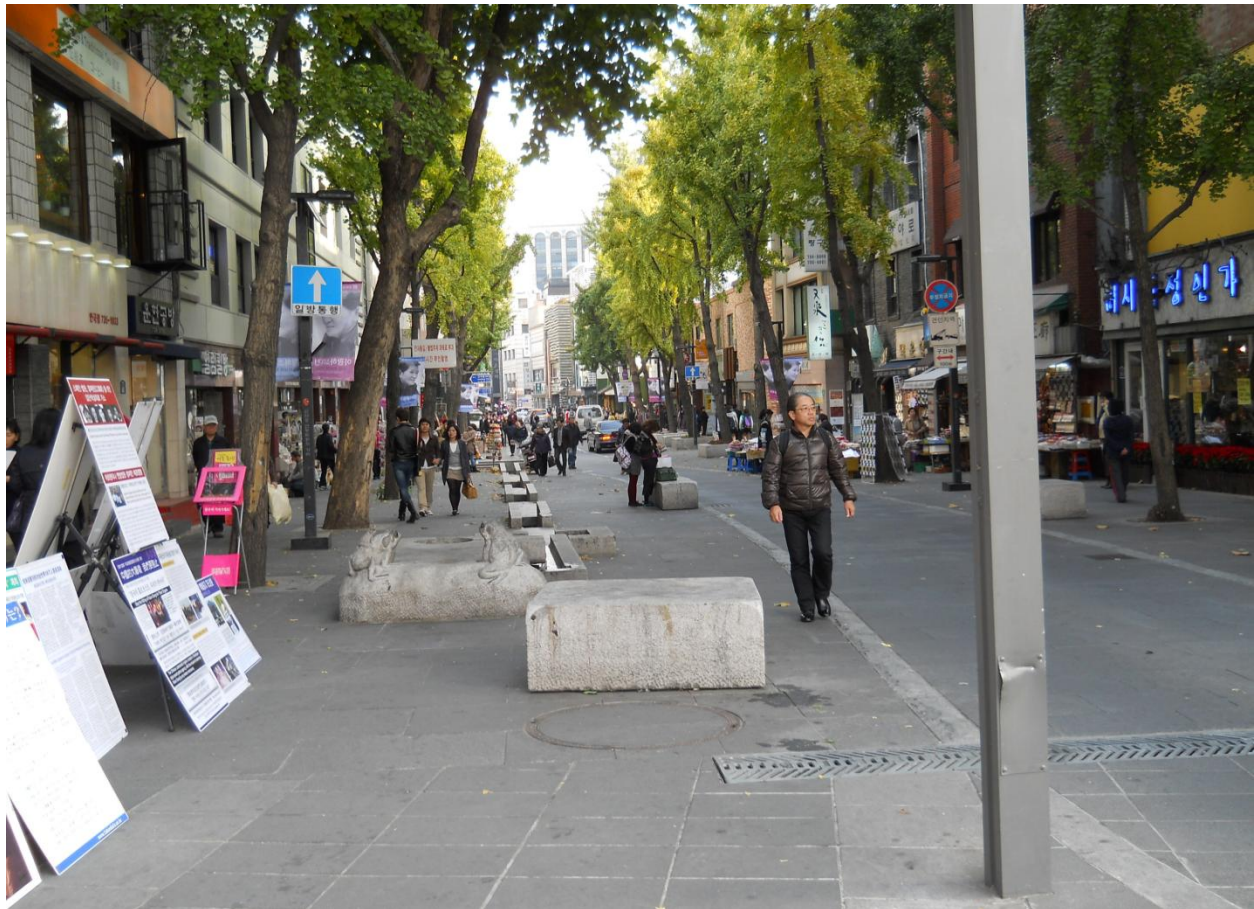


Figure 1.1 The main street of Insadong cultural district (Source: Photo taken by the author)

## **1.2 Objectives**

Based on the situation mentioned above, the main purpose of this study is to examine the policies of the public sector and the role of the private sector in the development of a vibrant commercial and historical area through government's assessment and perspectives, the NGO's perspectives and entrepreneurs' situation and expectations for business. The role of the public will also be revealed. Historical, social and political factors and events that may have contributed to the designation of Insadong as a cultural district in a context of rapid commercialization and modernization are also investigated. The direction of change and implications for the future of Insadong will be discussed and implications for government policies will be suggested.

## **1.3 Questions to be answered**

Questions that will be addressed in the study are as follows:

1. What historic events led to changes and problems and, eventually, to the current situation in Insadong cultural district?
2. What kinds of supports and policies of the city of Seoul or local government have been used to preserve and develop Insadong?
3. What are the stakeholders' (NGO, vendors and government) perspectives on tourism development and the preservation of tradition in the cultural district?
4. How did this mixed-use area come into being, especially in an area where land values must be very high? Who assumed the leading role in the formation of the cultural district?

5. What are the possible future directions of Insadong as a symbolic district of traditional culture in the centre of an increasingly cosmopolitan city?

## **1.4 Thesis Structure**

Chapter one briefly states the problems to be addressed in the study, the research objectives and the specific research questions to be answered in the study. Chapter two reviews previous studies on heritage tourism, cultural clusters and tourism and Korean cultural policy and clusters, and the gaps in the literature to be addressed in this study. Chapter three provides an outline of the research methodology used in the study and explains the rationale for selecting study area and evolution of study area in detail, key informant's interviews, researcher's observations and the use of secondary data in the study. Chapter four reviews the findings composed of key events in the each time of Insadong brought the designation of cultural district and policies conducted by Seoul Metropolitan Government (SMG). In addition, the findings based on the analysis of qualitative data collected and researcher's observation during the field research is presented. Major findings are presented in the following sections: Government's perspective, NGO's perspective and vendor's situation and expectation. Chapter five identifies the current problems based on the findings and future direction is discussed. In Chapter six, the purpose of the study is reiterated, academic implications and contributions of this study are discussed and future research opportunities are proposed.

## **CHAPTER 2**

### **LITERATURE REVIEW**

This chapter summarizes literature relevant to the study of heritage tourism and cultural clusters. Heritage tourism has gained a lot of attention in recent years and has been used as a strategy to promote local economic development worldwide (Misiura, 2006). Currently, it is also widely assumed that the strategy of cultural clusters has an increased importance to the promotion of tourism and urban revitalization (Cinti, 2008). Both themes are closely related to the issue of consuming culture and promoting regional revitalization through tourism development. There is also growing discussion in the literature regarding the management of conflicts between conservation and the use of heritage in the process of developing tourism in cultural heritage clusters. In this chapter, first, the notions of heritage, heritage tourism and heritage management are reviewed. Then, concept of cultural clusters and types of cultural clusters are examined. Finally, studies of the cultural districts in Seoul are reviewed in order to provide a more comprehensive account of the study area.

### **2.1 Heritage Tourism**

#### **2.1.1 Heritage**

By definition, heritage is generally associated with the word inheritance, i.e. it is something that is transferred from one generation to another (Nuryanti, 1996; Smith, 2007). It is widely accepted that heritage is synonymous with the past or history (Ashworth & Tunbridge, 2000) and is ‘inherited from the past’ (Misiura, 2006). However, heritage is not only something that people wish to pass on generation by generation (Timothy and Boyd, 2003); it is also

something that may be preserved for years and also something that is “created by establishing a number of principles, processes and practices” (Misiura, 2006). Graham et al. (2000) make a distinction between the terms ‘past’, ‘history’ and ‘heritage’: The past is concerned with all that has ever happened, whereas history is the attempts of successive presents to explain selected aspects of the past. Heritage is defined as ‘a view from the present, either backward to a past or forward to a future’ (p.2).

Heritage provokes in the individual a sense of being part of and belonging to a place and community. In the literature, a key role of heritage is the provision of symbols of national unity, identity and pride. For instance, Macdonald (2006, p11) identified heritage as a “material testimony of identity”, which is primarily interpreted as a “discourse and set of practices concerned with the continuity, persistence and substantiality of collective identity”. Park (2009) also asserted that ‘heritage is a sign and symbol of people’s ethnicities, nationalities and identities but subject to different meanings and multiple interpretations’. Park (2009) explained that visits to heritage sites are expected to encourage nationals to feel connected to the nation’s past in their national imagination. Bessiere (1998) also supported the idea that heritage provides symbols of identity, pointing out that heritage is recognised as a “unifying sign”, which preserves and reconstructs the collective memory of a social group, thereby enhancing the group’s social and cultural identities.

The interpretation of the notion of heritage is evolving as a result of and according to the changing attitudes, needs and demands people convey towards it (Misiura, 2006). Required by the present and managed for contemporary purposes, heritage bridges the past, the present and the future (Graham et al., 2000). The idea of present-centeredness is a recurrent theme in the recent literature on heritage (Graham & Howard, 2008). Boyd (2002) asserted that heritage is an



interest in the past from a present perspective and part of a region’s resource base. Ashworth et al.(2007) supported the notion of present-centeredness by defining heritage as: ‘the use of the past as a cultural, political and economic resource for the present, our concern being with the very selective ways in which material artefacts, mythologies, memories and traditions become resources for the present.’ Thus, heritage use does not necessarily involve a direct engagement with the study of the past and, instead, it is the contemporary use of the past in selective ways including interpretations and representations (Ashworth, Graham and Tunbridge, 2007; Smith, 2007). From this view, the key word ‘selected’ stresses that a definition of heritage should avoid too general a meaning of heritage, like ‘the totality of the inheritance of the past’ (Graham & Howard, 2008). However, in this paper, the notion of heritage is adopted it is regarded as being something that is inherited from the past providing provision of symbols of national unity, identity and pride and a cultural, political and economic resource for the present society.

Table 1.1.1 Examples of tangible and intangible heritage

<b>Tangible/Visible Heritage</b>	<b>Intangible Heritage</b>
Sites	Values
Landscapes	Lifestyles
Buildings	Traditions
Materials, sizes, textures	Religion/spiritual life
Everyday activities	Decision-making structures
Settlement patterns	Sense of community
Relationship of buildings to spaces	Societal structures
	Emotions

Source: Jamieson (2006)

Heritage can be divided into two categories (Table 2.1.1): tangible heritage and intangible heritage (Jamieson, 2006). The International Council on Monuments and Sites (ICOMOS) defines heritage as a broad concept that includes tangible assets, such as natural and cultural environments, encompassing landscapes, historic places, sites, and built environments, as well as intangible assets, such as collections, past and continuing cultural practices, knowledge, and living experiences (ICOMOS 1999). According to UNESCO (2005), intangible heritage has more comprehensive criteria encompassing ‘expressions, skills that communities... recognize as part of their cultural heritage’, a ‘living cultural heritage’ expressed in a number of ways including oral traditions and social practices.

In summary, tangible heritage requires there to be some physical object relating to history or culture and intangible heritage is the expression of everyday lifestyle, social structure, etc. Boyd(2002) also argued that a wider view of heritage is needed that accounts for the natural heritage, cultural heritage, industrial heritage and personal heritage present within settings to avoid the continuance of a narrow-minded perspective that places too much emphasis on the built environment (p 213).

In Korea, the term ‘traditional culture’ is commonly used with the same meaning as ‘intangible heritage’ and the term ‘cultural heritage’ is used as ‘tangible heritage’. Since the concept of Korean culture is mainly associated with traditional values and norms, particularly in relation to a strong belief in ethnic, racial and cultural homogeneity, cultural heritage needs to contain a so-called “ Korean spirit” (Park, 2010). Recently, heritage has been considered as being a valuable resource as an instrument for tourism promotion and city revitalization by the Seoul Metropolitan Government (Cultural Information Network of Seoul: Metropolitan

Government). Accordingly, the designation of cultural districts or culture belts based on heritage is being applied as a strategy for place marketing of the current city plan.

### **2.1.2 Heritage Tourism**

Heritage, “the ‘buzz’ word of the 1990s” (Palmer 1999:315), is regarded as one of the most significant and fastest growing components of tourism (Herbert 1995) and heritage tourism has grown dramatically in recent years. Tourists want to travel to different places to seek something different or more specialized than is available in their home places. This can be based on something inherent in the place and its history, or a theme which has been identified and promoted (Law, 1992).

The narrow meaning of heritage tourism was commonly regarded as being an activity undertaken by tourists in a space where historic artefacts are presented in culturally rich destinations, especially in the European context (Garrod and Fyall, 2001). However, heritage tourism is currently regarded as being a broader concept, as tourism based upon a curiosity about different ways of life (Ashworth G. 2001). As such, it is a subset of cultural tourism. Ashworth and Tunbridge (2000) argued that there is a difference between heritage tourism and cultural tourism even though they have similarities. Cultural tourism is less associated with history and heritage tourism can be located at the point of overlap of many categories of tourism, such as urban tourism, special interest tourism, place specific tourism and art tourism (Ashworth & Tunbridge, 2000).

There are various features of heritage tourism. The most common attribute of heritage tourism is that it offers new and more varied experiences to tourists motivated by nostalgia. Zeppal and Hall (1991) emphasized motivation and viewed heritage tourism as being “based on

nostalgia for the past and the desire to experience diverse cultural landscapes and forms”. Fowler (1992:119) stated that ‘Nostalgia... is one of the most powerful motives for contemporary uses of the past.’ Nuryanti (1996:255) also asserted that heritage tourism offers opportunities to ‘portray the past’ in the present and provides an infinite time and space in which the past can be experienced through the ‘prism of the endless possibilities of interpretation’. Nuryanti (1996) asserted that following the destruction of the past in the industrial revolution, global travelers now seek to satisfy nostalgia for the past through returning to traditional social values. Boyd (2002) mentioned that there has been an interest in promoting the past as a key tourist ‘product’ and ‘understanding and reliving the past as a key tourist experience’.

Another feature of heritage tourism is concentrated on the power of tradition and its educational function (Silberberg, 1995). The term experience is closely related to the norm of learning. As history shows, even the ancient Egyptians and Romans, as well as the nobility of medieval times, travelled to experience historic places of cultural importance (Towner, 1996 cited by Timothy & Boyd, 2006). Boyd (2002) argued that the key distinction between heritage tourism and other types is the learning dimension present and the tourist’s greater enthusiasm to learn about a region’s past. Printice (1995) also considered the term heritage tourism to mean traveling to historic sites and attractions to learn about the past in an interesting and enjoyable way.

One of the essential roles of heritage tourism is experiencing identity. Heritage sites usually attract a mix of domestic and international visitors, but the majority are commonly domestic tourists due to their identification with their history and culture (Nuryanti, 1996). Palmer (2005) argued that visiting heritage settings by domestic tourists is expected to encourage their appreciation of the nations’ past in their national imagination. Through heritage tourism,

domestic tourists experience their identity and the pride that provides the motivation to preserve heritage sites which also attract the attention of international tourists.

In addition, it is stressed in the literature that heritage plays a pertinent role in tourism by generating a unique sense of place to attract visitors. Particularly in urban areas, many cities have similar features through modernization and commercialization, so heritage tourism may be often chosen as a strategy to differentiate destinations by focusing on different themes related to their culture and location as a way to distinguish themselves from competitors. The uniqueness of heritage within destinations captures the interest of a more mature and perceptive market (Boyd 2002). Increasingly, the concept of heritage has become associated with the commercialization or commodification of the past with the growth of the heritage tourism (Smith, 2007) and it has brought recognition of the importance of planning and management heritage.

### **2.1.3 Heritage tourism management and planning**

Tourism brings outside people who may be very different from the local people in terms of languages, values and lifestyles, to the destination to consume the heritage. And these new and different things impact the old and traditional things in the heritage site. Changes thus occur to the host community. The cultural heritage can change more or less, in line with the development of heritage tourism (Orbasli, 2000).

Planning and management of heritage tourism is a topic that is discussed in the literature. Jansen-Verbeke et al. (1999) asserted that ‘the growing interest in cultural resources opens new prospects for the economy in culturally rich destinations which, in turn, provide the tourism industry and public agencies with the challenges of managing heritage facilities and attractions’. Management is defined as ‘a process businesses undertake to achieve organisational

performance' (Ivanceich et al. 1991 quoted in Murphy 1997: 3). Management of heritage tourism becomes a combination of proactive design and planning measures which will reduce the pressure on resources and encourage a better appreciation of the environment.

Effective styles of management are discussed in the literature (Orbasli, 2000). Chang et al. (1996) argued for an integrative approach of two groupings, a "top-down" perspective and a "bottom-up" perspective, to attempt to gain a balanced approach to the processes and outcomes associated with urban heritage tourism. Aas et.al (2005) stressed that stakeholder collaboration is needed to achieve a symbiosis between heritage management and tourism development. Austin (2000) argued that the benefits of collaboration for non-profit organisations, such as museums and galleries, include cost savings, economies of scale and scope, synergies and revenue enhancement. Critical to the implementation of the collaborative planning approach is the identification and legitimization of all potential stakeholders, including those who are involved in the planning process (Roberts and Simpson 1999, cited by Aas et. al.2005: 30).

Boyd (2002:214) provided four principles of heritage tourism from which key guidelines can emerge in terms of how its attractions may be planned and managed. The following principles are presented:

1. Ensuring authenticity and quality
2. Conserving and protecting resources
3. Providing a learning environment through interaction and involvement
4. Building partnerships between host, guests and managers.

Boyd (2002) mentioned that these principles are developed for addressing sustainability within a protected areas context.

Good management will increase efficiency, but Middleton (2007) warned, ‘many management principles are common sense but always complex to implement’ because there are many conflicts in heritage sites between old and new, preservation and development, insiders and outsiders, locals and visitors. In the decision–making process among key players there are often complex and contradictory relationships based on their different interests. Orbasli (2000) asserted that collaborative decision making at the local level is necessary for avoiding much tension and the pressures of tourism. Another key consideration of planning and management for heritage is sustainability which requires the achievement of a good balance between the needs and desires of the current generation and the maintenance of options for future generations.

#### **2.1.4 Heritage Tourism in Seoul**

Due to the history of hasty modernization and industrialization after the Korean War, the cultural heritage did not immediately receive much attention, even though Seoul has numerous cultural heritages sites. However, greater recognition of the value of culture and history occurred in the 1990s and heritage has become a significant factor with an important role to play in tourism. In the past, the cultural heritage policy was focused on heritage preservation and management, but the policy has evolved to consider heritage sites as main tourism resources (Chung, 2005). According to the major marketing strategies by the SMG, there are plans to design Seoul as a financial, cultural and tourism centre in 2010. In these plans it is noticeable that heritage tourism is adopted as a strategy to promote tourism and place marketing in Seoul. Particularly, the plan to shape a culture/tourism belt is a strategy to utilize heritage tourism in the city. The followings are detailed elements of the marketing strategies for Seoul in 2010:

## Promotion Objectives

- To rank among the top 20 tourist cities worldwide by 2010 (currently ranked 35th)
- To transform downtown Seoul into a leading tourist destination
- To enhance Seoul's brand value through positive marketing of the city as a financial, cultural and tourism centre.

