

Cheonggyecheon Restoration Project: Conflict Management Strategies

HWANG Keeyeon, BYUN Miree,
LAH Tae Joon, and LEE Sang-min



Korea's Best Practices in the Transport Sector

**Cheonggyecheon Restoration Project:
Conflict Management Strategies**

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Preface

Korea has achieved phenomenal growth over the past 40 years based on its consistent construction of transport infrastructure such as roads, railways, airports and ports. The nation kept expanding the transport infrastructure while implementing its Five-Year Economic Development Plans. It even introduced a special account designed to facilitate the installation and maintenance of transport facilities. Such a development scheme, which has made it possible for Korea to attain the status of a developed country, is now being closely watched by the world.

Korea has turned itself into an aid donor after being a recipient of international aid until the 1990s. This has not only promoted Koreans' self-esteem but enhanced the nation's image in the global community, particularly among developing countries. Korea is now providing aid to countries in Africa, the Middle East and South America as well as in Asia. The scope of support is also expanding to cover economic development planning and various other areas such as new town construction, infrastructure expansion and policy consultation.

Recently, numerous developing countries are showing a keen interest in the development of transportation in Korea. Equipped with the world's highest level of information and communications technology, Korea is building up its intelligent transportation systems (ITS). It has also reformed its public transport system featuring a bus rapid transit (BRT), convenient transfer scheme, and transit cards that provide nationwide compatibility. Other prominent achievements include the development of domestic technologies for high-speed railway systems and the operation of a world renowned international airport. As such, Korea is considered to be a role model by a growing number of developing countries.

Looking beyond benefits only to transportation, Korea propelled the

Cheonggye Stream Restoration Project to maintain a more sustainable environment and provide an area for the public to rest and enjoy. However, this large-scale project did not go smoothly due to conflicts with neighboring merchants who were concerned about how their businesses would be affected. This book aims to provide an analysis of success factors in conflict management and determine new solutions for social conflicts, which have served as obstacles in the social development of Korea. Offering this example as a pertinent case study, I would like to suggest solutions for dealing with future conflicts centered around public works.

This book represents our determination to share Korea's precious experience and know-how with numerous countries, thereby laying the foundation for creating new values in the global era.

LEE Chang Woon
President
The Korea Transport Institute

Acknowledgement

One lazy afternoon in late fall 1999, I got an unexpected phone call. I was then in a relaxed mood, thinking about the paradox of urban transportation after knowing that I had correctly predicted that the congestion toll introduced at the Namsan tunnels would not cause serious traffic problems in nearby areas. As it happened, the call was about a traffic situation related to a seemingly impossible idea. It truly was an occasion that affected my career and my life. Over the phone, Prof. NOH Soo-hong of Yonsei University talked about the idea of restoring the Cheonggye Stream (Cheonggyecheon). He then asked me to conduct research to predict traffic problems that would take place should the idea be put into practice. Being in charge of urban traffic research at the Seoul Institute, I was intrigued by the request. Furthermore, I felt, although vaguely, that the envisioned restoration work would not cause serious traffic congestion in the areas surrounding the stream. Maybe the hunch was related to the paradox of urban traffic I had experienced in relation to the congestion pricing scheme at the Namsan tunnels.

One year later, I met the members of the Cheonggyecheon Revival Research Group amid the exquisitely beautiful and picturesque surroundings at novelist PAK Kyong-ni's Toji Cultural Center in Wonju City. When I look back on the occasion, I realize that it was the moment that saw the birth of a grand project that would shake the entire Korean society. Under a night sky sprinkled with starlight, we gathered at a very quiet rural village and discussed the prospect of turning this idea into a reality.

We felt encouraged by the positive results of research about traffic-related matters. We became filled with hope after learning that it was feasible to restore the stream and ensure the flow of clean water there. We spent the whole night talking to each other without a wink of sleep. As we had more meetings afterwards, nobody complained about research expenses. We

rather looked forward to new opportunities to enjoy the simple pleasure of tasting cheap and delicious Korean buckwheat pancakes at a village diner next to a clean brook in Wonju. As lately as the spring of 2001, none of the forum members were aware that the chance to realize our dream was fast approaching. In the meantime, Prof. NOH was seeking research grants provided by international environmental organizations in order to continue our studies related to the Cheonggyecheon.

One day in 2001, I had a pleasant talk with a person who unexpectedly visited me at my office. A former ranking official at Seoul City Hall, he had taken my course two times, once as an auditing student at a graduate school. I remember admiring him for his progressive and sincere attitude. While casually talking about various issues, we found that we were seeing eye to eye about the need to restore Cheonggyecheon.

Through numerous such occasions, the idea of restoring the stream steadily gathered steam by gaining spontaneous support. It eventually became a top pledge made by Seoul Mayor LEE Myung-bak during his election campaign. LEE emerged victorious by focusing on core policy issues in a manner unprecedented in Korea's election history. After the election, members of the Cheonggyecheon Revival Research Group joined in the mayoral transition team. I became involved in work to devise a restoration project scheme as a person in charge of a crucial sector of the triangular governance system, which was made up of the Citizens' Committee for Cheonggyecheon Restoration, the Cheonggyecheon Restoration Project Headquarters and the Cheonggyecheon Restoration Research Corps.

Upon taking office as mayor on July 1, 2002, LEE presided over a meeting of officials, experts and researchers involved in the project. Afterwards, a meeting was held every Saturday, convening at 8 a.m. The participants readily

accepted the meeting schedule, although they were unaccustomed to starting work so early. City officials worked in close cooperation with history and water quality experts from the Citizens' Committee as well as culture and civil engineering experts from the research corps. They combined forces to work in an explosively powerful and efficient manner. Despite differences they worked harmoniously, generating infinite synergistic effects and carried out their tasks with precision, speed and creativity. As a result, they made it possible for the restoration work to convene just a year after they started preparations.

I made two separate trips to Japan in July and September 2004 while the restoration work was well underway. During the first visit, I went to Osaka at the invitation of the Association for the Research of Transportation Problems and Human Rights, a group known for its progressive inclination. The next time, I traveled to Tokyo to participate in an international conference hosted by Tokyo University. On both occasions, I delivered a speech on the Cheonggyecheon project. Audience members, without exception, asked how it was possible to implement such a project in a fully developed downtown area. Answering the questions, I felt convinced that the exquisite management of conflicts based on a new type of administrative leadership was the most significant factor in the success of the project. Upon returning from the visits, I started research in earnest about conflict management in the public sector, with the Cheonggyecheon project as the case for analysis. Continuing my research, I realized that the project represented more than a simple civil engineering work to restore a stream. Its true value, I believe, lay in its serving as a link between generations and its opening of the way toward reconciliation for people at odds with each other. Taking this opportunity, I would like to thank all those who endeavored to open a new chapter of

history through the successful execution of the Cheonggyecheon Restoration Project. Additionally, I hope that the publication of this book will help better understand the process of overcoming various difficulties and resolving conflicts in relation to the project.

I worked one and a half years to get this book published. Throughout the period, numerous people encouraged and supported me. I would like to extend my heartfelt gratitude to the following persons: Mayor LEE Myung-bak and Prof. NOH Soo-hong who took time out of their busy schedules to meet to me; Vice Mayor YANG Yoon-jae who devoted himself full-time to the Cheonggyecheon Restoration Project; Director PARK Myung-hyun who provided me with precious information on resolution of conflicts related to the Cheonggyecheon project and even postponed his plan to publish his own book; PAEK Yong-ho, former President of the Seoul Institute, who helped me from beginning to end while working on this book.

April 2005
Seoul Institute
HWANG Keeyeon

Dreaming of a Better Tomorrow in the Republic of Korea

We are sorry for any traffic inconvenience. Financed by the Seoul Metropolitan Government, this project is underway to ensure maintenance of accident-prone areas. We will do our best to complete the work within the period as specified below. Please let us know if there is anything we can do to avoid inconvenience.

Work period: Nov. 10, 2004 ~ Nov. 16, 2004

Competent official: KIM ○○, ○○ Department, Seoul Metropolitan Government, ○○○-○○○

On-site supervisor: 011-○○○-○○○

A placard posted at a construction site as shown above makes us feel amazed at how much things have changed. It represents a scheme to ward off complaints or petitions about inconvenience by giving information about the purpose of construction and its scheduled period. Such a placard may signify an important change taking place in this society, although it may not be a world-shaking incident. It implies that it has recently become a crucial administrative task to manage conflict through accommodating residents' voices about various projects from neighborhood construction projects to nationally important infrastructure undertakings. This indicates that a paradigm shift is taking place with regard to the development of civil society, placing more importance on public opinions than on the intentions of the public sector. Such a change should be understood in the context of the global network society in which news instantly spreads across the world. It also implies that in this era of local autonomy, it has become difficult to resolve disputes over public projects without reaching agreement with local residents through negotiations.

In the 21st century, Korea is entering a new era in which the utmost emphasis in society is placed on values related to the quality of living, such as welfare, environment, and culture. They contrast with the foremost values the nation pursued in the past; economic growth and democratization. Amid various developments related to democratization, decentralization and the growth of civic activism, the nation has begun to see the emergence of social conflicts of interest. Such conflicts were often represented by non-institutional and unreasonable approaches, consequently escalating into serious issues of social contention. Those responsible for managing public conflicts were not ready to cope with new changes in a proactive manner. Their reliance on the past authoritarian methods only exacerbated the problem.

Gaining social consensus is an essential element required for the implementation of public projects. However, this principle has not been faithfully observed so far. Projects have often been carried out in a cursory manner without properly addressing stakeholder conflicts, consequently being delayed or cancelled. Failure to effectively manage conflicts causes trouble, as manifested in the following projects or policies: the installation of the Buan radioactive waste disposal facility and the Wonji-dong cemetery and crematory, specialization of dispensary and medical practices, and troop dispatch to Iraq.

In the past, the authorities hardly felt the need to manage conflicts that used to occur in the process of promoting public projects. They just disregarded them or attempted to solve them through illicit dealings. And because of the lack of experience in handling conflicts, city (local) governments often pushed ahead with their urban regeneration programs or infrastructure expansion plans without ensuring residents' participation in the implementation process or gaining their consent. Consequently, a

vicious cycle set in, with the government relying on the unilateral Decide-Announce-Defend (DAD).^{*} The DAD approach is most probably related to trust in technological rationality of public administration. Conflict management based on this method lacked in procedural rationality. However, it was most widely used to resolve disputes related to urban regeneration projects or the installation of public facilities. This was because authorities pursued what they believed was an effective method; promoting a project with “technological” rationality as the absolute criteria while minimizing the negative aspects (project delays, social costs) associated with “procedural” rationality. conflict management approach which eventually further aggravated the situations. Such an approach weakened public trust of the government and caused petitioners to act in an unreasonable manner instead of pursuing rational and lawful solutions. Interested parties mostly did not abide by procedural rationality, resorting to collective action such as demonstrations and protest rallies instead of pursuing dialogue with the pertinent authorities. Typical in Korean stakeholders stage a protest regardless of the prospect of negotiations to seeking compensation rather than joint resolution of the problem. Thus, most negotiations tended to break down. As a result, disputes had to be settled in court.

Since the late 1990s, civil society has steadily raised its voice against public projects, prompting the municipal (local) governments to change its

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conflict management strategy. The conventional one directional method began to give way to a bidirectional approach. As civil society became more mature, residents began to abide by proper procedures and act in a professional manner in dealing with conflicts. Yet Korean society has not fully taken advantage of its experience in coping with various conflicts. Still lacking a comprehensive conflict resolution strategy, it is relying on temporary and ex post facto measures taken out of expediency. As conspicuous examples, we may cite the proposed construction of a nuclear waste repository in Buan and the Saemangeum Development Project. Facing violent resistance from residents, authorities decided to take the unusual step of holding referenda in the local communities concerned. Other prominent cases include the Mt. Sapae Tunnel project, over which the government wrangled with religious and environmental groups, and the bid to build a cemetery and crematory in Wonji-dong, which was placed at risk of being cancelled. There is no denying that conflicts over these projects can be attributable, to a considerable extent, to the DAD approach. Now is the time to expeditiously devise a new conflict management scheme for the public sector in order to reduce the relevant social costs and gain political validity. If left unattended, conflicts over public projects would not only cause increase in social costs but have negative impacts on national unity, thereby casting a dark cloud over the future of the nation. With the inauguration of the ROH Moo-hyun administration, the importance of conflict management has been brought to the fore. The past administrations had maintained negative attitudes toward conflict, thus trying to avoid it at all costs. In contrast the ROH administration admitted that social conflict has positive functions. Based on this stance, it is trying to take advantage of these functions through effective conflict management. In this regard, the ROH government can be said to be adopting a new strategy.

It represents a new concept that includes the idea of preventive conflict mediation. Such an idea is not covered by traditional conflict mediation organizations, such as the Environmental Dispute Arbitration Commission and the Economic and Social Development Committee.

The following developments demonstrate the changed attitude of the government toward conflict. The Sustainable Development Committee was established under the Presidential Office of Cheong Wa Dae on October 4, 2003 in a move related to the effort to implement the national task of building a conflict management system. The government has also launched a conflict management research team. It is now conducting cultural studies related to conflicts that occur in four major categories: region, social class, labor, and the environment. It is also developing a dispute resolution process and training programs, and implementing research on reforming the relevant legal and institutional framework. Additionally, it is trying to establish a model for resolving conflicts that occur in the public sector. As part of the effort, it has devised a new tool for conflict management based on research of disputes that took place over the construction of the Hantangang Dam. In the meantime, the Ministry of Construction and Transportation has set up a conflict management planning team under its control in an effort to tackle the problem of environmental disputes that frequently occur in the process of promoting public projects.

The Cheonggyecheon Restoration Project has significant implications for Korea in terms of conflict management, particularly given the lack of experience in handling disputes related to public projects. The project involves the demolition of a thoroughfare along the Cheonggye Stream and the elevated highway over it which was used by 200,000 merchants and 170,000 vehicles a day. Contrary to expectations, restoration works convened

without facing serious resistance allowing work to officially start just a year after preparations began. The lack of an incident does not mean that there was no opposition. The project did encounter opposition from merchants in the area, although it was considered a socially valid undertaking because of its alleged environment friendliness. The merchants demanded compensation for the losses they were expected to suffer during the construction period, as well as measures for promoting the business activities in the area. The Seoul Metropolitan Government refused to accept the demands, asserting that it would not be held legally accountable for the alleged damages. The two sides, however, were able to settle the conflict by working out a compromise agreement, citing “public interest.” The Seoul Metropolitan Government also succeeded in gaining social consensus on the need to restore the stream, thereby ensuring that the project could be implemented in a harmonious manner.

How could the city government implement the seemingly impossible task of resolving conflict with 200,000 merchants, even without facing extreme resistance or undergoing relevant legal procedures? It is difficult to get the answer if analysis is made in just a microscopic manner. Attention needs to be paid to the process of direct negotiations carried out as part of the alternative dispute resolution methods employed by the city. The existing studies on conflict management are focused on the factors causing disputes and resolution mechanisms. With Korean society undergoing a shift toward pluralism, it is witnessing the emergence of further complicated and diversified conflicts of interest. Therefore, reaching the answer to the above question requires effort to understand a conflict management process as a series of systems and conduct a comprehensive analysis of their constituent factors. First of all, we need to analyze in detail the following factors: the

social and political environment surrounding the project, leadership and the negotiations between the Seoul Metropolitan Government and various stakeholders.

This book is aimed at thoroughly examining these factors that helped successfully resolve the conflicts related to the Cheonggyecheon project, thereby providing a new scheme for addressing a diversity of disputes taking place in Korean society.

To achieve this, the book is organized into three parts:

Part I is made up of contents designed to help understand the nature of conflicts that occur in relation to public projects.

Chapter 1 looks into the directions required for managing public conflicts in the 21st century through analysis of relevant cases that occurred in Korea.

Part II is composed of five chapters and focuses on analysis of the strategy used for resolving disputes in the Cheonggyecheon project.

Chapter 2 is devoted to reviewing preliminary knowledge related to the Cheonggyecheon project such as the background and causes of conflict. Additionally, the chapter deals with the triangular governance scheme and the conflict management strategy used in the process of promoting the project.

Chapter 3 describes social validity and legitimacy of the conflict management strategy used in the Cheonggyecheon project. It discusses the strategic governance system, an essential instrument used for gaining social validity and ensuring smooth implementation of the project. It then deals with the question of agenda setting, the process of gaining legitimacy, and the sociocultural environment surrounding the project. The materials used for this chapter include interviews, relevant news articles, and various reports.

Chapter 4 is about leadership, which comes second among crucial elements of the conflict management strategy for the Cheonggyecheon

project. It explains political and knowledge-based leadership displayed in the process of managing conflicts and coping with various resistance activities. These two types of leadership are analyzed in terms of the following qualities: vision, talent management, determination, and conflict mediation capacity. Lastly, this chapter looks into the leadership qualities required to cope with changes taking place in the 21st century and reviews the type of leadership Mayor LEE Myung-bak displayed with regard to the project. The contents of this chapter are mostly based on in-depth interviews and press releases.

Chapter 5 deals with negotiation as the third element of the project's conflict management strategy. Research data for this chapter was collected through talks with individuals who participated in the negotiations to resolve disputes related to the project. Based on this data, this chapter explains the functions and roles of negotiations, particularly from the perspective of resolving conflicts related to public projects.

Chapter 6 measures the achievements of the Cheonggyecheon project in terms of three aspects – paradigm upheaval in urban management, creation of a win-win culture, and the birth of a new Korean wave. A report issued by the Seoul Institute, A Monitoring-Based Study on Changes in Urban Structure and Shapes following the Restoration of Cheonggyecheon, served as the basis for the evaluation.

Part III handles the topic of conflict management strategy from the perspective of implementing public policies.

Chapter 7 presents a new conflict management strategy based on the experience of resolving disputes that took place in the process of promoting the Cheonggyecheon project.

This book covers the period between the Seoul mayoral election in June 2002, through which the proposal to restore Cheonggyecheon emerged as a

top issue in the Korean society, to commencement of the restoration work on July 1, 2003. Its objects are restricted to the conflicts that occurred in the process of promoting the project. For these reasons, this book may have limitations in presenting solutions that can be applied to labor-management disputes or various other conflicts that take place in society because of regional or class differences.

The Cheonggyecheon project is not just about reviving a neglected urban stream. It is an undertaking aimed at restoring the culture and history of Seoul, promoting tourism and attracting investments, and ultimately creating new energy for development of the city. Hopefully, by establishing its reputation as an ecological city and securing the relevant capabilities through this project, Seoul will be able to play a leading role in promoting an ecological culture in Northeast Asia.

The Cheonggyecheon project has got underway without any hint of serious conflict thanks to the balanced involvement of three major parties; the Seoul Metropolitan Government, the Seoul Institute, and civic groups. These parties jointly participated in the project from the very early planning stage, signifying a departure from the previous practice of local governments unilaterally promoting public undertakings in a bureaucratic manner. This represented the effort to form a new organizational system designed to effectively avoid conflicts in the public sector. While promoting this project, Seoul City launched various organizations involving experts, public officials and researchers, including the Citizens' Committee for Cheonggyecheon Restoration, the Cheonggyecheon Restoration Research Corps and the Cheonggyecheon Restoration Project Headquarters. This organizational scheme may be compared to "adhocracy," a concept famously used by Alvin Toffler. It was necessary to form a flexible horizontal organization composed

of professionally trained function-specific divisions because it had become difficult to solve new problems with the conventional fixed and semi-permanent bureaucratic structure. This showed the direction toward which the organizational structure within the bureaucratic system should move in the future. In the process of promoting the Cheonggyecheon project, the Seoul Metropolitan Government presented a new framework for effectively resolving various conflicts in our society. No doubt, this framework will play an important role in implementing conflict resolution strategies for the public sector.

April 2005

HWANG Keeyeon, BYUN Miree, LAH Tae Joon

PART
I

Conflict Theories Related to Public Policy Projects



Public Policy Projects Running Parallel to Conflicts

1. Case Studies Related to Public Conflict in Korea

1.1. Conflict Structure of Korean Society

Probably no society is free from conflict. Still, Korea represents quite an unusual case in terms of the prevalence of social disputes. It has a long history of being troubled by conflicts that occur, for example, between teachers and students, rich and poor, men and women, Yeongnam and Honam regions, and people and the state. As a result, Koreans have become insensitive to public conflict. As long as they are not directly involved, they regard disputes as routine occurrences. Furthermore, conflicts in Korean society are entangled in such a complicated manner that nobody knows where to begin in trying to resolve them. The nation is rife with conditions that can cause conflicts, but it is lacking in systems that can help find solutions (KANG Dae-hyun, 2000). There are encouraging developments, as attempts are being made to manage discordant opinions in a positive and active manner, instead of leaving the situation as it is.

Public conflicts cannot be resolved in a desirable manner unless the society matures. Korea has experienced very rapid and radical changes taking place in

every sector of its society. The changes were deep, wide and large-scale in scope to the extent that they played a critical role in changing the public's living conditions. Having achieved phenomenal economic growth, Korea has just entered an early stage of democracy. It ultimately aims to realize a welfare and environment-friendly society. However, the nation is facing the need to address numerous problems that happened in the process of pursuing growth-oriented development strategies. It is also confronting various questions that might serve as obstacles to its sustainable and balanced growth.

Korea has built a fundamental frame required for a modern nation, securing a system for controlling social conflicts. However, it was implemented in a distorted manner as the nation underwent Japanese colonial rule, suffered territorial division and a fratricidal war caused by additional foreign intervention, and experienced a military coup d'état and the ensuing authoritarian rule. Against this backdrop, the state organization has been established as a structure necessary for governing the nation. Yet it was based on coercion and oppressive means engineered by outside forces or the ruling regime. Having been formed without the approval of the people, it lacked legitimacy. Amid this process, the conditions for social conflict in Korea were created. This can be corroborated by the fact that social conflicts have served as the most critical factor in regime changes or transfer of power. Such changes have kept occurring since the First Republic of South Korea (1948-1960). The present government is no exception. All through these years, various measures have been presented in order to address the serious social issues of contention. The media and the general public, however, have been unsympathetic toward these measures. As a result, public distrust of the government's public policies kept growing. Also, mediating conflicts requires a lot of money. Thus, it is necessary to devise a cost-effective way to reduce and mediate conflicts.

1.2. Management of Public Conflicts in Korea

Conflicts can take place in any society and any era. Yet the frequency and

detailed aspects of disputes differ significantly depending on the era and the structural background of a society.

Korea saw the escalation of ideological conflicts between left and right political parties during the First and Second republics (1948-1960, 1960-1961), which were ruled by authoritarian and relatively democratic governments, respectively. Under military authoritarian regimes of the Third and Fourth republics (1963-1972, 1972-1981), important social issues of contention were mostly related to power struggle. The ruling regimes used various tactics to cover up social disputes. In the Fifth Republic (1981-1987), social conflict became dormant under the repressive political system controlled by an authoritarian military regime. Yet it was this period that disputes related to jobs and social classes began to arise.

Comprehensively speaking, democratization-related political conflicts and economic disputes caused by industrialization and pursuit of capitalism ran deep within Korean society in the 1960s and the following years till the June 29, 1987 Declaration. They did not take place openly due mainly to the oppressive and cover-up tactics used by the authoritarian regimes of those times. However, they erupted intensively and explosively during periods of political instability.

Political restrictions began to ease following the June 29 Declaration. This led to the emergence of social issues related to welfare and the environment. In particular, issues related to the status of workers began to surface. The nation saw the eruption of full-fledged disputes between labor and management. The nation's labor environment had been so poor that the workers had suffered low wages without exercising the three basic labor rights: the right to organize, the right to collective bargaining, and the right to collective action. After eruption, the labor conflicts spread nationwide, often violently. Basically, they were caused by inequity related to the distribution of wealth accumulated in the course of the nation's economic growth. More fundamentally, they were related to the rigid way of thinking and the authoritarian attitude shown by the employers under the military regime's repressive structure. The thinking of employers had been dominated

by management theories like Taylorism that regarded laborers not as human beings but as a kind of mechanical elements for productivity efficiency. Labor problems, which had long been dormant in the Korean society, began to surface in a full-fledged manner. Corrupt and illicit practices began to be revealed in every sector of society, further fueling conflicts and raising concerns about the future of the nation.

With full-scale implementation of local autonomy following the June 27, 1995 local elections, changes began to take place in the types of conflict. Disputes began to diversify in terms of their nature, contents, and the involvement of stakeholders. These changes were related to the implementation of local autonomy, which helped create a social atmosphere that made it possible for stakeholders to express their opinions freely. Disputes centered on political and economic interests began to be replaced by disputes over environmental and welfare-related issues. Egoism based on regional differences also began to have serious impacts on society.

Let's ask a question now: What is the nature of social conflicts currently affecting Korea? Since the inauguration of the "Participatory Government," the nation has experienced a series of large-scale labor strikes, including those staged by the unions of truck drivers, Chohung Bank (also called CHB Bank) employees, and railway workers. Amid such rampant strikes, the nation was nicknamed the Republic of Conflicts. There have also been extreme confrontations over national projects like the National Education Information System (NEIS) and the Saemangeum Project. In an effort to solve these problems, the participatory government set the prevention and resolution of social disputes as a top priority national policy goal.

On April 14, 2003, the Cabinet selected 24 issues that required immediate government attention. These issues mostly represented conflicts of interest over implementation of public policy projects. The government is responsible for the planning and implementation of such projects. As the principal stakeholder, it cannot avoid involvement in the disputes. Sometimes it acts as a mediator, but even in such cases, it cannot be absolved from the ultimate responsibility for resolving conflicts. The participatory government is facing

numerous complicated social problems which cannot be easily solved.

1.3. Case Studies of Public Conflict in Korea

In the past, the central government executed development projects based on its unilateral decision or top-down administrative action. However, local autonomy put an end to this practice, as shown in a historical review of public conflicts in Korea. With implementation of local autonomy, the nation began to see disputes arising over local development projects or facilities. They took place between regions, between local governments and residents, and between the central government and local autonomous entities.

Particularly conspicuous are disputes over disliked or unwanted facilities. Such disputes occurred among the residents or merchants of the host communities or the adjacent areas. Public projects give benefits to an unspecified majority of people. However, the residents of host areas often have to shoulder the unfavorable impacts caused by such projects, rather than solely enjoy the benefits. This is why conflicts take place with regard to public projects.