## Project Plans

- Establish Seoul as a financial, cultural and tourism Centre
- Establish Cheonggyecheon (a stream) as an area where high-end technology meets nature
- Recreate the downtown with a focus on four central areas
- Form a history/culture-based tourism belt comprised of the five royal palaces
- Create themed streets in the downtown area

## Objectives for promotion

- Formation of culture/tourism belts through restoration of the city's history and traditions
- Recreate the downtown with a focus on four central areas
- Form a history/culture-based tourism belt comprised of the five royal palaces
- Create of theme streets in the downtown area

Source: Seoul Metropolitan Government: Seoul Information Network (2010)

In the current Seoul Metropolitan City plan, cultural heritage is focused upon as a resource for tourism in order to enhance urban competitiveness. In terms of the formation of cultural/tourism belts through restoration of the city's history and traditions, Seoul Metropolitan City keeps trying to transform the image of the city into a centre of cultural tourism.

Law (1995) argued that the primary urban destination features contributing to the attractiveness of a tourism area are the destination's climate, ecology, cultural traditions, traditional architecture and natural resources. It is necessary to find a way to combine the unique



identity and tradition within heritage sites, and to exploit the natural environment with traditional architecture in Seoul to attract visitors. Hence, there is the need to develop new heritage products further or to add to existing ones in order to diversify the experiences on offer to visitors.

## **2.2 Cultural District**

### **2.2.1 Cultural District Initiative**

Cities have always been the centre of cultural and economy activity (Hall, 1998). Cultural resources are now viewed as tools to be used to revitalize urban economies and attract tourists. According to UNESCO's definition, culture is "the set of distinctive spiritual material intellectual and emotional features of society of a social group, and it encompasses, in addition to art and literature, lifestyles, ways of living together, value systems, traditions and beliefs". This is very broad concept of culture encompassing tangible and intangible assets. The strategies of cultural clustering have become, in recent years, a real instrument for urban development, with a series of economic, social and cultural implications (Ciniti, 2008). Their purpose may be different, ranging from the enhancement of cultural heritage to urban regeneration but, generally, the goal of most cultural clusters is to revitalise a particular area of a city by providing arts and cultural activities and supporting facilities for residents and tourists (Hitters & Richards, 2002). In addition, it is aimed at cultural and economic development in cities too.

The concept of cluster was first proposed in 1990 by Michael Porter as a strategic tool for local economic development and has since gained much attention from politicians and academics (Tien, 2010). Porter defined a cluster as a 'geographic concentrations of inter-connected companies and institutions in a particular field' and asserted that clusters encompass an array of linked industries, and other entities important to competition (1998, p78). In tourism, the

formation of clusters is being stimulated in urban areas as a tourism policy based on the assumption that ‘tourism development is an important vehicle for regional and urban revitalization’ (Jansen-Verbeke & Ashworth, 1990). The implementation of cultural clusters aimed at a better organization of cultural resources has had an impact on the ways in which culture is produced and consumed (Jansen-Verbeke & VanRekom, 1996). Regardless of the types of cultural clusters, these agglomerations generate three main benefits: they reduce business costs, accelerate the circulation of capital and information and, thirdly, reinforce transitional-based modes of social solidarity (Ciniti, 2008). A fourth benefit may be added: they are commonly areas that are attractive for recreation and tourism.

The definitions and types of cultural clusters will now be reviewed and then the cultural districts in Seoul will be discussed.

### **2.2. 2 Definition of Cultural Clusters**

Before defining the term ‘cultural cluster’, it should be noted that cultural district, cultural quarter and cultural route are used with analogous meanings in this paper. Cinti (2008) asserted that there is no terminological difference in the use of the terms ‘cluster’, ‘district’ or ‘quarter’. The term ‘district’ is mostly used in the USA and in Italy, whereas the rest of Europe tends to use the term ‘cluster’. However, according to another definition, there is a substantial difference between a quarter and a district, since the first has a commercial dimension, being mainly intended for tourist consumption and entertainment, while the latter has a stronger artistic dimension, being aimed at the production and export of cultural goods and activities (OECD, 2005). In Korea, quarter or sector is generally used to refer to the broader concept and it is one particular dimension of a region which is comparatively small, rather than a district which is an

area in the city designated by municipal law. However, in this paper, the terms quarter and district will be used interchangeably.

There are a number of possible definitions for a cultural district. One of the most cited and well known definitions is by Frost–Kumpf: ‘a well-recognized, labelled, mixed-used area of a city in where a high concentration of cultural facilities serves as the anchor of attraction. Typically, the area is geographically defined and incorporates other land uses, but the defining characteristic is the concentration of cultural facilities and related activities’ (1998, p10). Another short definition of cultural district by Gibson and Freestone (2002) describes it as ‘one particular spatial dimension of the cultural economy of cities’ whereas Lazzarotti (2003) put the focus on ‘high-cultural local system’ in his definition.

ICOMOS (May, 2003) developed a definition of cultural routes emphasizing the cultural dimension as follows: *a cultural route is a land, water, mixed, or other type of route, which is physically determined and characterized by having its own specific and historic dynamics and functionality; showing interactive movements of people as well as multi-dimensional, continuous, and reciprocal exchanges of goods, ideas, knowledge and values within or between countries and regions over significant periods of time; and thereby generating a cross-fertilization of the cultures in space and time, which is reflected both in its tangible and intangible heritage.*

However, such routes commonly extend beyond the confines of individual cities and commonly refer to such phenomena as the Silk Road or the Inca Trail. The International Scientific Committee on Cultural Routes (CICR) was created in order to promote, consistent with the aims of ICOMOS international co-operation, the identification, study and enhancement of cultural routes and their significance in relation to their main value as a whole, and in connection with the protection, maintenance and conservation of their monuments, groups of buildings,

archaeological remains, cultural landscapes and sites, as they are connected through cultural values and historical links (ICOMOS, 2003). While it is possible to recognize cultural routes with cities and, indeed, their development may be important for the purposes of tourism development and interpretation, they are likely to be of much shorter length than those that have attracted the attention of ICOMOS.

In this paper, the definition of cultural cluster will be used as ‘that geographical area that contains the highest concentration of culture and entertainment in a city or town’ (Wynne, 1992: 19) with cultural consumption and production activities.

### **2.2.3 The Types of Cultural Clusters and Districts**

In the context of urban regeneration, culture can refer to anything from architecture, heritage buildings and attractions, to the visual and performing arts, festivals and events, to entertainment and leisure complexes, as well as culture as the way of life (Hitters & Richards, 2002). Currently, culture is widely being used as a tool in tourism planning to enhance economic revitalization in cities (Smith, 2007). The designation of cultural clusters and districts has speeded up in recent years and has, ideally, they have taken on the role of being an alternative ‘source’ for urban development (Cinti, 2008). For example, in the USA, interest in cultural districts has been increasing with, as of 1998, more than 90 cities having developed or in the process of planning cultural districts as a means for revitalizing their downtown areas (Frost-Kumpf, 1998). As a type of arts-based development project, cultural districts were expected to have a multiplier effect, attracting interest in and revenue to the city.

Porter (1998) asserted that the key requirement for success for the constitution of a cultural district is distinctiveness, with the character of the cluster being created from the local

resources. Frost-Kumpf (1998) also emphasised that each cultural district should be unique, ‘reflecting the specific cultural, social, and economic needs of its city’ (1998, 33). These unique characteristics become the cultural resources for different activities in the cultural district which, in turn, may be used to define different types of cultural districts.

A large number of studies of cultural clusters and districts often tend to group them according to particular variables and characteristics, bypassing the broad definition (Cinti, 2008). Cinti (2008) stressed that it is important to establish which activities are carried out in the cultural districts. Frost–Kumpf (1998) categorized cultural clusters into arts district, arts and entertainment districts, art and science districts, cultural districts, artists’ quarters, museum districts and theatre districts.

The model proposed by Santagata (2005) proposed the following typology of cultural districts:

- 1) Industrial cultural district: district specialized in the production of culture-based goods.
- 2) A ‘date of birth’ district (specified by law together with property rights); since the product derives from local tradition and is socially recognized.
- 3) The ‘museum cultural district’; museum network or an art community that already exists in the historical centres of art cities.
- 4) The metropolitan cultural district which is fostered by institutions specifically devoted to cultural activities where libraries, museums, theatres, art centres and the like are concentrated in the so-called districts.

(Quoted by cinti 2009, p74)

The industrial cultural district is a type of cultural district with geographical clustering of the organization of cultural production within that area. This type of district is also called a

‘cultural-industrial’ district (OECD, 2005) and a notable example is the Hollywood movie industry. The key element in the success of these clusters is the distinctiveness which arises from the use of unique and local resources (Porter, 1998). This type of district is associated with economic activity and multiple products created in the district. Wynne (1992) stressed that role of the cultural industries in urban regeneration is reflected in the emergence of ‘cultural quarters’ as important growth engines in a number of cities.

The museum clusters are very common and the most well-known type of cultural clusters in Europe. Jansen-Verbeke and Van Rekom (1996) asserted that museums are considered to be a core element in the urban attraction and a crucial element in generating a “high-quality” urban environment in many tourism marketing plans. Cultural tourists visit the local museums with interest in the wide range of cultural heritage which a city has to offer.

Within the museum clusters, examples of good practice in several countries are Museum plein in Amsterdam, the Museum insel in Berlin, and the Museums quartier in Vienna, Rotterdam’s Museni park etc. (Tien, 2010). The potential synergism between museums, located within each other’s district, and the possible advantages of a common marketing strategy look very promising and strongly inspire the current marketing strategy of developing and promoting the museum park as a key attraction of the urban tourism product (Jansen-Verbeke & Ashworth, 1990). Therefore, museum clusters can be seen as being catalysts for the development of the cultural tourism industry.

According to Santagata’s model, a good example of a ‘date of birth’ district is Insadong cultural district in Seoul which is based on long-standing historic traditions. Insadong cultural district is designated by law to give recognition to the historic value of the street. The district was

associated with the production of objects that have both an artistic and a commercial dimension, such as Korean traditional arts and crafts. Carta (2004: 47) said such districts should be defined ‘within local systems and make explicit the active and prospective valorisation of cultural heritage’. Currently, Insadong is such a cultural district which is focused on art galleries and souvenir shops in the downtown of metropolitan city.

#### **2.2.4 Cultural Clusters in Seoul**

Since 2002, several cultural districts have been designated by local government in Seoul. The first purpose of designation of cultural district is more focused on the preservation of historic assets than urban revitalization. However, the purpose of designation of cultural districts has evolved into preserving the distinctive artistic factors in a certain area and promoting cultural activities and the cultural contents of the area. The designation is also intended to assist in the building of a cultural network within the area for the encouragement of the consistent development of culture in the city.

Before this municipal designation, the Ministry of Culture, Sports and Tourism provided guidelines consisting of the six key elements that constitute a cultural district:

- 1: Public services: information, communication facilities, management, assistance, advertising
- 2: Tangible environment: street, square, park, garden, architecture etc.
- 3: Cultural resources: historic event, place, memory, food, local product
- 4: Accommodation and entertainment: restaurants, hotels, exhibitions, experience, involvement
- 5: Historic information: ethnicity, religion, architecture, tradition, history
- 6: Events: festivals, performances, planning, exhibitions

Source: Ministry of Culture, Sports & Tourism (1996, p29)

These guidelines emphasized the synthesis of cultural activities and substantial infrastructure and land uses to form a cultural district.

Cultural districts have gained fame as tourism destinations and have generated synergistic effects from the economic point of view, but the policy of designation has raised critical issues for maintaining cultural facilities and the possible loss of cultural traditions. The issues that have occurred in cultural districts in Korea will be studied in this paper through a case study of Insadong.

### *Insadong*

In April 2002, Insadong became the first cultural district designated by the Seoul Metropolitan Government with the purpose of preserving the artistic traditions and cultural heritage with the intent of building a cultural centre for tourists. Before this designation, this area was classified as a commercial zone according to the city plan (Kim & Yoo, 2002). Once a cultural district was designated by law, certain benefits followed. Tax incentives are provided to establishments, such as shops, to engage in culture-related activities and low-interest loans were made available to repair and operate old buildings. Construction of large buildings was also prohibited. In Insadong there was now a concentration of outlets related to the visual arts, such as galleries, picture mounting shops and writing-brush shops in an area with historic architecture, but the contents of business have been changed into satisfy tourists' preference. The area has a long history of development as a cultural district but, over the last decades, numerous changes and issues have occurred regarding commercial development and tourism development.



## **2.3 Gaps Identified in Literature**

The research is limited to one cultural district in Korea, so the detailed results of this research cannot be generalized to other cases in Korea or in other countries. Nevertheless, there may be lessons that can be learned that are worthy of consideration elsewhere. Although there is a substantial literature focused on place marketing of cultural clusters and economic revitalization in urban areas, there is much less written regarding the management strategies that have been used to retain or establish the clusters and the problems that have resulted from designation. Also, exploration of bottom-up and government initiatives to conserve historic assets in an urban renewal area would help in understand the value of an historic area in the middle of city. This research could help to enrich the literature by addressing the strategy of designating cultural clusters in a metropolitan city and the government's and stakeholders' roles in administering and managing the problems in the clusters.

## **2.4 Chapter Summary**

This chapter reviewed previous research on the notion of heritage, the features of heritage tourism, management of heritage tourism, and the current situation of heritage tourism in the city of Seoul through a brief review of the city's heritage planning to 2010. Studies of cultural clusters, types of cultural clusters, and the designation of cultural clusters in the city of Seoul were also reviewed. Finally, gaps in the literature were pointed out. This literature review sets the context for a detailed study of Insadong, a cultural cluster in Seoul, Korea. The methods that were used in conducting the case study will be described in the following chapter.

## **CHAPTER 3**

### **RESEARCH METHOD AND PROCEDURE**

This chapter describes the research methods and procedures used in this study. First, background information on the study site, Insadong district in Seoul, Korea, is provided. Then, the research methods are presented and justified. Details of government, NGO, and vendors' interviews are given. Supplementary methods, such as on-site observation and the collection of secondary data, are also introduced. Then, details of the research procedures (timing of field research and data collection) are followed by an explanation of data analysis procedures.

#### **3.1 Introduction to the study area**

The research examines the tourism impacts on the heritage cultural district in Insadong, which was the first cultural district designated by municipal government and is one of the most representative cultural districts in Seoul, Korea. This district has a long history of formation as an historic traditional area and it has now become a famous tourism destination to both local and international tourists. In terms of tourism attractions, the renowned attraction of Insadong is a traditional cultural street with a concentration of shops related to traditional visual arts and Korean-style restaurants. For this study of tourism impacts and cooperation of stakeholders in the cultural district, Insadong was chosen because it is a representative traditional cultural district with heritage resources located in the middle of the downtown of an expensive city. There have been both cooperation and conflict between proponents of preservation and use of the heritage and tradition through tourism development. Figure 3.1 presents the location Seoul in Korea and Figure 3.2 shows the location of Insadong in Seoul.



Figure 3.1: Location of Seoul in Korea (Source: <http://www.mapsofworld.com/south-korea/map>)



Figure 3.2: The location of Insadong (Source: Kim & Yoo, 2002)

### 3.1.1 Insadong

Insadong is a small, square-shaped area composed of one main street that stretches about 690 meters from Angookdong Rotary to Tapgol Park and approximately 375 meters east-west from the Gongpyong Building to Nakwon Shopping Street. “Dong” is the name of an administrative unit in Korea but the area of Insadong district covers is 175, 743m<sup>2</sup> and is bordered by six dongs including Insadong, Gwanhundong to the north, Nagwondong to the east, Jongno2ga and Jeokseondong to the south, and Gngpyeongdong to the west.

As shown in Figure 3.3 there is a main traditional street, which is connected to a multitude of alleys that lead deeper into the district. This district is a renowned place where both Koreans and foreigners experience Korean tradition and culture. It is a unique area whose atmosphere combines both historical and modern features. There is also concentration of shops related to the visual arts, such as galleries, picture-mounting shops (for Korean paintings and calligraphy works) and writing-brush shops. Many of restaurants, galleries, souvenir shops and antique shops are located within the alleys. Today, Insadong is well-known for sightseeing and is one of the best places in Seoul to purchase traditional handicrafts and souvenirs. Insadong is also a place that has been visited by foreign dignitaries, such as Queen Elizabeth II and the princes of Spain and the Netherlands (Chung, 2005).



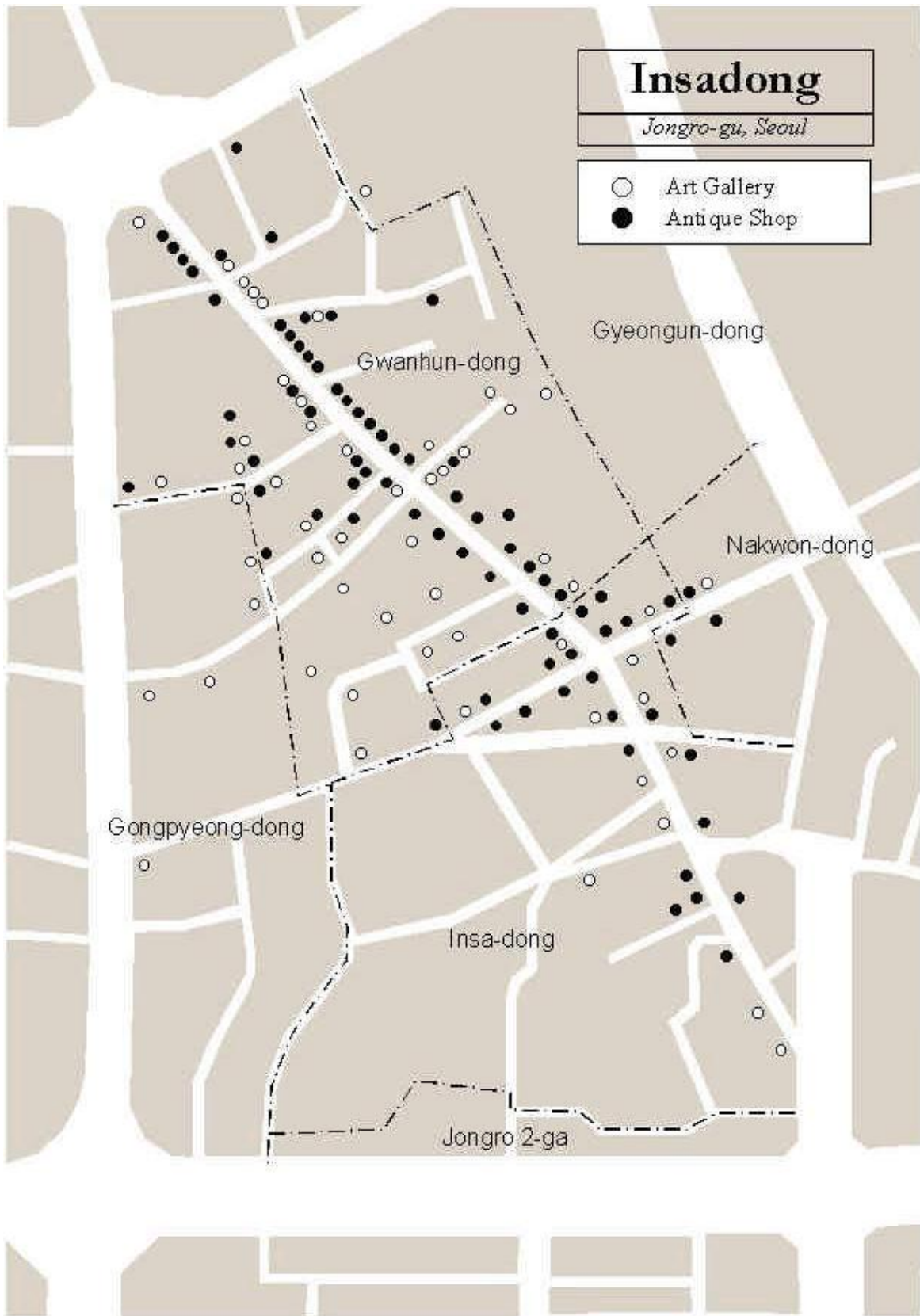


Figure 3.4 Insadong's shops and stores in the 2000's (Source: Kim and You 2002)

### **3.12. The history of Insadong**

Prior to designation as a cultural district in 2002, the area was classified as a commercial zone according to the city plan. The northern part of the area was designated as Insadong district unit plan, while the southern part was Gongpyong Urban Renewal District. There are estimated to be about 3,000 persons working in the area while the number of visitors is about 50,000 during week days, 70,000 during the weekends and about 100,000 during the days when the main street is designated a vehicle-free street (Kim & Yoo, 2002) .

The attractions of Insadong have changed with changing times. During the early period of the Joseon Dynasty (1392-1910), Insadong and the surrounding area involved the residences of Joseon Dynasty officials, extended royal families, and the yangban aristocratic class (Korea Tourism Organization ). Also, the area was a dynamic commercial place geographically located in the centre of Seoul. During the Japanese Colonial Period (1910-1945), antique art shops were established when the former collapsed privileged class sold everyday items to gain cash and this activity became the initiative of current image of traditional art street. In the 1930s, the area became a centre of traditional book stores and antique shops that displayed and sold such things as old paintings, ceramics, woodenware, metal ware, old furniture and many other old items (Korea Tourism Organization ). During the late 1960s and early 1970s, art galleries began to coalesce in Insadong following the founding of the Hyundai Gallery, the first western gallery in Seoul, and this strengthened the image of a place for fine art. Accordingly traditional brush shops and picture-mounting shops were increased in number. The current image as a street of traditional culture was strengthened in the 1980s when the number of traditional craft shops, ceramic stores and Korean-style stationery shops increased. Compared to the image of the 1970s, Insadong appealed to the public more intimately, and traditional cafés and bars were

popular in the street. Also, with the urban redevelopment of Insadong neighbour area, traditional Korean style houses were demolished and new high- rise buildings were appeared. In the 1990s, the area began to take on a more commercial appearance when restaurants, tea houses and cafes grew rapidly with tourism development and became a famous tourism attraction. The area today is an appealing place where tourists can purchase cheap traditional souvenirs and experience Korean food.

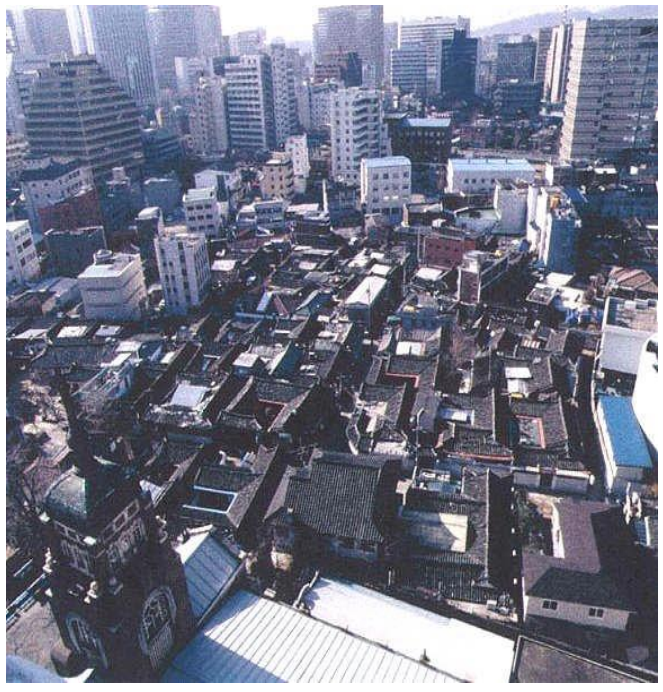
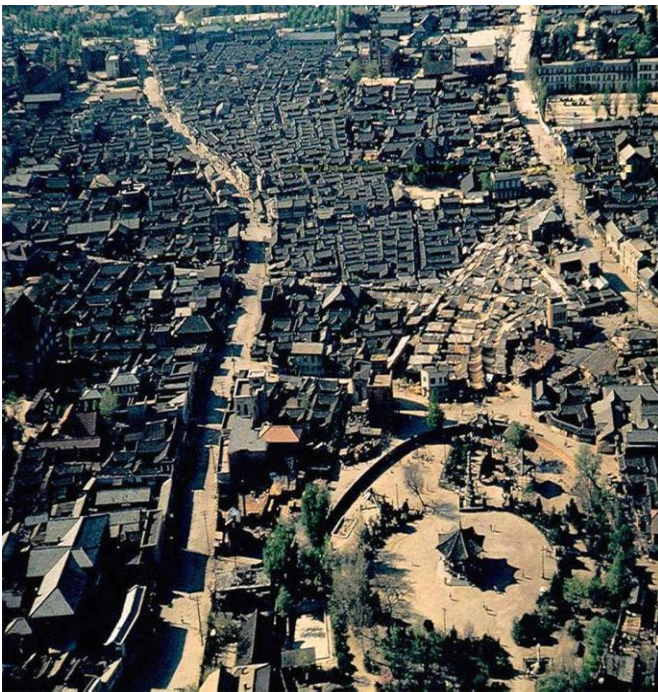


Figure 3.5 1950s vs. early 2000s of Insadong  
(Source: <http://www.hkip.org.hk/CI/powerpoint/Elise%20Youn.pdf>)

In April 1997, the City of Seoul made the main street a vehicle-free street every Sunday to facilitate the performance of festivals and parades (Kang & Kang, 2001). Since the “Insadong traditional cultural festival”, organized by the Insadong Traditional Cultural Preservation Association and held in 1998, festivals and various performances have become main features in creating a lively atmosphere and in promoting the area as a cultural tourism district. Against the



commercialization of Insadong many citizens and professionals criticized movements and were occurred to preserve traditional assets

### 3.1.3 Heritage in Insadong

There are many types of heritage, ranging from religious items to more modern heritage sites like an assembly place 3.1. Independence Movement against Japan, are found in Insadong. Nine places are registered with the government as National Cultural Properties (Table 3.1).

Table 3.1: Heritage in Insadong

Specification	Number	Name	Types of Building
National treasure	No. 2	Onegasaji 10 seek top	Tower
Treasure	No.3	Onegaksabi	Tower
Historic place	No. 213	Woojungchongkuk	Post Office
Historic place	No.257	Unhyungung	Palace
Historic Place	No354	Topgolgongwon	Park
Tangible cultural properties	No.36	Chundokyojunganggongone	Religion Church
Tangible cultural properties	No.73	Topgol gongwon pakackjung	Structure
Registered heritage	No. 15	The House of Ickdoo Min	The house
Registered heritage	No. 18	The site of Youngho Park's house	The formal house site

(Source: 2008 Insadong cultural district assessment report)

In addition, there are cultural treasures including historic temples, towers, parks and houses, as well as the first western-style theatre, “Jang-An-Sa”, the first newspaper building, the first civil park and the first department stores. Korean traditional houses originally comprised a village but only one traditional Korean house (The house of Ickdoo Min) has been preserved as heritage. The author visited seven of these places during the field research.

### **3.2 Research Methods**

As Babbie (2001) stated, field research is a social research method that involves the direct observation of social phenomena in their natural settings. By going directly to the social environment under study, the researcher has the chance to observe it as completely as possible and have a more comprehensive perspective on the study area. Field research is an umbrella of activities under which many techniques may be used for gaining the desired end for processes of thinking about his information (Schatzman & Strauss 1973).

For this study, the data-collection process was performed by using qualitative research. As Babbie (2001) mentioned qualitative field research is well suited to the study of social process over time, it is suitable method for understanding of the process of tourism development and impact in Insadong cultural district. Interviews with key informants were selected as the main qualitative data strategy and the researcher’s observation were used to provide complementary information.

Through in-depth discussion, interviews can provide valuable data. In this research, semi structured interviews were employed to explore government’, NGO’, and vendors’ perspectives on Insadong cultural district. Interviews are interactive and provide the interviewer with the opportunity to understand the participant better. They involve active participation and

sensitivity to the participants in the study, which could increase the amount and depth of information acquired. To acquire various perspectives different interview questions were designed for government, NGO and vendors.

### **3.2.1 Preparation of Interviews**

Before going to Seoul, the author tried to make interview appointments with as many key informants as possible by sending emails and making phone calls. E-mail addresses and telephone numbers were attained from website and blogs.

For the public sector, author contacted an alumnus of the University of Waterloo, who is working at the Korea Culture and Tourism Institute and asked for help me to find information related to the policies and plans for Insadong cultural district and to have an interview. He explained that Insadong is under the authority of the City of Seoul and he introduced me to a researcher at Seoul Development Institute (SDI), who is in charge of the research, policies and plans for Insadong. He is an expert in my research area and I was able to make an appointment with him before leaving for Korea.

For the NGO sector, an appointment was planned with the Director of the NGO ‘Dosiyeondae’, which is one of main actors that had tried to promote Insadong as a traditional cultural district and to protect the traditional environment and undertake community development.

Besides these people, author sent e-mails and made phone calls to an official at the district of Jongno-gu (Gu is the upper municipal level of Dong, the district administration for Insadong) and a professor at Seoul Civil University, The Insadong Traditional Cultural Preservation Association, and insadong.info (local site for Insadong). However, author only

could talk to the official of Jongno-gu on the phone. The official said he had only worked for three weeks in that position, so he did not have enough information to answer my questions. Author found out the e-mail address of previous official who was charged in Insadong and sent e-mail to request interview, but it was not successful.

### **3.2.2 Interviews**

In this research, ten interviews were collected during field research with stakeholders. Four key-informant interviews, averaging about one hour each except for one interview with the Director of Insadong Cultural Preservation Association (the organization of vendors) which was shorter, were conducted. These included one official researcher, one professor, one Director of an NGO and the Director of the Vendors' association. Also, six interviews with vendors were undertaken. These averaged about 20 minutes in length.

#### ***Interviews with government officials***

The goal of interviews with officials is to investigate the government's policies, goals, and support for tourism development in Insadong cultural district. In addition, possible future directions of management of district are also discussed.

One current Metropolitan Policy Research researcher in the Seoul Development Institute (SDI), and a previous researcher in SDI and current university professor of were interviewed. The researcher from SDI introduced me a Professor at the University of Kyungwon, who had previously worked at SDI as an urban planner. The professor had been involved in the cultural policy of the designation of "Insadong Planned Unit Development District" for the Insadong area in 2002. This interviewee provided government's perspectives which were an indispensable part of the research.

The in-depth interviews were conducted to find out ascertain the process of tourism development in Insadong, the existing problems in the district, the policy, planning, regulations and management for promoting tourism development and preserving traditional culture, and the views of participants on what had been achieved. The special events, incidents in the district and suggestions for future developments were also explored.

The interview with the researcher from SDI lasted around 1 hour and 30 minutes. He addressed how Insadong has developed in the past, how it was designated as a cultural district, how policies of the SMG for Insadong were implemented, etc. The interview with the professor lasted 30 minutes and the document entitled “Insadong District Unit Plan” published by SMG in February, 2002 was obtained from him. Table 3.2 gives more details about the government interviews.

Table 3.2 Details on the government officials’ interviews

Position	Work
The Metropolitan Seoul policy researcher	Seoul Development Institute (SDI)  (Key actor of designation of Insadong Cultural District)
Professor (previous government official)	Department of Civil and Environment Engineering, University of Kyungwon and formerly a head researcher at SDI (Key actor of Insadong Unit Plan)

### ***Interview with NGO***

In addition to government officials, one key-actor NGO (Dosiyeundai, literally mean urban collision), was also interviewed. The interview with the Director lasted more than one hour. This interview was not only an additional source of information but also provided a more detailed picture of the situation. It also provided a perspective that was different from that of the government officials. This Organization played a key role in revitalize Insadong culturally and in preserving the unique traditional atmosphere. Prior to conducting the interview with the Director of the NGO, she had completed an e-mail questionnaire. Author also had read a book that she had written in 2009 (Choi & Kim, 2009) and addressed her experience of with various initiatives in Insadong over the previous ten years. Based on this information, it was possible to probe deeply to acquire information and to learn about her experiences.

### ***Interview with the Director of 'Insadong Traditional Culture Preservation Association'***

The office of 'Insadong Traditional Culture Preservation Association' (ITCA) was visited on the first day of arrival in Seoul. The office was located in the main street in Insadong district and was also used as a Tourist Information Centre. Before visiting the office, author sent an e-mail message to ask for cooperation and an interview but could not receive a reply. When entering into the office, author found that there were three staff members. Author introduced herself and asked if they had read the e-mail. The secretary said that she had received author's e-mail and brought me to the director of ITCA. The director did not want to discuss the City of Seoul or local government's policy and plan, and suggested to get information from SDI. Accordingly, author excluded questions related to policies and plans. Also, the director did not want to be audio-record the interview. As a result, author only was able to ask few questions

about the role of the committee and office. The director clarified that they represent the vendors in Insadong district and was the main actor who conducted festivals and events in the district.

***Interviews with vendors***

The semi structured interviews of vendors of business focus on the economic impacts of tourism development in district, and their experience of current problems and suggestions for solving the problems.

Six vendors were interviewed who operated a diversity of businesses in Insadong. The following topics were addressed in these interviews: the duration of business; the reasons for opening the business in Insadong; the changes that have occurred in Insadong after its designation as a cultural district; concerns or complaints; the ways in which they could be involved in decision making; the rewards and challenges of tourism in Insadong; and suggestions for future developments. Details of these interviews are listed in Table 3.3.

Table 3.3: Details Interviews with the Vendors

Business Types	Position	Duration of Business
Traditional Pottery Shop	Owner	40 years
Gift and Souvenir Shop	Owner (son of the previous owner)	30 years
Traditional Tea house	Owner	6 years
Modern Restaurant	Owner	6 months
Craft and Jewellery Shop	Owner	5 years
Korean traditional restaurant	Staff	10 years

### 3.2.3 Other methods

During my field research, street maps, brochures and the list of the reputable traditional houses in Insadong suggested by the local district administration were collected at the Tourist Information Centre and Insadong Cultural Preservation Association Office. Other important statistics also were obtained, including “External assessment reports on Insadong cultural district” (undertaken in 2003, 2005, 2008, 2009), Insadong District Unit Plan (2002) and on “Dahakro cultural district” (another cultural district in Seoul) undertaken in 2008 by Seoul Development Institute for collecting deeper knowledge for Korean cultural district.

A book written by the Director of the NGO was purchased based on her recommendation. The book contains the history of the Insadong cultural district and addresses the problems that occurred after its designation as a cultural district. This book also describes how the NGO made an effort to inspire citizens to appreciate the importance of the value of Insadong through events and workshops.

On-site observation was undertaken to observe and record the current atmosphere of the research site and to find out what kind of heritage is in place and how it is distributed in this site. The author also observed the activities of tourists, whether they were domestic or foreign, the approximate ages of visitors, the price of restaurant and tea shop, the types of performance and festivals and the items that were for sale. Many pictures and notes were taken to demonstrate the heritage value of the area. Also several informal chatting about the feeling of the street with visitors were conducted. In these ways, a first-hand impression of the tourism development status was acquired.



### **3.3 Research Procedure**

The research began with a review of academic articles, government documents, newspaper reports and online information. In this way, knowledge of relevant concepts and some understanding of current key issues in Insadong were acquired prior to entering the field. Based on this information, interview questions and a field research plan were designed and discussed with the help of the author's supervisor. Also, ethics approval was acquired from the Office of Research Ethics at the University of Waterloo.

#### **3.3.1 Operation of field research**

From the last week of October to middle of November 2010, key informant interviews were conducted, secondary data were collected, and observation was undertaken. The field research began with observation and the taking pictures of heritage, streets, tourists and shops to document the atmosphere and to collect information on study areas. At the same time, key-informant interviews with government officials and a manager of NGO were conducted as planned. Interviews with vendors from various types of business were undertaken. Insadong is very crowded with tourists all day long and, as a result, it was hard to have a chance to interview vendors. Therefore, the author tried to visit the shops early in the morning when owners were not as busy with customers. My approach to owners of businesses was to purchase some items from the shops. While paying for items, author asked a vendor to have interview. The interview questions were prepared in Korean since all vendors were Korean. Most interviews were audio-recorded with permission except one interview with the owner of traditional tea house.

### **3.4 Data analysis**

Qualitative analytical methods were used in this research. Content analysis is a common technique for drawing conclusions by systematically identifying and grouping the characteristics and patterns from qualitative data (Marshall & Rossman, 1989). A qualitative content analysis was carried out on the interview scripts, field notes and official documents. To investigate and analyze the past policies of SMG and events, the several government assessment reports and urban planning reports were used as a main resource to achieve information. To understand the current situation of the Insadong from divergent perspectives, in depth interviews with key actors were used for key resource.

Procedures have been suggested for evaluation of the sustainability of historic districts through the development of sets of indicators that encompass economic, physical and social criteria. However, their development requires the specification of clear goals and objectives and the involvement of stakeholders, including the public. However, it was not possible in this study to develop a set of indicators using a bottom-up approach as suggested by Vehbi and Hoskara, (2009).

### **3.5 Chapter Summary**

In summary, a qualitative method approach was adopted in this research. Key informant interviews and government survey reports were employed as important sources of information. Key informant interviews were conducted with representatives of the public sector, an NGO, and the business sector to explore their perspectives on the policies and plans and tourism impacts in Insadong cultural district. Scholarly articles and personal observation also provided useful supplementary sources of information. Both interviews and documents were processed using

content analysis. The all citations from Korean literature and interviews were translated in English by author and used in this paper.

## **CHAPTER 4**

### **FINDINGS**

This chapter is divided into three sections that are based on the qualitative analysis of the data collected in Seoul. First, two past key events that have driven the designation of a cultural district in Insadong are examined based primarily on key actors' involvement. Then, the City of Seoul's policies and management implemented into the Insadong district for last decades were investigated. Finally, the current situation and expectations for the area are analyzed from multiple perspectives, particularly those of an NGO, entrepreneurs and government managers based on the in-depth interviews.

#### **4.1 Two key events**

In the late of 1990s and early of 2000s, City of Seoul started to modify the appearance of streets and focus on redevelop Insadong as a place of tourism attraction. While Insadong was gaining fame as a tourism destination, several key events occurred that can be used to illuminate the promotion of tourism and conflicts and collaboration among stakeholders as they sought to further develop the area and, at the same time, to preserve its traditional and authentic features. These key events were widely reported in the media and attracted the attention of the public to the Insadong area, and influencing its designation as a cultural district.