Public facilities are built because they are beneficial to a society or a nation. But they are often unwanted by localities concerned as they cause economic losses through adverse external impacts. The host communities gain the same or fewer benefits from these facilities, compared to other areas. Such unwanted facilities cause not only installation-related disadvantages but a sense of psychological deprivation among the local residents relative to other areas. This normally results in host community's opposition to facility construction projects (LEE Eun-huk et al., 2003: 27).

There are various types of public facilities which are socially or nationally beneficial but locally undesired. They include atomic power plants, landfills, prisons, and welfare facilities for the disabled.

Depending on the stakeholders, conflicts over locally unwanted facilities can be classified into three categories: conflicts between autonomous entities at the same level of government, conflicts between upper-echelon and lower-echelon autonomous entities, and conflicts between entities and residents.

Conflicts between same-level entities take place as they try to resist the imposition of locally unwanted facilities or during competition for a positive project. Typical examples are disputes over the establishment of landfills or incinerators, monetary compensation for use of facilities located in other areas, and the resistance by communities with garbage disposal facilities to accept garbage from other areas. Conflicts between upper- and lower-echelon entities occur in the course of selecting sites for locally unwanted facilities. Citing opposition by local residents to construction of unwanted facilities, lower-echelon entities block the sites chosen by entities at higher levels of government. The proposed facilities are regionally beneficial, but local entities may oppose them when they are likely to shoulder the burden of any adverse impacts. Conflicts can also take place between administrative entities and local residents. In the course of a facility installation process, residents of a candidate site may resist the plan to build the facility in their community. This is the most serious type of social conflicts associated with unwanted facilities.

Controversial social issues currently confronting the nation are mostly about private-public conflicts related to the implementation of public policies and projects. Prominent examples are the installation of nuclear waste disposal facilities, promotion of the Saemangeum reclamation project, route determination for the Mt. Geumjeong-Mt. Cheonseong section of the Seoul-Busan high-speed rail route, Mt. Sapae Tunnel construction for the Seoul Beltway, establishment of the National Education Information System, and agricultural measures related to the Korea-Chile free trade agreement. Of these, the Mt. Sapae Tunnel, Mt. Geumjeong-Mt. Cheonseong high-speed rail section, Saemangeum, and nuclear waste disposal facility installation projects can be cited as the most conspicuous examples of public disputes underway in the participatory government. These projects have been delayed or interrupted because of the failure to smoothly resolve disputes. The following are an analysis of the backgrounds of these projects as well as the procedures and causes of the conflicts associated with them.

1.3.1. Case 1: Mt. Sapae Tunnel Construction for Seoul Beltway

Launched in 1989, the Seoul Beltway Project aims to reduce traffic congestion in the nation's capital area by building a ring road linking the neighboring cities of Seoul. Of the 127-km road, the 91-km segment connecting the cities of Toegyewon, Pangyo, Pyeongchon, Gimpo and Ilsan has already been open to traffic. The remaining 36.3-km section connecting Ilsan, Uijeongbu and Toegyewon was originally slated to be completed in 2006. However, amid opposition from Buddhist leaders and environmental groups, the work to construct a 4-km tunnel through Mt. Sapae was interrupted in November 2001. The Buddhist community insisted that the government build a bypass road instead of constructing the tunnel. In contrast, the government and the majority of residents in Uijeongbu as well as Seoul's Nowon and Dobong districts supported the original plan, asserting that the bypass route would have little effect in reducing traffic congestion and that it would represent another case of environmental destruction (Joong-ang Ilbo, December 22, 2003).

Amid such arguments, civic and religious groups opposing the tunnel construction formed an "alliance for thwarting the project designed to build a road passing through the national park of Mt. Bukhan." It launched a resistance campaign that included various activities such as human chains. Although dedicated, the campaign had not yet created a situation that would attract the attention of the entire society as a public policy project.

It was not until Monk Boseong began a sit-in protest that a serious social conflict arose in connection with the tunnel construction. The Buddhist monk staged a sit-in protest in front of Wongak Buddhist Temple in Songchu, Gyeonggi Province, from February 2002 through December 23, 2003. On July 16, 2002, a civil panel of the Seoul District Court North Branch granted an injunction sought by 19 temples on Mt. Bukhan, including Hwaryeong Temple, against the tunnel project. Despite the court order, violence erupted on July 25, 2002, when at dawn a group of Buddhist monks and security guards broke into a location where monks from the Jogye Order were

holding a sit-in. The conflict climaxed following this incident. On August 14, both sides agreed on a temporary suspension of the tunnel project, but this did not mean that the problem had been resolved.

On December 22, 2003, President ROH Moo-hyun visited the Buddhist temple Haeinsa and met with the head monk and the executive chief of the Jogye Order. At the meeting, ROH apologized for not keeping his election pledge to nullify the project to build a road passing through Mt. Bukhan. Declining to accept the proposed opinion poll on the tunnel project, the President also called for the Buddhist community's understanding. Following this meeting, the Buddhist community backed off from its adamant opposition to the road project. Thus, the suspended Mt. Sapae Tunnel construction work resumed on December 25, 2003.¹

The following is an analysis of the key factors that caused the conflict over the Mt. Sapae Tunnel Project. First, there was a lack of effort to accommodate public opinions. The Mt. Sapae Tunnel Project had faced consistent public resistance since its announcement by the Ministry of Construction and Transportation. Yet the ministry did not make any serious effort to take the opponents' views into consideration. Had it attentively tried to accommodate various opinions on the project, it could have reduced its implementation cost significantly. Furthermore, the government kept insisting on its position without having discussions with the local residents and civic groups, although it had plenty of time to do that during the planning and execution stages. The government's stubborn attitude definitely contributed to causing the conflict over the tunnel project. The government should be held accountable for disregarding the due procedures and not paying attention to the interests of local residents on the pretext of safeguarding national interests. Had it accommodated public opinion by allowing public participation from the planning stage, it could have avoided such an extreme situation that led to the temporary project suspension.

¹ Information concerning the Mt. Sapae Tunnel Project was reconstructed based on information gained through news search at <http://www.kinds.or.kr>.

Second, the government did not publically provide adequate information regarding the project. The Ministry of Construction and Transportation, Korea Expressway Corporation, and the Ministry of Environment conducted public briefings and hearings as well as environmental impact evaluations in a superficial manner while disclosing little or no information on the project. This fueled public distrust of the government, making it difficult to reconcile the differences.

Third, environmental impact evaluations were not conducted in a thorough manner. Instead of focusing on the environment, the Environment Ministry put emphasis on construction effectiveness, thereby bringing about favorable results for the Ministry of Construction and Transportation. The evaluations left much to be desired, particularly with regard to their fairness.

Next, the lack of active public participation should also be cited as a contributing factor. Public resistance led to various activities such as a one million signature campaign, a human chain protest, and anti-project rallies. These activities, however, failed to draw active participation of local residents. People in other areas paid little attention to the project and the related arguments.

Additionally, sufficient efforts were not made for dialogue and compromise. As far as this matter is concerned, civic groups should also be held partly responsible. They kept insisting on their positions without trying to reconcile the differences in negotiations with the government.

1.3.2. Case 2: Conflict over High-Speed Railway Route Linking Mt. Geumjeong and Mt. Cheonseong in the Busan Area²

In 1989, the government decided to build a high-speed railway along the Seoul-Busan corridor to resolve transportation and logistics difficulties caused

² The Busan Federation for Environmental Movement (<http://pusan.kfem.or.kr>) keeps a collection of articles on public discussions made during meetings presided over by the civic and religious committee opposing the Mt. Geumjeong Railway Project. The collection has been used as a reference material for this story.

by saturated traffic conditions along the arterial route. It was a large-scale project of national importance. The plan, however, faced public resistance regarding the projected railway route between the mountains of Cheonseong and Geumjeong. The opposition was based on the allegation that the route construction would inflict serious environmental damage along the Nakdong River near the cities of Busan and Yangsan. A serious conflict arose as organized resistance began to be staged by religious figures, civic groups and local residents. In response, the Ministry of Construction and Transportation and a special government task force agreed to launch a consultation committee that would be comprised of relevant government officials, experts and professors. Yet they could not form the committee amid the protestors demanding route plan nullification while the government wouldn't budge from the original plan.

On March 7, 2003, President ROH Moon-hyun called for renegotiations over the issue, while ordering suspension of construction. Following the presidential instructions, Moon Jae In, one of the senior presidential secretaries, visited Busan and had talks with a group of residents and religious figures representing the opponents. At the talks, they agreed to form a review committee for early resolution of the route problem, with participants evenly split between the Ministry of Construction and Transportation and the civic group. They decided to determine a new route plan as early as possible through analysis of economic feasibility and environmental friendliness of the existing plan and an alternative plan to be proposed by the review committee. They agreed that all the second-stage high-speed construction work should be stopped during the review process. Although the civic group agreed on the establishment of the review committee, it reiterated its stance that any railway route should not cut through the mountains. Against this backdrop, let us ask this question: what were the causes of the conflict that occurred over the Busan area high-speed railway section connecting Mt. Geumjeong and Mt. Cheonseong?

First, questions can be raised about the quality of the environmental impact evaluation. The environmental impact evaluation report for the

Gyeongbu high-speed railway project for the Busan/Gyeongnam area, prepared by Korea Rail Network Authority, turned out to be defective. The corporation was found to have not fully considered options that could minimize the railway's impacts on the environment. The environmental evaluation system was designed to minimize a project's unfavorable effects on the environment. Despite the fact that the tunnel section would be built through the two mountains without damaging the pristine environmental conditions, the corporation had not conducted a thorough investigation into the project's negative environmental impacts.

Second, the government failed to cope expeditiously with negative public opinion. Whenever questions were raised about the project and the related environmental evaluation, the Korea Rail Network Authority reiterated its position that it could not change the project plan determined by the government. Regarding criticism about insufficient evaluation of the environmental effects, the Authority kept saying that it would take necessary measures while carrying out the construction.

Third, there was a lack of preparation. Without fully taking into consideration the fact that the railway might pose a serious threat to the Mujechi and Hwaeom swamps, places designated, respectively, as an ecological preservation and a wetland protection area, the government simply said it would take necessary measures after starting railway construction. This represented a strong undesirable attitude. Additionally, the government did not thoroughly examine the following matters: the possibility of designated cultural properties being damaged by ground subsidence, the impacts on Dongnae and other natural spas that depend on Mt. Geumjeong for hot spring water, levels of noise affecting the residents of apartments near the railway route, particularly those near the start and end points of the tunnel, and impacts on the ancient Buddhist temples located on the mountains and their surrounding areas.

Fourth, there was a lack of social consensus. For over 10 years since the adoption of the high-speed railway plan, the local communities had not been provided with information about the route that would cut through

the mountains. This deepened the level of public distrust of the government. All of this problem can be attributable to the undesirable attitude of the government, which had not taken steps to accommodate the local residents' opinions nor to provide relevant information, up until the start of railway construction.

1.3.3. Case 3: Saemangeum Reclamation Project³

The Saemangeum Reclamation Project was conceived as part of a west coast reclamation plan proposed as part of efforts to tackle various problems related to Korea's high economic growth in the 1970s and 1980s, such as rapid population growth, the desertification of rural areas, and a steep decrease in farming land amid expansion of urban areas and the resultant fall in the nation's food self-sufficiency ratio. It was also associated with Jeollabuk Province residents' demand that more economic development projects be launched in the relatively marginalized province. Aware of these situations, the ruling party's presidential candidate, ROH Tae-woo, in 1987 presented a basic plan for the Saemangeum project as an election pledge. However, he could not carry out this promise for a considerable period of time after he took office as president. Essentially, it was a hastily devised election pledge targeted at the voters of Jeollabuk. At that, it was such a huge project that it was not easy to secure the necessary financial resources.

In the meantime, a serious social problem surfaced with the release of polluted water from Lake Sihwa into the sea in June 1996. The next year, plenty of news articles began to come out, expressing concern that the Saemangeum project might follow the example of Lake Sihwa. In 1998, controversy over the project became a full-fledged environmental issue affecting the entire nation. In conjunction with civic groups, the government took a series of steps, further drawing public attention to the project. After

³ Contents about the Saemangeum project were based on the *Saemangeum Report* (2000) and a report written by LEE Jae Hyeop (2002).

conducting a special investigation of the project for two months beginning in April, the Board of Audit and Inspection pointed out that there were serious problems with the project in terms of economic feasibility, water quality and related administrative affairs. In July 1998, environmental NGOs launched a citizen committee, comprised of 39 civic groups, aimed at nullifying the project. While demanding that the project be scrapped, the committee staged a campaign to revive the Saemangeum tidal flat. One hundred civic leaders issued a joint statement calling on the government to immediately abolish the project. A series of meetings were also held to discuss the problems related to the project.

Amid such heated arguments, the provincial government of Jeollabuk and civic organizations, including Green Korea, in 1999 proposed to the government that a joint investigative research team be launched. The government accepted the proposal, apparently hoping that it could gain legitimacy for the project by dealing with the controversy in a manner friendly with civic organizations. It appears that the environmental groups also thought that the joint investigative activities would help end the social controversy over the project. Contrary to both sets of expectations, the disputes further escalated after completion of the investigative research due to the different views expressed by the opposing sides on the future of the project.

The joint investigation team was comprised of 30 members: 10 experts recommended by the project proponents, another 10 chosen by the opponents, nine government officials, including the competent ministries' director generals in charge of the project, and the chairman. The investigation plan was determined through a cabinet vice ministers' meeting and discussions at a private-sector committee on the government's water management policy. Its activities were not disclosed to the public. As the findings were not put up for public discussion, the heated social atmosphere over the project began to calm down rapidly. Substantive discussions dwindled in intensity during the investigation period, but civic and environmental groups actively carried out relevant activities such as observation tours and field trips to the project site and the Saemangeum mud flat. However, the investigation team had serious

problems with its composition and operating method. After conducting an investigation for 14 months, the team presented the report on its outcome to the Prime Minister's Office in August 2000. However, the private-sector experts contested the contents of the report, asserting that they were distorted. This meant that the government had failed in its attempt to end the controversy over the project on the basis of the investigation results.

With the investigation team having wrapped up its activities without reaching any conclusion, the government began to examine the matters raised by the team and discussed measures to ensure the implementation of the project. Through coordination by the Policy Coordination Office under the Prime Minister, various government agencies participated in this process. They included the Ministry of Agriculture, Korea Agricultural and Rural Infrastructure Corporation, the provincial government of Jeollabuk, the Ministry of Environment and the Ministry of Fisheries and Maritime Affairs. Throughout the coordination sessions, the Environment Ministry and the Ministry of Fisheries and Maritime Affairs raised their opposition to the government's move to go ahead with the project. Thus, the government delayed the deadline for final decision from January back to March. This was later put off again to May 25. While the government agencies were discussing ways to ensure project implementation, public resistance led by civic groups reached its climax. There seemed to be a consensus among the oppositionists that they could expect little from the government. Their negative stance was intensified by rumors that the government would enforce its construction plan regardless of public opinions. They further stiffened their stance after the ruling Democratic Party was reported to be supporting the government's plan. From a certain point of view it looked as if the civic and environmental groups could be seen as seeking a pretext for continuing their opposition campaign regardless of the government's decision to push ahead with the project.

On October 16, 2000, civic and religious leaders launched a 33-day sit-in protest at Jogye Temple, calling for efforts to save the Saemangeum tidal flat. This was followed by a life and peace declaration signed by 2,000 members

of various religions. This provided momentum for the nation's religious communities to become more actively involved in the Saemangeum issue. In March 2001, about 200 organizations formed what they called a "life and peace alliance for the Saemangeum mud flat." They included religious groups, NGOs, grassroots organizations, and associations comprised of labors, farmers, and teachers.

Launched in 2000, the Presidential Committee for Sustainable Development also participated in efforts to reconcile the differences over the project. "It has become difficult for society to accept the Saemangeum project due to the lack of proper discussions and agreement procedures," a committee spokesman said. "Therefore, the committee intends to objectively analyze the positions of both the proponents and the opponents, thereby giving advice to the President on a desirable direction for project implementation." The committee began reviewing the matters related to Saemangeum in November 2000 and drew up a report in March 2001. In the report, it recommended putting off making the final decision, saying that "under the current circumstances, it is difficult to determine whether or not to execute the project." However, the recommendation was not accepted by the government, which wanted to settle the controversy at the earliest possible date. Thus, in order to reach a conclusion, the Policy Coordination Office held three rounds of discussions with the presidential office and the Sustainable Development Committee. The discussions covered three areas: issues of contention, human and social relations, and alternative options. The discussions were observed by an evaluation team composed of figures recommended by the Sustainable Development Committee and the Policy Coordination Office. The team held evaluation meetings twice and presented the results to the Sustainable Development Committee and the Prime Minister's Office on May 24, 2001. The next day, the government held a meeting of private-sector experts on water management policy. It was immediately followed by a public-sector coordination committee meeting on the same topic. Through the meetings, the government fixed its plan to implement the Saemangeum project in a consecutive manner.

The conflict over the Saemangeum project can be attributed to the following factors:

First, the government lacked consistency in determining the relevant policies. It failed to coherently express its position while promoting the project. The Ministry of Fisheries and Maritime Affairs opposed the project, citing the need to safeguard the mud flat and the coastal waters, whereas the Agriculture Ministry and Korea Agricultural and Rural Infrastructure Corporation insisted on implementing it as a national task. The Environment Ministry said it would not assume responsibility for adverse environmental effects stemming from the project. In short, the original project plan was nothing but a proposal put forward by the Agriculture Ministry.

Second, exclusion of primary stakeholders and changes in the issues of contention helped fuel the conflict. In the early stages, the most important issue was about making compensations for damage to be suffered by the residents of local fishing communities as well as dealing with environmental contamination. With expansion of the scope of parties interested in the project, other issues began to surface, eventually drawing higher levels of public attention. For example, active involvement of environmental groups led to arguments over questions related to seawall construction, such as mud flat destruction, destruction of migratory bird habitats, lake water quality, and installation of purification facilities needed to construct a freshwater lake. Heated debate also began to arise about the question of securing the addition budget as well as tax money squandered as a result of inappropriate use of the budget during the early stages of the project.

Third, immaturity related to project promotion helped cause the conflict. In the first place, the project was promoted for political gains. Initially, it faced only low-level resistance from fishing community residents calling for compensations as well as some quarters of the government. Yet the voices opposing the project grew louder, eventually demanding reconsideration of the project. The project was promoted without sufficient discussions about its feasibility within the government. It was also lacking in social consensus. In this sense, it was an immature project. Although belatedly, however,

there arose public resistance, helping the project reach its maturity. In general, social activism is based on its pursuit of maturity and rationality in staging campaigns for certain goals, while its opponents mobilize their own rationality to defend their cause. Consequently, social activism contributes to considerably improving the level of rationality in relation to the achievement of a goal. Resistance to the Saemangeum project helped expand the scope of public awareness of the importance of mud flats. It also helped bring attention to the fact that engineering-centered values of putting priority to development projects still prevailed in Korean society. The resistance also helped secure an atmosphere for the participation of social activists in the process of determining relevant policies. For these reasons, the two years of conflict, during which the Saemangeum project was suspended, could be seen as a period for achieving maturity in association with the project.

1.3.4. Case 4: Buan County and the Radioactive Waste Repository Project⁴

Radioactive waste is continuously generated through activities of hospitals, industrial entities and research institutes as well as nuclear power plants. Power reactor sites can be used for various purposes through regeneration after the plants are closed. Given this, it is desirable to dispose of radioactive waste from nuclear power stations at sites located elsewhere. In other words, doing so is in the national interest in terms of effective land use and economic feasibility. But it requires selecting suitable nuclear waste disposal sites.

On July 14, 2003, Buan County made an application to host the proposed nuclear waste repository, suggesting that it be built on Wido, an island 14.4 km off Gyeokpo Port at Byeonsanbando.⁵ However, the county's scheme did

⁴ Information about the Buan Nuclear Waste Project was gained from a collection of documents compiled by the Buan County Committee for Nullifying the Nuclear Waste Project, Jeollabuk Province Residents' Alliance for Democratic Media Movement, Culture Alliance, as well as from the website of the Ministry of Trade, Industry and Energy (<http://www.motie.go.kr>).

not pan out due to conflict of interests and values among stakeholders. The causes of the conflict can be summed up as follows:

First, there was a lack of procedural legitimacy. The county administration and Korea Hydro & Nuclear Power Co. were criticized for having failed to thoroughly and judiciously conduct the process of gaining public assent ahead of submitting the application. They had held scores of briefings and hearings in the counties of Yeonggwang and Gochang. In Buan, however, they had never held such sessions, consequently disregarding the views of the local officials and residents there. The situation did not change even after the application was submitted.

Second, the relevant authorities were lacking in consistency in terms of policy execution. Buan County insisted that it applied for the nuclear waste facility based on its own decision. “Gunsan City had been considered a strong candidate to host the facility, yet it was declared unfit after geological analysis. So, we hastily moved to submit the application,” a county spokesman said. However, the county was reported to have been persuaded by the provincial government of Jeollabuk into volunteering to host the facility. The application was made without gaining consent even from county officials. As a result, the association of public officials in the county turned into a strongly vocal group in putting up resistance to the project. On July 26, 2003, the Minister of Trade, Industry and Energy visited the Buan

5 The nuclear waste management project is to ensure safe management of all the radioactive materials collected from the nation’s nuclear power plants by storing them in one place. Given the current storage capacity and the pace of radioactive waste generation, the nation is projected to face storage limits for low- and mid-level radioactive waste in 2008 and for spent nuclear fuel in 2016. In the past, the storage saturation level was projected to reach its limit much earlier. However, additional temporary storage facilities have been built amid continued delays during the past 17 years in efforts to secure a permanent storage site. Also, progress has been made in endeavors to improve technologies related to nuclear power plant operation and super high pressure compression. As a result, the nation has gained more time, with 2008 set as the year when it is likely to face the nuclear waste storage limit. As for spent nuclear fuel, the storage limit for the Wolsong Power Station has been projected to come in 2006. However, the government plans to continue to store the spent fuel within the station until 2016, the target year for building interim storage facilities, by increasing the current capacity through the use of high-density storage racks, dry storage techniques and inter-reactor transportation. Yet these represent only stop-gap measures. So, it is vitally necessary to construct nuclear waste facilities by 2008” (cited from the website of the Ministry of Commerce, Industry and Energy).

County Headquarters, and made a promise to provide cash support to Wido residents. “Even through amending the related laws and regulations, we will seek ways to compensate the island residents,” the Minister was quoted as saying. The next day, however, the government decided against providing cash support, amid a climate of unfavorable opinion regarding reports that each Wido household would be given up to 500 million won in compensation. Instead, the government decided to seek other “substantial” measures to help support the island residents.

Third, there was a problem with the attitude of the media. When Buan County made the application to host the nuclear waste facility, it instantly made front page headlines. Stories under headlines like “Wido Nuclear Waste Project Virtually Settled” were carried on front pages of nearly all the newspapers. The way the media handled the matter helped foster the impression that they were only propagating the government policy as far as the radioactive waste repository issue was concerned. Later, while covering the protests in Buan, the media showed bias by deciding to focus on the violent nature of the protests, thereby losing their neutrality.

Fourth, the government was not trusted. The Ministry of Trade, Industry and Energy originally issued a report in conjunction with Korea Hydro & Nuclear Power Co. on the selection of four candidate sites. They asserted that the four sites had been selected through a five-stage screening process that included thorough data research and analysis, field research and a review by an advisory committee comprised of experts from various sectors of society. Later, however, the report was criticized by environmental groups, which described it as “a repeat of past data and full of holes.” The report also did not specifically name the “experts from various sectors of society,” thus suffering serious damage to its credibility. Furthermore, Buan County, which had not been included among the four candidates, somehow suddenly surfaced as the strongest candidate. Thus, the government could not avoid criticism that the government’s site selection process had been carried out with more haste than caution.

Then, what are the common causes of the above-mentioned public

conflicts? They can be summed up as follows: the government lacked in preparations and consistency, lack of a socially acceptable cause, and lack of stakeholder participation. Based on this analysis, the government should try to ensure the following three points in managing conflicts in the public sector:

First, it is essential to secure validity when promoting projects necessitated by changes in society. Public projects ought to be promoted in a manner that can contribute to maturity of civic awareness of such values as strengthening of civic society, development of local autonomy, and democratization. They should represent social changes based on shifts from development to environmental ecology, from economic growth to social ecological development, and from efficiency to equity. Only when they gain public support by meeting these conditions can public projects be smoothly implemented.

Second, executing a consistent policy requires selecting a leader that can push ahead with a project in a responsible manner. It is also necessary to pick an assistant leader who can effectively support the primary leader. In order to satisfy the public desires and realize a better society, we need a transformational leader who can put forth a new vision through which they can lead a drive for social change. We are afraid of giving up familiar practices and adapting ourselves to changes. Because of this fear, there arise lots of criticism and resistance when a leader presents a new vision and tries to implement reform. However, we need to change in order to pursue further development without sitting idly by. So, it is necessary to implement projects in a resolute manner. When executing a project with a strong will, a leader sometimes fails to see some defective aspects. This is why we need another leader who can make up for the primary leader's shortcomings and provide support. This should be a person that can help the project leader move in the right direction with sound advice and accommodate various opinions.

Finally, there should be a mechanism for ensuring consensus among stakeholders through sufficient communication. As shown in the above-mentioned cases, both the (local) governments and other stakeholders tended to keep insisting on their own positions, without exploring the possibility

of preventing conflicts through advancing negotiations. These unwavering attitudes resulted in extreme confrontations. Therefore, it is vitally necessary to ensure continuous communication through a mechanism aimed at facilitating the process of reaching agreement.

Based on what have been discussed so far, we can conclude that public projects should be socially justifiable in terms of causes and that they can be executed in a smooth manner only when they are under leadership who can accommodate various opinions of the stakeholders.

2. Public Conflict Management Theory for the 21st Century

2.1. Causes of Public Conflict

In order to approach the issue of conflict management, we should first analyze the factors causing conflicts. Various causes have been identified through case studies and can be classified into the following categories: economic factors, social factors, political factors, psychological and cultural factors, and administrative and institutional factors.

2.1.1. Economic Factors

Discussions about proper compensation can be made from an economic point of view. Local development or facility installation projects are by nature related to the allocation of resources. Therefore, when promoting facility or land use projects, particularly keen attention is paid to the question of identifying the prospective beneficiaries and cost bearers. If a facility is regionally beneficial but places a financial burden on specific areas, conflict is sure to arise (Ministry of Government Administration and Local Autonomy, Korea Research Institute for Human Settlements, Korea Research Institute for Local Administration, 1999: 24).