##### **4.1.1 A vehicle-free street program**

This program intensified the issues between conservation of traditional urban area and culture infra and development market place as a tourism attraction to international tourists.

##### ***The background of the program***

A vehicle-free street program was introduced in Insadong on 13 April, 1997. It was one of most important factors that brought change to the district with both positive and negative outcomes. The main actor that stimulated the introduction of this program was the Insa Traditional Culture Preservation Association (ITCA) which was organized by vendors on June 1<sup>st</sup>, 1987(Choi & Kim, 2009). Following its inception, ITCA held various events and festivals related to tradition in every year in order to promote the image and economic revitalization of Insadong. However, until 1997, the members of ITCA congregated only once a year when festivals were held and the role of association was more focused on friendship (Choi & Kim, 2009).

With the expectation that a large number of international visitors would come to Seoul for the 1998 Seoul Olympic Games, ITCA was enforced as a representative vendor's group by a new young representative. Then, the association endeavoured to make Insadong as a famous traditional tourism attraction and proposed to SMG a vehicle-free street program and designation of a "Special Culture District" with the introduction of some incentives to support 'cultural' activities and facilities while discouraging the establishment of 'non-cultural' activities and facilities in the area (Kim & Yoo, 2002). However, there was no precedent or policy for 'Special Culture Districts' in Korea at that time, so the plan was rejected although the vehicle-free street program received consideration as a possibility (Choi & Kim, 2009). ITCA made effort to accomplish the plan with the support of media and, eventually, a vehicle-free street program was introduced in 1997 by local administration. The City of Seoul also focused on revitalize Insadong as a symbolic traditional street so, announced the 'designation of a vehicle-free streets plan in Seoul' whereby certain streets would become pedestrian areas on Sundays (Choi & Kim, 2009).

## Conflicts between vendors



Figure 4.1 A vehicle-free street day: Pedestrians and the parade of people with traditional police costume of Joseon Dynasty on the main street (Source: Photo taken by the author)

After this vehicle-free program was started, more than 100,000 visitors came to Insadong every Sunday (Kim & Yoo, 2002). At the beginning of implementation of this program, ITCA held a cultural market on the main street every Sunday: The market was composed of three components: special performances, cultural events and a cultural market. ITCA had authorization to provide permission to street hawkers to sell items at the culture market on Sundays. However, many of the items for sale were similar to those made available by permanent outlets in Insadong district (Kim & Yoo, 2002). Many vendors blamed the ITCA for introducing this competition. Some vendors argued that Insadong, as an historic place, was not a suitable location for a cultural

market and that the latter would tarnish its image. The vendors complained about ITCA's authoritarian one-way policy and that they had failed to gather the opinions of the permanent vendors. As a result, the culture market was prohibited in July 1998 (Choi & Kim, 2009).

The following is interviews with permanent vendors about street hawkers that were cited by Choi & Kim (2009, p29).

'This program is not related to the inner system of Insadong and this program provides only an instant event. The permission of street hawkers destroys the image and quality of this district and this is only ITCA's decision' (Vendor, July, 1998).

'The cheap items sold in the street are made in foreign developing countries. ITCA only focuses on events and performances instead of promoting cultural issues. I do not like this so I close the business on Sundays' (Vendor/Sindonga, December, 1999).

The program impacted the vendors differently depending upon their types of business. The program benefited tea houses, boutiques and restaurants, but it did not bring benefits to galleries and antique stores. Many antique shops closed on Sundays because few visitors were interested in purchasing antique items, which are of high value, but only viewed the items, while regular customers did not come to the crowded places.

### ***Other issues***

Another problem was that rental fees and land prices rose after the implementation of the program. Tenants of small shops faced the problem of rising rents and conflict of interest with landlords, and between the main street and back alley shopkeepers (Kang 1998). Rents were often increased several times so many art galleries moved to other areas of the city.

This problem of rents brought other issues, such as changes in the use of space and the items that were for sale. Nevertheless, the program was very successful in gaining fame for Insadong as a well-known tourism attraction to both domestic and international tourists, and in promoting economic revitalization. However, it also transformed the profile of visitors and customers from the middle-aged and well-informed specialists with informed tastes, to the younger and less-specialized people (Kim & Yoo, 2002). Accordingly, as the number of tourists grew, the historic district was transformed through the establishment of a combination of restaurants, cafes, bars and souvenir shops.

Table 4.1 Change in the Space of Uses in Insadong between 1998 and 2000

Use	No. of shops 1998	No. of shops 2000	The difference (%)
Antiques	172	87	-49.4%
Galleries	108	94	-13.0%
Picture mounting	87	57	-34.5%
Korean style paper	85	41	-51.8%
Ceramics/Handcrafts	32	82	+156.3%
<b>Subtotal</b>	<b>484</b>	<b>361</b>	<b>-25.4%</b>
Restaurants	83	388	+367.5
Traditional tea shops	54	54	0

(Source: Seoul Metropolitan Government 2001, the research for designation of cultural district and management, p72)

Table 4.1 indicates the rapid decline of the number of traditional culture-related shops and stores. Between 1998 and 2000, the number of antique shops and calligraphy brush stores declined sharply from 172 to 87 and from 85 to 41 respectively, while the number of galleries and picture-mounting shops decreased by between 10 to 30 percent. The decline of the traditional culture-related shops was compensated by a sharp increase in the number of



restaurants and handicraft shops. Thus, the area took on a more commercial look when restaurants, tea houses, and cafes grew rapidly.

The vehicle-free program also amplified the tension between the preservation of traditional city space and place revitalization through tourism marketing. While key actors, such as the City of Seoul, Jonogu (district administration) and ITCA, only focused on the events within the program initiative to attract tourists, detailed policies and plans to harmonize with the cultural contents of the place and tourism were not provided (from interview with the director of NGO). The vehicle-free street program drew more tourists and visitors but they, in turn, drove out traditional expressions of culture. Nevertheless, the vehicle-free program was extended to every Saturday between 14:00 ~ 22:00 from on 14 June, 2003 and the parade of people with traditional police costume of Joseon Dynasty has been conducted as shown in Figure 4.1. In the district plan, the vehicle-free street program is considered to be changed to “Everyday vehicle-free street program”. However, the implementation of this policy will cause more problems like increase of street sellers, and visitors, therefore the considerable research and follow-up policy will be needed to prevent the damaging effects.

### *Starbucks*

As change was occurring in Insadong, another important event took place in 2001 that generated differences in opinion: Starbucks opened an outlet on the main street of Insadong (DongAilbo, Aug. 19, 2001). ITCA and residents of Insadong protested against the new Starbucks and tried to get the outlet closed. They regarded the opening of the Starbucks outlet, which is a symbol representing American capitalism in the Insadong district, as an offensive manner to the residents who attempted to conserve Korean tradition. In addition, they were worried that this big franchise would have an effect on small traditional tea shops.



Figure 4.2 Starbucks signboard written in Korean in the Insadong district (Source: Photo taken by the author)

Surprised by the response, Starbucks decided to change the atmosphere of the store and make it into one that is more aligned with Korean tradition. As shown in Figure 4.2, they changed the logo which consisted of nine letters "S, T, A, R, B, U, C, K, S" into Korean characters. Starbucks in Insadong is the only branch in the world with a main signboard written

in the country's mother tongue. The exterior around the window also has a traditional Korean design in an attempt to make it harmonize with the Insadong atmosphere. Moreover, they changed the interior of the coffee shop, which is always the same around the world, to make it look like a Korean place and added traditional Korean foods and drinks on the menu. A Starbucks official said that “it was a really unusual situation. It never before had never changed the logo or the interior design of any of their stores” (ibid). However, the citizen groups and the local owners of the stores were not satisfied; they petitioned for signatures and held demonstrations to get Starbucks out of Insadong. This coffee shop is not only still running at present but, ironically, it has also becoming an attraction to visitors because of the Korean signboard.

#### **4.1.2. The “Twelve small shop restoration campaign”**

##### ***Background***

Another significant event in Insadong was the ‘Twelve small shop restoration campaign’ which conducted in from 1999 to 2000. From 1997, large-scale redevelopment rapidly occurred in the Insadong area and twelve small traditional shops were faced with redevelopment (Figure 4.2) The site was composed of twelve shops as follows: a traditional Korean restaurant, craft shop, gallery, traditional ceramic shop, wood craft shop, metal craft shop, traditional tea house, writing-brush shop, traditional art shop and three picture-mounting shops (for Korean paintings and calligraphy works). These buildings had been built on the largest plot of land in Insadong which, also fronted on the main thoroughfare in the centre of the district (Bae & Jung, 2004). These small shops made a substantial contribution to the formation of the special character and renowned attraction of the area to foreigners (Choi & Kim, 2009).



Figure 4.3: The site of the twelve small shops before reconstruction (source: Kim & Yoo, (2002))

In November, 1999, the landlords of the twelve shops sold the site to a developer and the proprietors of the twelve shops were required to evacuate their premises by March, 2000. The owners of the twelve businesses and NGO (called Urban Coalition and that had already carried out diverse programs and events to preserve the identity of Insadong) launched a campaign to protect these shops from demolition. Signature campaign was organized for Sundays. The campaign attracted growing attention from the public and the media. On 1 December, 1999, 261 professionals from diverse fields, such as urban development, art and religion, issued a statement entitled ‘Insadong small shops restoration’ and collected 15,131 signatures of citizens on a petition that was forwarded to the Mayor of the City of Seoul, the Minister Culture and Tourism, and the President of Korea.(Choi & Kim, 2009). Then, the owners of twelve shops, Urban Coalition, ITCA and concerned culture and art professionals organized a demonstration to save the twelve shops. They held a rally on 8 December, 1999 at the Youngbin garden on the site of the twelve shops. This meeting was attended by the Deputy Mayor of the City of Seoul and the

Chief of the district (Jonogu) (Bae & Jung, 2004). According to Choi & Kim (2009), the state and local governments promised to intervene to help to solve the problem in response to the campaign.

### *Conflicts*

Eventually, on 22 December, 1999, the City of Seoul and Jonogu intervened in this conflict, imposing an ‘act of restriction on new construction permits’ (Jonogu notice, 199-359) to designate Insadong as a cultural district to preserve and promote traditional culture and planned development (Bae & Jung, 2004). However, the landlords in Insadong district organized to protest against this policy in order to protect the value of their assets. They criticized the City of Seoul for making a decision without consulting with or considering the opinions of the landlords. With this dynamic situation Urban Coalition recognized the limitation of campaign and demonstration and the need of professional involvement. Hence, Urban Coalition organized the committee called ‘Insadong Gihikdan’ (later the name was changed to Insadong Sarangbang) with 14 professionals from the fields of urban planning, architecture, etc., on 20 January, 2000 14.

On 25 February, 2000, in response to the landlords’ persistent complaints, the City of Seoul announced a revision to the ‘act of restriction on new construction permits’ by adding a new sentence authorizing the reconstruction of 4 buildings whose landlords had acquired permission in advance the introduction of the act (Jonogu notice, 2000-39) (Bae & Jung, 2004). With the revision to the act, Urban Coalition with the professional committee petitioned the mayor of City of Seoul for stopping the ‘revised the act of restriction on new construction permits’. With the dynamic change of the policy of City, the developer could not find an

acceptable solution to this conflict and a way to make a profit, so it sold the site of the twelve small shops to a new owner (Choi & Kim, 2009).

The new owner, the S entrepreneur, who had a record of success in cultural marketing, took over the site of the twelve shops and had a meeting with the shop owners through arrangement with the NGO (Urban Coalition). This effort resulted in a positive outcome: the new owner agreed to accommodate the operation of the twelve shops in a new building and to maintain a garden and alley. Moreover, the citizens' voices were heard by the city government (Kim & Yoo, 2002) and, in December 1999, the City of Seoul announced a two-year moratorium on the policy allowing new construction in the northern part of Insadong until a new detailed plan for the district could be established. Also the city introduced some restrictions on the use of space in new buildings in the southern part of Insadong, where urban renewal was taking place (Kim & Yoo, 2002).

This campaign is an important representative event that shows conflict and collaboration among stakeholders regarding the tensions between preservation and revitalization of the historic area. Four main stakeholders (residents and local landowners i.e. vendors and landlords, the public sector, developers, and citizens of Seoul) were involved as key actors in this campaign there were also three supportive actors: NGOs (the Urban Coalition and the Insamo group i.e. people who love Insadong), other concerned culture and arts professionals, and the media(Choi & Kim, 2009). No stakeholder could solve the problem alone because of their different interests and priorities but supportive actors were able to intervene in the conflicts and suggested possible directions from other perspectives (Bae & Jung, 2004).

In order for the campaign to succeed, social consent was needed. While maintaining an element of tradition and a strong identity, the outcome had to reflect public interest and achieve a level of agreement, or at least acceptance, among residents, governmental authorities, developers and citizens. From this perspective, the campaign was successful in that the twelve small shops restoration campaign avoided the proprietors of the shops from withdrawing from the Insadong district and provided direct motivation to make a district unit plan and formally designate a cultural district. These will be discussed in more detail in the next chapter.



Figure 4.4 The inside of the new craft building built on the site of the twelve small shops (Source: Photo taken by the author)



Figure 4.5 The outside of new craft building built on the site of the twelve small (Source: shop<http://www.google.ca/images>)

### *Outcomes*

With respect to the properties themselves, redevelopment occurred in the form of a newly created craft market which greatly expanded the number of vendors, creating an expanded tourism attraction and shopping opportunities in a four story building (Figures 4.4 and 4.5). This new building provides space for over seventy boutiques, restaurants, cafes, craft shops and art galleries. In fact, this has now become one of the main visited attractions in Insadong. While the original stories have been greatly modified, the presence of small businesses was maintained on the main street (Figure 4. 6a & b): However, the façade of the building on the upper levels has little relationship to traditional Korean architectures.





Figure 4.6 (a) Modified twelve small shops on the main street ( Source: Photo taken by the author)



Figure 4.6 (b) Modified twelve small shops on the main street (Source: <http://www.google.ca/images>)

On the main street itself there is a veranda and walkway which gives customers the opportunity to view the activities below the main street and utilize span space where possibly consuming snacks and beverages. Sometimes the inside space of the building (Figure 4.4) is used for events and performances. At the same time, part of the upper level of the building is a wall which few

people will likely find appealing (Figure 4.5). According to the government official (interview with the head researcher from SDI, 2010) the building meets the requirements of the building code which restricts constitution to four stories, enhances the number of vendors and the volume of business activity, but at the cost of a greatly modified landscape. Again the outcome reflects a compromise between development and cultural authenticity with the former being dominant in this case.

## **4.2 The Initiatives of Seoul Metropolitan Governments**

### **4.2.1 'Traditional cultural street' (1988) and 'History and culture seeking road' (2000)**

The Ministry of Culture and Tourism (MCT), Seoul Metropolitan Government (SMG), and district administration (Jonogu) undertook the major activities in Insadong from 1988 to the early 2000s. Before it was designated as a cultural district in 2002, SMG designated Insadong as a 'traditional cultural street' in 1988 aimed at attracting international visitors who were in Seoul to watch the 1988 Seoul Olympic Games'. Then, MCT recommended the development of Insadong as a 'cultural street' in 1990. In 1993, Jonogu launched a renewal project for Insadong to improve the street and bronze streetlamps were installed on the main street. Since then, various policies on Insadong have focused on 'regional revitalization' and 'promoting tourism' based on attractive cultural assets. For instance, MCT designated Insadong as a place for 'Cultural Tourism Festivals' in 1996 and SMG endeavoured to improve the pedestrian area and carried out landscape enhancements. Subsequently, 'a vehicle-free street program' was conducted every Sundays by Jonogu in 1997, many problems and issues occurred after the implementation of the program and Insadong was converted partially from a residential and commercial area to a leisure and tourism district (Youn, 2007).

In response to the negative effect of the program, the focal point of policies changed from ‘regional revitalization’ to ‘conservation of traditional businesses’ and ‘preservation of the area’. This change of policy was enforced by the ‘Twelve small store restoration campaign’ and a moratorium on building permits was announced for the following two years by SMG in 1999. This became the foundation of the District Unit Plan. Meanwhile, SMG initiated an immense reconstruction project: ‘History and culture-seeking road’ from December, 1999 to October 14, 2000. As a result of the project, the road was changed from asphalt to stone block and stone benches were installed on the main street. This project generated controversial issues for vendors, residents, and professionals due to the long period of reconstruction and the changes in the features of Insadong. Moreover, redevelopment resulted in increased rents in the district. Many major newspapers wrote about this issue and criticized SMG for conducting the project. According to an article in the Josen Daily (October, 20, 2000):

“SMG has reconstructed the street of Insadong. Even though the street looks neat and clean, the character of the street has been changed from a traditional cultural street to a tourism street... the plan of ‘History and culture-seeking road’ is focused on appearance of the street for tourism promotion rather than conservation of tradition. The installation of the stone blocks on the road is wasting money and the stone benches blocked the flow of people... the design itself is trying to revitalize tradition, but I feel that the overall atmosphere seems changed. I am very disappointed with what SMG has done with 3.6 million dollars.”

Another newspaper also criticized SMG, mentioning that, “As the result of reconstruction, the real estate and rent fees have increased and cheap souvenirs have flooded into the street” (Segyeilbo, November, 23, 2000).

Thus, this project has been viewed as possessing many problems. Development should have been guided by a concern for the ambience of the area, but SMG implemented the project without being concerned about or fully understanding the effects on the area that would be

caused by the reconstruction. The design is not appropriate for Insadong with more than 100,000 people visiting the short, narrow, street and alleys in only one day. The lack of a follow-up policy or monitoring strategy meant that SMG did not adequately address the issues. As a result, the initiative did not align with the movement to ‘preserve’ Insadong that was initiated in 1998. From that time, public sector initiated research on Insadong through undertaking four surveys as they considered the establishment of a cultural district system. In 2000, the SMG ordered experts at their urban planning policy institution, Seoul Development Institute (SDI), to devise a plan for the “sustainable urban regeneration of Insadong - a framework for preserving the traditional character of the district while taking advantage of its economic and development potential as a leisure and tourism zone” (Youn, 2007). Eventually, in 2002, following two years of preparation, Insadong was designated as a ‘Cultural district’ and, at the same time, was established as a ‘District unit plan’, which is a designation that applies urban development guidelines involving building restrictions and use of space.

#### **4.2.2 The designation of ‘Cultural District’**

Insadong was designated as a ‘Cultural District’ pursuant to the *Culture and Arts Promotion Law*, clause 6:3 in April, 2002. The implementation of the ‘vehicle-free program’ resulted in the following important changes:

- 1) Increase of domestic tourists and a shift in the visitor profile (from the middle-aged, high-taste customers of traditional arts to the younger-aged, ordinary-taste consumers)
- 2) Decline of the traditional cultural-related business
- 3) Destruction of traditional buildings through rebuilding and expansion of the number of stories
- 4) Trading of cheap souvenirs in the street and shops.