A local community, for example, usually suffers from unfavorable

impacts from hosting an undesirable facility. In terms of benefits derived from the facility, there is little difference between the community and other areas. Even if this difference increases, the gap is almost negligible. The same can be said of local development projects. They can be beneficial elements to some areas, or generate various positive effects for a regional society at large. However, they may cause economic losses to particular areas. Such facilities or projects inflict various types of negative impacts to the hosting community, such as noise, bad smells, pollution, traffic congestion, damage to the surrounding scenery, threats to health and life, risks of unexpected accidents, and reduction in land value. In contrast, the benefits the hosting community can receive are just a limited degree of job creation or tax revenue increase. Therefore, from the perspective of the local residents, it is very unfair to install an undesirable facility in their community. They may also feel a sense of deprivation compared to other areas. Group conflicts occur because of these reasons.

In addition, installation of such a facility is itself an act that incurs unfairness in terms of benefits and costs. Put another way, this means that the costs to be shouldered by the local residents are much bigger than the benefits they can get because of the facility. Therefore, it is essential to secure measures that can correct such unfairness when promoting a project to install an unwanted facility. Pushing ahead with such a project with little or insufficient compensation measures is tantamount to requiring the hosting community or its local administrative body to shoulder excessive burdens or make unjustifiable sacrifices. The same can be said of regional development projects. Such projects may be regionally or nationally beneficial. Yet they may inflict damage to the hosting communities in various ways. Should such a project be pushed ahead without sufficient rewards for the hosting community, there would be no way to avoid resistance from the local residents.

2.1.2. Social Factors

Behind the rapidly growing public conflicts are social factors related to

the general trends toward democratization and decentralization, such as increases in desire for autonomy and participation in the process of policy determination, growth in expectations for environmental conservation and improvement in the quality of living, and lack of trust among stakeholders.

First, decision-making rights related to major policies are being decentralized. The decision rights, long monopolized by the central government, are now being allocated gradually to local autonomous entities, the private sector and the public. Still, however, there remains the centralized practice of making major decisions. The institutional framework and means for ensuring stakeholders' autonomous participation in the process have yet to be established. In particular, the blurred lines or overlap between the central government and the local entities in terms of decision-making rights and functions serve as conflicts between the two sides. There is also a persistent state of mind that regards local residents not as a major stakeholder but as an object of a policy or a project. Such an attitude often clashes with the resident's participatory desire, thus resulting in confrontational occurrences. As explained so far, those responsible for executing public policies are showing their limits in accommodating a diversity of opinions expressed in a multi-faceted society characterized by decentralization and democratization.

Furthermore, due to technological advances in the fields of transportation and communication, there is a growing trend toward interregional dependency and relations in terms of economic, social and cultural aspects. As a result, the scope of uniquely local affairs is dwindling while the state interests increasingly overlap with those of the provinces.

There is a growing need for cooperation and reconciliation between local entities and the central government or upper-echelon local administrative bodies in order to set minimum welfare standards and divide their roles in policy planning and execution. However, there may be local entities that unconditionally oppose government policies while adamantly pursuing their own interests. They try to push ahead the positions of the local residents even by resorting to violent collective actions, taken out of a wrong perception

that such activities are based on the principle of local autonomy. The lack of functions that can ensure cooperation and coordination in the process of making decisions on public projects may cause disputes between the local administrative bodies and the central government or upper-echelon entities.

Second, the development-oriented mindset has given way to the environment-friendly attitude in relation to endeavors to improve the quality of living and ensure environmental preservation. The new state of mind definitely clashes with the conventional belief that economic efficiency takes precedence over environmental or cultural values. The society now places more importance on cultural and environmental values than on economic aspects as it tries to improve individuals' quality of living. Accordingly, when dealing with the question of promoting a public development project, people naturally take into consideration negative environmental impacts among others of development projects as well as their direct economic effects.

These changes were accelerated in the 1980s as the government began to pursue environmental protection policies in earnest. The problem, however, was that the relevant public relations endeavors focused just on bringing public attention to environmental damages and the related risks rather than on promoting public awareness of the environmental questions in a systematic manner. Such communication efforts contributed to gaining public sympathy toward pro-environment policies. Yet they helped fuel extreme regional egoism. Some communities raised implacable opposition to hosting any facility project containing the slightest hint of the release of pollutants.

As mentioned so far, a growing number of conflicts are taking place in Korean society amid a trend toward the pursuit of issues conducive to increasing public interests, such as environmental and ecological protection as well as sustainable development. Residents and NGOs are aggressively participating in campaigns related to such issues, regardless of whether they have direct interests or not. These developments are making it vitally necessary to ensure effective coordination of various opinions while promoting public projects.

Third, conflicts caused by the lack of trust among stakeholders take place

because they are worried more about possible future damages and losses than about the ones they have already suffered. Without mutual trust, the stakeholders have no other choice but to repeat their different positions, thus making it difficult for them to compromise and achieve reconciliation. Additionally, Korean society has neither a mechanism for accommodation of diverse opinions nor a framework for coordination of differences. This can be cited as an important indirect factor that causes conflicts.

2.1.3. Political Factors

Of the various factors causing disputes between the government and the public in connection with local development projects, the most important is the lack of transparency in decision making. If the interested parties are not allowed to take part in the decision-making process, conflicts are sure to occur. Even decisions reached in a reasonable manner would likely be perceived negatively, should public participation be restricted. This is because public participation itself is an essential element for making desirable decisions. It is also because ensuring public participation makes it possible to make decisions based on knowledge and information the residents of a local community have, thereby laying a foundation for easing conflicts on a long-term basis. In determining facility sites or promoting local development programs, the government has traditionally employed a top-down planning strategy. Under this scheme, the government first makes decisions and announces them later. This is followed by moves to defend the decisions and to gain consent from the stakeholders through persuasion. Opinions of the local residents have not been properly reflected under this method. As a result, it only fuels distrust of the government among the public. Further aggravating the situation is the lack of scientific and technological data and information. This is particularly true of the installation of undesirable facilities or other projects that might inflict damage on the residents or merchants in the hosting community. A project will be lacking in reliability in case its scientific and technological propriety is not recognized by

stakeholders or when relevant information is not provided systematically and actively to the interested parties. Such a lack of reliability often incurs violent collective action.

2.1.4. Psychological and Cultural Factors

Conflicts related to local development projects can also be caused by psychological or cultural factors like unreasonable demand or vague hostility.

Particularly worth mentioning is regional egoism that causes the “not in my backyard” (NIMBY) and “please in my front yard” (PIMFY) mindsets. NIMBY refers to the practice of residents opposing a project in the belief that it would cause unfavorable impacts to their community. The PIMFY syndrome is related to the tendency of residents to host a facility or a project which they believe would be beneficial to their community.

Both these syndromes incur conflicts between the government and residents. They represent regional egoism which has become bigger since the implementation of local autonomy in the nation. They can also be seen as an example of clashes of interests over the allocation of values during a period of transition toward mature democracy. Opposition based on regional egoism is lacking in reasonable foundation, and it is a result of complex operation of various factors such as a fear of potential threats or losses, a victim mentality, and regional rivalry. From a certain point of view, regional egoism may be regarded as a temporary phenomenon that takes place as the nation makes progress in terms of local autonomy and democracy. The problem, however, is that such egoism is often expressed through illegal collective action accompanied by physical acts. It is really worrisome that some people resort to violent means to express their opinions instead of using peaceful and justifiable methods (KIM Heung-sik, 1993). Instead of unilaterally ignoring or criticizing people making irrational demands, we need to offer objective and scientific information that can help remove their preconceptions, prejudices and worries, and seek to solve problems through dialogue and persuasion.

2.1.5. Administrative and Institutional Factors

There are two ways to settle conflicts that arise between the government and the public: through direct negotiations, or through mediation by the court or quasi-judicial institutions like the Environmental Dispute Arbitration Commission. When direct negotiations fail to produce an agreement, the next step should be to seek resolution through a system of mediation and arbitration. However, some people tend to resort to collective action and other illicit measures while trying to gain public sympathy and block the implementation of public projects.

Public participation programs are used as a scheme to help resolve conflicts between the government and residents. This system is designed to iron out differences of opinions, thereby making it easier for the government to settle disputes with local residents. With regard to environmental damages stemming from development projects, the government is operating a scheme under which those suffering losses can seek compensation by lodging complaints with the Environmental Dispute Arbitration Commission. In addition, there are various compensation laws such as the Specific Multi-Purpose Dams Act, the Act on Special Cases Concerning Acquisition of Public Lands and Loss Compensation, and the Land Expropriation Act. However, these measures are not commonly used by the public because of red tape and various procedural requirements. As such, they still have a long way to go before ensuring the status of institutional schemes for preventing conflicts through advanced mediation efforts. The public participation program, for example, is used only for accommodating opinions regarding overall planning procedures, without effectively serving as a tool for ensuring advance mediation. Because of the absence of an institutional framework for helping residents understand the government's position and accommodating their opinions, disputes often arise even over simple matters that can be easily settled.

Once conflicts begin, it is very difficult to resolve them. They can escalate because of the shortages of organizations and personnel that can offer mediation services and related support. Therefore, it is necessary to establish

the institutional foundation and means for preventing conflicts of interest, and mediating and resolving them once they occur. Through this mechanism, professional conflict prevention and mediation services should be available covering the entire project cycle from planning to execution.

2.2. Requirements of a New Public Conflict Management Paradigm for This Era

This book intends to set a framework for analysis by focusing on the Cheonggyecheon Restoration Project as an example while taking note of the limitations of the existing studies. The successful launching of the project can be attributable to a conflict management system based on three aspects: social validity or legitimacy, leadership, and negotiation. This scheme is analyzed as a new paradigm for resolving public disputes.

2.2.1. Social Validity or Legitimacy

Whether a project can be carried out smoothly or not is considerably dependent on its validity. In this regard, we intend to include various factors related to political, social and economic environments as the first analysis tool. This is related to our understanding that the successful implementation of the conflict management strategy for the Cheonggyecheon Restoration Project can be attributed in large part to its legitimacy. Analysis of the project's validity is conducted in two areas: political/administrative environmental factors, and sociocultural environmental factors.

With regard to the political/administrative environment, we examine the process of gaining consent from the city council as well as the governance system regarding its formation and roles. The triangular governance system of Seoul Metropolitan Government, Cheonggyecheon Restoration Research Corps, and Citizens' Committee for Cheonggyecheon Restoration played a key role in ensuring theoretical and social legitimacy for the project. We intend to investigate the impacts this scheme had on disputes during the

project implementation process.

Concerning the sociocultural environment, the analysis focuses on the roles of the media and social leaders as well as on how the project fit with social trends and how the public opinions on the project were accommodated. Democratization and social development in terms of civic society brought about a series of changes regarding conflicts between local administrative entities and residents. In the past, conflicts between local governments and residents were restricted to regional or local issues representing a confrontational structure between a strong government and weak public. Now, gaining the upper hand in such confrontational situations is dependent on public opinion. Therefore, the foremost condition for ensuring the success of a project through effective conflict management is to publicize its necessity and directions. Such public communication efforts help enhance public understanding regarding a project's positive aspects and remove misgivings caused by the spread of false or inaccurate information, thereby making it possible to execute the project in a smooth manner. Additionally, the sociocultural environment serves as a factor putting pressure on the stakeholders in a way that can ease conflicts and draw them to the negotiating table. Third parties like civic groups, including environmental NGOs, and the news media often appear as important variables (PARK In-gwon, 1999: 34). In addition, public attention can play a crucial role (PARK Min-jin, 2003: 99-100). The significance and roles of each major factor can be summed up as follows:

The first element affecting conflicts is civic groups. With advancement and diversification of society, civic organizations are expanding their scope of activities for resolution of environmental problems and improvement of the quality of living. Of late, amid growing activism, civic groups equipped with relevant expertise are devising action strategies for mediation, research, information gathering and consideration of legal implications in collaboration with local organizations. At the same time, they are taking part in various physical and nonphysical activities. They are also engaged in indirect support activities such as the spreading of information on local issues to outside

communities and the pursuit of alliance with various other groups.

The second element is the media. With advances in information and communication technologies, the news media are exercising their influence over the formation of public opinion in a variety of ways. In particular, they help the general public correctly understand the situations around major incidents through the provision of information so that they can make objective judgements. The media also implement numerous functions with regard to actual conflicts. In the case of disputes over the project to build a waste incinerating plant in Sanbon, Gunpo City, Gyeonggi Province, the media reported on the project's legitimacy in a neutral position instead of just serving as a channel for reporting the local residents' opinions. Consequently, the residents could not but accept the project as they were overwhelmed by popular opinion that favored building the incinerator. As demonstrated in this example, favorable (or non-negative) evaluation by the media is an important variable that can help create positive public opinion about a project and change the attitudes of opponents.

The third element is public interest. In certain projects, it can be generated when adequate information is provided by civic organizations, the media, stakeholders and interested parties. Public attention on a project can serve as psychological pressure, making opponents renounce their resistance. The lack of public consent on a government policy can raise the legitimacy of opposition, thus prompting them to intensify the level of their resistance. The public may not show interest in the rationale for opposing a project or accuse the opponents of pursuing collective egoism. Such a development could cause disintegration of the alliance of the opponents, thereby forcing them to seek a negotiated settlement. Public attention or support can weigh in favor of or against either side in negotiations, causing a shift in the axis of legitimacy.

2.2.2. Leadership

Leadership is also regarded as an important part of the conflict resolution framework. As a society faces an increasingly uncertain future amid rapid

changes, its leaders are required to expeditiously adapt to such conditions so that they can overcome crises and conflicts lurking everywhere. Having the right kind of leadership is quite important for a society. Such leadership can be displayed, in particular, when promoting reform or innovative changes.

Results of conflict management can differ depending on the type of leadership demonstrated by negotiators. They are also affected by their selection criteria, which are comprised of the following elements:

First of all, when acting as chief negotiators, leaders are required to ensure effective management of negotiations. The type of leadership demonstrated by them has impacts on the process of reaching agreement through efforts to efficiently conduct negotiations. Leadership can be classified into five types depending on the degree of assertiveness and cooperativeness.

Competitive leadership is strong in assertiveness and weak in cooperativeness, while accommodating leadership has weakness in assertiveness but strength in cooperativeness. Risk-averse leaders are weak in both assertiveness and cooperativeness, whereas cooperative leaders are strong in both categories. Lastly, the compromising style of leadership is represented by relative mildness in both assertiveness and cooperativeness.

Secondly, the selection criteria for chief negotiators need to be examined. Regarding the characteristics and attitudes required of chief negotiators, PARK Song-taek (1994: 85-87) presented the following elements: trust, emotional empathy, confidence, resourcefulness, physical and mental health, and emotional suppression. The following are detailed explanations on these elements:

- ① The most basic virtue required of leaders is the ability to inspire trust. Trust is a prerequisite for ensuring success in negotiations. Lack of trust between negotiators makes it difficult to reach agreement. Even if they manage to hammer out an agreement, the lingering situation of latent conflict makes it difficult to carry it out.
- ② Leaders should be able to walk in another person's shoes and be good at empathy. Chief negotiators ought to be able to think about matters from the viewpoint of the opposite party. Agreement cannot

be reached when they just insist on their positions without taking into consideration their opponents' opinions and the situations they are placed in.

- ③ Leaders must have self-confidence. At the negotiating table, they should display confidence that they can strongly assert their views and safeguard the interests of the groups they represent. They are also required to act with confidence in trying to persuade the members of their groups into accepting an agreement reached through negotiations.
- ④ Leaders should have the resourcefulness to properly cope with rapidly changing situations. The ability to make judgment instantaneously and propose new options is an essential element required for managing the process of negotiations and working out an agreement.
- ⑤ Leaders should be able to suppress their emotion. The process of negotiation is easy to abort, but difficult to restore. Therefore, negotiators should refrain from expressing their anger in an extreme manner so that they can prevent negotiations from breaking down. In this regard, leaders are required to have the ability to restrain themselves and concentrate reasonably on resolving conflicts of interest.
- ⑥ Leaders should be healthy both mentally and physically. Negotiations may proceed without time restrictions. So, mental and physical health is an essential element required of leaders who should conduct talks with perseverance and determination.

Based on the above-mentioned contents, a detailed analysis will be conducted in Chapter 4 on the type of leadership, its characteristics and the attitudes of negotiators in connection with the Cheonggyecheon Restoration Project.

2.2.3. Negotiation

The Seoul government persuaded the merchants around Cheonggyecheon

into accepting its restoration project by easing their worries about their business prospects and living environments through active dialogue and negotiations. This achievement represents a good example of a successful dispute resolution strategy. As such, this book analyzes the project as an exemplary case, focusing on the negotiation strategy Seoul used to resolve its disputes with the merchants. The analysis includes a review of dynamic interactions that occurred between the stakeholders in the preliminary and main negotiation stages as well as in the post-negotiation stage. Based on its research into the negotiation management framework used in the Cheonggyecheon project, this book intends to present a new tool for conflict management and resolution in relation to public administration.

Specifically, research for this book looks into Seoul Metropolitan Government's preliminary negotiation strategy and its agenda tactics. It also reviews information about the negotiators representing the city government and their opponents, analyzing whether the opponents were entitled to represent the groups resisting the project. Additionally, it delves into the negotiation channels, particularly those considered to have relatively good effects. In order to identify the variables critically influencing the directions and contents of negotiations, analysis is made into the following aspects: the status of mutual trust among the negotiators, the types of leadership in operation within the negotiating teams, solidarity among the negotiators, information sharing, media response, and the negotiation deadline. The negotiation strategy, devised based on information about these aspects, will be discussed in detail in Chapter 5.

PART
II

Conflict Resolution Strategies Adopted for Cheonggyecheon Restoration Project



Shifting Toward a New Environmental City

1. Project Background the Cheonggyecheon Restoration Project

1.1. Project Validity

The Cheonggyecheon Restoration Project is a public undertaking designed to recover a waterway that runs through the center of Seoul. It involves the demolition of structures built over the stream at a 5.8 km section that stretches from the Dong-a Ilbo building to the Sindap Railway Bridge in Majang-dong via the Pyeonghwa Market. It serves as a good example of a public project initiated by a city (local) government.

The project signifies the city's effort to establish the city as an eco-friendly and people-oriented urban space. City officials have consistently emphasized the project's multifaceted characteristics and effects, asserting that its significance goes beyond just the restoration of a stream.

The project emerged as an issue of particular social interest in Korea when LEE Myung-bak presented it as his top priority election pledge during the 2002 Seoul mayoral election campaign. Within some quarters of society,

there had been attention paid to the question of resuscitating the paved-over waterway, mainly thanks to relevant research activities conducted by the Cheonggyecheon Revival Research Group. However, it was not until the 2002 mayoral election that the issue drew full-fledged attention of Korean society.

Implementation of the project has particular significance as it has been based on the accommodation of opinions from various sectors of society. The following are summaries of diverse views on the project's background:

First, Seoul Mayor LEE Myung-bak maintains the position that Seoul needs to improve the environment in its central area in order to secure competitiveness as a city that fits in with global urban trends in the 21st century. "One of the specific ways to realize this objective is to implement the Cheonggyecheon project. It must be carried out without fail in order for Seoul to enhance its competitiveness," LEE said.

Second, the Cheonggyecheon Revival Research Group, which has been at the forefront of discussions on Cheonggyecheon restoration since 1999, cites the need to pursue the eco-friendly value of ensuring co-existence of nature and people (NOH Soo-hong, 2002: 2).

Third, the Seoul Institute makes the following assertions: ① It is necessary to pursue a paradigm shift away from growth-oriented values of the 20th century, placing emphasis on equity, the environment and people rather than on efficiency, development and automobiles; ② Renovating the elevated highway over Cheonggyecheon to ensure its safety would cost nearly 100 billion won. Even after such renovation work, it would last two years at the most. There are also various other problems such as ground subsidence taking place at some buildings along the stream, the safety of the aging structure, and the prospect of the neighborhood becoming a slum; ③ Under the growth-oriented development policy of the past, Cheonggyecheon was covered with concrete pavement, on which roads were built. At that time, little attention was paid to air pollution caused by gas emissions from vehicles, and the question of underground cultural items. Now, Seoul residents want a clean environment established along the stream through a

restoration project, which would also help restore Seoul's history; ④ Social controversy is arising over the serious imbalance between the southern and northern parts of Seoul in terms of the economy, housing prices, education, and culture. The imbalance is largely attributable to the fact that urban management facilities causing environmental damage are concentrated in the northern part of the city. In the eastern areas in particular, there are a number of elevated structures built over paved-over streams or river beds, such as the Cheonggye elevated highway, the inner-city circular expressway, and the Dongbu arterial road. Elevated roads built near intersections are also cited as structures blocking the development of nearby areas. It is necessary to implement the Cheonggyecheon Restoration Project as a way to promote a balanced development of Seoul (Seoul Metropolitan Government, Seoul Institute, 2003).

Fourth, the Korean Sociological Association says that the Cheonggye project has ecological significance as it is likely to help revitalize Seoul, a city fatally suffering from the adverse effects of the growth-first policy. It also emphasizes that the project has historic importance in that it can revive historic spaces by peeling back the pavement covering the stream. It stresses its cultural importance as well, noting that it will help return the stream back to the public, thereby enriching their lives. Taking note of the huge scale of the project, the association observes that it also merits economic attention. Additionally, it points to the project's political implications in relation to the fact that it is being promoted in a democratic manner through accommodation of public opinions.

1.2. Project Background

On the significance of the Cheonggyecheon project, the Cheonggyecheon Restoration Project Headquarters (2003) has presented the following four aspects: safety of the aging structures above the paved-over stream, urban environmental improvement, restoration of history and culture, and enlivening the urban economy.

1.2.1. Safety of the Aging Structures

The project is related to efforts to ensure urban safety through fundamental measures (demolition) regarding the aging structures built over the stream. These structures are considered to be threatening the safety of the city's living environment. The safety question was raised in 1999 by a safety check, which pointed out the need to repair and maintain the 30-year-old structures that showed fatigue-related problems. In 2001, the Construction Safety Headquarters stressed the need for overall repair of the Cheonggye elevated highway, citing the results of research in which the structure was given a C grade in safety. American military stationed in Korea also banned trips over the elevated road after designating it as a dangerous structure. In the meantime, the media steadily mentioned the need to take "fundamental measures," observing that the structures had reached their limits. To tackle the safety problem, the city government was originally slated to start repair work for the elevated highway in July 2002. The repair work was planned to be carried out for two years and 10 months at a cost of 100 billion won. However, experts called for more thorough measures, noting that at least 2 billion won would have to be spent every year just for maintenance of the structure.

1.2.2. Urban Environmental Improvement

The project is also aimed at creating a people-oriented eco-friendly urban space, thereby ensuring harmonious coexistence of people and nature. The Cheonggye elevated highway and aging buildings in the neighborhood have been pointed out as the culprits for causing air and noise pollution. After the stream was covered with concrete, the nearby sewage channels were not well maintained. As a result, the neighborhood has been suffering lingering odors from sewage backflow. These problems prompted calls for action aimed at improving living conditions in the area. Against this backdrop, it became necessary to resuscitate Cheonggyecheon, the core of Seoul's ecological

system, and foster an ecological park along the waterway. Proposal for this project is aimed at eventually establishing a people-centric and environment-friendly paradigm for urban development, and additionally providing Seoul residents with the benefit of comfortably enjoying their leisure time at spaces built in an ecology-friendly manner along the stream.

1.2.3. Restoration of History and Culture

The project has significance in terms of recovering the historic and cultural traditions of Seoul, which has been the nation's capital for over 600 years. The project will be able to serve as a starting point for the restoration of historic and cultural values sacrificed under a growth-oriented paradigm for urban development. Seoul City is seeking to establish Cheonggyecheon as a place representing the city and as a cornerstone for furthering its development.

1.2.4. Economic Revitalization of Urban

There is a need to facilitate regeneration of depressed areas along the stream. The areas have become slums lacking in competitiveness. If neglected further, they will become an obstacle to economic revitalization and overall development of the city. In this regard, the Cheonggyecheon project is being promoted as part of a scheme to make the city's growth engine move again by laying the ground for restoring vitality in downtown areas and improving their competitiveness. Furthermore, urban regeneration through this project would be conducive to ensuring the city's balanced development by narrowing the gap between its southern and northern parts.

Based on the above-mentioned contents, we can say that there exist various voices regarding the project's backgrounds, especially with regard to the aspects related to Seoul's political, cultural, economic and environmental development as well as its safety and history. Also, it is necessary to have

trust in the community to accept and support the effort for a shift in urban development from growth acceleration to emphasis on the environment.

1.3. Process of Facilitating Public Discussions

While riding a commuter bus on a summer day in 1991, Prof. LEE Hee-deok of Yonsei University casually asked a colleague, Prof. NOH Soo-hong, of his opinion about Cheonggyecheon: “What do you think about peeling off the concrete pavement that covers Cheonggyecheon?” With fond memories of his youth related to Cheonggyecheon, Prof. LEE had often fallen into reverie about the stream being brought back to life. Prof. NOH, who had returned from Canada after majoring in water treatment, said it would be technically feasible to restore the stream. He, in particular, observed that through treatment of water that flew into the stream, its water quality could be improved to the extent that it could be on par with that of the Han River. Thus, the two professors began to take full-fledged interest in the issue of reviving the stream.

Around the end of 1997, PAK Kyoung-ni, the author of *Toji* (The Land), became interested in Cheonggyecheon restoration after hearing from Prof. Noh that it was technically feasible. She emphasized that the stream must be revived in order to restore the history and culture of Seoul, comparing it to a “garbage bin in the face of Seoul.” In addition, at every opportunity, she stressed the need for people to change their attitudes toward the environment and living things (quoted from a June 21, 2002 Hankyoreh article).

As mentioned above, one old professor’s desire led to the gathering of people who wanted to see the stream flow again. These people eventually formed the Cheonggyecheon Revival Research Group in 2000. Its founding members included Prof. NOH (water treatment), HWANG Keeyeon, a senior research fellow at the Seoul Institute (transportation), Prof. JEONG Dong-yang of Korea National University of Education (civil engineering) and Prof. LEE Mu-chun (environmental planning).

Afterwards, civic discussions on the topic progressed in a professional

and scientific manner. Eventually, the first Symposium on Bringing Cheonggyecheon Back to Life⁶ was held at the Toji Cultural Center in Wonju on September 1, 2000.

The first symposium dealt with the following topics: historical importance of the project, water treatment methods, environmental impact evaluation, transportation impact analysis, economic feasibility analysis, relevant policies, and legal regulations. Some participants raised questions about the feasibility of the proposed project which they said would cost hundreds of billions of won or up to trillions of won. Some asserted that it was practically impossible to implement such a project. At the second symposium that took place in April 2001, discussions focused on more specific matters such as the estimated costs and redevelopment compensation for residents in the area.