The designation of Insadong as a cultural district was the first such designation by SMG. The main purposes were to preserve and promote traditional culture-related business, to restrict the invasion of commercialization and promote Insadong as a heritage tourism destination (Seoul Development Institute, 2008). SMG introduced guidelines for the maintenance and management of Insadong cultural district. The main contents of the guidelines are composed of financial support for (culture-related) businesses, the formation and maintenance of cultural space, subsidies for culture-related programs or events, and the formation and support of a residents' committee. Table 4.3 describes the guidelines in more detail.

In this policy, SMG defined three categories of businesses: appropriate business, partially-appropriate business, and restricted business, according to the extent of the relationship to traditional culture to allocate financial assistance, such as tax incentives and subsidy programs. The appropriate businesses included five core activities related to the sales of antiques and traditional craft items, such as mulberry paper, calligraphy brushes, galleries and wooden products. Four activities, such as traditional tea shops, traditional clothing, picture-mounting shops, and restaurants serving traditional Korean food were defined as partially-appropriate businesses. On the other hand, five categories of activities, such as game rooms, fast-food stores and bakeries, beer outlets and western bars, cafes and karaoke rooms were explicitly defined as restricted businesses to be strictly controlled according to the *Seoul cultural district management and promotion bylaw*.

Table 4.3: The guidelines for Insadong cultural district planning and management

Planning	Provision	Contents
Financial assistance for appropriate businesses	Tax exemptions (50%)	-property acquisition tax exemptions -registration tax exemptions -property tax exemptions
	Financial Support (within C\$5000)	- providing loans for minor repairs or maintenance of buildings - providing loans for vendors
	Assistance for appropriate business initiatives	-culture-related business
Formation or maintenance of cultural space	Restriction of types of business	-restriction for district unit plan -restriction for cultural district -change of space use
	Management of signboards	-signboards on exterior of buildings -signboard on the main street -signboards off the main street
Subsidy plans for programs or events	Traditional craftsmanship Experts' shop	-designation and management of masters' shops
	Festival and events	-subsidy for festival -restriction of one- time events
Formation and support of residents' committee	Residents' committee	-designation of residents' committee -the duty of the residents' committee -support of the residents' committee

(Source: Seoul Development Institute, 2008)

In order to preserve the impression of a cultural street, this policy also indicated that only traditional and cultural businesses are to be permitted on the first floor of buildings and, from the

second floor, only traditional tea shops, traditional Korean restaurants and traditional bars are permitted along the main street. However, many traditional shops have set up improvised stands selling cheap souvenirs outside of their store fronts (author's observation). These souvenir stands are everywhere on the street and obscure the shops' traditional contents, creating visual chaos. Incongruously, they have become a symbol of the cultural district today. This situation will be discussed in greater depth in the following chapter.

In contrast to the policy, in fact, tax exemption and financial support are not operated effectively according an interview with a government official (SDI) and as corroborated in the results of a survey in a government document. The official said,

“In order to benefit from the plan for the property acquisition tax exemption and registration tax exemptions, trade activity is necessary. However, the landlords are not selling the buildings. Most of landlords are old and the monthly rent is good enough for them to keep the buildings. Hence, they do not take advantage of the tax exemption system. As for the property tax, it is a really small amount. Some landlords do not even know about this system.” (Interview with government officer, 2010)

In fact, property acquisition tax exemptions and registration tax exemptions were carried out only 11 times from 2005 to 2008 and, among them, 10 exemptions were conducted in the same renovated building (Seoul Development Institute, 2008).

The financial program for the vendors who run appropriate businesses is also ineffective. The planned annual rate of loan is set at 4% which is higher than the current bank loan rate. Practically, vendors do not think that the government wishes to assist culture-related businesses financially. The owner of a traditional ceramic shop, which is one of the twelve small shops in front of the craft market said,

“There is no tax subsidy program for us, like those who sell only one traditional item. We requested it to the Jonogu (district office) several times, but nothing was changed.” (Interview with a vendor, 2010)

According to a government assessment, in 2009 the number of appropriate businesses was 503: 47 picture-mounting shops, 33 brush/paper shops, 48 antique shops, 195 craft shops and 180 galleries. After designation, the numbers of appropriate businesses increased as shown in a Table 4.4. However, when compared to 2002, the number of core traditional art businesses and antique shops, which generated the traditional street aura, decreased by 25.1% from 171 to 128 in 2009. In contrast the numbers of galleries and craft shops increased by 71.4% and 103.1% respectively.

Table 4.4: Changes in the number of appropriate business

	2002		2005		2009	
	Number	(%)	Number	(%)	Number	(%)
Picture mounting	57	15.32	49	10.94	47	9.34
Brush/paper	42	11.29	40	8.93	33	6.5
Antique shop	72	19.35	67	14.96	48	9.54
Craft shop	96	25.81	161	35.94	195	38.77
Gallery	105	28.23	131	29.24	180	35.79
Total	372	100.00	448	100.00	503	100.00

(Source: Seoul Development Institute, 2008)

The galleries that opened in Insadong after it was designated as a cultural district were a reflection of an increase in the Korean art market after 2006. A government researcher said that, “New artists rent the galleries and display their works to build up their career and then they can move up to the better galleries. The increase of galleries, of course, is associated with the image of Insadong as an art street and tourism destination but is not related to traditional culture. The antique shops and the



traditional old galleries have already moved to other place to seek a quiet atmosphere for the high-taste customers” (Interview with government researcher, 2010).

Hence the increase in the number of galleries is an outcome of tourism development rather than being related to the conservation of tradition. The increase in the number of craft shops also implies a change in the attraction of Insadong. Many picture-mounting shops and brush/paper shops have been transformed into craft shops for economic benefits.

*Management process*

Figure 4.7 illustrates the system of assessment for cultural district’s management and operation.

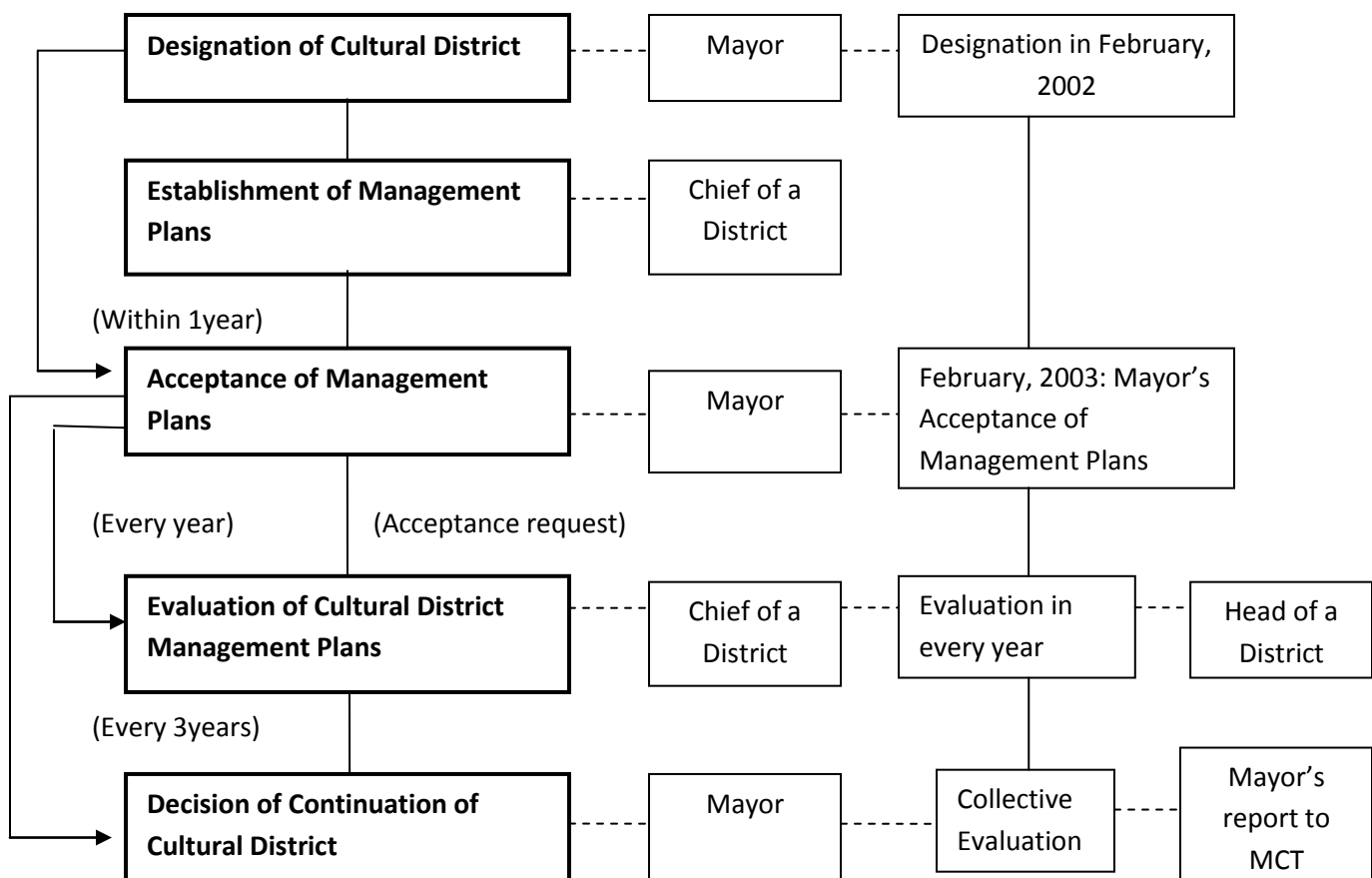


Figure 4.7: The Assessment system of cultural district’s management and operation (Source: Seoul Development Institute, 2005)

Following the designation of the cultural district, assessment and analysis have been conducted every three years. According to the *Culture and Arts Promotion Law*, clause 10, the MCT and mayor can provide funds to promote the cultural district and this has been done with striking results following designation. In addition, according to the *Cultural district management ordinance of the city of Seoul*, clause 3:4, and the mayor has authority to determine the continuation of the cultural district based on the tri-annual research on present conditions and effectiveness. According to Figure 4.7, the district authority has to research and evaluate the current situation of the cultural district but, in fact, (Jonogu) district passed on the responsibility for the assessment and evaluation of Insadong to SDI. Jonogu administration is focused on festivals and events rather than the overall monitoring of policy.

#### **4.2.3 District unit plan**

After the ‘twelve small shop restoration campaign’, the SMG announced a moratorium on building permits for the following two years. Thus, the Insadong district unit plan was drafted over the next two years and launched in 2002. The purpose of district unit plan is to introduce the urban planning guidelines to protect Insadong from rapid urban redevelopment. A government officer who was a chief researcher for the district unit plan policy, commented on these policies regarding the designation of a cultural district as follows (Seoul Development Institute, 2005):

“Insadong was lovely when it was not loved, but now it is becoming an unlovely place as people love it too much. Hence, we need to designate Insadong as a cultural district to try to delay change in the place where rapid change is really occurring today. In addition, the district unit plan is also designed to accomplish a collective management for area.”

SMG set up three detailed guidelines: first, defining of the distinctive character of Insadong and the making of plans to reinforce them; second, providing guidelines for the

building code for reconstruction and, last, introducing urban planning provisions and the formation of a public place. The details of district unit plan are: 1) the release of a redevelopment plan for the streets in the district unit plan; 2) to improve pedestrian environment; 3) to build public amenities like a parking lot and open space (park) for Min’s heritage; 4) to preserve traditional houses and install a fire protection system; and 5) to maintain the environment of alleys with residents’ involvement.

Table 4.5: The task of district unit plan and cultural district plan

Plan	District unit plan	Cultural district plan
Task	1) To preserve small stores and Korean traditional houses  2) To preserve alleys and street culture  3) To foster traditional cultural businesses	1) To preserve cultural-related business  2) To create better Insadong  3) To preserve the image of a cultural street  4) To promote resident’s involvement

(Source: Seoul Development Institute, 2005)

In the district unit plan, the district is divided into five areas and the use of space and business types are restricted based on these five sections. While the designation of the cultural district is focused on the conservation of culture-related business (software), the district unit plan is a more comprehensive management system concerning the landscape and environment of the district (hardware). The Table 4.5 indicates the distribution of tasks between the two policies.

According to the assessment conducted in from 2008 to 2010 by SDI and from my observations, some parts of district unit plan have not been implemented. Most plans related to the promotion of tourism, like improving the pedestrian environment, build public amenities like

a parking lot and maintaining the environment of alleys, have been carried out but the plans for the conservation of cultural assets, like the creation of open space (park) for Min's heritage and preservation of Korean traditional houses have not been implemented effectively. In the following section, the current situation and key actors' perspectives will be examined.

### **4.3 Current situation**

Insadong has changed dramatically and still changing. This 'historic, traditional art cultural district' has been transformed into a 'tourism district'. Even though in the website of SMG, Insadong is still advertised as the place for visitors to experience the attributes of "Korean Tradition", visitors, vendors, and even the government's officials accept that tradition scarcely exists in Insadong anymore. The area that was previously a traditional area with a unique culture has lost the identity that once made it so special. There are many reasons for and problems resulting from the area's transformation. In this section, the problems that currently exist in Insadong will be discussed based on the key actors' interviews and author's observation.

#### **4.3.1 Government**

##### *The limitations of policy of cultural district against market principles*

One of the problems is the limitations of policy. Through the 'cultural district' policy and 'district unit plan', the SMG seems to be interested, in principle, in preserving Insadong's traditional character but, practically, they were more concerned with finding a way to bring in the benefits of cultural tourism to the area. In the interview with government officials, they admitted that the policy for Insadong did not succeed in preserving the historic traditional

cultural assets. The government official argued the fundamental problems of the designation of cultural district as follows:

“When we introduced the policy of ‘Cultural District’ to Insadong, we should have understood the accurate ecology of the area and then determined the direction of the policy based on the understanding. We did not define an authentic character of Insaodng and, accordingly, did not make a specific plan. Was this place for producing cultural products or distributing art products and antiques or displaying art products to tourists as a tourism destination? Without determining the direction of an ideal Insadong, we implemented the cultural district policy” (Interview with government officer, 2010).

In addition, the official mentioned another difficulty of conducting the policy:

“On the subject of managing the appropriate (core culture–related) businesses, there are many complications and limitation. For example, what is the definition and limitation of crafts, traditional Korean food and traditional tea shops? How can we define the picture-mounting business? Does the picture-mounting shop need to create the frame or sell the frame? If a general café sells traditional tea, is it defined as a traditional tea house or general house? Cheap souvenirs with traditional design also can be crafts, and only one stew with several side dishes can be traditional Korean food. It is really hard to determine the category of business according to business activity. Some businesses are in a more difficult situation. They sell the cheap crafts in front of the shop under the traditional art-related business signboard that is not related to crafts. In this case, how can we define the types of the business? This restriction system is not proper for controlling the types of business any more. I think each shop needs to be examined individually and then the types of business determined. Once determined and registered as an appropriate business, the shops need to be supported and promoted by the local authority to have a rationale for running the business through a consistent policy and monitoring” (Interview with a government official, 2010).

In the current situation, the policy of designating categories of business seems not to be effective. Most businesses react to market forces by making changes to the goods and services they offer. Insadong has also developed in accordance with market principles so many culture-related businesses moved or closed and other businesses have opened to attract visitors and their expenditures. Moreover, Insadong was a commercial area in which antiques and Korean traditional art were traded rather than produced. Hence, the businesses which cannot make a profit gradually disappeared.



Figure 4.8: Remodelling of space in an alley (Source: Photo taken by the author)

District unit designation by SMG's intervention physically restricts urban development and changes of land use and the space of buildings. This policy has a different perspective from that of the cultural district, and also limitations in its regulations. When the author asked about the current use of business space, the previous government official in charge of the Insadong

District unit project said, “If the restriction is too strict, people will complain and protest about that, but if the regulation is too loose, vendors will take advantage of a loophole in the law for their economic profit. It is hard to manage it” (Interview with a previous government officer, 2010).

In the regulations of the district unit plan, restaurants and bars are prohibited on the first floor along the main street but other detailed business uses are not specified. Instead of growing upwards, many shop-owners choose to remodel the interior and exterior to open non-culture-related businesses. As a ‘must-see’ destination for international tourists, the types of business have become divergent. As shown in Figure 4.8 the shops are often transformed to give them a modern appearance.

Surprisingly, 8 cosmetic shops have opened competitively in 2010 in the traditional cultural district aimed at the Japanese and Chinese tourists, resulting in the formation of a cosmetic alley. Some vendors and public media are opposed to this sudden change, but there is no regulation to control this phenomenon. The appearance of 8 cosmetic shops on the traditional street is incompatible with the atmosphere of Insadong from my observation. These shops are concentrated in the south of Insadong which is outside of the District Unit Plan but within the cultural district. They are confined in a redevelopment area. Accordingly, the shops legally attained permits to do business on the first floor along the main street even though they are not appropriate culture-related business. While perhaps not desirable from the perspective of those wishing to retain appropriate businesses in Insadong, their location suggests that the District Unit Plan has had an effect in discouraging businesses of other types from locating within the planning area. Figures 4.9(a) and 4.9(b) illustrate the location of the cosmetic shops. They used Korean in the signboard unlike other outlets in other areas in accordance with Jonogu’s direction.

Touting pedestrians, the use of a microphone to advertise and putting up a banner on the street, as are often done in other places are restricted in the Insadong outlets, so they can promote the products to customers only in the store. However, the formation of an alley of cosmetic shops is an example that reflects clearly the current and changing situation of the Insaodng culture



district.

Figure 4.9 (a): The distribution of cosmetic shops in Insadong in 2010  
(Source: <http://koreadaily.com/news/read.asp>)



Figure 4.9 (b): Cosmetic shops in Insadong in 2010



(Source: <http://moneyweek.mt.co.kr/news>)

### *Current direction of the local government's policy*

Another problem is that leadership for the cultural district is lacking. Jongnogu has only one officer in charge of Insadong and the main emphasis is on the annual festival and events. According to an SDI assessment (2008), the rate of expenditure for festival is 10.1% while subsidies for approved business are 4.7% of total expenditure in 2007. In the District unit plan, it is suggested that a consultation group should be organized to deal with Insadong issues, but this has not been accomplished. When author talked to the officer of Jonogu on the phone, he said that he did not have knowledge about Insadong since he had just moved to the department.

Meanwhile, the current SMG's primary goal for Insadong is to increase the annual number of visitors to 12,000,000 through promoting tourism. They launched the reorganized District Unit plan on April, 15, 2010 and introduced effective regulations for the outdoor advertising signboards along roadside buildings, exterior lighting regulations, exterior colour restrictions, etc. to enhance the streetscape for visitors. An incentive system was introduced to promote the building of Korean-style houses too. In addition, a plan was made for the designation of a car-free section and parking lot to improve the pedestrian environment. Figure 4.10 is a photograph of the temporary information board in the district square which describes the reconstruction of the street. The slogan on the board is, "We will create a convenient street in which traditional culture is alive."

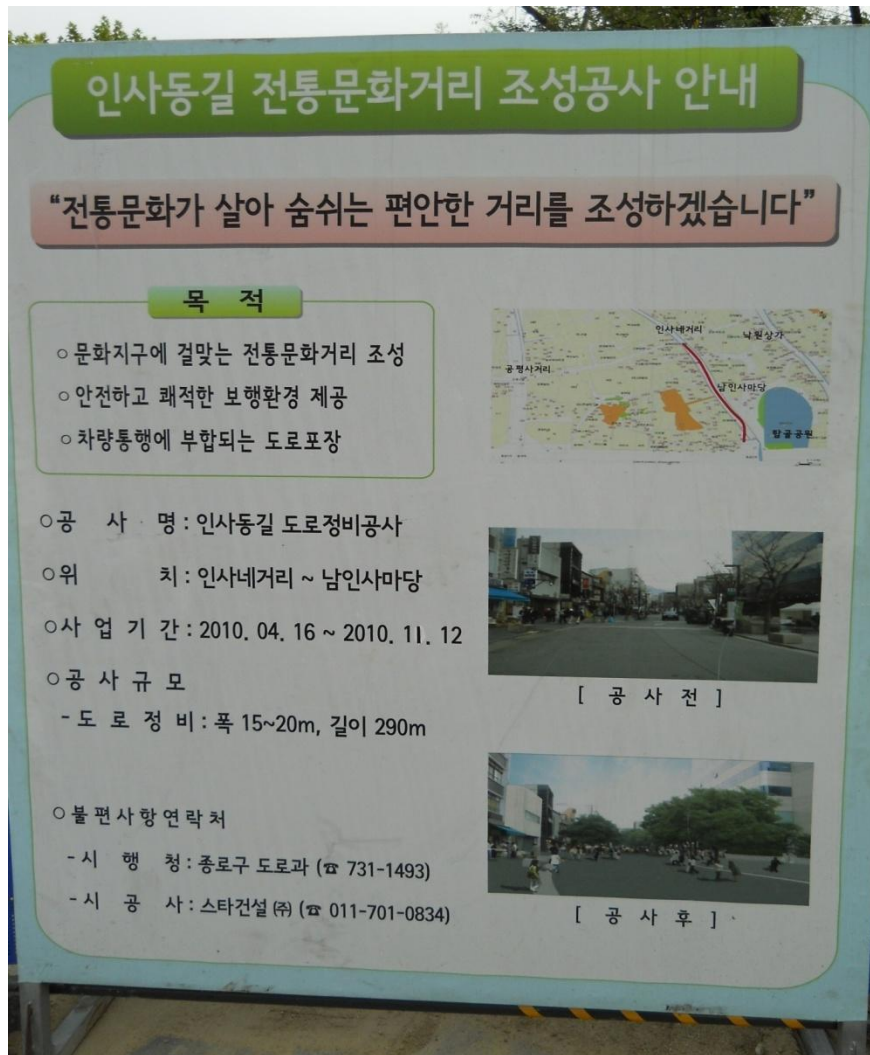


Figure 4.10: The information board about the reconstruction of Insadong traditional cultural street (Source: photo taken by an author, 2010)

The cultural implications of the reconstruction process are not recognized from my observations, the government is making an effort to promote tourism rather than develop the cultural contents and network in Insadong. It is absurd that traditional culture has largely disappeared from the cultural street.

In summary, the limitations of past policies, the problems with which Insadong is now confronted and the direction of SMG’s current policy have been explored from the government’s

perspective. Through a review of the policies, it has been shown that the direction of government's policy has been in support of promoting tourism rather than conserving traditional cultural assets. In the next section, the entrepreneurs' situation and issues will be investigated.

#### **4.3.2 Entrepreneurs**

This section examines the types and numbers of businesses, the vendors' perspectives on the impacts of tourism on business and the degree of satisfaction with the government's policies for Insadong. Entrepreneurs are one of the key stakeholders in the district and their motivations, circumstances and expectations are important to the current situation in the cultural district. The types of business that are present are crucial to the presentation of cultural heritage and the branding of the destination. In this report, the word "entrepreneurs" is used interchangeably with "vendors".

The perspectives of entrepreneurs were derived primarily from government documents and, secondly, from interviews with six vendors and one director of the Insadong Tradition Culture Association (ITCA). Interviewees were conducted with owners of culture-related stores and owners of other stores in the district. Some had inherited their businesses from their parents and they had been operating for more than 30 years, whereas some others were less than one-year old.

##### *Types and numbers of businesses*

According to the assessment of the Seoul Development Institute (2008), the number of buildings in Insadong is 421. Of these, in 2009 there were 19 that were 7 stories or higher that were located at the boundary of district and 402 of 6 stories or less. Of the 116 buildings located on the main street, 27.6% were traditional Korean houses. Traditional Korean houses made up almost one quarter (97 or 23.0%) of the total number of buildings in Insadong. There were 5

high-rise building in the district containing 197 businesses. Most of the businesses were craft shops and souvenir shops and there were only 10 galleries in these buildings.

In the district, 1,776 shops were registered as follows: traditional culture-related (503), closely culture-related (91) and general businesses including non-culture-related businesses (1,182).

In comparison to 2002 statistics, core traditional culture-related businesses decreased by 17.9% from 155 to 128 and closely culture-related businesses, such as traditional tea houses, Korean restaurants and old art suppliers, also decreased by 34.2% from 73 to 48. However, commercial businesses related to traditional culture like craft and souvenir shops, and modern Korean clothes outlets increased. In fact, many core traditional culture-related businesses also sold imported cheap crafts and souvenirs in the improvised stands in front of the stores (Figure 4.11). The signboards of two shops indicate that they are a picture-mounting shop for Korean paintings and calligraphy works, and a gallery but they also sell cheap souvenirs.



Figure 4.11: An improvised stand with souvenirs in front of culture-related shops

*Entrepreneurs' perspectives on tourism impacts and government policy*

Interviews, both formal and informal, were conducted in shops in the district. Owner's opinions, expectation, and motivation were differed depending upon the type of business and the duration of operation. Small and old shops in the district mostly were passed down the family line. One respondent, who was the son of the original owner and sold crafts and souvenirs under the name of picture mounting shop, reported as follows:

“As rent is increasing, the unique feature of many of stores is disappearing because stores sell identical items that tourists are seeking. I do not feel that tradition has remained in the district and feel very sorry for this.”

However, this vendor wanted more visitors to come to Insadong for business reasons. He continued,

“I want many festivals and events to be held here to attract more people and the vehicle-free street program should be conducted every afternoon. In the morning, trucks need to come to the district to deliver items. Here is a tourism district, right?” (Interview with an entrepreneur, 2010)

When the author asked about the ‘cultural district’ designation, the vendor answered that he did not make a distinction between ‘cultural district’ and ‘tourism district’. In contrast, some old art-related shops make efforts to maintain their traditional business with pride and dignity, and they do not like the transformation of Insadong into a tourism destination. One interviewee who sold only one item for more than 30 years pointed out the problem of the street as follows:

“I do not like the designation of cultural district. Since then, ITCA and local government hold too many festivals and events to attract visitors. Too many young people come here to enjoy themselves but only for eating and shopping, not purchasing traditional art items. Massive clothing stores and cosmetic shops recently appeared because many international tourists are interested in purchasing from them. I think the

monthly rental fee is too expensive in this area so I assume those types of shops will consistently increase and traditional cultural related business will disappear.”

She continued to discuss the implications for her own business:

“For our business, promotion of tourism is not good. However, I will keep this store and continue to sell only traditional ceramics. Selling cheap souvenirs temporarily makes more money but it will destroy the value of my shop. The other shops are selling cheap souvenirs in front of the stores used to sell only one item in the past like us. However, the rent rose very high after the ‘culture district’ designation, so they could not help selling crafts and small items to pay the rent” (Interview with an entrepreneur, 2010).

Through my observation and interviews with entrepreneurs, it was learned that the situations of old Korean traditional tea houses in the back alleys and modern coffee shops on the main street are very different in many respects. First, very few customers patronise the traditional tea house in the afternoon while many people are in the modern coffee shops at this time. Second, traditional tea houses are much cheaper than modern coffee shops and, third, the space required for a tea house is much smaller than for a coffee shop.

An interview was conducted with the owner of a traditional tea house with the following result:

“I have run this shop for 6years. I just like the Insadong atmosphere and that is the reason why I opened this shop. With the promotion of tourism, Insadong has changed. I do not like vendors selling cheap souvenirs in front of the shops. This destroys the unique feature of the street. It creates the feeling of market. Vendors said that is for paying rent but, if so, our tea houses also have to sell cheap items in front of our shops too. That is nonsense!” (Interview with an entrepreneur, 2010)

This owner did not want more tourism promotion in the area because customers who often come to this tea house are middle-aged and like a quiet atmosphere. Traditional tea houses and restaurants are mostly in the traditional Korean houses in the back alleys as shown in Figure 4.12.



Figure 4.12 Traditional tea house and restaurants (Source: taken by author)

Another interview was conducted with an entrepreneur who was running a rice soup franchise on the second floor of a building on the main street. The owner had run this shop for only 6 months. Thus, an opinion about Insadong was obtained from a new vendor's perspective:

“I do not have substantial knowledge about this area. People say Insadong is a traditional street, but I do not feel tradition here. Frankly, traditional tea houses and restaurants can be anywhere in Seoul. Yet, many galleries are in this street, so I could call this street a ‘cultural street’. Many Japanese tourists are coming to Insadong due to the high exchange rate today. Look outside! (He indicated some groups of people.) They are all Japanese. They come here without a guide to buy some gifts. Most of vendors can speak simple Japanese and some interpreters are ready to help as visitors request them at the information centre. Here is a tourism district. I opened this outlet by accepting the offer from the head office (of the franchise).”

This new vendor did not know about the ‘cultural district’ designation and was not aware of the vendors’ association (ITCA).

From my observation, tourists seldom go inside of the traditional appropriate businesses like ceramics, masks, and mulberry paper and brush shops. The items looked very expensive and the

owners look old and stubborn. In fact, it looked very strange that there were no customers inside or outside of the shops in a street that was very crowded with people.

*Insdong Tradition Culture Association (ITCA) and satisfaction with the government policy*

ITCA is the official vendors (residents') association that was officially registered in 2001. In 2007, 258 shops were members. SMG defined ITCA as a representative group that reflected vendors' opinions. The interview with the manager of ITCA was conducted with some difficulty. The manager said that ITCA is a representative group of vendors and the main work is running the information centre, and hold the festivals and events that that are delegated by Jongnogu. Since new shops had opened recently and probably for some other reasons, ITCA's position was not solid as before. According to SDI's (2008) assessment, only 46.9% of the vendor's recognized ITCA and only 24.1% of the total number of vendors were members. This suggested that most vendors are not interested in collaboration or influencing policies in the district. The manager did not want to talk about the local governments' policy and gave an author a newspaper containing interview which the manager conducted several days ago. In the newspaper, the manager criticized the policy of Jonogu and city of Seoul as followings:

“The lack of Jongnogu and SMG' policy monitoring and management, street sellers and low quality arts and crafts are not controlled now. We want local governments make effort to improve these problems. If these problems are not solved, the ITCA will not be revitalized. The half number of members of the association even did not pay membership fee. We need local governments' support and concern.” (Jongno Journal, October, 25)

ITCA think they cannot appeal to the vendors without government's support. They address the most several problem is street sellers. They think street sellers make street crowded and destroy



traditional atmosphere of the district. In fact, some street foods are very well known to tourists and gain fame as a feature of cultural district.

The vendors pointed out the problems that arose after the designation of the cultural district: 1) increase in rent (36.3%); 2) decrease of traditional culture-related business (25.9%); 3) increased competition between the same types of business (17%), 4) decrease in the potential number of customers (as opposed to visitors to Insadong) (11.1%); and (5) other concerns (Seoul Development Institute, 2008).

In summary, the designation of the cultural district resulted in the promotion of tourism and an increased volume of business overall but it did not help to preserve traditional businesses. Depending on the type of business, the perspectives on tourism promotion were different. The vendors' association lost their main role as a representative group who delivered vendors' opinions and expectation, and became the agent responsible holding and managing festivals and event as delegated by the district administration. Although important actors in the cultural district, the vendors currently lack for leadership.

### **4.3.3 NGO**

An NGO (Urban Coalition) has played an important role in 'Insadong Cultural District', particularly in drawing attention to the social issues that have arisen in the district. They emphasized the value of Insadong as an historic town which possesses a traditional appearance with narrow alleys, old small shops and traditional houses in the middle of a huge city and addressed the need to preserve the cultural assets against urban redevelopment. This situation and the voice of the NGO led government and professionals and to consider making policy and

plans for Insadong. In fact, the staff of the Urban Coalition attended a municipal consultation meeting when SMG initiated the policy of creating a cultural district and a district unit plan.

This NGO was created in 1994 as a citizens' group in order to address urban social problems and to promote sustainable towns through citizens' involvement. Their first project was Insadong and various actions to conserving the place were implemented from 1997. The NGO then became the main actor leading the collaboration of many stakeholders, such as the vendors, professionals, citizens and even government. They also formed an organization, 'Insadong sarangbang', composed of professionals from various fields to discuss the issues. The Urban Coalition carried out a variety of activities to revitalize Insadong as a place where people could experience tradition and culture, such as the revitalization of Min's heritage, opening Insadong School, spear-heading the 12 small shop restoration campaign, landscaping alleys and promoting 'Handmade Insadong'.

Handmade Insadong was a campaign to try to bring back the authentic features of Insadong. It was conducted from the end of 2001 to 2002. The 50 galleries and traditional craft shops made an association to produce high quality items and to provide a collaborative place-marketing strategy. They presented a petition to the City of Seoul and Jonogu requesting the following: promotion of high quality items, elimination of instant events, removal of street vendors, removal of a stone bench and q tax refund for foreigners. However, this campaign did not achieve its objectives due to the lack of social networking and leadership to continue to carry out the campaign. Urban Coalition expected to create a creative cultural industry clusters and human resources based on this campaign but they were not achieved.

Two interviews were conducted with the director of Urban Coalition. The first one was done by e-mail and the second was a face-to-face interview. Regarding the questions about the perspective of the NGO on current Insadong, the manager mentioned:

“I think preservation and development cannot be divided. If there is no development in the area it will not survive, but development without considering preservation will also destroy the features of the place. Insadong is a commercial area. It is natural for a commercial area to have commercialization. However, Insadong is not a merely a place for consumption. We need to focus on thinking how we will consume the space as a traditional asset. I think we have to consider carefully the possibility of continuity of culture. Heritage, traditional culture and business culture have to create value for the future. When we initiated the conservation movement in Insadong, we divided the environment into two parts, physical and cultural. We defined three features of physical environment alleys, low-rise buildings and small shops that are still meaningful and valuable. For the cultural environment, we defined antiques, old books and traditional visual art (and related businesses) that have been disappearing. I think it is important to find ways to keep the cultural environment and recognize their value” (Interview with the director of NGO, 2010).

The director of the NGO emphasized the need to recognize the value of Insadong as a place with traditional assets and endeavour to create a culture that everyone can experience and enjoy. The director made the following comments about the current policy of the government:

“The policy for Insadong is focused on tourism promotion, but it is better to say there is no main policy. The SMG is showing now that a cultural tourism policy is useless without understanding the urban fabric like Insadong. They need to develop the cultural contents and inside networking rather than reconstruction. Washing the face is pretty enough, but why do they try to do plastic surgery everywhere?”(Interview with the director of the NGO, 2010)

The director also suggested that the most severe problem in the current situation is the absence of inside leadership. This problem was also mentioned by the government officer. It is necessary to have a group to research and manage the cultural district in order to maintain it. In

spite Insadong has still many problems, the manager was very proud of the formation of cultural district. She said

“Who can give up intentionally personal assets for public purpose without regulations? This is a very rare and meaningful case in the world. Of course, the landlords protested against the restrict regulations but we kept persuade them to understand how meaningful the conservation of Insadong was and they accepted the policy. This is very significant to draw upon peoples’ collaboration to maintain tradition and culture assets” (Interview with the director of NGO, 2010).

However, Urban Colligation stopped all activates in Insadong in 2006. They thought they had worked enough there, and their involvement was not necessary in current situation. They seemed having conflict with ITCA in different perspectives, and moved to other place to create a culture town.

#### **4.4. Chapter summary**

In this chapter two important events and SMG’s initiation were reviewed. A Vehicle free street program played a critical role to bring more tourists in Insadong, and change the feature of district. A Twelve small shop restoration campaign was a representative event showing stakeholders’ effort and cooperation to preserve historic cultural assets in Insadong under social consent. Through these events, SMG introduced the policy of ‘Cultural District’ and “District Unit Plan’. The policy of cultural district is providing a protection system that likely to compensate for the vendors who have cultural related business and landlords for losses which result from the district unit plan. Before introducing these policies SMG implemented History and culture seeking road to redevelop road and pedestrian environment. In spite of government’s regulations, business composition of the district has been changed as tourism has developed and rent has been increased. Thus, the number of traditional cultural related business decreased and

souvenirs and clothes shops are increased to pay for high rent. Currently, new type of business like cosmetic shops is flourished aimed at international tourists in Insadong, which is concerned trend.

Then stakeholders' perspectives, government, entrepreneur, and NGO, on current Insadong cultural district were discussed based on interviews and government report. All stakeholders accepted that Insadong changed from traditional district to tourism district. The Urban Coalition (NGO) had played a main role to lead all campaigns to promote cultural assets and gained fame as a representative citizen's group to endeavour to conserve heritage in Insadong. Since stakeholders have different interest and perspectives on the tourism development and policies in the district, the conflict and events appeared in each time. Integrating findings in this chapter, the following chapter will discuss the current problems and suggestions.

## **CHAPTER 5**

### **DISCUSSION**

This chapter will integrate the key findings from the previous chapters by discussing the implications of the case study findings and their relevance to the academic literature. First, the problems and dilemmas that exist in the current situation in Insadong will be identified and suggestions will be proposed to address them. Then, the nature and application of heritage tourism and cultural clusters will be examined in the context of the changing cultural contents of the cultural district. Future direction of government policy will then be considered. The chapter will terminate with a brief summary.

#### **5.1 Current Situation**

Stakeholder's concerns, dissatisfactions and suggestions regarding Insadong have been examined in this study. The findings show that government researchers, vendors and the NGO have different perspectives on Insadong, its problems and potentials. The main points are summarized as below.

##### **5.1.1 Policy dilemmas**

In Insadong there has been tension between conservation of tradition and promotion of tourism, in part this is because the various stakeholders have different interests and perspectives. While it is common to observe tensions and contradictions between conservation and development it is also possible to strive for a symbiotic relationship between the two. The preservation of place, particularly an area the size of Insadong, in the absence viable economic activities, would be self-defeating for one of the attractions of Insadong has long been the

commercial activities that have gone on there. The buildings need to house appropriate functions if a vibrant cultural district is to be maintained. This is particularly the case in the centre of a large city where land values are very high. However, development without preservation of the characteristics of place is also undesirable for the distinctive character of the place that attracts users for a variety of purposes will be lost and the prospect of sustainable heritage tourism will be undermined. Thus, there is a dilemma that the structures of the place should be preserved but they also need to have functions that generate economic benefits for their owners. The dilemma means that it is very difficult to develop policies and plans for the area, particularly ones that will have the support of all stakeholders.