The two symposiums helped the civic community increase its knowledge related to Cheonggyecheon restoration, drawing more attention from the public and politicians. As for the media, the Dong-a Ilbo and the Hankyoreh Shinmun showed particular interest in the issue. Later, Dong-a distanced itself from the issue due to some internal issues. Only Hankyoreh kept supporting the civic community's effort to attract public attention toward the issue. In particular, it carried a special interview with PAK Kyong-ni under the title of "New Life for Cheonggyecheon."⁷ It was followed by a series of special articles on the issue.

As for politicians, two mayoral hopefuls got interested in the issue, holding seminars and symposiums in conjunction with the Cheonggyecheon Revival Research Group. They were Rep. LEE Sang-soo and LEE Myung-bak, a former lawmaker. On February 28, 2002, Rep. LEE hosted the Seoul Vision Forum Seminar on the theme of Cheonggyecheon restoration at the Seoul

⁶ The title was originally Symposium on Reviving Cheonggyecheon. However, some elderly participants took issue with the title, asking if the stream would be just reverted to its previous dirty condition or whether it would return to the era of King Yeongjo of the Joseon Dynasty. They suggested making clear the target era of the envisioned restoration. After discussing the matter, the forum decided to use a new title, Symposium on Bringing Cheonggyecheon Back to Life. The new title signified the forum's wish that the stream should be rejuvenated as an ideal urban stream, instead of simply being changed back to its former status (cited from an interview of Prof. NOH Soo-hong).

Metropolitan Government Council Building. At the seminar, Prof. JEONG of Korea National University of Education gave a lecture on problems with river development in Korea as well as desirable directions for Cheonggyecheon restoration. The lecture was followed by lively discussions by experts.

LEE Myung-bak met members of the forum several times between September and the end of 2001, exchanging views on technical matters and the prospect of adopting Cheonggyecheon restoration as his election pledge. On March 6, 2002, the Symposium on Cheonggyecheon Restoration for Reviving Seoul's Economy and Environment was held under the joint auspices of the forum and the Asia-Pacific Environmental NGOs Korea Headquarters, which was led by LEE. LEE delivered a welcoming speech, in which he described his Cheonggyecheon project as an effort to "lay a new foundation for Seoul." His address was followed by keynote speeches on topics related to the project, such as the basic concept, economic effects and transportation measures. The symposium had significance as it provided an opportunity for various experts interested in the project to meet with LEE, who was considered a strong contender for Seoul's mayoral post.

The forum held its fourth Cheonggyecheon symposium at the Toji Cultural Center in Wonju on May 17-18, 2002, just ahead of the mayoral election, presenting the achievements of its research on reviving the stream.

The fourth symposium was larger in scale than any of the previous ones, signifying that the restoration project was drawing interest from an increasing number of people. Twenty experts gave speeches and participated

7 In an interview with Hankyoreh, published on December 31, 2001, PAK Kyong-ni made remarks on Cheonggyecheon, fueling public interest in the idea of restoring the stream. "Let's assume that Seoul is our face. Then, Cheonggyecheon is in its center. But we have turned its neighborhood into something like a garbage bin. There are talks about regenerating the area. So I wish that the regeneration will lead to the creation of a street that can represent Seoul, full of economic and cultural vitality. I want to see many species of fish swimming in clean water in the stream flanked by trees. How about building concert halls, art galleries, exhibition centers along the stream so that we can show our distinctive culture? Shops selling representative Korean products could also be set up in the area. Then, the area could attract many foreign tourists and business people. Seoul residents are living in environments surrounded by concrete buildings. On every holiday, they want to escape from the city. When restored, Cheonggyecheon will be another resting place for the public."

in discussions at the meeting, which attracted an audience of about 50 people. Experts in the fields of urban planning, design and supervision additionally joined in research activities, thereby helping to complete preliminary analysis for Cheonggyecheon restoration.

The forum interacted with LEE Myung-bak and LEE Sang-soo while expanding its organization and discussing the prospect of the restoration project. Being the strongest advocate of the restoration project, LEE Myung-bak enlisted help from the forum in analyzing its feasibility. LEE, in return, provided support for the forum's research activities that focused on the project's technological feasibility and social justification.

It was not until the 2002 Seoul mayoral election that the Cheonggyecheon restoration issue attracted full-fledged media attention. The election helped launch policy-level discussions on the issue. At a press meeting he had during the Grand National Party's mayoral nomination contest on February 22, 2002, LEE Myung-bak declared that he would push for the restoration of the stream as his foremost election pledge.⁸ Rep. LEE Sang-soo, who was seeking to be nominated as mayoral candidate of the New Millennium Democratic Party, also showed keen interest in the issue. Various meetings were held to discuss the issue under the auspices of the mayoral contenders. Thus, the proposal for Cheonggyecheon resuscitation emerged as a hot issue of the Seoul mayoral election.

LEE Myung-bak was nominated as the Grand National Party's mayoral candidate on April 5, 2002. Being the sole contender, he was unanimously nominated by the 604 delegates present at the party's nominating convention. "As one of the persons that have made the miracle on the Han River, I will now focus on creating a new miracle for Seoul," LEE said in his acceptance

8 "In order to conduct a feasibility study on the restoration project, I will make a field survey of the spaces under the structures covering the stream in sections No. 7 and 8 that stretch from Gwanggyo to Jungnyangcheon (Jungnang Stream) via Pyeonghwa Market on the afternoon of February 25, 2002, along with city councilors KIM Ki-yeon and PAEK Ui-jong. There, I will check the conditions of structures, the quality of water and ecological functions. We will need a budget worth about 800 billion won for restoring Cheonggyecheon and building two-lane roads on each side of the stream. I also plan to attract 30 trillion worth of investment from the private sector for implementing regeneration programs for the areas along the stream" (Korea Economic Daily, February 22, 2002).

speech. He then presented three visionary mottos: “Seoul full of life and economic vigor,” “people-centric Seoul,” and “Seoul that serves the interests of workers.” He also put forth 10 major tasks, including public transport reform and Cheonggyecheon restoration (April 5, 2002 edition of Seoul Shinmun). With his nomination, the Seoul mayoral election was set to become a “generational contest” between LEE and the Democratic Party’s candidate, KIM Min-seok.

During the election campaign period, debate related to Cheonggyecheon climaxed over the necessity of the restoration and solutions for anticipated problems. LEE and his supporters tried to gain public support for the project, emphasizing the need to ensure safety through demolition of the Cheonggye elevated highway and to promote urban regeneration programs for the slum areas surrounding the stream. KIM and his campaigners called for analysis of the restoration proposal from a mid- and long-term perspective, noting that the elevated road was slated to undergo repairs and that implementing such a huge-scale project required more in-depth analysis. As the arguments escalated between the two sides, a growing number of people got interested in the issue. Thus, Cheonggyecheon restoration emerged as the most influential election issue (cited from the July 9, 2002 edition of the “Weekly Current Affairs”).

After being elected mayor of Seoul on June 13, 2002, LEE reiterated his resolve to push ahead with the Cheonggyecheon Restoration Project. Thus, the project was placed high on the agenda of the city’s top priority policy goals.

2. Causes of Conflict and Project Stakeholders

2.1. Causes of Conflict

Conflict can occur anytime between the managing authorities and stakeholders during the promotion of a large-scale public project unwanted

by local residents. The authorities are required to prepare measures designed to resolve disputes, based on understanding that stakeholder resistance is not a regionally motivated egoistic act but a normal occurrence. This book separately analyzes the economic, social and political factors that caused disputes encountered by the Cheonggyecheon project.

2.1.1. Economic Conflicts of Interest or Clashes Between Public and Private Interests

The Cheonggyecheon project could generate an effect of reducing the wealth of its stakeholders. This would not change even if the scope of the project were limited to the stream itself and the city-owned elevated highway. The stakeholders concerned would suffer from indirect effects related to restoration work, or negative effects associated with changes in business prospects after restoration. For example, the restoration work might have negative impacts on the business owners there in terms of transportation. Observing that they would secure two lanes along the stream during the restoration work, city officials assert that there will be no problem with traffic flows there. However, given the fact that the lanes would be used largely by vehicles loading and unloading various goods, it would be virtually impossible to ensure normal traffic flows. Such a traffic problem is expected to cause a business slowdown in the area. So, the merchants there think that the costs exceed the benefits and that the risks are greater than the opportunities. As a result, they began to conduct activities opposing the project. Their conflict with the Seoul Metropolitan Government started in this manner.

2.1.2. Social and Political Democratization

Sociopolitical democratization goes hand in hand with growth in public demand for their rights and increase in the role of the media. It also involves increase in public interest in social equity and various rights associated with

community life and the environment. Civic activism is based on concerns about these issues rather than on economic interests. As examples, we can cite some recent urban development projects promoted by local autonomous entities. They showed that conflicts could be caused and escalated by compensation demand based on the theory of comprehensive rights for life and the environment. Other contributing factors included the professional and refined ways of staging resistance activities and the influence of media articles on the social atmosphere. However, the Cheonggyecheon Restoration Project was somewhat different from these cases in that its main stakeholder was a union of merchants.

If you examine the ways the merchants coped with disputes related to the project, you may find that they used sophisticated methods (petitions, request for judicial judgment, etc.). Yet they had fundamental limitations because they were doing business in leased shops and as such, could not but be influenced by relevant economic interests. Rather than insisting on their rights related to living or the environment, they focused on economic issues such as business losses and compensation. As for the media, they basically concurred with the city's decision to push ahead with the restoration project. As such, they mostly paid attention to procedural matters such as promotional schemes and the scope of participation.

2.1.3. Bureaucratic Administrative Expediency

Bureaucratic administrative expediency can be divided into two categories: undemocratic policy decisions and unreasonable compensation systems. Conflicts occur when local governments make decisions on site selection or other important matters related to project promotion unilaterally or without the participation of residents. Some opponents of the Cheonggyecheon project also raised this issue.

Seoul Metropolitan Government formed the Citizens' Committee for Cheonggyecheon Restoration in an effort to gain social consensus and accommodate opinions from various sectors of society through hearings

and expert discussions. However, there was controversy over who should represent the merchants affected by the project. The existence of numerous merchant associations also made the situation more complicated. As a result, the business people in the area were excluded from the decision-making process despite the fact that they were direct stakeholders. The government attempted to accommodate the merchants' views by having them participate in the Resident-Merchant Consultation Committee. However, it declined to accept a committee composition scheme worked out by the merchants' Commercial Rights Protection Committee. In addition, some critics found fault with a phrase in the committee operational regulations: "...aimed at facilitating the promotion of the Cheonggyecheon Restoration Project." The merchants thus could not join the committee, and eventually were excluded from the decision-making process. For this, the government faced criticism that it made project-related decisions in an undemocratic manner.

Critical views expressed by the merchants, civic groups and experts were related to their move to oppose the convening of restoration work from July 1, 2003, as originally scheduled. The previously mentioned structural factors inevitably cause conflicts between the managing authorities and stakeholders. In contrast, extraneous factors can help facilitate the process of implementing a project. They can be used to minimize conflicts, if the managing authorities exert effective efforts to resolve disputes and form cooperative ties with the stakeholders. The extraneous factors can even function positively for a project.

Unlike urban regeneration programs carried out in other cities, the Cheonggyecheon project encountered a relatively low level of resistance caused by external factors. Even when disputes arose, they could be easily contained. This has much to do with the formation of an effective governance scheme. Through the governance system, a kind of partnership was established between the private and public sectors on the basis of sharing the principles on the project. Through the system, the private sector could officially participate in the project. In the early stages of the project, the city incorporated forces sympathetic with the idea of restoring Cheonggyecheon

within the governance framework. It could thus build a structure in which the proponents have the upper hand over the opponents.

Normally, conflicts over urban regeneration programs originate from structural disputes between the managing authorities and stakeholders. As the conflicts proceed, external factors often get involved, deepening the disputes and causing extreme confrontation. The city could avoid such a problem by launching the governance scheme. Organized with the participation of the private sector, the governance system could ward off controversy about public participation, an issue that could damage the project's validity if handled awkwardly. Through the governance scheme, the government could also effectively defend its position while coping with questions raised by opponents. For example, the Citizens' Committee for Cheonggyecheon Restoration gave its conditional consent on May 1, 2003 to the city government's plan to start restoration work in July. By gaining this consent, Seoul could weaken the voices of opponents, control extraneous variables and minimize the intensity of arguments over whether project-related decisions were made in a democratic manner.

Based on what have been discussed so far, we can cite economic interests, which cause structural disputes in urban development projects led by local governments, as the leading cause of conflict in the Cheonggyecheon project. More specifically, the clash between private and public interests, or between the managing authorities from the Seoul Metropolitan Government and the merchants, represents the main cause of conflict in the project.

There is a theoretical consensus that conflict represents a dynamic process comprised of a series of interconnected stages, although they cannot be clearly separated from each other. Therefore, identifying the stages has importance because it can help analyze the nature and intensity of conflict, and help develop stage-specific measures to cope with disputes.

Reconstructing the model of conflict stages presented by Pondy (1967), this book identifies four phases of conflict; latent, emergence, resolution and aftermath. Taking this as a basis, it explains conflicts related to the Cheonggyecheon Restoration Project.

① Latent Stage

This stage covers the period between the time when the Cheonggyecheon Revival Research Group successfully initiated public discussions on reviving Cheonggyecheon and August 12, 2002 when the Cheonggyecheon Merchants' Commercial Rights Protection Committee was organized. This phase saw the turning of the restoration concept into a specific policy. It was also during this period that the stakeholders were clearly identified. The major occurrences in this stage include forum activities, the Seoul mayoral election, and the formation of the governance scheme for the Cheonggyecheon project.

② Emergence Stage

This stage covers the period between August 12, 2002 when the merchants formed the Merchants' Commercial Rights Protection Committee and February 18, 2003 when a policy consultation committee was launched as a negotiation channel between the government and the merchants. It can be said that the formation of the Merchants' Commercial Rights Protection Committee and the Clothing Stores Association, which were launched in response to the city's establishment of the governance system, marked the beginning of this phase. Stakeholders exerted efforts to express their views and demonstrate the existence of disputes through various means such as protests, public discussions and interviews. While carrying out these activities, they made behind-the-scenes endeavors to identify and coordinate various relations among themselves. They also tried to devise options after studying their various positions. In the meantime, the policy coordination committee came to the fore as the channel of negotiations between the managing authorities and the merchants.

③ Conflict Resolution Stage

This phase covers the period between February 18, 2003 when the Seoul Metropolitan Government and the Merchants' Commercial Rights Protection Committee started negotiations at the policy coordination committee and June 25, 2003 when the city government's official position was delivered to

the merchants. The negotiation between the city and the merchants' unions represented the most important development that happened during this stage. By recognizing the legitimacy of the trade unions and drawing them to the negotiating table, the city could settle disputes within a relatively short period of time. This negotiating technique based on mutual trust between the managing authorities and stakeholders merits attention as a new tool for resolving public conflicts.

④ Aftermath Stage

This stage covers the period after June 25, 2003 when the city government's official position was delivered to the merchants. Activities of this stage were based on the agreement reached between the city government and the merchants. Under this accord, the city government would build a resettlement complex for the merchants. It would also establish a dialogue channel for continued discussions on matters related to the merchants. The agreement was reached prior to convening of the restoration work on July 1, 2003. Yet the problem of latent disputes remained because of differences among the various merchant groups. Therefore, it was necessary to keep monitoring the latent disputes even after hammering out the agreement and maintain a conflict management channel as a precautionary measure.

2.2. Conflict Stakeholders

2.2.1. People Intent on Blocking Restoration Work

Cheonggyecheon Road is a road that stretches 5.8 km from Taepyeong Road in Jung District to the Sindap Railway Bridge in Dongdaemun District. There is a large business community comprised of about 60,000 stores, which exist along both sides of the road. The number of shop owners and employees there exceeds 200,000.

The types of business in the area are so varied that many Koreans say that there is nothing you cannot find at the markets along Cheonggyecheon. In the

Cheonggye 2-ga through 4-ga area, the stores are mostly wholesalers dealing in industrial products, machinery, tools, electronics and electrical goods, watches and jewelry. Their chief customers are retailers from throughout the nation. In the Cheonggye 4-ga through 7-ga area, there are fabric, apparel and clothing subsidiaries, and footwear markets that have been formed over the decades. Of them, the 100-year-old Gwangjang Market is one of Seoul's best-known traditional markets. Opposite this market is Bangsan Market. Over the past 10 years, a fashion district has been established in the apparel market around the now closed Dongdaemun Stadium. Comprised of both retail and wholesale shops, the area is now regarded as the mecca of the Korean textile industry. The Hwanghak Neighborhood area is renowned for a flea market dealing in various kinds of goods.

With its top-quality industrial goods markets, the commercial area surrounding the stream plays a central role in the nationwide industrial network. Merchants estimate that the number of people directly or indirectly involved in business activities there surpasses 1 million. Most merchants there are operating in leased stores. Typically, they have been in business in the area for over 20 years since they began work as shop employees. As such, they have a strong sense of solidarity among themselves and affection for their business community.

The merchants had assumed that given the size and influence of their business community, it would not be easy for the city to make a decision to push ahead with the restoration project. Thus, they have been just observing related developments. However, they began to feel a sense of crisis after LEE Myung-bak took office as mayor of Seoul and put forth various policies aimed at implementing the project.

The merchants saw the project as a threat to their business community. They were concerned that the removal of the elevated highway and the road covering up the stream would aggravate traffic congestion in the area. They were also worried that noise and other inconveniences caused by restoration work would have negative impacts on their business. Such concerns combined with their bleak business conditions, which were considered worse than the

slowdown they suffered in the aftermath of the financial crisis in the late 1990s, to prompt the business community to oppose the project. Eventually, the merchants formed the unions Cheonggyecheon Merchants' Commercial Rights Protection Committee and Clothing Stores Association and staged resistance activities.

The committee was launched on August 12, 2002 by merchant groups representing seven shopping areas (Seun, Industrial Machine Tool, Asea, Gwang, Daerim, Hyundai, and Cheonggye) in Cheonggye 3-ga and 4-ga districts in order to oppose the restoration project. The following is what the committee head said concerning the reason for forming the organization:

“As head of the Seun Shopping Area Merchants' Association, I attended advisory board meetings of various government organizations, There, I heard people say that Mayor LEE would definitely demolish the Cheonggye elevated highway and start work to restore the stream. I could not keep quiet about such an important matter. Thus, I called the representatives of several merchants' groups in the neighborhood and proposed holding a meeting about this issue. The first meeting was 28 people in attendance. At the meeting, I said Mayor LEE would carry out the restoration project through whatever means necessary, as such, we should meet regularly and exchange information to cope actively with relevant developments. The meeting served as the basis for later forming the committee.”

The merchants' committee was a kind of an association of merchants' clubs that had sprung up spontaneously by business sector. So, it had limitations in ensuring internal solidarity because different sectors had different interests. Despite the difficulty ensuring its internal cohesiveness, the committee eventually became comprised of merchants' clubs representing as many as 21 sectors. As such, it played a crucial role in launching a campaign against the project.

In contrast, people in the apparel sector thought that they would not be affected significantly by the project. They also believed that they would be able to keep operating their business even after restoration of the stream. Yet,

after being told about specific plans being devised for the project, they became aware of possible losses they would suffer as a result of reduction in road capacity. Thus, they began to raise their voices against the project, eventually forming an association in a move designed to defend their interests.

“Word got around that Mayor LEE was intent on restoring Cheonggyecheon, but we (merchants) laughed it off. We thought that it would take at least 10 years to complete such a huge project. So, we did not show much of a response. But we began to feel a sense of crisis as the media published articles on the project one after another. Eventually, clothes merchants in four markets; Pyeonghwa, Sinpyeonghwa, Dongpyeonghwa and Cheongpyeonghwa, agreed to get together.” (Head of the Clothing Stores Association)

Originally, the association was set to be comprised of apparel merchant groups representing five markets directly adjacent to the stream; Pyeonghwa, Sinpyeonghwa, Dongpyeonghwa and Cheongpyeonghwa markets along with the Tongil Shopping Area. However, the merchant groups from Cheongpyeonghwa Market and Tongil Shopping Area did not join the association because they were expected to become beneficiaries of the city’s traditional market revitalization policy because they were members of the Resident-Merchant Consultation Committee initiated by the Seoul Metropolitan Government.

2.2.2. People Determined to Restore the Stream

The city exerted various efforts to head off and ease conflicts with the local merchants who it believed were the most influential force among the stakeholders related to the Cheonggyecheon Restoration Project.

The merchants were not very interested in the significance of the project or its overall plans as they were focused on the specific impacts it would have on their stores and shopping areas as well as the relevant measures to be worked out by the city government. So, the city placed emphasis on

sufficiently accommodating the opinions of the merchants and persuading them into participating in the decision-making process in order to minimize the adverse impacts the project would have on the business communities along the stream. The city government's initial conflict management strategies can be summed up as follows:

① Active Communication Efforts

The government tried to publicize the project and draw public interest to the fullest possible extent by holding various events before starting construction work. In particular, it launched a PR campaign specifically targeting the local merchants in order to help them correctly understand the objective and contents of the project. The communication efforts for the general public focused on explaining the necessity and legitimacy of the restoration project, while those for the merchants were directed toward promoting measures designed to cope with the impacts on the business communities.

The city government used all the communication media it could mobilize. Through such active efforts, it could ease the merchants' resistance and gain public sympathy. The overwhelming support shown by the public for the project made the project's opponents accept its validity. As such, it played a crucial role in preventing escalation of disputes. In particular, the city government attracted favorable responses from people through its unique PR strategy. For example, it implemented an experiential publicity program involving an underground exploration trip and set up a publicity pavilion exclusively for the restoration project. The underground trip program was selected as the most creative product of the Seoul Metropolitan Government for 2002.

② Directions for Merchant Measures Set Through Thorough Preparation

The Seoul Metropolitan Government conducted analysis and field surveys to determine the scope of areas that would be affected by the project. Through such research activities, it collected information regarding administrative jurisdiction, population and households, and identified the

status of business distribution and the major shopping districts. Additionally, it gathered sector-specific data on lease methods, store areas, items the stores deal in and employees as well as information on such matters as customers, vehicle use, and parking systems. The collected data and information were reviewed and analyzed through additional research from October 21 through November 2, 2002. In the meantime, the city gathered information on conflict management strategies related to state projects or public works carried out by local administrative entities, such as Sanji Stream restoration on Jeju Island, the Gunpo garbage burial site project, Donggang Dam construction, and the atomic waste disposal site project on Anmyeon Island, from October 23 through October 31, 2002. Based on the thorough preparations, the city government devised its basic guidelines for merchants from November 3 through November 14, 2002.

③ Basic Principles for Taking Measures for Merchants

The merchants pressed for the government's acknowledgement of the need to provide compensation for the damages they would suffer because of the project. However, the city government was informed by its advisory lawyers that it had no legal responsibility to make compensation in relation to land, buildings and business activities in the area. This position was based on the fact that the buildings in the area would not be demolished as the restoration work would be confined within the width of the present roads. The lawyers also told the city that it would be necessary to take measures to cope with the problems related to noise and dust during the construction period. So, the focus of the measures for the merchants was placed on minimizing the inconveniences caused by the construction work and invigorating business in the area.

④ Accommodation of Various Stakeholders' Opinions

On December 30, 2002, Seoul formed the Resident-Merchant Consultation Committee in order to accommodate the opinions of the residents, merchants and other stakeholders in four districts adjacent to the stream and promote public understanding about the project.

The city government saw to it that the committee was comprised of persons from various walks of life, including residents, city and district councilors, merchants, experts and government officials. Except for this, each district was given full autonomy regarding specific matters such as its composition and meeting schedules.

The committee was eventually made up of 64 members. The merchant members were from trade associations in special tourism districts within Dongdaemun Fashion Town and the Jongno area. The associations representing the tenant merchants, the Cheonggyecheon Merchants' Commercial Rights Protection Committee and the Clothing Stores Association, did not join the consultation committee.

The Resident-Merchant Consultation Committee was organized at the request of the merchants, who complained that their opinions were not being properly reflected in the decision-making process as they were not members of the Citizens' Committee for Cheonggyecheon Restoration. The Citizens' Committee was an advisory body comprised of experts, so the merchants' participation in the committee was deemed improper. Thus, the Resident-Merchant Consultation Committee was inaugurated. However, the Cheonggyecheon Merchants' Commercial Rights Protection Committee refused to join the consultation committee, finding fault with its articles of association, which stipulated that it was aimed at "facilitating the implementation of the Cheonggyecheon Restoration Project." The protection committee asserted that it could not participate in the activities of the consultation committee which it said was bound to support the project. The decision not to join the committee was made on December 13, 2002.

Through the Resident-Merchant Consultation Committee, the city government accommodated the opinions of local residents, nearby merchants and other people interested in the project. The committee also served as a channel for discussing ways to minimize the inconveniences related to transportation and business during the construction period, as well as post restoration development measures for the area.

Civic Engagement Promoted as Driving Force: Social Validity and Legitimacy

1. Ensuring Social Validity

1.1. Cheonggyecheon Restoration Project and the June 13 Mayoral Election

It was through the June 13, 2002 Seoul mayoral election that the Cheonggyecheon Restoration Project began to draw public interest and media attention. With the candidates clashing over policies, the proposal for resuscitating the stream was brought to the fore.

Two major candidates, LEE Myung-bak and KIM Min-seok, engaged in heated debate over the Cheonggyecheon issue. It helped the public better understand various aspects about the envisioned project, especially the vision and possible ways of implementing it. Furthermore, the public nature of the project was intensified through the participation of civic groups and expert groups in the discussions. The strengthened public nature consequently contributed to facilitating an investment of taxpayers' money in the project because it became unnecessary to argue about who the direct beneficiaries would be.

After being elected as Seoul mayor, LEE did not have to undergo an additional process for gaining public consent regarding the project, largely

thanks to the enthusiastic debate carried out during the election campaign. Such a big project should be subject to additional public approval, according to the “consent theory,” which constitutes a part of “rational choice theory” that sees cooperation between actors as a combination of spontaneity and free will of individuals. Here, consent should satisfy the conditions of the route, the object and the method of ensuring sustainability. The Cheonggyecheon project was the winner’s core election promise, but it was not the only factor that ensured his victory. A consent procedure for projects, the implementation of which requires large-scale budget support, can be a kind of a supplementary device for the representative system of government (PARK Hyo-jong, 1996).