In the late 1990s and early 2000s, the government tried guiding the evolution of Insadong by introducing policies that involved the promotion of tourism based on the area's traditional assets. Yet, there was no back-up plan to cope with the problems caused by tourism development. In response to the requests from the NGO and citizens, policies, including the establishment of a cultural district and district unit plan, were created in an attempt to conserve the cultural environment in the face of rapid change resulting from tourism. To the extent that Insadong remains a place that is different from the areas that surround it, a place with low-rise buildings surrounded by high-rise towers, and a place that attracts both residents and tourists, then the policies can be deemed to have been successful.

However, it seems that monitoring and management mechanisms were not implemented well after Insadong was designated as a cultural district. As indicated, the policy was focused on promoting tourism based on the conservation of physical cultural assets (buildings) rather than enriching the cultural content of developing programs for visitors to experience expressions of traditional Korean culture. The businesses changed in order to survive in the new environment

and to be able to pay increased rents. As a result, the number of core culture-related businesses has declined while businesses oriented towards tourists have increased rapidly. Also, street vendors are now crowded on the main street, cheap souvenirs are sold from most shops, and a place for visitors to experience Korean tradition scarcely exists. Since the policies were implemented, modifications to address the emerging problems have not been introduced and, as a result, the district has been commercialized.

### **5.1.2 Poor management**

Even though the government's policy is focused on tourism promotion, management of the area seems to be inadequate. There are three tourism information centres in the district so tourists can get brochures and maps easily, but the official Insadong website is out-of-date (some information was posted in 2003 [www.insadong.info](http://www.insadong.info)) and does not have sufficient current information for tourists. ITCA does not even have its own web page. The websites of Jonogu and the City of Seoul have sub-sections providing general information on Insadong but systematic improvement is necessary and to provide the information that is expected by tourists about a famous tourism destination. The dates of events and festivals are not fixed on the same day each year and types of festivals change resulting in confusion among tourists. From the author's observation, the provision of garbage cans and washrooms is also deficient. Garbage is scattered on the benches and in the alleys. Tourists use the washrooms in the coffee shop according to the assessment of SDI (2008) because of lack of facilities. As a result, Jonogu initiated the construction of washrooms in the western square of the district in 2010.

Orbasli (2000) asserted that a key consideration in the planning and management of heritage should be sustainability. This requires the achievement of a good balance between the



needs and desires of the current generation and the maintenance of options for future generations. Insaodng has not been changing gradually but, rather, change has followed in the wake of particular events and policy initiatives. The events, such as the introduction of the vehicle-free street, the twelve-shop predicament, the building of Starbucks and the rapid influx of cosmetic outlets have introduced changes. According to a government researcher, there is no current or future policy to promote heritage or traditional culture of Insaodng. He mentioned that the current role of Insaodng is to be a hub for tourists to buy souvenirs between Mengdong (Fashion Street) and Bookchoen (a village with traditional Korean houses) and that the current situation is accepted by the government.

### **5.1.3 Lack of manpower (leadership)**

The stakeholders indicated that the lack of leadership is also crucial current problem. According to Brooks and Kushner (2001) ‘cultural district leadership is a catalyst for private participation and removing legal barriers to development’. Before NGO was accorded greater responsibilities, a government-led committee took a leadership role. The NGO has since been main organization to liaise between vendors and government officials and it has endeavoured to enrich the cultural content of the area by providing programs and campaigns to lure visitors into the district. However, only a minority of businesses are yield to the NGO and awareness of its activities is limited.

Jongnogu is a local administrative unit that is in charge of Insaodng and has a sub-department to manage the cultural district. However, only one official is working for this area so that it is not possible to conduct much research and or try out new ideas. Hence, Jongnogu only can do very basic things, like managing events or festivals and supporting appropriate

businesses. ITCA is nominated as a representative of the residents (vendors) for cooperation with Jongnogu but, in fact, they no longer have strong support among the vendors and they also work on festivals and events. Therefore, there is a vacuum with respect to a contemporary actor that is making practical efforts to improve Insadong.

Insadong is now highly commercialized and its former the image as the centre of traditional art is collapsing. Stakeholders seem to have lost their enthusiasm to maintain Insadong as a representative traditional cultural street as was the case in earlier times. However, the area is succeeding as a tourism destination that still possesses a unique atmosphere. Moreover, SMG's current policy for Seoul is promoting cultural tourism in order to compete with other cities in the world. According to Hitters and Richards (2002), the public sector often plays a key role in promoting such clustering and the development of cultural networks. SMG should introduce a detailed policy and plan that will harmonize the cultural contents of the area with tourism and organize a group composed of residents and professionals to manage the development of a new district plan.

## **5.2 Suggestions**

Concerns and suggestions for the development of Insadong will be now discussed in the context of heritage tourism and cultural clusters. This will facilitate appreciation of the heritage situation from a Korean perspective.

### **5.2.1 Heritage in Insadong**

*Observations on heritage in Insadong*

Insadong is valued and is an attraction because it possesses a number of historic structures. Although these heritage sites are marked on the tourist map, they seemed not attract much interest as tourism attractions (author's observation, 2010). According to the survey conducted by SDI in 2009, the main source of information on Insadong acquired by visitors before visiting the place was friends or acquaintances. Since internet services and pamphlets are not provided sufficiently, tourists come to Insadong without much information. Many of them come to Insadong and spend time in the main street and the alleys to shop and eat. They are not very interested in experiencing the heritage sites (Table 5.1). For domestic tourists, the most common activity is sightseeing in the street and, for international tourists, it is shopping and purchasing souvenirs. Few domestic and international visitors go to traditional house or other heritage sites.

Table 5.1 International tourists' main activity in Insadong Cultural District

Main Activity	Domestic (n=257)	Japanese (n=117)	Chinese (n=120)	Anglophone (n=70)
Shopping /purchasing souvenir	64(14.2)	89(36.2)	91(33.6)	45(30.2)
Visiting gallery/museum	59(13.1)	13(5.3)	31(11.4)	20(13.4)
Use of traditional restaurant/café	54(11.9)	44(17.9)	36(13.3)	33(22.1)
Use of restaurant /Café	78(17.3)	23(9.3)	21(7.7)	15(10.1)
For sightseeing in the street	160(35.4)	64(26.0)	48(17.7)	29(19.5)
For watching festival	10(2.2)	7(2.8)	10(3.7)	1(0.7)
Seeing traditional house/heritage	21(4.6)	5(2.0)	28(10.3)	6(4.0)
Drinking alcohol/karaoke	10(3.9)	1(0.4)	6(2.2)	–
Etc.	–	–	–	–

(Source: External Assessment of Insadong Cultural District by Seoul Development Institute, 2008)

During the field research, the author visited the seven designated heritage sites. The author was very impressed and surprised by the fact that there are numerous heritage and memorable places in such a small area. However, with urban development, some significant heritage sites are located in front of huge buildings which detract from their appearance.

Observations on these sites follow:

A. Historical site for the Declaration of Independence. The Declaration of Independence historical monument is located in front of the Taehwa building in Insadong. This site was one of the secret meeting places for the negotiation of the Eulsa-Gyeongsul Treaty and General Lee's former estate. During the March 1<sup>st</sup> Movement, the Declaration of Independence was announced here for the purpose of invalidating the treaty. Here in Insadong No. 194, Taehwagwan, 33 members, the leadership of the movement, signed their names and Han Yong-Wun (a famous poet) read out the Declaration. This site is a very significant place but is commemorated only by a stone monument

B. Place where Min, Yeong Hwan (1861 – 1905) took his own life: He was a minister of the Korean Empire and known as a conservative proponent for reform. He was born in Seoul into the powerful Min clan and committed suicide as an act of resistance against the Eulsa treaty imposed by Japan on Korea.

C. Landmark for the Centre of Seoul: The marker that shows the centre of Seoul is located near the Hanaro building at 194 Insadong and has been there since 1896.

D. Min Ikdu's House in Gyeongun-dong (Min's club): This house is Seoul Folklore Material No. 15. This traditional Korean house shows the characteristics of Korean houses of the late 1930's

and is an important example of housing evolution in Korea. This house is now operated as a traditional tea house.

E. Kyungin–In Museum of Fine Art: This museum was established on December 6, 1983 and is the birthplace of Park Yeonghyo (a high-ranking officer of the Joseon Dynasty and a creator of the national flag of Korea). The Kyung-In Museum of Fine Arts contributed the original house to the Seoul Government to celebrate the six hundredth anniversary of the capital. It was rebuilt as today's Gallery No.3 and the original house was moved to Nam-San Korean Traditional House village in 1996.

F. Jogyesa Temple: Jogyesa is the chief temple of the Jogye order of Korean Buddhism, becoming so in 1936. It thus plays a leading role in the current state of Seon Buddhism in South Korea. The temple was first established in 1395, at the dawn of the Joseon Dynasty.

G. Unhyeongung Royal Residence: This palace (Historical Site No.257) was the home of young Gojong, who later became Emperor during the Joseon Dynasty. Under the orders of Queen Mother Jo, Unhyeongung was renovated into a grand, palace-like, house with four gates. Gojong's father, Yi Haeung, or better known as Heungseon Daewongun, continued to live at Unhyeongung for most of his life. Damaged during the Japanese colonial period and the Korean War, the Unhyeongung Royal Residence as seen today is a much smaller version of the majestic structure that it used to be.

These heritage sites surrounding the cultural district are in scattered locations but within walking distance. They are not landscaped as parks nor are they highly visible as heritage sites. Especially, the 'Historical site for the Declaration of Independence' is marked by only a small

monument in front of the building and can easily be overlooked even though it is very memorable place.

### **5.2.2 Heritage tourism in Insadong**

In the literature review, it was pointed out that heritage often plays a role in tourism by generating a unique sense of place to attract visitors by providing tourists with opportunities to experience nostalgia, by concentrating the power of tradition and educational functions, and by underpinning the experience of identity.

Even though Insadong has been changing into a tourism district and gaining fame as a traditional cultural tourism destination, with heritage and cultural assets, these unique features have not been used or developed effectively by the tourism industry. Insadong encompasses traces of history from the Joseon Dynasty and, today, it is easy to experience the past and the present at one place at the same time. This is a special experience. However, the marketing of the heritage sites and the development of heritage tours have not been conducted efficiently according to my observations. Government policy, also, was not focused on promoting heritage in the tourism development strategy. In Korea, the notion of heritage seems to be defined in a narrow sense. Generally, heritage is regarded as large, tangible, built heritage such as a palace, tower or monument. There seems to be less interest in small tangible examples of vernacular heritage or intangible heritage such as lifestyles, even when such sites are adjacent or in close proximity. The demonstration of the lifestyle attributes of a place could be good attraction for tourist. Thus, it is best if a broad concept of heritage is adopted for policy-making and planning.

Many people want to visit places in which they can feel the past against a backdrop of striking modernization as has occurred in much of Seoul. Many people are likely to come to

Insadong to experience the past with nostalgia because of the presence of alleys and low-rise buildings. During the fieldwork, while talking with a middle-aged tourist, she mentioned;

“I like Insadong because of the alleys. Now most of people in Seoul live in apartments. These alleys reminded me of my youth. I played with my friends in the alleys beside my house.” (Informal conversation with tourist, 2010)

Heritage can play an important role in expressing tradition, culture and Korean identity to international tourists. Such tourists may come to Insadong with expectations of experiencing and learning something Korean and not only to buy cheap souvenirs. Capalbo (1996) considered heritage tourism to be traveling to historic sites and attractions to learn about the past in an interesting and enjoyable way. However, it is hard to find a place or program in Insadong that provides tourists with a chance to learn about the Korean past. There are a few craft shops that provide tourists with a chance to experience the making ceramics but it is hard to get information about them. Hence, programs need to be developed by networks of business to show Korean culture and heritage sites to tourists. For domestic tourists, such programs could provide an opportunity to experience identity and pride, since heritage can provoke in the individual a sense of being part of and belonging to a place and community.

The notion of heritage deserves more careful consideration in the government’s policies and planning. In the literature review, heritage was defined as ‘the use of the past as a cultural, political and economic resource for the present’ (Ashworth et al.2007) and ‘a view from the present, either backward to a past or forward to a future’ (Graham et al., 2000, p2). With respect to the passing on of heritage to the future generation, Insadong should be conserved and passed on as a valuable place with substantial cultural assets.

### 5.3 Cultural clusters

Insadong is a cultural district. Even though the content of the district has changed, Insadong has continued to be a distinctive cultural cluster. According to Hitters and Richards (2002), many cities are developing cultural clusters or districts designed to stimulate creative activities and to provide a stimulus for economic as well as cultural development. Cultural clusters are also needed to combine productive and consumptive functions within a small area. In a cultural cluster it should be easy to access and facilitate networking among entrepreneurs and cultural industries and to generate a strong image (Hitters & Richards, 2002). In terms of cultural clusters, Insadong no longer has a strong production function and only has consumption functions. This is not a strong position on which to base the sustainability of a cultural district. Also creative activities are not conducted for cultural development under the restrictive regulations of traditional conservation.



Figure 5.1 a) The exterior of Mokin museum (Source: <http://www.mokinmuseum.com>)



Figure 5.1 b) The Interior of Mokin museum (Source: <http://www.mokinmuseum.com>)



Under the provision of the cultural district, it is stated that “culture and arts refer to literature, art (applied art included), music, dance, theatre, cinema, entertainment, traditional Korean music, photography, architecture, language and publication” (*Culture and Arts Promotion Law*, clause 2, Art. 2). The culture of the cultural district is defined in a narrow sense, which makes it difficult to embrace spontaneous and diverse forms of cultural expression. In addition, the purpose of designation of Insadong cultural district was to promote the area as a tourism destination based on the conservation of traditional businesses rather than on cultural development.

Creativity is being encouraged extensively used as tool for urban development and to create competitive advantage through the fostering of innovation (Hitters & Richards, 2002). The restriction of creativity in a culture district causes difficulties for the revitalization of culture. For example, the combination of a Korean tea house and traditional clothes shops, such as in the galleries on the first floor of the main street, would create a very traditional atmosphere and provide tourists with the opportunity to learn about the history of Korean clothes. However, tea house cannot be operated on the first floor on the main street. The district unit plan has played a critical role in preserving the traditional environment but it has somewhat prevented the development of creative culture. However, there is a good example of creativity in a building that is being used as a woodcraft museum in Insadong (Figure 5.1a and b). This museum is composed of a wooden building and a concrete building that was built by a resident in 1955. The divergent wooden crafts from the Joseon Dynasty to the present and foreign crafts are displayed. The building has two-story spaces for displaying the items and a roof garden for tourists to drink free coffee and tea. This museum is the only one wooden craft museum in Korea and has a membership system.

## 5.4 Chapter summary

In this chapter has discussed current concerns and suggestions for addressing them. Although Insadong continues to be an area with a distinctive atmosphere that attracts tourists, commercialization of the district has occurred due to policy issues and the lack of adequate monitoring, poor management and the lack of leadership. These problems are widely acknowledged by stakeholders. Even though the government's policy for Insadong culture district focused on the promotion of culture tourism, heritage was not utilized as a major attribute of tourism. Consequently, based on the features of heritage tourism, Insadong is not providing sufficient heritage contents to satisfy the desires of many tourists. In addition, Insadong is not functioning as a traditional cultural district although it continues to be a cultural cluster of a different kind. Production functions are now rare in Insadong. It is a place of consumption and cultural networking is not accomplished adequately. Moreover, creative cultural activities are seldom occurring. To make Insadong a stronger cultural district, with heritage and traditional cultural assets, the government should introduce a new policy that supports core culture-related businesses, provides programs for tourists to experience past and present Korean culture, and promotes creativity of many kinds.

## **CHAPTER 6**

### **CONCLUSIONS**

The Insadong cultural district is an interesting case of an area in the centre of a large city that has been recognized as a cultural cluster. This designation required the intervention of government as well as the involvement of a variety of stakeholders. The objectives for this research and major findings will now be summarized by addressing the five research questions that were posed in the introduction to this paper. Then, the academic and practical implications of the research are reviewed. Finally, opportunities for further research will be presented.

#### **6.1 Objectives for this study**

Insadong cultural district was the first cultural district designated by the City of Seoul. It is now an area which is a mix of the traditional and modern, and an amalgam of culture and commerce. It is an area with some historical structures and mostly low-rise buildings in the middle of Seoul that is surrounded by high-rise construction. It possesses a distinctive atmosphere although this atmosphere has changed over time.

Insadong is a place that reveals the tensions, both creative and destructive, between the conservation of cultural assets, such as businesses that create and sell products based on elements of traditional Korean culture in a heritage environment and the promotion of tourism for profit based on these historic assets. The main purpose for this study was to examine the historical, social and political factors and events that contributed to the designation of Insadong as a cultural district in a context of rapid modernization and commercialization. Also the policies and management strategies of the public sector and the roles of the private sector in the development

of a vibrant commercial area based on heritage resources were investigated through examination of governmental and stakeholders' perspectives on what has taken place. In addition, the activities of an NGO's and entrepreneurs' business situations and expectations were explored. Changes that have occurred in Insadong under the impacts of tourism have been documented and evaluated. Moreover, current problems have been identified based on the concerns expressed by stakeholders and suggestions concerning the future of Insadong have been made.

## **6.2 Findings**

Research findings will now be described as responses to the five questions that were raised in the introduction.

1. What historic events led to changes and problems and, eventually, to the current situation in Insadong cultural district?

The most important and effective event that changed Insadong, among the many events that occurred, was the establishment of a 'a vehicle free program'. This encourages many people to visitor and, as such, created both business opportunities and social issues. The introduction of this program led eventually to the formal designation of the cultural district. Another event was the 'Twelve small shop restoration campaign' that influenced the formation of the 'District Unit plan' to preserve unique cultural assets.

2. What kinds of supports and policies of the city of Seoul or district government have been used to preserve and develop Insadong?

The City of Seoul and the local district government introduced policies and plans to preserve Insadong and, particularly, to promote tourism. They were more successful in the former than the

latter although Insadong continues to be a distinctive place in Seoul. They designated Insadong as a cultural district and initiated a district unit plan to preserve traditional culture. A ‘History and culture seeking road’ initiative, conducted by City of Seoul, was a strategy that was used to promote Insadong. The District administration (Jongnogu) held festivals and events to attract more visitors.

3. What are the stakeholders’ (government, NGO and vendors) perspectives on tourism development and the preservation of tradition in the cultural district?

The answers to the above question differ depending upon the perspectives of the specific stakeholders. From the government’s perspectives, their policies were successful in stimulating tourism: Insadong gained fame as a tourism destination after the vehicle-free program was introduced in the late 1990s. After Insadong was designated as a cultural district, more tourists come to see and feel the traditional atmosphere. However, due to the promotion of tourism, rents increased greatly, displacing many traditional art shops or causing them to sell cheap crafts in order to be able to pay the rent. A government officer regarded the current role of Insadong is as a place for international tourists to purchase souvenirs and crafts between Meyngdong (Fashion town in the central city), a modern place, and the traditional Buckchon / Samchungdong (a traditional Korean town and gallery). Thus, the place has changed from being a traditional art business clusters into shopping area since it was designated as a cultural district. Hence, it can be argued that the the government was not successful in preservation of tradition although there is a high level of comfort with the creation of a successful tourist attraction.