However, such an additional consent procedure was not necessary for the Cheonggyecheon project because the two top candidates showed distinctive policy differences over the issue during the 2002 Seoul mayoral election. Now, let’s take a look at the manner with which debate over the issue developed during the campaign period.

In the process of gaining the Grand National Party’s nomination, LEE made it clear that Cheonggyecheon restoration would be high on his election agenda. Under the motto of “new politics, new vision and new Seoul,” LEE said he would be the “Seoul CEO” with expertise in economic matters. He also presented the following visions: “Seoul full of life and economic vigor,” “people-centric Seoul” and “Seoul that serves the interests of workers.” He emphasized that he would strive for “economic and environmental reinvigoration through Cheonggyecheon restoration.” In order to enhance the reliability of the project and gain public trust, he presented cost estimates, financing methods and measures to ensure smooth traffic flows during restoration work (Kookmin Ilbo, April 4, 2002; Dong-a Ilbo, April 5, 2002).

1.2. Gaining Social Support for Election Agenda

Cheonggyecheon restoration, which was an agenda item of a mayoral candidate, could gain support of Seoul residents thanks largely

to the favorable opinions expressed by the progressive media and civic organizations. Hankyoreh reported that 74.6% of the residents questioned in its survey conducted on March 28 and 29, 2002⁹ expressed favorable views on the proposal for restoring the stream. It added that the favorable opinions were evenly distributed throughout all areas, including those adjacent to the stream. In the meantime, Green Korea, an environmental civic organization, awarded the Urban Smile Prize to the restoration project, thereby helping it gain environmental validity. Through these developments, the project began to be regarded as an environment-friendly project that would be in the interest of the public (KANG Jeong-hun, 2003).

Another important factor was the interaction between the two major candidates, who dealt with the restoration issue through open discussions and media interviews. The Seoul mayoral election saw fierce debate over the issue between the two contenders; LEE Myung-bak of the Grand National Party and KIM Min-seok of the Democratic Party. The issue was debated between the two rivals 58 times directly and 47 times indirectly. Other major election issues included the following: development programs for urban fringe areas, balanced development between southern and northern parts of Seoul, promotion of Seoul as a Northeast Asia financial hub, and economic revitalization. The Cheonggyecheon project was mentioned in connection with each of these issues. For example, the project was cited in relation to the need to ensure balanced development of Seoul both north and south of the Han River. The need to restore the stream was also mentioned as an urban regeneration program associated with the effort to establish Seoul as a

⁹ In the survey conducted on March 28-29, 2002 (reliability: 94%, sampling error: $\pm 4.0\%$), 74% of Seoul residents living in central areas and 75.3% of residents in non-central areas responded that they were in favor of Cheonggyecheon restoration. As reasons for supporting the project, they cited: ① environmental and landscape improvement (46.6%), ② improvement of water quality (28.2%), ③ history and culture (15.0%), and ④ development of new shopping areas. As for the post-restoration shape of the area, they wanted to see: ① environmental and ecological spaces (59.6%), ② culture and art streets (24.2%), ③ shopping and fashion streets (10.2%), and ④ financial and venture business streets (4.0%). As for the matters that should be given importance during restoration work, the respondents cited: ① environment and ecology (29.4%), ② comfort as resting space (25.8%), ③ urban landscape (22.8%), and ④ revitalizing the local economy (11.2%) (Hankyoreh, April 9, 2002).

financial hub in Northeast Asia through the construction of an international finance and business center. The Cheonggyecheon project was also defined as a remodeling program for Seoul's fringe areas (KANG Jeong-hun, 2003). When he was nominated as his party's mayoral candidate, LEE referred to Cheonggyecheon restoration as one of the crucial supports of his grand plan to realize a Seoul miracle. Under the visionary goal of achieving miraculous development of Seoul, his policy programs were organically connected to each other (Table 3.1).

Candidate KIM campaigned under the slogan "Seoul, a new beginning with quality of living." He said he was most intent on addressing the following problems: traffic congestion during commute hours, parking-related difficulties in residential districts, concerns about the safety of drinking water, air pollution, and the quality of education. He presented three strategic tasks;; expansion of nursery facilities for infants and young children, creation of jobs for the elderly, and restoring Seoul's economic vitality.

The two candidates most fiercely clashed over the Cheonggyecheon restoration issue. KIM virtually opposed the restoration scheme proposed by LEE, although he said he was not against the ideological vision itself. Their positions on this issue are well expressed in the following remarks:

Candidate LEE: It is absolutely necessary to implement the Cheonggyecheon Restoration Project. The structures covering the stream are so antiquated that their safety cannot be guaranteed even if they undergo repairs. Also, the areas adjacent to the stream remain underdeveloped, which is closely associated with the lack of economic vitality in the central areas and the northern parts of Seoul. My plan is to begin the restoration work in 2004 and invest a total of 360 billion won, building three-lane roads on each side of the stream. A park will be created along the stream, contributing to fostering a comfortable urban environment. During the construction work, alternative traffic routes will be secured, with two to three lanes still open along the shopping areas. Also, there will be no trouble securing a sufficient budget. One hundred billion won has already been set aside for the maintenance of the Cheonggye elevated highway, and a 140 billion won

fund has been created for the new Seoul City Hall building project. I think the rest of the costs could be secured by promoting efficiency in budget spending through application of a new management technique to city administration.

Candidate KIM: Obviously, demolition of the elevated highway would cause traffic chaos. My estimation is that the congestion cost would reach 530 billion won annually. Priority in budget allocation should be given to matters directly related to workers' life, such as child care, pollution and education, rather than a Cheonggyecheon restoration. Should the restoration work be implemented without proper measures to cope with anticipated traffic problems, traffic would virtually come to a standstill along the east-west arterial roads passing through the city's central areas, such as Toegye, Ulji, Jongno, Yulgok and Jangan. In addition, there will be serious resistance from the local merchants as they would not be able to do their business properly during the construction period. After completion of the project, they may even lose their workplace (Kookmin Ilbo, June 3, 2002).

The two candidates also exchanged their views on the Cheonggyecheon project during a televised debate on June 3, 2002:

Candidate LEE: Pollution in the lower Cheonggyecheon area is serious to the extent that one cannot get in there without wearing a gas mask. There is also a serious safety question raised with the elevated highway. Seoul residents inhale the gases released from the place through the operation of fans.

Candidate KIM: Candidate LEE is creating an atmosphere of danger by using such expressions as gas explosion and saying that he entered the underground Cheonggyecheon area wearing a gas mask.

Through this process, the Cheonggyecheon project became LEE's foremost election pledge and helped him gain a reputation as an environment-friendly politician. In contrast, KIM was not aggressive enough to take on LEE

squarely on the issue. As the project increasingly gained public support, KIM took issue with what he alleged to be a lack of preparations for the project, while saying that he was not against the project-related idealistic vision itself.

Opinion polls showed that the issue had impacts on the approval ratings of the two candidates. On May 6, 2002, the Chosun Daily and Gallup Korea conducted a special survey of 511 Seoul residents in connection with the mayoral election. The survey found that KIM had a slight lead over LEE in approval ratings, 35.3% vs. 34%. Among the respondents in their 20s, KIM's approval rating was 46.3%, nearly four times as high as that of LEE (12.2%). KIM also led LEE among voters in their 30s, by gaining 46.5% compared with his rival's 27.3%. However, among people in their 50s and 60s, LEE earned 48.2% and 50%, respectively, overwhelming KIM who got 26.6% and 21.1%, respectively (Chosun Daily, May 7, 2003).

Day by day, the approval ratings for LEE among people in their 20s and 30s kept increasing. It was clearly related with growth in the percentages of people in this age bracket who were in favor of the proposal for Cheonggyecheon restoration. So, LEE's promise to restore the stream can be regarded as a factor that significantly helped him gain the election victory (Weekly Current Affairs, July 9, 2002).

Table 3.1 Connections between Cheonggyecheon restoration and major policy programs

Policy goals	Cheonggyecheon restoration as a medium	Desired results
Stabilizing the life of the working class	Job creation through Cheonggyecheon restoration	Creation of 100,000 jobs
Improving air quality	Streamside spaces	Creation of streamside park space
Creation of traditional and modern cultural spaces	Streamside spaces	Building streamside cultural spaces
Balanced development between northern and southern parts of Seoul	Urban regeneration through Cheonggyecheon restoration	Revitalizing the economy of northern Seoul

2. Triangular Approach to Governance and Conflict Management Strategy

2.1. Triangular Governance Scheme for Cheonggyecheon Restoration Project

After winning the mayoral election, LEE Myung-bak reiterated his determination to implement the Cheonggyecheon Restoration Project. Meeting with reporters on June 14, 2002, he pledged to place his top policy priority on restoring the stream:

“Upon taking office as Seoul mayor, I will take steps so that the project will kick off within a year and a half and be completed within my tenure.”

Individuals who led initial discussions on Cheonggyecheon restoration joined the mayoral transition team, which was launched June 17, 2002. While working on the team for about 10 days, they played a central role in devising a draft implementation scheme for the project. The team set Cheonggyecheon restoration and public transport reform as the two most important policy tasks for the city administration to be led by LEE. It then disclosed a plan to launch a Cheonggyecheon restoration promotion committee comprised of persons from both the private and public sectors in July 2002.

Taking office on July 1, 2002, Mayor LEE renewed his pledge to exert his best effort to complete the Cheonggyecheon project during his term of office, describing it as an essential task that should be implemented in order for Seoul to establish itself as a hub city in Northeast Asia. He noted, in particular, that the project would be promoted through an organization comprised of voluntary participants, including government officials, experts and persons representing civic groups.

Work to set up organizations for the project began on July 2, 2002. In order to carry out the project in a professional and efficient manner, the city government decided to launch a special task force. Thus, the Cheonggyecheon

Restoration Project Headquarters was inaugurated on July 2, 2002. It was made up of three parts: Overall Supervision Division, Project Planning Division, and the Project Implementation Division. Prof. YANG Yun-jae of Seoul National University, who had conducted research into the prospect of resuscitating Cheonggyecheon, was appointed to lead the headquarters. His appointment was regarded as a move aimed at ensuring expertise for the project's implementation.

The headquarters was a spin-off from the Cheonggyecheon Restoration Promotion Committee, which consisted of the planning/administration and implementation bureaus. The planning/administration bureau was in charge of affairs related to the development of a basic restoration plan, restoration of cultural items, and establishment of traffic flow measures. The implementation bureau was responsible for demolition of the elevated highway and the roads, pumping in of water and ecological restoration, and urban planning and construction. Initially, 28 city officials were dispatched to the committee. They were later joined by 15 more, including those above fifth level officials. On September 23, 2002, the government appointed new posts for handling disputes with merchants in the area surrounding the stream.

In the meantime, the headquarters decided to operate a separate team (petitions control team) for negotiations with local merchants it predicted would be the most influential resistance group. On July 4, 2002, the Cheonggyecheon Restoration Research Corps was established at the Seoul Institute. Headed by HWANG Keeyeon, who had been a member of the Cheonggyecheon Revival Research Group, the research corps began studies in earnest on the basic directions of the restoration project. Placed under the control of the institute, the research corps was comprised of 58 researchers.¹⁰ It provided professional assistance in developing project plans, cultural restoration programs, traffic flow measures and urban regeneration schemes.

On September 18, 2002, the Citizens' Committee for Cheonggyecheon

¹⁰ 18 senior researchers with doctoral degrees (10 were selected from existing staff while the other eight were newly recruited) and 40 researchers.

Restoration was launched after the enactment of relevant ordinances. Comprised of civic representatives as well as environmental, cultural and transport experts, the committee was responsible for conducting deliberations and making decisions on major policies related to the project. After preliminary meetings, the committee determined its organizational structure, the scope of activities and its purpose on July 10, 2003. Placed under the central committee were six professional subcommittees and a planning/coordination committee for communications and coordination of opinions. Thus, the triangular governance system for the Cheonggyecheon project was fully established. It consisted of the Cheonggyecheon Restoration Project Headquarters, which was in charge of project execution; the Citizens' Committee for Cheonggyecheon Restoration, which served as the review board; and the Cheonggyecheon Restoration Research Corps, which was responsible for research.

The committee initially excluded merchants from its operation, citing the need to ensure its professionalism. As it conducted various activities, however, it became clear that the merchants' opinions should be accommodated in order to ensure smooth promotion of the project. Thus, one of its subcommittees which was responsible for accommodating public opinions was tasked to serve as a communication channel between the city and the merchants. Beginning on December 7, 2002, the subcommittee held a total of nine plenary and extraordinary meetings, receiving briefings, hearing opinions of interest groups, making field trips and attempting to persuade various stakeholders to reach an agreement with the city.

In the early stages of the project, the Citizens' Committee played a professional role in presenting the directions for restoration of the stream. For execution of its functions, it used mainly seminars and symposiums. After holding its first seminar at the Toji Cultural Center on October 25 and 26, 2002, it requested that the city expand social discussions aimed at securing a consensus about the project. It also recommended that the outcome of its activities be reflected in the process of promoting the project. On November 25, 2002, the committee hosted an international symposium on "restoration

of urban streams and sustainable urban development strategies” in conjunction with the UNEP National Committee for the Republic of Korea.

As mentioned so far, the Seoul Metropolitan Government established a triangular governance scheme for the project, characterized by its division into three categories of execution, deliberation and research. Various social elements in favor of the project were drawn to the governance scheme, thereby helping to ensure social validity of the project as well as efficiency in its implementation. The three-pronged system also served as a symbolic model representing civic participation and cooperation between the public and private sectors (KIM Tae-young, 2002: 145).

On July 10, 2002, the committee began its operation in earnest by receiving recommendations for the selection of its members. The operation was based on its self-proclaimed principle that it would provide professional assistance, execute critical functions and accommodate public opinion with regard to the Cheonggyecheon project. Thus, the framework for the triangular governance system, which would play a central role in project implementation, was established.

2.2. Importance of Triangular Governance System for Reinforcement of Partnership

What’s the traditional significance of such a triangular governance system in social sciences? It represents the relationship between “scientific and technological knowledge aimed at control and prediction” and the “political execution based on a social group’s specific cultural traditions.” This relationship can be explained through the following three models (Habermas, 1971).

The first one is the decision model. This is based on the theoretical tradition initiated by Weber who thoroughly differentiated the role of scientists and experts providing purpose-oriented and technological assistance from that of politicians and bureaucrats setting and implementing the goal. The second is the technocratic model. It follows the theoretical perspective

of Saint-Simon, who reasoned questions that occur in the context of reality in relation to politics and value judgment can be resolved through a series of decision-making algorithms conceived from the perspective of political engineering. The last is the pragmatic model. This is based on a theory perspective initiated by Dewey, who insisted that real-life questions should be solved through the medium of public opinion formed in a public society that makes it possible for scientists and experts to implement their roles and for politicians and bureaucrats to make decisions through open communications.

From these perspectives, the formation of the triangular governance system could be seen as the adoption of a “pragmatic” policy line. Contention over the Cheonggyecheon project can be boiled down to two categories. The first category includes technological and experiential issues associated with restoration and maintenance costs, specific aspects of restoration, securing water sources, and traffic problems expected during the restoration work. Arguments in this category are within the scope of technological and experiential knowledge that should be provided accurately in a controllable and predictable manner to help various stakeholders present policy options and make relevant decisions. The other category is comprised of social and political issues related to environmental and historical validity, the prospect of serving public interests, and democratic values. These issues reflect the aspects of consensus and conflict that occur in the process of making specific decisions involving various interest groups directly or indirectly related to the project.

The triangular governance system is designed to ensure opinions regarding the project are formed in a democratic manner through an institutionalized structure for negotiations and conflict management between the city government, which is the most essential stakeholder with the implementing authority, and various interest groups in society. In other words, it represents a shift in local governance related to decision-making and project implementation from the decision model to a pragmatic model that can guarantee a democratic process for opinion formation and decision-making. Given the size and characteristics of the restoration project,

establishing such an opinion formation structure is a very important element in that it can ensure project sustainability.

2.3. Use of the Triangular Governance System and Conflict Management Strategy

On February 11, 2003, the draft framework plan for Cheonggyecheon restoration, the blueprint for the project, was announced. The plan was developed by the Cheonggyecheon Restoration Research Corps, which also conducted feasibility research for the project. It was based on research that had been carried out in technological and non-technological sectors. The non-technological sector covered the stream plan, petitions management, culture and history, social costs and benefits, and traffic plans.

Based on the framework plan, the city embarked on a process to develop a full-fledged project design and make preliminary preparations. After the plan was announced, the merchants concerned could not but accept the Cheonggyecheon project as a reality. However, they showed resistance, voicing dissatisfaction with the measures for the merchants. Negative media reports about the measures¹¹ added weight to their argument.

11 “The framework plan for Cheonggyecheon restoration has been released. ... However, we are disappointed with the plan and feel concerned. It makes such words as “Cheonggyecheon restoration“ and the “environmental era“ sound absurd. The plan envisions pumping in water from the Han River and underground water from subway stations. If restored in such a manner, Cheonggyecheon would not be a natural stream, nor would it be environmentally friendly. The undertaking would be an urban landscape project carried out under the pretext of restoring Cheonggyecheon. All such problems are related to the fact that the city government is trying to implement the project within the shortest possible period and minimum financial resources without promoting it from the perspective of the entire city of Seoul. We are worried that it would just be another example of a development-oriented construction project rather than help open a new environmental era.” (Hankyoreh, February 13, 2003).

“With regard to the framework plan for Cheonggyecheon restoration, Seoul residents welcome its vision for changing Seoul into an environmental city, but remain skeptical about its feasibility. There are just four months left before the start of construction work, and they have yet to have talks with law enforcement over traffic flow measures. These circumstances make us doubtful about whether professed traffic measures such as introduction of the one-way traffic system and expansion of the median bus lane scheme would be implemented properly. Besides, fierce opposition from the merchants in the area surrounding Cheonggyecheon is likely to act as a decisive obstacle to the restoration project.” (Hankook Ilbo, February 13, 2003).

On February 20, 2003, the first public hearing on the project was held with the participation of about 800 people from the Seoul Metropolitan Government, the central government, local administrative entities, merchant groups and civic organizations. The hearing proceeded smoothly in a calm atmosphere. The panelists and the audience generally agreed on the need for Cheonggyecheon restoration, but differed on specifics.

The Cheonggyecheon Merchants' Commercial Rights Protection Committee, which spearheaded a campaign against the project, conducted various resistance activities, including interviews, consultation meetings, distribution of leaflets, posting of placards, submission of petitions, and release of survey results. Refraining from unconditionally embarking on collective action (demonstrations, protest rallies, etc.), a method that had often been used by stakeholders during conflicts of interest, the committee used various official and unofficial channels to express their opinions against the project.

The committee conducted the following activities:

First, ahead of launching a protest campaign, it carried out a survey within its community on pros and cons as well as the scope of desired compensation. Instead of pursuing a confrontational method based on abstract damage calculation, it specified the scope and contents of anticipated losses. This represented a refined attitude compared with the conventional behavior of stakeholders engaged in conflicts of interest. The committee conducted its first survey from November 4 through 27 and the second between November 8 and 28 in 2002. Based on the results of the surveys, it delivered its position to the city, calling for the following measures: ① compensation for (estimated) business losses, ② business parking spaces (at least three lanes) and public parking lots, and ③ alternative land lots.¹² It made it clear that should the government turn down these requests, it would take legal steps, stage a resistance campaign with civic groups, and post newspaper ads to promote public opinions against the project.

¹² In addition, the Commercial Rights Protection Committee demanded a meeting between its leading members and the mayor as well as objective selection of stakeholders that would serve as members of the planned residents' consultation committee.

Second, the committee asked for meetings with the Seoul mayor and vice mayors. According to the request, official meetings between the two sides took place three times.

Third, the committee sent a petition to the national government, the National Assembly and civic organizations in a move to publicize their expected damages and to seek mediation by third parties. On December 12, 2002, it submitted a petition with the city, demanding that the project be nullified. On May 16, 2003, it sent a petition calling for merchant protection measures to the Seoul City Council, the Grand National Party, and the Democratic Party. Similar petitions were also sent to the National Assembly, the central government agencies and various political parties. Additionally, ahead of the presidential election of December 2002, the committee openly asked the major candidates to work out measures to protect the merchants' business rights.

Fourth, the committee took collective action aimed at publicizing its position and ensuring internal support and unity. It first staged a street protest using cars on December 16, 2002. Its collective action protest was held six more times till June 16, 2003. When the city government released the framework plan for Cheonggyecheon restoration, the committee accepted it as an established fact and began to seek collective response measures. It began to manifest its position in a more active manner through a protest rally held on February 15, 2003.

In the meantime, the city government divided the businesses surrounding the stream into two categories: those that would be relocated and others that would remain in the area. Businesses in the Pyeonghwa and Sinpyeonghwa markets were included in the latter category, as they were considered to fit in with the envisioned post-restoration environment. Apparel store operators had been expected to be in favor of the project because the representatives of apparel shopping area management companies were members of the Resident-Merchant Consultation Committee. The apparel store operators, however, were concerned that traffic conditions would become worse, placing them in a disadvantageous position compared with their rival clothes dealers

in nearby areas. Thus, they organized the Clothing Stores Association and began to put up resistance against the project.

Although it was organized after than the Commercial Rights Protection Committee, the association put up stronger resistance. Being in the same business sector and doing business in the same shopping malls, the association members displayed a strong sense of unity. Like the committee, the association staged an anti-project campaign through various activities. It conveyed its position to City Hall through meetings between its leaders and the city mayor and vice mayors, distributed leaflets, posted placards, submitted petitions to various organizations, and took collective action. Beginning with its first demonstration staged on March 22, 2003, the association held protest rallies four times.

The committee and the association acted to protect their interests, sporadically submitting petitions to various organizations and taking collective action. However, it was not that easy for the merchants to combine their capabilities and unify their opinions. Busy with their business activities, they could not easily make time to join in protest activities. Also, it was difficult for them to speak with one voice as they were apt to change their position depending on the prospect of benefit. In addition, the existence of various types of businesses in the area surrounding Cheonggyecheon made it difficult for any group to emerge as the organization that fully represented the interests of the entire business community there.

2.4. Factors Outside the Governance Framework

2.4.1. Citizens' Committee for Green Seoul and Civic Groups

In November 1995, the Seoul Metropolitan Government inaugurated the Citizens' Committee for Green Seoul in a move to create a "green Seoul" in which people can harmoniously coexist with nature.¹³ Charged with ensuring

¹³ Cited from <http://env.seoul.go.kr>.

environmentally sustainable development of the city, the committee was given the following tasks: development of environmental improvement programs that could be jointly implemented by residents, NGOs, environmental experts, businesses and Seoul City Hall; sustainability evaluation of the city administration's major policies, as well as provision of advice and counseling services; and execution of the environmental protection program called Seoul Agenda 21. It was jointly organized by the city and the private sector in order to push for city restructuring centered on environmental value. Given its environmental aspects, the Cheonggyecheon project was originally subject to deliberation by the committee. However, the establishment of the Citizens' Committee for Cheonggyecheon Restoration left little room for the Green Seoul Committee to get involved in the project. In protest, the committee conducted a public opinion survey on the Cheonggyecheon project, but its plan to announce the survey results was aborted.¹⁴ The following is a news article on the aborted plan, which was disclosed through a press conference given by the committee on February 13, 2003:

The Citizens' Committee for Green Seoul, a consultative body comprised of civic, government and business representatives, was slated to announce on February 11 the outcome of a public survey it had conducted for 500 Seoul residents with regard to the Cheonggyecheon Restoration Project. However, the plan was aborted by Mayor LEE, who demanded that changes be made in timing and contents in a way that suits the city's official policy concerning the project.

An overwhelming majority of Seoul residents were calling for sufficient accommodation of experts' opinions before commencing work on restoring Cheonggyecheon, even if it should lead to delays in the project schedule, according to the survey. Of the respondents, 88.8% were found to be in favor of

¹⁴ Regarding the aborted plan to announce the results of a survey on the Cheonggyecheon project, a Seoul City Hall spokesman said, "There are concerns that the survey items were organized in such a way that could cause distorted results. So, Mayor LEE decided to determine whether to announce the survey results after holding talks with other co-chairmen of the committee on February 17." He denied that the city government had attempted to block the release of survey results (Hankook Ilbo, February 13, 2003).

this position, while 11.1% said the city should stick to its original plan to start the work in July.

Regarding the direction for developing the area surrounding the stream, 63.5% said they wanted to see the creation of a “historical and ecological public space,” while just 19.4% said they were in favor of the city’s plan to foster a “zone-specific industrial complex” that would include a financial hub (Hankook Ilbo, February 14, 2003).

Following the press conference, opinion against the project spread among civic groups, academic circles and city councilors. On April 8, 2003, a total of 109 figures representing various sectors of society, including civic organizations, held a press conference, demanding that the restoration project be implemented in a proper manner. They opposed early commencement of restoration work, criticizing the directions the city government had presented for the project. They proposed delaying the scheduled commencement of the work, while observing that a sufficient adaptation period would be needed before demolishing the elevated highway, the daily vehicle traffic volume of which stood at 160,000. They also suggested that the project be switched to a civic participatory undertaking that would take place after gaining public consensus.

Although they were in favor of the idea of restoring Cheonggyecheon, civic groups were opposed to the specific methods employed by the government. In March 2003, seven civic organizations interested in the project formed a joint association. In mid-June, they formally announced their position against the project, saying that they would launch activities to block the commencement of restoration work slated for July if their demands for restoration of upstream branches and establishment of proper measures for the merchants. The association’s position was based on its judgement that the government’s restoration plan would not lead to ecological restoration of the stream. In late June, however, it issued a statement, retracting its earlier announcement that it would block the commencement of restoration work. The Seoul Metropolitan Government had not taken any steps regarding the association’s demands, but the association changed its stance. Two reasons

were presumed to have caused the association to change its position.

First, the civic groups were basically in favor of the Cheonggyecheon project. Unlike the merchants and street peddlers in the area surrounding the stream, the civic organizations shared the understanding that too harsh action would cost them a precious opportunity to restore the stream. Second, they did not succeed in developing alternative options or creating an issue that would earn them public support, whereas the city government had the administrative authority to push ahead with its policy. Some of the experts associated with the civic groups even participated in the Citizens' Committee for Cheonggyecheon Restoration, offering restoration-related ideas and assistance. To conclude, the civic groups have limitations in their capacity to launch a campaign against the project due to its internal contradictions. This made it possible for the city government to start the restoration work as originally scheduled.

2.4.2. Cooperative Relationship with Seoul City Council

In general, a city council serves as a mediator when conflict escalates over urban development programs. Stakeholders submit petitions to the city council and expect it to open a channel for dialogue between themselves and the local government. As far as the Cheonggyecheon project was concerned, the Seoul City Council acted somewhat differently. It expressed its support for the project and provided assistance in various ways. In particular, it formed a special committee designed exclusively to ensure support for the project. Some council members expressed concerns, but they were mostly related to procedural matters or other minor problems.

The council expressed its support for the project while maintaining cooperative ties with the city administration and providing advice regarding problems that could occur during the implementation process.

3. Setting Social Agenda and Securing Validity

3.1. Media Persuasion and Opinion Formation

Political democratization and the maturity of a civil society have brought about changes in the ways of handling disputes that occur between local governments and residents. In the past, conflict between local administrative entities and residents represented a structure of confrontation between the strong government and a weak public, with issues of contention focused on local matters. Now, public opinion plays a critical role in determining the outcome of such confrontational cases. Thus, publicizing the necessity and directions of a project through the media is considered an essential condition for ensuring its successful implementation and effective conflict management. A project can be perceived favorably by the public through efforts to publicize its positive aspects and address the negative ones caused by misinformation. Such a positive perception could ultimately facilitate the execution of the project. Additionally, public opinion often acts as a means of putting pressure on stakeholders, thereby helping to ease conflict and drawing them to the negotiating table.

3.2. Agenda Setting by Opinion Leaders

The Cheonggyecheon Revival Research Group and novelist PAK Kyong-ni played significant roles in the initial process of forming public opinion on the Cheonggyecheon project. Members of the forum thought that implementing a Cheonggyecheon restoration would require setting a relevant social agenda through interaction with politicians. They also shared the view that it was necessary to foster favorable public opinion on the idea through progressive news media and influential figures. Hankyoreh, a daily newspaper, and novelist PAK were the most suitable ones that would carry out the activities desired by the forum members. Hankyoreh began to lead public opinion on Cheonggyecheon in the following manner:

In November 2001, a Hankyoreh reporter made a phone call to the forum, saying that he had observed with interest the Symposium on Bringing Cheonggyecheon Back to Life. The reporter then informed the forum of the newspaper's intention to launch a media campaign for reviving the stream the next year. The forum explained to the reporter what it had implemented by that time, and suggested the newspaper have an interview with PAK. Beginning with an interview with PAK¹⁵ published on January 1, 2002, the daily carried a series of special articles on the proposed restoration of Cheonggyecheon. After the special articles were published, other media got interested in the issue as well and began to report about it. Politicians also showed interest, asking for data or proposing to hold joint seminars. After publishing the interview with PAK, Hankyoreh was placed in a dilemma because of its status as a newspaper advocating progressive ideas. Cheonggyecheon restoration was an idea strongly pushed by LEE Myung-bak, a former lawmaker, who was running for Seoul mayor as the candidate of the conservative Grand National Party. KIM Min-seok, the candidate of the progressive Democratic Party, was opposing LEE's proposal for Cheonggyecheon restoration. Yet the newspaper went ahead with the series. Continuation of the special articles could be attributable to persuasion by the forum and the dedication of the above-mentioned reporter. When another

15 Work has started to replace the antiquated sections of the elevated highway over Cheonggyecheon. On this occasion, a number of scholars and environmentalists are stressing the need to restore the stream.

PAK Kyong-ni (76), the author of *The Land*, is one of the figures that have called for Cheonggyecheon restoration for future generations. She repeatedly expressed regret over the lack of social awareness of the significance of the environment. Many Koreans, she observed, seem as if environmental talks remind them of just something like flowers in distant mountains, without realizing that the environment is directly related to their existence. "We should transform the heart of Seoul, which currently looks like a garbage bin, into a street that can symbolically represent the city," she said upon taking a seat, stressing the social validity of the proposed resuscitation of Cheonggyecheon. PAK made these remarks during an interview held at her home next to the Toji Cultural Center. She said she was preparing to write a new piece of work, which would be based on perspective criticism about civilization. She went on to say that by reviving Cheonggyecheon, Korea would be able to demonstrate its determination to free itself from the shackles of materialistic civilization of the 20th century, and move toward a new era full of vitality of life in the 21st century. She then voiced the hope for media and civic participation in a campaign for Cheonggyecheon restoration (Hankyoreh, January 1, 2002).

newspaper carried an article about possible traffic problems that might be caused by restoration work, Hankyoreh reported that there would be no such problems. Such favorable news articles published by a progressive newspaper helped change the public's perception of LEE, which had long been regarded as a politician placing the utmost emphasis on growth-oriented development.

PAK also contributed greatly to expanding the social agenda regarding the proposed restoration of Cheonggyecheon. She played an important role in publicizing the need for Cheonggyecheon resuscitation and raising the level of public awareness of the issue through media interviews, as witnessed in the case of Hankyoreh's special series. In particular, her interview with Dong-a Ilbo,¹⁶ published on May 28, 2003, helped a lot to change the attitude of the central government, which had previously remained unwilling to cooperate with the project. It demonstrated the influence of PAK, who was considered the godmother of people in the progressive quarters of society.

With regard to the Cheonggyecheon project, PAK played as important a role as any expert involved. The following story is about how she became interested in the project.

PAK and Prof. NOH Soo-hong first got acquainted with each other in the early 1990s in association with a project to build a garbage dump in Wonju. Afterwards, they often met at various forums designed to discuss environmental issues. It was in the spring of 1998 that they came to have talks in earnest about the idea of reviving Cheonggyecheon. PAK, who was

16 When told that ahead of the commencement of Cheonggyecheon restoration work, controversy was arising in Seoul about traffic problems, PAK Kyong-ni made the following remarks in a resolute manner:

“Complaints are coming from people driving their own cars, aren't they? They are small in number, compared to public transport users. But they are occupying the roads, inconveniencing the majority of people who use public transport modes. It is nonsensical that they are talking about traffic chaos. I would say that they have no conscience. There is no future for people who cannot tolerate a fleeting inconvenience. They are full of contradictions.”

She also gave a piece of advice to the merchants who are opposing the restoration project:

“We need to spare a thought for the merchants. As for the merchants, they should learn to make some sacrifices for a good cause. They are asserting that they are opposing the project in order to safeguard their right to subsistence. However, I want to ask whether they deserve to mention the ‘right to subsistence,’ acting as if they are living from hand to mouth.

We all ought to put up with difficulties, and make a contribution to our society and future generations.” (Dong-a Ilbo, May 28, 2003).

then planning to build a conference room at the Toji Cultural Center, was on her way to the Daedeok Research Complex along with Prof. NOH in order to get an idea about designing the room. Just to relieve the boredom during the bus ride that took more than two hours, NOH talked about the idea of bringing the stream back to life. He told the novelist that although technically feasible, the proposed project would experience a lot of trouble due to difficulty changing the public's attitudes. He then asked PAK to play a role in persuading the public into accepting the idea, saying that technical matters would be taken care of by the Cheonggyecheon Revival Research Group. Since then, PAK stressed the need for Cheonggyecheon restoration on numerous occasions. She once again played a critical role for the project in May 2003, just a few months ahead of the scheduled commencement of the restoration work.

In May, 2003, Prof. NOH went to an urban planning seminar hosted by the city. There, he was told that the Seoul Metropolitan Police Agency was reluctant to provide assistance with regard to the commencement of restoration work, citing traffic problems and other questions related to merchants in the area surrounding the stream. NOH asked the mayor if he had heard about what the police felt. Having not received any report about the situation, the mayor demanded to know what was going on. YANG Yun-jae, the head of the Cheonggyecheon Restoration Project Headquarters, did not have any knowledge about the police, either. Only then did a City Hall official in charge of transportation measures related to the project brief the mayor of the difficulty the city had been experiencing in getting police cooperation. The city government was just about to start work to restore Cheonggyecheon after resolving conflicts with civic groups and merchants. Now, however, the city government might not commence the work as scheduled due to the lack of cooperation from police. Prof. NOH discussed the matter with LEE, but the mayor appeared to have no measures in mind that could resolve the situation. The professor thus suggested that they should seek the help of novelist PAK. After being told about the situation, PAK got furious. She instantly had an interview with the Dong-a

Ilbo about the problem. In the interview published in the newspaper's May 28th edition, she said that the city should establish a traffic system centered around public transportation. Then, she expressed regret that police would not cooperate with the Cheonggyecheon project just because of the prospect of inconveniencing a small number of people driving their own personal vehicles. The article made it known to the President and cabinet ministers that the project faced a serious obstacle because of the uncooperative attitude of law enforcement.

Following publication of the interview, Mayor LEE attended a cabinet meeting and requested assistance. Only then could the Seoul Metropolitan Government gain cooperation from the presidential administration; Cheong Wa Dae. As a leading figure of society, PAK had long exercised influence on public opinion. With such influence, she offered precious help not only during the process of conceiving the idea of reviving Cheonggyecheon but whenever the project encountered difficulties.

There is no denying that Mayor LEE played a dominant role in facilitating the implementation of the project. Yet he often faced problems he could not smoothly handle with his political leadership alone. PAK offered timely assistance on such occasions, helping the mayor to steadily go ahead with the project. Prof. NOH also merits attention as he acted as the channel linking the mayor and the novelist. Work to restore the stream could commence as scheduled thanks to the concerted effort of these people who played vital roles in forming favorable public opinion toward the project.

4. Cheonggyecheon Restoration Project and Its Sociocultural Environment

As the modern industrial paradigm weakens gradually, it is being replaced by postmodern and environment-oriented values. Researchers predict that future society will see the coexistence of a diversity of values instead of being influenced by a specific dominant value. They further forecast that

the concept of sustainable development will be given particular emphasis, amid growing interest in ecological values oriented toward the environment, community life and coexistence of people and the environment. The social validity of the Cheonggyecheon project is related to such a sociocultural paradigm shift toward environmental matters.

4.1. Discussion Concerning Future-Oriented Urban Environment

Mankind has a tendency to strengthen its control over nature at an accelerating rate as it pushes ahead with industrialization, urbanization and globalization. Initially, relevant changes conspicuously occur in particular areas and sectors. Afterwards, they spread widely to other areas and sectors, ultimately leading to globalization. Mankind is attempting to bring nature under its control without realizing its limitations, thereby causing environmental problems.

Nature and the environment have constantly changed. However, we cannot categorically say that all the environmental changes represent environmental problems. In addition, nature is affected only by people or human societies. Sometimes nature and the environment change through interaction between animals, between animals and plants, between organic and inorganic matters, or between animals/plants and the climate system. Such changes can be called natural changes. People have been building societies while coping with such natural changes and disasters. However, they have been excessively altering the environment and nature through advances in science and technology as well as mass production and consumption in order to satisfy their desires. The altered environment, in turn, has begun to threaten the existence of mankind. Now is the time to determine the scope of environmental issues. The scope should be decided according to the extent of impacts the natural environment altered by human beings has on mankind. Determining the scope should be based on consideration of the following conditions:

First, the physically changed environment should have impacts on the economic and demographic activities of mankind. Environmental

changes may result in alterations in conditions for peoples' economic and demographic activities. For instance, mankind's indiscriminate use of raw materials and overfishing can cause depletion of natural resources and reduction in biological resources. The climate change and changes in atmospheric chemical composition affect peoples' economic activities and residential life. Particular forms of production cause environmental changes, eventually altering the conditions for mankind's economic and demographic activities. In agricultural societies, changes in the type and quality of earth typically led to deterioration in a major environmental condition. In serious cases, such an environmental problem restrict the economic activities of people concerned, who often had to leave their land.

With the beginning of industrialization, environmental problems got worse in terms of scope and intensity. Embarking on industrial society, people could increase production through intensive management of land and livestock. People also intensified efforts to develop natural resources. They excessively altered the environment and kept using natural resources in large volumes. The most prominent environmental problems mankind faced under these circumstances were associated with shortage and depletion of food and natural resources. Such problems were related to a diversity of factors, such as reduction in arable land, chemical farming, genetic manipulation related to agricultural products, deterioration and change in earth quality, population increases, and mass consumption. These factors combined to cause reduction in agricultural production and rapid depletion in natural resources, consequently restricting the present and future economic and demographic activities of mankind.

Second, our health is negative affected. Chemicals released in the process of industrial production, such as mercury, sulfurous acid, lead, cadmium, asbestos and radioactive materials, not only destroy and alter nature but have direct or indirect impacts on human health. Countless environmental problems affecting human health have been reported. As examples, we may cite the following cases: sulfur dioxide poisoning at the Wonjin Rayon factory, farmers' deaths caused by pesticides, environmental questions around the Onsan Industrial Complex and nuclear power plants, and increase in

respiratory diseases in Seoul and other metropolises.

Third, the physically altered environment or natural surroundings inflict an esthetic or emotional shock on humans. People become ill at ease with the environment transformed by their fellow man. Certain social groups attach values to particular things in nature. They often form a culture in which symbolic importance is given to specific things in nature. For instance, the magpie is considered a good omen in Korea, but it is regarded as an ordinary bird or an ill omen in other parts of the world. People in traditional Korean villages believe that a shrine tree serves as a god that defends their town and wards off bad fortune. The “friends of nature” campaign staged in Banghak Neighborhood, Seoul, can be viewed from this perspective.

Resistance against anti-environmental changes does not significantly affect economic activities and lifestyles related to health. However, unusual changes could bring about a harsh reaction. Such a phenomenon occurs when a particular social group sensitively reacts to changes in the natural environment because of its specific system of cultural and moral values, or when it has a value system that places utmost importance on nature itself. In this regard, it can be said that determining the scope of environmental questions is dependent on the esthetic and moral standards people have about nature. Mankind is now strengthening the intensity of its control over nature. This makes it all the more necessary to pay attention to the growing tendency to promote the values of nature and natural environments. Such a movement merits attention because it results in curbing mankind’s excessive use and development of the environment.

Any move to change the environment should be made in a way that it can facilitate human activities, contribute to promoting health and enrich cultural contents. This ought to be the essential guideline for resolving environmental questions. The process of addressing environmental problems is very complicated as it needs changes in both nature and society. Therefore, in order to gain benefits from environmental improvement, people should be patient and tolerate inconvenience to some extent (Korea Sociological Association, 2003).

4.2. Creating an Environmental City Through Cheonggyecheon Restoration

As long as there is social injustice within a city, its urban environment cannot be improved. This principle can also be applied to future cities. It implies that the Cheonggyecheon restoration should be implemented in such a way that can ensure environmental protection and social justice. In other words, it must be carried out in such a way that it can address future environmental problems of the city. Increase in environment-friendly factors causes a decrease in damage suffered by socially, economically, and politically weak individuals. It also weakens the intensity of social discrimination they suffer in relation to environmental factors. Continued existence of political, economic and social inequality is likely to cause a situation in which the right to control the environment is exercised only by particular groups in a society. These groups eventually could gain the resultant benefits, imposing the costs on society. Improvement in social equity would lower the degree of social discrimination in terms of the use of and access to nature and environmental resources.

Cheonggyecheon restoration is pursued under the premise that it would contribute to protecting the environment, reforming the social structure and addressing imbalance in developing urban spaces. In a nutshell, it is designed to raise the level of social equity. Aiming beyond the task of addressing environmental problems caused by social inequity, it ought to be implemented in a manner that it would help improve the quality of economic, biological and cultural lives of the people. This implies that environmental problems cannot be solved without structural reform of the society and the city, as they have been malformed by social inequity and an imbalance in urban spatial development.

If these principles are strictly abided by, the ecological system will be well preserved, ensuring that nature smoothly implements its circulation and self-purification functions. Such a development would result in the elimination of pollutants and the savings of energy and resources, making it

possible to create a future-oriented city based on harmony between people and nature. People living in such a city would pursue cooperation instead of confrontation, and reconciliation rather than conflict. They would realize that they can become happy not through oppression of rivals but through peaceful coexistence. Ultimately, such a city would have the internal capacity to promote mutual cooperation, harmony and equity between people as well as between people and nature, rather than competition, conflict and inequity.

4.3. Ecology-Oriented Values

The concept of development used to be represented through imagery related to directional change. Conventional social scientists asserted that such directional shifts could be seen in dominant beliefs (from religious to secular rule), spatial types (from rural to urban life), and material tools (from the use of animals to the use of machine-generated power). In such assertions, development is considered to be identical with modernization and industrialization of the West. “Development” was something natural and felt like common sense. In the 1990s, these views began to face resistance. Scientist began to reject “development” as a universal and eternal value. The awareness of environment-related problems regarding global growth originated in the *The Limits to Growth*, which was published in 1972 with the subtitle, “A Report for the Club of Rome’s Project on the Predicament of Mankind.” This report is a study about factors limiting the development of planet Earth. The study uses an extremely complex equation model based on “systems dynamics” devised by MIT scholars. Asserting that development was no longer good for Earth, the report suggested that it was time to think about the impacts of individual “development” projects in connection with the global natural environment.

After the report was published, various counter arguments were made. Paradoxically, they contributed to promoting ecological values toward the development of the earth.

There are two major streams of research on the question of limits to

growth, focusing on the relations between society and the environment: human exemptionalism paradigm (HEP) and new ecological paradigm (NEP). Sociologically, they can be categorized as being liberal, conservative, or radical, depending on the paradigm tool they used. Representing a criticism of the “limits to growth,” HEP asserts that the benefits of growth exceed the costs, and stresses the importance of the role of power in allocating resources. In contrast, NEP represents an effort to safeguard environmental and ecological values.

They have several characteristics in common. First, mankind has its own exceptional features, but it is just one of many species mutually related with each other in the ecological system of this planet. Second, human life is affected not only by societal and cultural factors but by complex connections involving natural structure, the environment and mankind. Thus, the purposeful acts of people can result in various unintended consequences. Third, people are living in a limited biological and physical environment that imposes strong restrictions on their lives physically and biologically. Despite such restrictions, we are still dependent on such an environment. Fourth, human creativity and resultant power seem to be able to go beyond the marginal accommodation capacity, but the laws of ecology never disappear. Environmental sociologists who agree on this perspective share the view that social systems interact with physical and biological environmental factors and that environmental phenomena resulting from such interaction would be the focus of political struggles.

By reviewing these factors, we could reach the conclusion that the biggest factor determining the sustainability of development is the ecological natural environment. Thus, we should place a high value on the effort to establish an environment-friendly development strategy through reviewing and reassessing the ecological and development-oriented values, as well as an endeavor to restore the natural environment damaged in the process of pursuing growth, thereby easing the problem of economic growth being restricted by ecological destruction.

4.4. Paradigm for Sustainable Development

Industrialized countries once seemed to have expanded their capacity to solve the environmental problems by undertaking structural reforms based on revolutionary electronic technology. However, the natural environment is being destroyed global at an accelerating rate. This is because advanced industrial countries handed their antiquated industries over to the newly emerging nations instead of abolishing them, acting in accordance with what could be described as environmental imperialism. Ultimately, such short-sighted measures would not provide a fundamental solution to advanced countries as well. Environmental problems cannot be blocked by borders of nation states as all the countries on Earth are combined into one as far as the natural environment is concerned.

Korea is now embarking on an era of industrial innovation after having achieved a rapid economic growth. To a considerable extent, the toxic industries which used to represent the Korean economy have now been transferred to less developed countries. Domestic enterprises are switching their flagship sectors into areas that are based on revolutionary electronic technology and relatively free from environmental impacts. We can say that the time has come for Korea to reflect on the merits and demerits of its past strategy of pursuing growth regardless of the prospect of environmental destruction. We should first accommodate the questions raised with regard to environmental values that have long been neglected due to growth-oriented ideology. From this perspective, specific problems need to be identified.

Korea began to implement its economic development plans in the early 1960s. The top priority was placed on industrial development, with little thought spared for the environment. Amid endeavors to promote “smokestack industries,” Koreans regarded smoke spewed from factories as a positive sign of growth. They did not even take issue with toxic waste water dumped into rivers because they considered it a by-product of industrialization. In the process of industrialization implemented in such a manner, Seoul was turned into a concrete jungle. For Seoul residents, the nature-friendly

environment became something special that could be found only out of the city boundaries. With the declining of the growth-first ideology, however, questions began to be raised concerning the quality of living. Interest in environmental restoration in Seoul can be seen in this context.

The Cheonggyecheon Restoration Project was being promoted on the basis of the public's favorable response to suggestion that Seoul be transformed into an ecological city. Carried out under the responsibility of the Seoul Metropolitan Government, the project should be understood in terms of its impacts on the life of residents and society as a whole. Past public undertakings were implemented by people with a growth-oriented mentality, so they were hardly eco-friendly. There is no denying that the government acted as a destroyer rather than a protector of the environment. It deserves to be criticized for having carried out policies that had negative impacts on the quality of the residents believing the pretext of pursuing growth.

The Cheonggyecheon project could attract attention as an important environmental issue because of the possibility of creating an environment-friendly Seoul through resuscitation of the stream. For Seoul residents, the spaces in central Seoul have merely been location for implementing routine activities related to business. They are far from being nature-friendly places where the public can relax and rest. As a result, many Seoul residents have developed the perception that they cannot find such nature-friendly environments without getting to the outskirts of the city or beyond. The perception will definitely change as the Cheonggyecheon project gets underway to restore the stream and foster a resting place for the people in central Seoul (Seoul Institute, 2002).

The Driving Force Behind a Paradigm Shift: Leadership

1. Leadership Demonstrated Through the Cheonggyecheon Restoration Project

Former Seoul Mayor LEE Myung-bak and the Citizens' Committee for Cheonggyecheon Restoration demonstrated “transformational leadership” in the course of conflict management involving the Cheonggyecheon Restoration Project. Transformational leadership required by today's society can be focused on individual and group levels. It sufficiently reflects elements needed for leaders in a rapidly changing society such as vision, talent utilization, commitment, and conflict management capabilities.

This book examines the two types of leadership newly created through the Cheonggyecheon Restoration Project, namely, the leadership demonstrated by the Mayor who was a conflict management-oriented political leader and the leadership exhibited by the Cheonggyecheon Revival Research Group, a conflict-responsive knowledge-based leader. This book delves into how these two types of leadership were implemented and what roles they played in the course of implementing the Cheonggyecheon Restoration Project in terms of vision, talent utilization, commitment, and conflict management capabilities.

With the focus primarily placed on the project itself, this book also took into consideration how the positions and experiences of leaders played out in planning and implementing the project and how they laid the foundation for the project.

1.1. Conflict Management-oriented Political Leadership

1.1.1. Vision

Leaders in the public sector endeavor to promote support and develop his or her jurisdiction by presenting vision, whereas business leaders aim to boost morale of his or her organization's members and to develop the organization by presenting vision. Public-sector leaders also want the public to know they have made the right decisions in pushing ahead with public projects. Leaders in the public sector inevitably come to carefully think about whether their vision has a cause and justification and whether their projects would receive public support during the implementation phase as such projects would ultimately benefit the public. Here, presenting vision refers to acquiring knowledge and squarely facing reality with a keen foresight against the future which no one can predict with any exact certainty (LEE Kark-bum, 2001). It can be said that the value of presenting vision lies in presenting the direction of change rather than accurately predicting the future.

The Mayor of Seoul, who was the third mayor elected by popular vote, presented the vision of Cheonggye Stream restoration. He carefully thought about whether this project had a justifiable vision before he adopted it as his No.1 pledge in local elections. He concluded that the project carried significance in terms of a political cause and justification, as it was an environmentally friendly project aimed to benefit the public. Although the project had assistance, there were heated debates over whether the Cheonggyecheon Restoration Project would receive public support as it would require taxpayers' money worth hundreds of billions of won. These debates were well witnessed not only during the process when then Seoul

mayor candidate LEE Myung-bak joined hands with the Cheonggyecheon Revival Research Group and adopted the restoration as his foremost election pledge, but also in his political arguments with other candidates after the adoption of the project as his No.1 election promise. The following are a few examples demonstrating the leadership of the former Seoul Mayor LEE Myung-bak who transformed the Cheonggyecheon Project, which were deemed “difficult to implement” by others, into a “realizable” project.

In 2001, former lawmaker LEE Myung-bak was preparing for the mayoral election slated for 2002, while serving as the President of Asia-Pacific Environmental Non-Governmental Organization in Korea. At that time, Seoul was grappling with the costs to be incurred from repairing the dilapidated elevated highway covering the Cheonggye Stream. The Cheonggyecheon Revival Research Group formed by a few like-minded scholars, held the Symposium on Bringing Cheonggyecheon Back to Life on the theme of the restoration of the stream. At that time, LEE, who was working hard to come up with election pledge ideas, came across an idea: “Wouldn’t it be possible to gain the upper hand in the election if I turn the Cheonggyecheon restoration into an election issue as a leader of an environmental organization and garner public support?”

In September 2001, then president of the Asia-Pacific Environmental NGO, proposed a meeting to ROH Soo-hong, a professor at Yonsei University and met with the professor along with his election aids in charge of policy planning. At the meeting, LEE proposed that if he would be elected mayor, he would assist the Cheonggyecheon restoration promoted by the Cheonggyecheon Revival Research Group. At the time, the research group just finished the 2nd Symposium on Bringing Cheonggyecheon Back to Life and needed financial assistance to continue its research on restoration in a systematical manner. As the research group had nothing to lose if Cheonggyecheon restoration could become a political issue and could be implemented, the Cheonggyecheon Revival Research Group agreed to willingly cooperate if the election campaign would request necessary materials.

Needless to say, since the meeting, debates over whether or not to use the Cheonggyecheon Restoration Project as an election pledge continued in the LEE camp. Even some experts, who had previously served as advisors to Seoul City, opposed the idea, arguing that the restoration of the stream was an impossible task in the first place.

Former lawmaker LEE Myung-bak declared through a KBS radio program PARK Chan-suk's Radio Information Center that he would be running in the Seoul mayoral election and would push ahead with Cheonggyecheon restoration if he is elected. This radio interview marked the first time for a politician to officially announce the Cheonggyecheon Restoration Project, having an effect of widely publicizing an election pledge of a mayoral candidate to the public.¹⁷

Based on concrete research results provided by the Cheonggyecheon Revival Research Group, candidate LEE made sufficient preparations for evidence supporting the feasibility of the restoration project, presenting a convincing vision for the project. Consensus was reached on the need for restoration among environmental, civic and social groups, while the media including the newspaper Hankyoreh produced positive reports on Cheonggyecheon restoration. According to a public poll taken among Seoul residents on the issue of Cheonggyecheon restoration, the public supported restoration of the stream even though they had to experience inconveniences.