The perspectives of vendors are divergent. Most current vendors would like more visitors to come to the district to increase their business. However, the owners of original old shops that

dealt in traditional art items and antiques have not welcomed the policy of tourism promotion. They prefer the place as it was before mass tourism.

The NGO wants the government and vendors to make efforts to improve the cultural content of the district and to establish an organization that can take a leading role in managing the district. They suggested that the introduction of more creative culture activities could revitalize the cultural contents of the cultural district, eventually becoming an important aspect of the tourism attraction.

4. How did this mixed-use area come into being, especially in an area where land values must be very high? Who assumed the leading role in the formation of the cultural district?

The mixed-use area has been maintained as a result of stakeholder's efforts and SMG's policies and regulations. Even though land values and rents are very high, the district can thrive due to the expenditures of the huge number of visitors, including both domestic and international tourists. The NGO, the urban coalition, played a leading role in the formation of the cultural district in the late 1990s and early 2000s. They succeeded in making people realize the significance of Insadong as a heritage place and made the future of Insadong a public issue. Through events that the NGO initiated, vendors, professionals and government officials became involved and consented to the making of regulations to conservation of the built structures and their cultural contents. Hence, the designation of the cultural district results from stakeholders' efforts and collaboration.

5. What are the possible future directions of Insadong as a symbolic district of traditional culture in the centre of an increasingly cosmopolitan city?

Insadong is currently losing its traditional attributes, including traditional culture-related businesses, which are being replaced by new types of businesses oriented towards tourists. The new trend, the concentration of cosmetic shops, is a very dangerous phenomenon. If such a trend continues, it could result in degeneration of the district followed by redevelopment with skyscrapers making it indistinguishable from its surroundings.. As mentioned above, the government is perhaps realistic and accepts Insadong's present situation as a shopping area for international tourists, for it is not possible to "turn back the clock". The business composition of the area is changing according to market principles, so vendors change or change the items that they sell to cater to tourists. Other businesses move out in search of a less expensive place to operate. However, the heritage of Insadong is to be protected adequately, significant policy reform is needed to nurture the cultural contents of the district so that they can be passed on to future generations. If Insadong is to be a heritage district that symbolizes traditional culture, then it has to be revitalized as a place where people can experience and learn about that culture. To accomplish this, culture-related programs need to be developed based on the networking of cultural business and production, as well as consumption, have to occur in the same place. More understanding of Insadong itself and its values as a place, on the part of entrepreneurs and government, is needed to inform decision making.

This study addresses a gap in the literature. It documents the development of tourism in the historic cultural district of Insadong. Although there is a substantial literature focused on place marketing of cultural clusters and economic revitalization in urban areas, there is much less written regarding the management strategies that have been used to retain or establish the clusters and the problems that have resulted from designation. Also, this research has explored of both bottom-up and government initiatives to conserve historic assets in the central city. It

enriches the literature by examining and evaluating the strategy of designating cultural clusters in a metropolitan city and the government's and stakeholders' roles in administering and managing the challenges that arise as the cluster evolves.

## **6.3 Implications**

This section discusses the practical and academic implications of the research. Practical implications of this study are discussed regarding policies in Insadong cultural district. Academic implications are derived from comparison of the literature and the case study findings, and stakeholders' relationships in culture clusters.

### **6.3.1 Practical implications**

This study explored outstanding events and local government's policies in pursuit of promotion of tourism based on the conservation of historic assets. The policies of designation of a cultural district and district unit plan for Insadong resulted in mix success. From a positive point of view, key heritage sites and some of the structure of the district were maintained. Some core culture-related businesses were retained. These things contributed to the creation of a special atmosphere that is different from that of surrounding areas. The number of tourists expanded greatly and Insadong became a new tourist attraction in the centre of Seoul. However, as Insadong became attractive to more tourists, it also became more commercial.

It is not possible to freeze area, preventing all change, and still retain a vibrant atmosphere. A mix of activity is needed to meet both vendors' and tourists and interests, ideally with the involvement and consent of stakeholders. Governments and stakeholders do not currently play a strong role in administering and managing the problems in Insadong, although



they acknowledge that the cultural district has been highly commercialized. Conscious efforts are required in Insadong to produce an appropriate blend of culture and tourism in the cluster, through initiatives aimed at preserving and develops Insadong as a cultural heritage cluster.

### **6.3.2 Academic implications**

Porter (1998) asserted that the key requirement for the success of a cultural district is distinctiveness, with the character of the cluster being created from local resources. This study indicates that this situation once existed in Insadong but the character of the cluster changed over time. In the case study of Insadong, the location of the district in the centre of the city and tourism promotion and were crucial factors contributing to the changes. More generally, it is important to recognise that cultural cultures are not static phenomenon and their constituents are likely to change over time.

Furthermore, such changes in place attributes do not occur gradually but result from the influence of specific events. A mix of uses can often contribute positively to the creation of a distinctive atmosphere but the mix can change over time resulting in the formation of a modified place with a different atmosphere. Insadong was once a cultural cluster in which production and consumption took place in the same place. Insadong is now primarily as place of consumption and the production of traditional products has become increasingly rare in Insadong.

This study has explored the tensions between preservation and development that frequently occur with the changing use of historic assets. Tourism can be used for both preservation and development and the relative importance of each will vary with circumstances, the outcome depending upon the relative power among stakeholders.

This study examined aspects of heritage tourism in an evolving culture cluster in a major city. To the author's knowledge, this type of research has not been undertaken previously in

Korea and is rare in Asia and most of the developing world. However, it is difficult to generalize from a case study. Thus, there is a need to undertake similar studies elsewhere to determine if what has been observed in Insadong is unique or if it is an example of a phenomenon that can be observed in other places.

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## **Appendix A: Recruitment Letter (English Version)**

University of Waterloo

Dear Sir or Madam,

This letter is an invitation to consider participating in a study, named Tradition and Commerce in Culutral District: Case Study of Insadong in Korea I am conducting as part of my Master's degree in the Department of Geography and Environmental Management at the University of Waterloo, Canada under the supervision of Professor Geoffrey Wall. I would like to provide you with more information about this project and what your involvement would entail if you decide to take part.

The number of tourists to Insadong, a representative traditional cultural district, has increased rapidly in recent years. Insadong is a place where Koreans and foreigners alike experience Korean tradition and a unique area where the atmosphere combines both the historical and modern. The area is also multifunctional offering a mix of history, entertainment, cuisine, shopping etc. for a mixed clientele – local, regional, national, and international. In addition, there is concentration of shops related to visual arts like galleries, picture mounting shops (for Korean paintings and calligraphy works), and writing-brush shops. Although this area has a long history as a cultural district which is naturally generated, numerous issues and changes have occurred in last decade in relation to the commercial development and policy of government. One important event is the 'a vehicle-free street' program, which began in April 1997. Since this program was implemented this area gained fame as a tourism destination, but also encountered problems like rising rental fees and land prices. This problem brought about other issues such as a change of space use and items for sale, and demolition of small shops.

However, there is limited study of the role and policy of government and stake holder's collaboration in tourism development in this area. The purpose of this study is to investigate how diverse stakeholders from the public and private sectors worked together or were confronted with each other on issues in the development of a commercial/historical area (Insadong). Also, the direction of future plans or policy for managing Insadong from the government will be studied. I would appreciate the opportunity to speak with you about your experience and information on this topic.

Participation in this study is voluntary. Informal interviews will last approximately 30 minutes in length to take place in a mutually agreed upon location. You may decline to answer any of the interview questions if you so wish. Further, you may decide to withdraw from this study at any time without any negative consequences by advising the researcher. With your permission, I will audio-record the interview to facilitate collection of information, and later transcribe the



recording. However, should you prefer, I will make handwritten notes during the interview only.

Shortly after the interview has been completed, I will send you a copy of the transcript or my notes to give you an opportunity to confirm the accuracy of our conversation and to add or clarify any points that you wish. All information you provide will be completely confidential. Your name will not appear in any thesis or report resulting from this study, however, with your permission anonymous quotations may be used. Audio recording and notes will be retained for 2 years at my home in a locked filing cabinet. Only researchers associated with this project will have access. The electronic data will contain no personal identifiers. The electronic data will be kept on the student researcher's personal computer and will be password protected for security of the information. There are no known or anticipated risks to you as a participant in this study. After 2 years, the audio-recordings, paper records, and electronic data will be confidentially erased and destroyed.

If you have any questions regarding this study, or would like additional information to assist you in reaching a decision about participation, please contact me at (local cell phone number will be informed later) 1-519-5746-8420 or by email at [j35song@uwaterloo.ca](mailto:j35song@uwaterloo.ca). You can also contact my supervisor, Professor Geoff Wall at 00-1-519-888-4567 ext. 33609 or email [gwall@uwaterloo.ca](mailto:gwall@uwaterloo.ca).

I would like to assure you that this study has been reviewed and received ethics clearance through the Office of Research Ethics at the University of Waterloo. However, the final decision about participation is yours. If you have any comments or concerns resulting from your participation in this study, please contact Dr. Susan Sykes of this office at 00-1-519-888-4567 Ext. 36005 or [ssykes@uwaterloo.ca](mailto:ssykes@uwaterloo.ca).

I very much look forward to speaking with you and thank you in advance for your assistance in this project.

Yours Sincerely,

Jinsun Julia Song  
Department of Geography and  
Environmental Management  
University of Waterloo  
Ontario, Canada

## Appendix B: Recruitment Letter and Interview questions for Government Officials in Email (Korean Version)

안녕하십니까?

한국문화관광연구원의 신용석 박사님의 소개로 연락을 드리게 된 송진선입니다. 저는 캐나다에 있는 워터루 대학교 에서 Tourism policy and Planning 석사과정에서 공부를 하고 있습니다.

세계적으로 유명한 관광정책의 전문가인 Dr.Geoff Wall 교수가 저의 지도교수님인신데, 교수님의 권유로 인사동에 관한 논문을 쓰고 있습니다.

저 의 논문 타이틀은 'Tradition and Commerce in Cultural District - Case study of Insadong in Seoul, Korea'입니다. 도시경제의 revitalization 과 앞으로 지향되는 문화관광의 정책의 일환으로서 문화지구(cultural cluster)가 떠오르는 전략인 점을 감안할때, 우리나라의 대표적인 문화지구인 인사동을 케이스 스타디로 하여 문화지구의 발전과 경영에서 정부의 참여와 정책, 이해관계자들의 협력에 대해 알아보는 것이 저의 논문 목적입니다.

인사동은 문화유산과 활발한 상업이 어우러져있는 독특한 특성이 있는 문화거리로서 현대화된 서울 시내에서 ( 부동산 가격이 높은 서울시내) 에서 어떻게 그 지구가 유지되고 발전해 가고 있는지 발 전속에서 인사동에 대한 정부의 역할과 참여, 그리고 비전등을 알아보며, 현재의 상황과 앞으로 어떤 정책방향으로 나아갈지를 알아보는 것입니다. 그리고 더 나아가 정책의 결정에서 현재 각 민간분야와 상인, 주민의 참여는 어느정도 반영되는지도알아보려고 합니다.

이를 위해 이번달 말에 한국에 가서 여러 관계자분들과 인터뷰를 할 예정입니다.

그래서, 바쁘시겠지만 저에게 도움을 주십사하고 이렇게 연락을 드리게 되었습니다. .

연 락을 주시면 거기에 맞추어 스케줄을 잡으려고 합니다. 저는 한국에는 2주정도 머물 계획이며 10월 28일부터 11월 4일까지 서울에 머물 예정이오니 시간을 내어주시면 제가 찾아뵙겠습니다. 모든 인터뷰에서의 사적인 사항은 비밀보장을 원칙으로하며 인터뷰중 대답하기 싫으신 질문은 거부하셔도 좋습니다. 소요시간은 30분 정도이며 설문지는 없고 육성녹음을 통하여 인터뷰를 진행하고자 하오니 도움을 주시면 감사하겠습니다. 참고로 질문사항을 첨부하겠습니다.

질문사항

1. 이 곳에서 일하신지는 얼마나 되셨습니까? 인사동의 발전하는 과정에 대해 잘 아신다면, 전통 문화거리로서 어떻게 출발했는지 말씀해주시겠습니까?

2. 서울시에서 바라보는 인사동의 의미/가치는 어떤것인가요?.
3. 과거에 인사동이 발전하는 과정에서 지방자치단체로서의 역할은 어떠했다고 생각하십니까?  
(적극적/수동적?)
4. 정부의 관점에서 관광지로서 인사동에 대해 중점을 두는 정책은 무엇이라고 생각하십니까
5. 인사동에서 문화유산과 전통상품을 판매하는 소규모가게를 보호하기 위한 부동산 정책이 있습니까?
6. 인사동이 2002년에 '문화지구'로 정해진후에 가장 큰 변화는 무엇이라고 생각하십니까?
7. 서울시 정책의 인사동에 대한 관점이 궁금합니다. '관광지'로서 발전을 시켜야한다는 것에 중점을 두는지, 아니면 '문화유산지역'으로 보존에 중점을 두는지?
8. 정부정책의 결정시 민원이나 상인, 지역단체에서 참여할수 있는 제도가 되어있습니까?
9. 인사동이 관광지로서 발전하면 지역사회에 어떠한 이익이 있다고 생각하십니까?
10. 앞으로 지향하는 인사동의 모습은 무엇입니까? 어떤 구체적인 목적이나 계획이 있습니까?
11. 가능하다면 인사동에 관련된 자료를 제공받을수 있을까요?

이상 질문사항이었습니다. 시간내서 읽어주셔서 감사드리며 연락 기다리겠습니다.

안녕히 계십시오.

송진선 올림

관광정책학과, 환경학부

캐나다, 워터루대학교

2010년 10월 19일

## **Appendix C: Interview questions (English Version)**

### Officials in Insadong interviews

1. How long have you been working here? Are you familiar with the development of Insadong? If so, how did the development start as a traditional cultural district?
2. What is the meaning or value of Insadong to the government?
3. Do you think the government took an active role in development of the Insadong area in the past?
4. What is the main focus of policy for Insadong as a tourism destination from the government perspective?
5. Is there any policy of the real-estate industry to preserve heritage and small traditional shops in Insadong?
6. What do you think Insadong has changed the most because of the 'designation of cultural district' by government?
7. In the management of this area, which of the following best describes the policy: 'promotion as a tourism destination' or 'heritage cultural clusters'?
8. Can you describe some positive and negative impacts that tourism has had in Insadong?
9. What would be the benefits if tourism is promoted more in Insadong?
10. What is your expectation of the future development of Insadong? Do you have any plan to help to achieve the goal? Is there any involvement from other stakeholders in the decision-making process?
11. Do you have any documents on Insadong that you can share with me?

### Vendors in Insadong interviews

1. How long have you been in Insadong?
2. What types of business are you in? Why did you start the business here?
3. What do you think has changed the most because of tourism development in Insadong?

4. Can you describe some positive and negative impacts that tourism has had in Insadong?
5. Does the raising of rents trouble you? If so, how do you solve the problems?
6. Are you satisfied with current situation? Why or why not?
7. Can you be involved in the policy decision-making process for Insadong?
8. Do you like the way that Insadong is currently promoted?
9. What do you think is the most serious problem in Insadong?
10. What is suggestions do you have for the future improvement of Insadong?

## Appendix D: Interview questions for Vendors (Korean Version)

저는 캐나다 워터루 대학교 관광정책학과 석사과정에서 공부하고 있는 송진선입니다. 본 설문은 “문화지구와 관광정책”의 일부분으로서 인사동 문화지구에 대한 관리와 업소들의 변화와 인사동 문화지구 문제점 및 개선방안 등에 대한 상인들의 의견을 조사하고자 하는 목적을 가지고 있습니다. 본 설문의 결과는 익명으로 어떠한 정보도 누출되지 않을 것이며 본 연구의 귀중한 자료로만 사용될 뿐, 다른 용도로 사용되지 않을 것입니다. 바쁘시더라도 시간을 내어 협조해 주시면 감사하겠습니다.

1. 인사동에서 사업을 하신지는 얼마나 되셨나요? 연령? 업소내 지위?
2. 어떠한 업종을 하고 계신지요? 귀하께서 인사동 지역에 개업을 하신 가장 큰 이유는 무엇입니까?
3. 인사동이 관광지화 되면서 가장 큰 변화는 무엇인가요?
4. 그에 따른 장점과 단점이 있다면 말씀해 주십시오.
5. 문화지구 선정된 후 임대료 상승에 따른 문제점이 있었나요? 있었다면 어떻게 그 문제를 해결 하셨나요?
6. 인사동 문화지구 관련 정책중 인사동 발전에 도움이 되었다고 생각하는 정책은 무엇입니까?  
예) 세제감면, 용지지원, 관광안내소운영, 축제 및 행사 개최, 도움안됨, 인사동길 정비
7. 정책 결정시 상인 여러분들께서 참여할수 있는 제도가 있습니까?
8. 인사동이 문화지구로 지정 되어야 한다고 생각하시나요?
9. 인사동 내의 가장 큰 문제점이 있다면 어떤 것일까요?
10. 인사동 문화지구를 활성화 시키기 위한 인사동의 미래의 방향은 어디에 초점을 맞추어야 할까요?

예) 전통문화보존, 전통문화보존보다는 현대적인 요소와 조화가 필요하다, 관광활성화에 초점을 맞추어야 한다.

## **Appendix E: Feedback Letter**

University of Waterloo

Dear Sir or madam,

I would like to thank you for your participation in this study. As a reminder, the purpose of this study is to investigate how diverse stakeholders from the public and private sectors worked together or were confronted with each other on issues in the development of heritage cultural clusters (Insadong) including the direction of future plan or policy for managing Insadong from government's perspective.

The data collected during interviews will contribute to a better understanding of the actual situations and outcomes of communication from stakeholder's perspectives; it will also provide insights on the main issue of tourism industry, heritage preservation, future plans of government in the district and prosperous management directions for local tourism planners and operators.

Please remember that any data pertaining to you as an individual participant will be kept confidential. Your name will not appear in any thesis or report resulting from this study, however, with your permission anonymous quotations may be used. If you are interested in receiving more information regarding the results of this study, or if you have any questions or concerns, please contact me at either the phone number or email address listed at the bottom of the page. If you would like a summary of the results, please let me know now by providing me with your email address. I will offer an executive summary of the report if you ask for it. The study is expected to be completed by February, 2011.

As with all University of Waterloo projects involving human participants, this project was reviewed by, and received ethics clearance through, the Office of Research Ethics at the University of Waterloo. Should you have any comments or concerns resulting from your participation in this study, please contact Dr. Susan Sykes in the Office of Research Ethics at 00-1-519-888-4567, Ext., 36005 or [ssykes@uwaterloo.ca](mailto:ssykes@uwaterloo.ca).

Many thanks for your participation!

Jinsun Julia Song  
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Environmental Management  
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