Through the election campaign process, candidate LEE presented to voters a vision that the Cheonggyecheon restoration is an eco-friendly project and is a project designed for the public. Unlike those with vested

¹⁷ After candidate LEE declared the Cheonggyecheon Restoration Project an election pledge, how did other candidates react? LEE Sang-soo, one of the candidates from the Democratic Party, promised the restoration as an election pledge, while candidates from Democratic Labor Party and Socialist Party supported the restoration and used it as one of election promises. As everybody came forward to use the restoration as one of their election campaign pledges, the issue appeared to lose its appeal among other campaign pledges.

However, KIM Min-seok became the Democratic Party candidate defeating LEE Sang-soo in a primary election and KIM's objection to the Cheonggyecheon restoration starkly contrasted with LEE Myung-bak's pledge, drawing renewed attention to the issue. The Cheonggyecheon issue emerged as the hottest policy issue between candidate LEE Myung-bak from the Grand National Party and candidate KIM Min-seok from the Democratic Party throughout their campaigns.

rights who were skeptical about the project, LEE positively reviewed the possibility of Cheonggyecheon restoration from a new perspective and promoted it as his top campaign pledge. His drive for the project indicates “transformational leadership.” We can witness LEE’s attitude as a candidate with transformational leadership in the fact that, although he did not invent the idea of Cheonggyecheon restoration in the first place, LEE detected the trends of the time, appealed to the majority in a timely manner, and successfully achieved his goal. When everybody else took a defensive, conservative position objecting to the project, LEE displayed a new leadership by proactively presenting vision and demonstrating his commitment to the project, thereby successfully carrying through his reformative position.

1.1.2. Talent Utilization

People commonly believe that leaders should stand out in many different fields. However, such a notion may lead to a fallacy of picking a duck¹⁸ as king of the animals (NOH Yong-jin, 2004). Accordingly, leadership should be assessed by focusing on the leader’s ability to make best use of human resources in driving projects forward, rather than relying on common perceptions that the leader should drive projects forward solely based on his or her own abilities. LEE Kark-bum (2001) also pointed out that finding the right people who share the same vision and allocating them in the right place at the right time is the driving force behind achieving a vision. This is well illustrated in the following parable.

“After the Han Dynasty consolidated China into a unified empire, its first emperor Liu Bang invited distinguished figures from all over the country to a banquet to celebrate the event. A master and his disciples were also invited to the feast. The disciples asked the following question to the master: “Liu Bang’s knowledge of diplomacy, fighting, and logistics does not equal that of

18 If a duck, which can run, fly and swim, is picked as the king of the animals by applying a criterion that the ideal candidate should possess abilities in various fields, it leads to the fallacy of picking a duck as king, not a lion, eagle, or whale.

his heads of staff, including Chang Yang, Han Xin and Xiao He, respectively. Neither does he claim noble birth. How is it, then, that he is the emperor?” The master answered the question as follows: “In order to make a strong wheel, each spoke needs to be sturdy. However, the essence of wheelmaking lies in the craftsman’s ability to conceive and create the space that holds and balances the spokes within the wheel. Likewise, Liu Bang placed top individuals in the right positions and finally achieved unification of the country (NOH Yong-jin, 2004: p. 10-11).”

This parable implies that a synergistic effect is created when the power of driving projects forward is delegated to capable people selected in different fields within the framework of the leader’s manpower management, rather than when a versatile leader tries to do everything alone. Former Seoul Mayor LEE was successfully able to drive the Cheonggyecheon Restoration Project forward thanks to his bold talent utilization. After his inauguration as Seoul Mayor, he embarked on preparations for the restoration project to keep his campaign pledge and delegated as much authority as possible to heads of respective units until the project implementation system was in place. In forming a mayoral transition committee, the mayor-elect included a large number of Cheonggyecheon experts in the committee, creating a blueprint for the Cheonggyecheon Restoration Project based on research findings and outcomes of political battles over the campaign process. As soon as he was inaugurated, LEE Myung-bak launched a research support group on Cheonggyecheon restoration as a body overseeing research activities for the project. He also formed the Citizens’ Committee for Cheonggyecheon Restoration that would aim to enhance the expertise of the project, provide constructive critiques and collect public opinions, thereby creating a governance framework that would lead the project.¹⁹

Furthermore, most of the authorities Mayor LEE delegated worked in these entities. In the case of the Citizens’ Committee, he authorized relevant committee members to take charge of everything from organization to appointment of members, while delegating relevant researchers with Ph.D from Seoul Institute to the Research Group. The organizational

structure was operated as a perfect governance system until Mayor LEE successfully completed the project. The Cheonggyecheon Restoration Project Headquarters served as Mayor LEE's "feet" as an executive team, while the Citizens' Committee acted as his "eyes" and "ears" as an advisory team and the Research Group served as his "brain" as a research team.

In the meantime, after only two months since the formation of the Cheonggyecheon Restoration Project Headquarters, Mayor LEE came to a conclusion that it was important to resolve conflicts with merchants and changed the project implementation system. On September 23, 2002, Mayor LEE Myung-bak set up the Restoration Administration and Planning Unit. He appointed a policy planner from Cheong Wa Dae (Blue House) as head of the new unit and delegated authority on the merchant issue to him, empowering him to resolve conflicts with merchants within the limited amount of time. Mayor LEE accelerated the smooth implementation of the project by appointing and placing experts with ample experience in areas where he did not have expertise.

1.1.3. Commitment

According to a study conducted by Professor LEE Chang-won of Hansung University, it is emphasized that one of the foremost goals of all organizations is to make leaders motivate members to work, make them

19 Here, "leading" governance is used as having the same meaning as the triangular system to implement the Cheonggyecheon Restoration Project. In general terms, governance mainly focuses on 1) problem resolution through enhanced networks between individuals and the public sector, rather than government-oriented unilateral problem resolution, 2) enhancement of a coordinating function rather than instructions or control, 3) securing competitiveness through mutual collaboration between the public and the private sectors, and 4) complementation of the government's policy execution capabilities. Governance is defined as the structure and process of coordinating and integrating goals and interests of various stakeholders through their participation. However, in this book, the term "leading" governance was used to refer to a public-private partnership leading the Cheonggyecheon Restoration Project. Therefore, stakeholders exist outside the leading governance. In the case of the Citizens' Committee for Cheonggyecheon Restoration, which could act as a channel of participation by stakeholders, their participation was excluded after considering the importance of expertise and deliberation. Given this, the sum of a series of the implementation system leading the project can be conceptualized as the "leading" governance.

committed to their work and organization to which they belong. Such a goal is important among private business organizations in which members of the organization directly determine customer satisfaction and retention. However, it is also extremely important among public organizations as well. The quality of administrative services offered by public organizations whose members are unmotivated and uncommitted to their work and organizations are ultimately bound to deteriorate (LEE Chang-won, et.al, 2003: p. 20).

In 2002, when LEE was pushing ahead with the Cheonggyecheon restoration plan, the unions for cargo workers, Korea railway workers, and metro labor went on strike, while the railroad union continued to pressure the metro labor union to oppose the Cheonggyecheon Restoration Project. Furthermore, in the wake of the Buan Incident and the Saemangeum Incident involving local residents' protest against construction of a nuclear waste disposal site and seawall construction, respectively, it was extremely difficult for the government to press ahead with large-scale public projects.²⁰ Under such extremely difficult situations on the external front, the opposition from local merchants operating in the Cheonggyecheon area would have placed even more burden on the Seoul Metropolitan Government.

There existed conflicts of interest involving approximately 600 groups and 220,000 merchants in the Cheonggyecheon area. If all of them had been building owners, the issue might have been solved easily. However, only 20,000 people were building owners and the rest were merchants renting the buildings and thus it was extremely challenging to present a single, clear-cut solution. Building owners had no reason to oppose the restoration project as they would benefit from rising property prices when the nearby environment improves after the restoration. However, as for merchants, it was a zero-sum game where sales would get better for some merchants and get worse for others, depending on the type of business. It clear that merchants with bad business prospects after the restoration would strongly oppose the restoration project.

In a situation where merchants staged strong protests, even cooperation

²⁰ Source: An interview conducted with Mayor LEE Myung-bak on May 20, 2004

with the National Police Agency concerning the start of the construction did not proceed smoothly. Under the circumstances, external organizations and the media forecasted that it would be impossible to start the project and even government officials were skeptical about the restoration project. Mayor LEE Myung-bak thought that it was more urgent to shift the demoralized atmosphere away from government officials and consolidate internal unity, rather than dealing with external negative views.

As part of the effort, Mayor LEE held Cheonggyecheon Restoration Project Meetings²¹ with relevant officials of the Cheonggyecheon Restoration Project Headquarters (director of the headquarters, department heads, working-level officials, etc.) at 8 a.m. every Saturday and shared the project progress status and was engaged in discussions, coming up with a consistent internal position on the restoration project. The meetings among relevant officials carried significance not only in sharing information through ongoing communication among department heads of relevant organizations of the Seoul Metropolitan Government, but only in the fact that the meetings consolidated internal unity and demonstrated the mayor's strong commitment to the project. In addition, the meetings continuously planted an idea in the minds of government officials that "no project is impossible and a supported project shall be implemented without fail," thereby solidifying internal solidarity and illustrating strong commitment to the project.

1.1.4. Conflict Management

In recent years, among leadership types needed for heads of local governments, the greatest emphasis has been placed on entrepreneurial

21 The Cheonggyecheon Restoration Meetings attended by relevant officials held a position as a top decision-making body related to the Cheonggyecheon Restoration Project. The Saturday meetings presided over by Seoul Mayor LEE Myung-bak were attended regularly by three officials from the Cheonggyecheon Project Headquarters, a researcher from the Seoul Institute, a member from the Citizens' Committee for Cheonggyecheon Restoration, and an urban policy aide. Relevant bureau-director level officials including directors of construction bureau, industrial affairs, and cultural affairs also attended meetings when necessary, thereby boosting enforcement of what was discussed in the meetings.

leadership which aims to resolve various challenges of local governments through a variety of projects based on the leader's direct and indirect experiences (PARK Sun-ja, 2002). In the case of Mayor LEE Myung-bak, he was faced with conflicts with various stakeholders in the course of carrying forward the Cheonggyecheon Restoration Project. It appears that LEE's knowledge, which had been acquired through various crisis management experiences while he was an entrepreneur, played a pivotal role in resolving the conflicts.

An important virtue of leadership is crisis management capability. During times of change, people experience several times of crisis. Bill Gates, one of the world's most successful entrepreneurs, once said that "success is a lousy teacher," indicating that a success is always followed by a crisis. It is generally believed that important elements in crisis management are the ability to think and act quickly. However, what precedes such ability is the ability to detect and manage crises. This ability depends on the degree of crisis preparedness. In addition, crisis management capabilities gain more momentum when people follow principles and choose to walk on the right path. As indicated by a saying "if you use too many tricks, you lose the game," the most necessary leadership at the time of crisis is integrity (LEE Kark-bum, 2001).

As the Cheonggyecheon Restoration Project was a project of a gigantic scale, conflicts were caused by a combination of multiple factors, including media skeptical about whether it was feasible and implementable as planned; protests of merchants; and concerns of the central government over possible traffic chaos. As a leader implementing the project, the Seoul Mayor had to come up with measures to manage conflicts with various stakeholders. To this end, Mayor LEE strived to manage conflicts through his knowledge acquired from his years of business experience, principle-setting based on thorough preparations, and reasonable and pro-active standard tactics. Mayor LEE's conflict management efforts are summarized below.

① Conflict Management with Merchants

According to LEE Kark-bum (2001), transformational leadership includes democratic leadership and requires the ability to communicate, the ability to

mediate conflicts, and the ability to set and abide by basic principles. Among them, the ability to set and abide by basic principles refers to abiding by the democratic order, which is the foundation of a nation. The democratic order is based on the rule of law. Principles and laws make all people equal and make them free from illegal physical violence, arbitrary violence of power, and violence through collective force. The only way to deal with social crimes or violence committed anonymously in a firm and strictly fair manner is to handle them based on laws and principles. The same applies to conflict management. When faced with a conflict, if the authorities set principles and hold negotiations in a coherent manner, the stakeholders involved would gradually show trust eventually leading to an agreement. Principles are all the more necessary if there are multiple stakeholders.

Mayor LEE believed that adopting a one-on-one approach would not be effective in resolving conflicts with 220,000 merchants. He considered it important to deal with all stakeholders using the same principles, more specifically, making all government employees from the mayor to low-ranking officials present the same answers and alternatives to the merchants. Therefore, he set five principles for the restoration project as follows:

- a) There will be no indirect compensation, including business loss compensation.
- b) There will be no written contracts on relocation, remodeling/redevelopment/reconstruction, and related financial assistance. Persuasion and negotiations will be conducted orally.

The government is not an enterprise. When the government announces policies, it will just execute them. Unlike private enterprises, policies are not a subject for negotiation. Therefore, there will be no contracts.

According to Mayor LEE, the government's policy announcement was made based on the premise that it will be executed. It is not intended for negotiations with stakeholders of the policy. Through this principle, we can deduce Mayor LEE's administrative leadership style and strong drive.

- c) The government will provide maximum assistance to merchants who wish for relocation. This indicates that the government will

seek administrative and financial assistance measures necessary for relocation if merchants desire so.

- d) Although there will be no indirect compensation, direct damage such as damage of goods and buildings during the construction will be fully compensated.
- e) The government will respond consistently, no matter who meets whom at anytime and anywhere. It has been a long practice in Korea that all negotiation processes are mostly reversed at the last minute. Top government officials showed a tendency of ignoring the work of working-level officials, instead giving special favors. That was why residents, labor unions, and merchant federations made excessive demands and insisted on having direct negotiations with higher-ranking officials in charge. Such negotiation practice led to deadlock because even trifle matters could not be solved without the presence of high-ranking officials in charge. Such practice also had the same effect on other negotiations, ultimately repeating the same consequences. This principle served as a precedent to break such practice.

In this light, Mayor LEE's five principles acted as a kind of protection mechanism for the weak, as they guaranteed that those who abide by laws and principles receive maximum protection and support, while making those who ignore laws and principles by means of illegal protests and violence gain nothing.

After setting the five principles, Mayor LEE instructed officials to handle matters in accordance with the principles, delegated his power of representation to the negotiation team under the Cheonggyecheon Restoration Project Headquarters and did not intend to hold meetings with individual merchants. Yet, he accepted requests for meetings with merchants only when the negotiation team said that such meetings were absolutely necessary. Under the principles, only two meetings between Mayor LEE and the merchants took place (February 13, 2003 and June 21, 2003²²). Among them, the meeting held on June 21, 2003 played an instrumental role in garnering support from the merchants. As indicated in the aforementioned

principles, Mayor LEE did not make his agreement with the merchants in a written document. He believed that the negotiation would not end if an agreement is made in a written document because it would be difficult to reach final agreement if there is disagreement over the smallest clause and that no one would be willing to reach an agreement first to secure better conditions than others. This principle gave a lesson to government officials who had previously thought every agreement should be made in written form.

Then, how did the merchant representatives feel about Mayor LEE's leadership during the two meetings? They said that they could trust Mayor LEE because he made his position clear. Mayor LEE demonstrated unwavering resolve and drive, not reversing his decisions over matters already determined, and that was why the merchants agreed to cooperate on the commencement of the construction.²³

22 On June 21, 2003 merchants visited the Mayor's office. All of the merchant representatives shaved their heads and wore matching vests in a sign of solidarity. When the Mayor entered he abruptly shouted at his secretaries. With the mayor's unexpected anger, the secretaries were at a loss and the sitting merchants were also taken aback. The mayor intentionally shouted to dampen the spirits of the merchants who came to get a better bargain ahead of commencement of the project. When noticing the merchants came to receive a better deal, the Mayor started with the following proposals: there would be no compensation for business loss and there would be no written agreement. The expectant merchants were flabbergasted. They were dumbfounded when Mayor LEE proposed almost the same thing as the negotiation team or even inferior. Mayor LEE continued that no leader in the nation would have a full understanding of labor unions and street peddlers as him and he would not press ahead with the project if merchants opposed it. He reconfirmed that he would keep all the promises he made orally. The merchants, who became low-spirited at Mayor LEE's firm position, returned home after promising to cooperate until the groundbreaking ceremony.

23 Merchant representative A: "If I had been Mayor LEE, I would have done the same. The issue was how much consideration he would give to use upon being briefed by department heads and the head of the project headquarters. There was no big issue with his leadership. Isn't it inevitable that even hard-working leaders are bound to face criticism? For now, it seems that he is doing fine and he seems to show merchants consideration for the most part."

- Merchant representative B: "The project would not have been made possible if there had been other mayor. It has been made possible because of Mayor LEE. As he showed such strong drive, we could trust him."

- Merchant representative: "I also recognize Mayor LEE's leadership. The Cheonggyecheon Restoration Project has been made possible because of him. He is very charismatic and has a strong drive. Personally, I do not like people who are indecisive or hesitant. An irresolute person does not make a good leader. However, when I met Mayor LEE Myung-bak in person, I found him to have a strong drive and selects the right people for the job. I think that such a person makes a good leader."

Note: excerpts from interviews with merchant representatives.

While he served as the CEO of Hyundai Group, he experienced conflicts with numerous stakeholders, including customers, buyers, and labor unions. Such ample experience would have become a source of inspiration and basis for his ability to make quick decisions.

② Conflict Management with the Media

There is neither a beginning nor an end in terms of conflicts with the media. It is no exaggeration to say that the mayor had to engage in a “war against the media” from the initial phase of project planning to project commencement. In particular, the media reacted negatively on concerns about construction methods and conflicts with merchants for the length of the project.

Mayor LEE held a press conference to explain technical aspects such as construction methods. Pointing out that noise and dust would cause inconvenience to the public, reporters asked the mayor what countermeasures he would take. Mayor LEE, who served as a CEO of a construction company, gave a thorough answer as an expert in the field. He explained in an easy-to-understand manner that they would employ the latest construction methods with little noise and greater convenience so construction would proceed seamlessly as if cutting “tofu,” unlike conventional noisy methods. Reporters repeatedly asked whether it would be possible and Mayor LEE responded with confidence every time. The reason why he was so confident was that he was very knowledgeable in the construction field. It would have been convincing enough to the reporters on their part because they already knew his business career and expertise. Since then, the media did not bring up technical issues again.

③ Conflict Management with the Central Government

The conflict between the Seoul Metropolitan Government and the central government did not surface conspicuously. However, there was a subtle difference over the timing of construction commencement. Particularly with the National Police Agency, the Seoul Metropolitan Government had a grave issue, which could determine the fate of the project with only 15 days until the groundbreaking ceremony. The National Police Agency decided that

it would not cooperate due to traffic and merchant protest issues. As the Cheonggyecheon Restoration Project would take place on private properties, the project was not subject to Presidential approval and thus there was no need to consult with the central government or the President. However, the National Police Agency was under the central government and followed Presidential orders and approval. With the groundbreaking ceremony rapidly approaching, Mayor LEE could not afford to go through all administrative procedures. After several requests for a meeting with the President, he was offered an opportunity to discuss the issue in a cabinet meeting where one-on-one question and answer sessions, not discussions, were held. At first, the Commissioner of the Police Agency expressed difficulty in cooperation due to traffic and merchant protest issues, while cabinet members asked only unfavorable questions. In response, Mayor LEE provided answers as detailed as possible. When the mayor's answers were in great detail and accuracy to the point that cabinet members could not make further questions indicates that leadership in modern society should be based on knowledge. In a knowledge-based society, the scope of knowledge utilization should be extended by sharing individuals' knowledge and experience with society or the government. For instance, in an enterprise the knowledge and experience of a CEO constitutes a small part of the overall knowledge system. However, if the knowledge and experience is shared with society through leadership, enterprises and nations can grow much more significantly (LEE Kark-bum, 2001). Given their innate characteristics, once formed, knowledge and experience are accumulated on the individual level and thus this kind of leadership can be described as more stable and solid than any other leadership required by the rapidly changing times. Mayor LEE was able to efficiently manage conflict with the central government by using his knowledge and experience as a business leader for politics to exert his leadership abilities.

The atmosphere of the meeting, which was predominantly against the restoration project, was completely changed with a few questions raised by some ministers. A minister demanded an explanation over differences in traffic statistics, such as traffic speed, reported by the Police Agency and the

Seoul Metropolitan government. Instead of refuting the question, Mayor LEE remarked about his position frankly:

“I think that neither we nor the Police Agency are accurate. Those who oppose the project would have produced data indicating that the project would slow down traffic. Those who support the project would have produced data showing that there would be no significant difference. These data are researched and analyzed to their respective favor. Statistics are no more than predictions and no one can make accurate predictions. However, this is not the point. What matters is that this project is designed for the public.”

Next, another minister asked about the restoration of cultural properties, while mentioning that most taxi drivers opposed the project and believed that starting the construction on July 1 was unreasonable. Mayor LEE responded as follows:

“We have already made an announcement in advance. We should proceed on July 1 as promised. Isn't it natural to keep a promise in a democratic society? Setting an exact date gives residents time to mentally get ready for the project. In addition, the traffic volume on July 1 will decrease because students will be on school vacation and it is the summer holiday season, as well as the rainy season. Therefore, it is the time of the year when inconvenience can be minimized. And did you mention that most of taxi drivers you met opposed the restoration project? Every taxi driver I met desperately opposed the project. However, even though taxi drivers oppose the project, would you change a national policy? If so, it is not national management conducted based on principles!”

While such discussions were in full swing, the President finally broke the silence and it was agreed at the cabinet meeting that the central government would support the Cheonggyecheon Restoration Project. The National Police Agency promised to cooperate and everything proceeded smoothly towards the successful commencement of the project.

Regarding the situation at that time, Mayor LEE remarked that he did

not intend to confront the President. At that time, then President ROH Moo-hyun was having difficulty in properly implementing his policies due to those who opposed his policies and continued to have conflicts with them. Mayor LEE pointed out that his logic provided then President ROH an opportunity to refute those who opposed his policies, creating a win-win situation.

Meanwhile, in the cabinet meeting Mayor LEE was straight to the point when receiving questions from ministers. The reason was that the ministers' questions were not the heart of the matter. Commonly, meetings are a waste of time beating around the bush before finally making hasty decisions on important matters at the last minute.

1.2. Conflict-Responsive Knowledge-based Leadership

World-renowned business leaders share the fact that they take pride in being leaders. Here, the essence of such leadership lies in “sharing vision.” For example, Reginald Jones, former CEO of GE, had a theory of “fostering subordinates who seek advice and counsel from the CEO.” It is building a kind of “bottom-up” communication system. The leader should ask his or her subordinates “what to do” not ask them “how to do” as that is not what a CEO is supposed to do.²⁴

By sharing a common vision, when the leadership is faced with a conflict, he or she can lay the foundation for formulating good strategies by listening to opinions of the stakeholders involved in the conflict in a more objective manner. Such leaders are not only exemplary leaders in business, but also can be applied to the public sector. It is commonplace in the public sector that policies are implemented depending on the intentions of top decision-makers. However, the Cheonggyecheon Restoration Project differs from other public projects in that policies were implemented by intentions of various vision-sharing leader groups. The Cheonggyecheon Revival Research Group, which

²⁴ Source: Quoted from “Conditions of CEOs” at LEE Eun-ung’s homepage (<http://coordi21.netian.com>).

was an advisory group to the Seoul Mayor, played various advisory roles, striving to achieve its research goals as well as policy goals in the process of project implementation. This is evidenced by the fact that Professor ROH Soo-hong, President of the research group, participated in the Mayoral Transition Committee and the Citizens' Committee for Cheonggyecheon Restoration and actively expressed his opinions and endeavored to persuade various stakeholders and coordinate their positions. In this light, Professor ROH who led the Cheonggyecheon Revival Research Group and writer PARK Kyung-ni, who created favorable public opinion as an opinion leader, can be analyzed as cases of conflict-responsive knowledge-based leadership as in the aforementioned case of CEOs in business management.

1.2.1. Vision

No matter how well-crafted and full of nice rhetoric a vision is, it is no longer a proper vision if it fails to become planted properly in the minds of members and the goals are not presented in an easy and clear fashion (KANG Byung-hee, 2001). In this light, the Cheonggyecheon Revival Research Group played a crucial role in presenting a blueprint for Cheonggyecheon restoration and uniting its members.

As an attempt to present and share vision, the president of the research group organized a venue where experts from different fields presented their research findings on the stream, exchanged ideas and discussed what to do in the future starting in 1991 and completing in September 2000 when the first Cheonggyecheon symposium was held.

The first Cheonggyecheon symposium dealt with key issues which included whether the restoration project, especially in the areas of demolition of the highway and stream restoration, was technically possible; what considerations should be given in terms of economic feasibility; what the current laws specified about compensation; whether the Cheonggyecheon was a road or a stream under the Urban Planning Act; what changes would occur in terms of health aspects when the Cheonggyecheon remains

intact or is restored; and environmental impact assessment which should be preceded prior to the start of construction. As experts from various fields made presentations on the issues, it was gradually confirmed that the Cheonggyecheon Restoration Project was a realistically achievable vision. Presenters and discussants started to form a consensus that, despite a number of obstacles, the project was technically possible. In particular, concerning the traffic issue, which was the most serious problem, Dr. HWANG Keeyeon from the Seoul Institute presented several scenarios, easing concerns about possible traffic chaos. There were also those who opposed the project. They argued whether it was the right thing to invest hundreds of billions of or even trillions of won in the Cheonggyecheon project when the Seoul Metropolitan Government had so many other priority areas requiring investment. In addition, discussions on all possible problems, such as opposition from merchants and street peddlers, were also held.

After the symposium, participants also discussed ways to make the project feasible. Those who delivered presentations were researchers who conducted research out of pure passion for the restoration without any financial assistance, while other attendees of the symposium also had keen interest in the Cheonggyecheon.

In order to transform the ideas to a concrete project, more systematic operation of the meetings with proper organization and budget was necessary. After much deliberation, the participants decided to organize a research group led by presenters, which led to the formation of the Cheonggyecheon Revival Research Group. In order to make the dream of Cheonggyecheon restoration a reality, the members of the research group agreed to hold the 2nd Symposium on Bringing Cheonggyecheon Back to Life in the spring of 2001.²⁵

25 Until the 2nd symposium was held, the Cheonggyecheon Revival Research Group was not an official group externally. There was neither a membership roster nor bylaw. About 60 people attended the 1st Cheonggyecheon revival symposium, including 8-9 professors of environmental engineering at Yeonsei University, those from colleges and universities, and 40 people from non-academia backgrounds. The Cheonggyecheon Revival Research Group decided to limit the scope of membership to presenters and discussants and merely agreed to hold one symposium per year without holding regular meetings.

Meanwhile, the Cheonggyecheon Revival Research Group, which was satisfied with the outcomes of the first symposium, reported the symposium result to the Seoul Metropolitan Government headed by then Mayor GOH Kun. However, the research group was disappointed at the reaction of the city government which concluded that the Cheonggyecheon Restoration Project was inconceivable. Yet, the research group still believed that Cheonggyecheon restoration was essential and started to prepare for the next symposium along with sponsors who voluntarily conducted related research.

The 2nd Symposium on Bringing Cheonggyecheon Back to Life was held on April 27, 2001 and dealt with more detailed issues compared to the previous symposium. Professor YANG Yoon-jae of Seoul National University made a presentation on plans on the vicinity of the Cheonggyecheon, including redevelopment of the Sewoon Arcade. Regarding the budget issue which drew the most attention, according to Dasan Consultants, it was revealed that the project would cost 960 billion won (at that time Cheonggyecheon was planned as a canal). With respect to economic feasibility assessment, following Professor Shin Ui-soon from Yonsei University at the first symposium, Professor Chung Chang-mu from University of Seoul participated in the project's 2nd and 3rd economic feasibility assessments, producing more detailed results, including compensation for nearby redevelopment.

As such a concrete blueprint was produced, it drew attention from media and politicians, and like other politicians, Seoul Mayor candidate LEE Myung-bak also showed interest in the project. Professors who were members of the research group had a strong desire for restoring the stream, yet considered themselves inadequate to press ahead with the large-scale project alone because of their position as scholars. Instead, they formed an organization to share the vision with others by proactively presenting the vision of Cheonggyecheon restoration and expressed from various angles that the restoration project could be realized.

1.2.2. Talent Utilization

The invigoration of the Cheonggyecheon Revival Research Group was made partly possible thanks to scholars who shared their vision of restoring the stream and conducted research in respective fields, as well as writer PAK Kyong-ni who helped the public pay attention to the project. The research group believed it was impossible to restore the stream with the current members and instead sought the assistance of experts in diverse fields and forward-looking reformers.

On June 13, 2002, right after the Seoul mayor election, then mayor-elect LEE Myung-bak contacted the Cheonggyecheon Revival Restoration Group, inviting its members to join his mayoral transition committee. The research group members tried to decline the offer as they thought that their roles would end prematurely. However, LEE repeatedly requested them to join the committee, saying that he needed ongoing assistance in pushing ahead with the project and that, to do so, the members should first understand how the city administration operated. Finally, the research group members decided to participate in the transition committee.

The research group members participating in the transition committee were fully charged with the Cheonggyecheon Restoration Project. Four professors from the research group, including professors ROH Soo-hong, Chung Dong-yang, WON Je-mu and YANG Yoon-jae, participated in the transition committee and offered education and training sessions on the project to bureaus and offices in Seoul for 10 days in June 17-27, 2002. In addition, the transition committee decided on substantial framework for the project implementation organization characterized by a governance system consisting of the Cheonggyecheon Restoration Project Headquarters, the Research Support Group, and the Citizens' Committee.

The Cheonggyecheon Restoration Research Corps was headed by Dr. HWANG Keeyeon, who was a founding member of the Cheonggyecheon Revival Research Group and played a crucial role in resolving the traffic issue, while the Cheonggyecheon Restoration Project Headquarters was

headed by Professor YANG Yoon-jae from Seoul National University who had expertise in the restoration project. Finally, CHO Gwang-gwon, Vice Chairman of the transition committee, who was well-versed in the city administration, and Professor ROH Soo-hong were charged with forming the Citizens' Committee, thereby completing the triangle governance system for the restoration project.

The Project Headquarters and the Research Support Group were formed prior to the mayoral inauguration ceremony, while the formation of the Citizens' Committee was launched after the ceremony. If the Citizens' Committee had been an advisory body for the mayor, it would have been formed much sooner. However, the members of the transition committee led by the research group members believed that in order to restore the Cheongyecheon Stream as initially planned, the Citizens' Committee should act as a monitoring body and thus it should sufficiently reflect the opinions of experts. Therefore, the members strived to make the Citizens' Committee a body with legally binding force, independent from the Seoul Metropolitan Government. To this end, they drew up legal provisions through ordinances for two and a half months and went through parliamentary approval procedures.

The Citizens' Committee was made up of six subcommittees of history and culture, environment, construction safety, urban planning, transportation, and public opinions. The system was fully imitated by the organization of the Cheongyecheon Revival Research Group. As for selection of committee chairs and members, a preparatory committee was set up and subcommittee chairs were selected from the members of the preparatory committee. Six to eight members comprised each subcommittee and 15 members were selected from them to form the main committee. 15 members of respective subcommittees were recommended by members of the main committee in the areas of civic groups, experts, legal experts, media, and the religious community and finally appointed by the Seoul mayor. Two-thirds of the Citizens' Committee was independently selected without interference of the Seoul Metropolitan Government. The Citizens' Committee began its operation on September 18, 2003 with the appointment of 127 members and a plenary meeting.

Merchants' groups consisting of merchants from the Cheonggyecheon area, who were a group of important stakeholders, were excluded from the Citizens' Committee. At first, in an effort to help the merchants participate in the committee, the Citizens' Committee requested them to recommend representatives for the committee. In response, a representative of the tool market and a few other merchants visited the committee, yet they could not be considered as representing the entire Cheonggyecheon merchant community because there were numerous merchant groups classified by function. It was deemed that including specific merchant groups would be meaningless, which led to the exclusion of merchant groups from the Citizens' Committee.

1.2.3. Commitment

No matter how good a vision is, it is difficult to successfully achieve a project without a strong commitment to implementing it. Although it presented the vision of Cheonggyecheon restoration, the Research Group believed that it would be impossible to implement the project on its own. Instead, it chose to use the power of politicians and the media that showed interest in the project as part of a strategy to realize the restoration.

The first symposium was held in September 2000 and was attended by many officials from transport, environment, and planning departments of the Seoul Institute. The minutes of the symposium were reported to the Vice Mayor of the Seoul Metropolitan Government. However, the city showed a chilly response to Cheonggyecheon restoration because the scale of the project was too huge for a city government to undertake, let alone the tremendous budget requirement. The Research Group decided not to pin a hope on the Seoul Metropolitan Government any longer.

It was not the first time for the Seoul Metropolitan Government to have been briefed on the necessity for the Cheonggyecheon Restoration Project. When Seoul City had formulated an urban master plan for the city, a report researched and released by the Seoul Institute indicated a need for removing

the elevated highway and restoring the Cheonggyecheon Stream in the long term. At that time, however, Cheonggyecheon restoration had been considered an unrealistic goal.

When the second symposium was held, a framework on conceptual ideas proposed in the first symposium began to take shape such as the scale of the budget and redevelopment plans, and more concrete figures were presented. The media, including the newspaper Hankyoreh and other sectors showed interest in the project. The Research Group promptly embarked on preparations for the next symposium.

Former lawmaker LEE Myung-bak, who was nominated by the conservative Grand National Party as their candidate for Seoul mayor, was impressed by the second symposium and requested a meeting with the Cheonggyecheon Revival Research Group in September 2001. At that time, professors from the Research Group wanted to continue their research on Cheonggyecheon restoration in the form of a systematic project by receiving financial assistance from government agencies such as the Ministry of Environment. They had no reason to refuse a proposal by politicians such as LEE Myung-bak who was dreaming of becoming Seoul Mayor. This was how the first meeting between Seoul Mayor candidate LEE and members of the Research Group was held.

Initially, the members of the Research Group predicted that the Cheonggyecheon Restoration Project would be complete around 2011 (2011 marks the 600th anniversary of King Taejo's covering the Cheonggyecheon Stream in 1411) at the earliest. However, they came to believe that, if candidate LEE would become the mayor and proactively press ahead with the project, it would proceed sooner than they predicted. In order to make key national projects a success, all conditions including economic, social and cultural, such as financial resources and mature civic consciousness should be satisfied. The members believed that the Seoul mayor election would be conducive to creating such conditions.

At the meeting, the Research Group promised that it would provide technical assistance if LEE's election camp requested any assistance. The goal

of the Research Group was to restore the Cheonggyecheon stream and thus who would start the project did not matter to them. Thus, no matter who would become the next mayor, as long as he would push for Cheonggyecheon restoration as his election promise, it meant that the Research Group would achieve its goal. When other politicians contacted the Research Group on the pretext of the Cheonggyecheon Restoration Project, the Research Group provided the same data and information to them without favoring one politician over another. One of such politicians was LEE Sang-su who competed against KIM Min-seok during the Democratic Party nomination process.

Democratic Party candidate LEE Sang-su told the Research Group that he was planning to push for Cheonggyecheon restoration as his election pledge and added that he would hold a symposium on the theme of Cheonggyecheon restoration, requesting the Research Group to deliver a presentation at the symposium.

Meanwhile, KIM Min-seok was nominated as Democratic Party candidate for Seoul mayor in March 2002 and the Democratic Party started to oppose the project through articles featured in newspapers. When the Democratic Party raised a problem associated with the project cost, Hankyoreh immediately released articles saying that there would be no problem in implementing the project within the allowed budget. When the Democratic Party raised an issue with traffic, newspaper articles arguing that the project would not cause any traffic issues were immediately released by Hankyoreh. However, it did not mean that Hankyoreh intentionally released articles opposing the positions of Democratic Party. The newspaper ran in-depth special feature articles about the Cheonggyecheon project over 10 editions with each edition delving into different issues of the project, including the project's cost, traffic, ecosystem, water supply, and development of neighboring areas. It released the articles in the order of public interest. It was a coincidence that it appeared as if the newspaper purposefully released such articles against Democratic Party. In this light, it can be said that Hankyoreh played an instrumental role in making the Cheonggyecheon Restoration Project possible. However, it should be noted

that, although it appeared that Hankyoreh seemingly supported candidate LEE Myung-bak, the newspaper did not support LEE personally. The Research Group convinced Hankyoreh of the necessity for the Cheonggyecheon project. From the beginning, members of the Research Group believed that the project would be possible only when politicians politicize the issue because, after all, government projects were conducted by politicians. No matter how perfect theoretical grounds were presented through research by experts and no matter how vocally social or civic groups called for the necessity for certain projects, it was impossible to even start public projects without the commitment of politicians.

At that time, the Hankyoreh, a prominent left-weaning newspaper, faced a dilemma over a situation where it had to inevitably support candidate LEE Myung-bak of the conservative Grand National Party in local elections. Here, Professor ROH Soo-hong advised the newspaper as follows:

“Journalists and the media should be neutral and media objectivity is vital. If the Hankyoreh does not publish the Cheonggyecheon feature articles out of fear that candidate LEE would be elected mayor of Seoul, it undermines media neutrality. Not publishing the articles out of fear that the newspaper would help LEE become the mayor would undermine its neutrality more than unintentionally helping LEE by publishing the Cheonggyecheon articles.”

Persuaded by Professor ROH who represented the Cheonggyecheon Revival Research Group, a Hankyoreh reporter decided to write Cheonggyecheon feature articles as planned. As a result, feature articles titled “Bring New Life into Cheonggyecheon” were published from April 9 (1st article) 2002 to July 3 (10th article).²⁶

The Cheonggyecheon Revival Research Group believed that, as the project would be tremendously costly, it should have taken the form of a government project led by either the central or a local government. In order

²⁶ The reporter Kwon received the honor of Journalist of the Month for writing the series.

to gain political momentum, it believed that it should be preceded to raise the project as an important issue by widely publicizing it through PR activities. The Cheonggyecheon Restoration Project started to receive media attention when the Hankyoreh showed interest in the project in its November 2001 editions. A reporter from the Hankyoreh observed the Cheonggyecheon symposiums with keen interest and requested a meeting with Professor ROH Soo-hong stating his desire to publish feature articles on Cheonggyecheon restoration.

There was no reason for the Research Group to decline the reporter's offer as it was a good opportunity to publicize Cheonggyecheon restoration through the media. The Research Group explained the past developments and offered necessary information to the reporter and proposed that he have an interview with the prominent novelist PAK Kyong-ni to draw more attention. Starting with an interview with the writer in a special New Year's feature on January 1, 2002, the Hankyoreh published 10 weekly special feature series articles under the title "Bringing New Life into Cheonggyecheon."

Since the publication of the special feature by the Hankyoreh, other media outlets started to pay attention to the project. Upon learning that Democratic Party candidate LEE Sang-su would use Cheonggyecheon restoration as a campaign promise, the LEE campaign camp could no longer wait and finally disclosed the project as his campaign pledge. Right before the GNP nomination, another GNP candidate HONG Sa-deok was polling far ahead of LEE. However, when the LEE camp announced Cheonggyecheon restoration as his campaign promise, LEE gained more ground in the election.

1.2.4. Conflict Management

Members of the Research Group, which presented the vision of Cheonggyecheon restoration, had an expectation that the project would proceed smoothly with the assistance of politicians and the media. They played a pivotal role in addressing conflicts with various stakeholders in pushing ahead with the project, made possible due to trust and integrity.

In late June 2002, when the Transition Committee was at its final stage, a loud noise was heard outside the building. About 20 merchants from Dongpyeonghwa Market were shouting anti-restoration slogans, saying that the project would incur tremendous business losses to them. The following is how the Cheonggyecheon Revival Research Group leadership dealt with the conflict.

ROH Soo-hong: Hello. My name is Professor ROH Soo-hong. Who is the merchant representative?

Merchant representative: It is said that when the Cheonggyecheon Restoration Project is launched, the commercial buildings where we are doing business would be demolished. Then, we will lose our workplace. Is there any compensation or countermeasures available?

ROH Soo-hong: Buildings will not be demolished during the project. So, the project would not cause any direct losses to merchants. Also, we will make sure that there will be no indirect losses to merchants. Please do not be concerned.

Merchant representative: As far as we know, that is not the case. Merchants want to hear about the position of the Seoul Metropolitan Government. Professor, please come to our Dongpyeonghwa Market and give us a talk.

ROH Soo-hong: Okay. I will give you my business card. Please contact me later.

The merchants from Dongpyeonghwa Market thought that the Cheonggyecheon Restoration Project would involve the demolition of all buildings in the area. Professor ROH promised to visit the market and exchanged contact information with the merchants. As such, the beginning of the conflict management process started with the transition committee. In late July 2002, the merchants contacted Professor ROH and he visited the Cheonggyecheon market alone. Professor ROH recalled as follows:

“When I went to a restaurant next to the Dongmyeonghwa Market, there were about 16 merchants talking and the atmosphere was quite tense. They asked me how much money I received from Seoul City for undertaking the

Cheonggyecheon research project. After listening to them, I started to talk. I explained the whole process from when discussions first started to now.”

ROH Soo-hong: We did not provide information only to candidate LEE Myung-bak. We provided the same information to all mayoral candidates who promised to restore the Cheonggyecheon Stream, including candidate LEE Sang-su from the Democratic Party and other candidates from the Democratic Labor Party and Socialist Party. LEE Myung-bak was just one of them. The first phase of restoration will take place within the current site without damaging commercial buildings. So, the buildings will not be demolished.

Merchants: If that is true, please give us a written promise.

ROH Soo-hong: It is not difficult for me to produce a written promise. However, what effect would it have? The construction will take place only on the roads, so do not worry!

Through the meeting, misunderstanding was resolved to some degree and merchants seemed convinced. Later, it turned out that the Dongpyeonghwa Market building had been illegally built intruding into the stream site and the merchants visited the professor out of concern about possible demolition of the building. Around that time in September 2002, the Citizens’ Committee was formed. Finally, the idea of the Cheonggyecheon Restoration Project started to take shape and it became evident that the project would take place in reality.

Only by then, it dawned on the officials of the Seoul Metropolitan Government that the project would actually take place. Although Mayor LEE discussed the project every day since his inauguration as mayor, city officials including even high-ranking ones believed that the project was merely a campaign promise. Mayor LEE continued to preside over weekly meetings on the project every Saturday and the city officials were divided into two groups. One group thought that the project was an empty campaign promise that would never come to fruition during the mayor’s four year term in office. The other group preferred

to embark on the project right away. From that time, city officials started to work on the project and merchants finally came to believe that the work would actually take place. In November 2002, all departments in the Seoul Metropolitan Government were working on the project.

Problems were not confined to merchants. There was an issue of street vendors operating near the Cheonggyecheon area. The Subcommittee on Public Opinion under the Citizens' Committee decided to resolve the problem with merchants first, setting aside the street vendor issue because, strictly speaking, street vendors were illegally operating so it was impossible to treat them equally as the legitimate merchants. Thus, the Committee decided to deal with street vendors after resolving a problem with merchants.

As an initial step to persuade merchants, the first meeting of the Subcommittee on Public Opinion under the Citizens' Committee was held on January 25, 2003 where representatives from the Citizens' Committee and merchants exchanged opinions. The meeting was attended by 12-13 members from the Citizens' Committee, Seoul City Council members and city officials as representatives of the Seoul Metropolitan Government, as well as 30 merchant representatives. For merchants, the issue was directly linked to their business and they called for their right to livelihood, creating a tense atmosphere as follows:

ROH Soo-hong: We are here to listen to your opinions. Please speak one by one.

Merchant 1: Professors, how much money did you receive from the city government?

Merchant 2: We will pay double. Please side with us and fight against the city.

The merchants mainly made the following points: 1) There was widespread distrust of the Seoul Metropolitan Government and Seoul mayor among members of the Cheonggyecheon merchants coalition; 2) The preparation time for merchants was too short if the project began in July 2003; 3) A countermeasure committee consisting of residents and merchants

should be formed (ROH Soo-hong, 2004).

Until that time, merchants had viewed the Citizens' Committee as a government-controlled representative group intended to harass merchants. However, while they had frank discussions with the committee, they realized that it was not true. Naturally, a "dialogue" in a true sense took place between merchants and members of the Citizens' Committee.

Merchant 3: In principle, we support Cheonggyecheon restoration. However, this issue is related to our right to livelihood, thus we want to resolve this problem and fully know about compensation and any future plans.

ROH Soo-hong: We fully understand. However, we have lost so much due to the covering of the Cheonggyecheon Stream, as the natural stream was completely covered with cement without proper countermeasures. And this project has been made possible not because we supported Mayor LEE Myung-bak.

Professor JEONG Dong-yang of Korea National University of Education told the merchants about the nation's financial difficulties in the 1970s when Korean workers had been dispatched to Germany, economic hardships, as well as his personal opinion on why the Cheonggyecheon Restoration Project was necessary. Also, Professor ROH Soo-hong explained why merchants had been excluded from the Citizens' Committee. He frankly told the merchants that members of the Citizens' Committee were chosen through public participation via the Internet and among civic groups and candidates recommended by various occupation associations without interference of the Seoul Metropolitan Government. He added that the Cheonggyecheon merchants were excluded from the Citizens' Committee because there was no single organization that could represent the entire Cheonggyecheon merchants, thereby clearing away their misunderstanding. Professor ROH proposed that the Citizens' Committee act as a dialogue channel between the Seoul Metropolitan Government and the Cheonggyecheon merchants' coalition.

Merchants came to believe that the Citizens' Committee not only represented city officials, but also represented their opinions, too. Through

the meeting, the Citizens' Committee opened up a dialogue channel with the merchants' coalition which represented the Cheonggyecheon merchants and built a trusting relationship with the merchants. Since then, the Citizens' Committee played a mediating role whenever negotiations between the Seoul Metropolitan Government and the Business Rights Protection Committee broke down.

One day, the Subcommittee on Public Opinion held a meeting concerning merchants with Mayor LEE. The mayor asked the committee to let him handle the merchant issue because he was an expert in such matters. He added that they could never match the merchants' negotiation abilities because these merchants have honed their business skills for years. Mayor LEE's intention was as follows:

“When the government announces a project to construct a nuclear power plant, those who oppose the project are not people who calculate their practical gains. However, merchants carefully calculate their gains and losses and will not oppose the project when their gains are greater than their losses.”

As Mayor LEE himself was an entrepreneur, his argument was not entirely unfounded. The Citizens' Committee promised that it would do its utmost to coordinate and mediate whenever problems occurred in the course of dialogue between the mayor and the merchants. Since then, whenever negotiations between the Seoul Metropolitan Government and the Cheonggyecheon merchants' coalition broke down due to differences in their respective positions, the Citizens' Committee, which maintained good relations with the merchants, acted as an effective mediator. Merchants frankly told the Citizens' Committee their demands including ones which they did not tell the city government and the Citizens' Committee, which in turn informed the Seoul Metropolitan Government of the merchants' demands.

The Research Group demonstrated leadership when it handled conflict with civic groups. During the preparation committee prior to forming the Cheonggyecheon Citizens' Committee, members of the preparation

committee, including Professor ROH Soo-hong, Professor JEONG Dong-yang, Director of Toji Culture Center KIM Yeong-joo, and CHOE Jeong-han, received recommendations on civic group candidates to form the Citizens' Committee and endeavored to persuade the recommended civic groups to join the committee. As a result, they successfully persuaded most of leading civic groups, excluding a few such as the Korea Federation for Environmental Movement, Citizens' Coalition for Economic Justice, People's Solidarity for Participatory Democracy, and Culture Solidarity, into joining the Citizens' Committee. Representatives of civic groups served as members of the plenary committee, while working-level staff such as assistant administrators became members of subcommittees. It was a result of the Research Group's unsparing effort. They first contacted civic groups by phone to persuade them and if that was not sufficient, they individually met with representatives of civic groups through personal networks and convinced them to join the Citizens' Committee.

What was notable in the process was that all the environmental groups participating in the Citizens' Committee were not of the same opinion with Mayor LEE. Nevertheless, all the groups participated because they agreed with the justification of Cheonggyecheon restoration and was convinced by the Research Group's efforts and leadership.

There were civic groups that showed reserved positions when they were asked to join the Citizens' Committee. Their position was that they did not want to be swept by the logic of the entire groups. They argued that, once the project commences in full swing, there might be unpredictable problems or the Seoul Metropolitan Government would implement the project in a direction different to the initial plans. If that happens, some civic groups should balance the situation by voicing their opinions. If all the civic groups join the Citizens' Committee, they would not voice their oppositions later. Those civic groups wanted to leave room for keeping the Seoul Metropolitan Government in check and one of such groups was Citizens' Movement for Environmental Justice. No matter how objective positions the Citizens' Committee would take, it was an organization under the Seoul Metropolitan

Government and thus inevitably there would be organizational limitations. Key members of the Research Group thought that the civic groups had a point and agreed to the position held by the Citizens' Movement for Environmental Justice.

With the announcement of the master plan, areas of concern began to surface. A few civic groups including Culture Solidarity, Citizens' Coalition for Economic Justice, and Citizens' Movement for Environmental Justice formed a coalition to promote their view of a proper Cheonggyecheon restoration while halting the launch of the project slated for July 1, 2003. The civic groups showed critical attitude towards the master plan conditionally approved by the Citizens' Committee, as well as the commencement of demolition works on July 1, 2003. The details of the master plan conditionally approved by the Citizens' Committee were as follows:

“Among the issues described in the master plan submitted by the Seoul Metropolitan Government, with respect to the demolition of the Cheonggye elevated freeway and covered structure with urgent safety issues, the subcommittee on construction and safety will hold in-depth deliberations. The areas of restoration of history and culture, river cross-section and urban planning have numerous problems and thus the Seoul Metropolitan Government will conduct specific surveys and collect opinions to address the problems both during the basic design and detailed design processes or during stream construction works which would take place after demolition... In particular, regarding the restoration of historic relics such as Gwanggyo Bridge and Supyogo Bridge demanded by the History and Culture Subcommittee, as the Seoul Metropolitan Government does not possess any concrete research data, the Citizens' Committee will conduct surveys necessary for restoration of cultural properties during the basic design and detailed design phases, reflecting the opinions of the Citizens' Committee.”

The Citizens' Committee also added that, concerning design of stream cross-sections and bridges, once the basic design becomes available, it would

declare its detailed opinions during the detailed design phase.

The Citizens' Committee recognized the urgency of safety issues of the Cheonggye elevated highway and covered structure claimed by the Seoul Metropolitan Government and approved its master plan with additional requirements. In addition, in order to solve the problems of the turn-key based project method adopted by the Seoul Metropolitan Government, the Citizens' Committee inserted a provision in the invitation to bidders that road alignments and river cross-section would be subject to change depending on historic relic surveys and collection of opinions to restore history and culture.

The Citizens' Committee's plenary session held on May 1, 2003 conditionally approved the Seoul Metropolitan Government's master plan, while presenting its opinions on historical and cultural restoration and cross-sections of the stream. In meetings held on April 10 and May 31, 2003 attended by civic groups and the Citizens' Committee, civic groups agreed in principle with the Cheonggyecheon restoration, yet called for postponing the project scheduled on July 1, 2003 due to unpreparedness. Members of the Citizens' Committee agreed, in many parts, to the criticism of civic groups. The two sides confirmed that the Citizens' Committee would continuously raise issues of restoration of cultural properties, stream cross-sections while collecting public opinion to the Seoul Metropolitan Government to carry out their demands.

Members of the Research Group visited press conference sites where civic groups declared their objection to the launch of the project on July 1, 2003 and sought their cooperation, while explaining the current status. Without their effort, the Cheonggyecheon Restoration Project would have not commenced smoothly on July 1, 2003 as scheduled. The Citizens' Committee led by Professor ROH Soo-hong demanded that the project would begin on July 1, yet detailed construction plans should proceed only after rectifying problems through consultations with experts and civic groups. The Seoul Metropolitan Government accepted the demand and the Cheonggyecheon Restoration Project was finally launched on July 1, 2003. The Citizens' Committee created a governance system which played a leading role in the

Cheonggyecheon Restoration Project and the Research Group was at the center of the governance. For these reasons, the Citizens' Committee had the authority to play a balancing role between various interest groups and the Seoul Metropolitan Government. In sum, a series of efforts demonstrated by members of the Cheonggyecheon Revival Research Group indicated knowledge-based transformative leadership, playing a crucial role in realizing the Cheonggyecheon Restoration Project.

2. The Cheonggyecheon Restoration Project and the 21st Century Leadership of Mayor LEE Myung-bak

In modern society, various latent interests and associated conflicts gradually surface amid mature democracy and civic consciousness. However, despite the change of the times, the Republic of Korea is still riddled with high-handed conflict management methods, which are the product of the past authoritarian rule. In order to resolve various conflicts, the role of a leader who can coordinate different opinions of stakeholders is of utmost importance.

As illustrated above, with society becoming increasingly diversified, conflicts among stakeholders showed different trends compared to the past. Likewise, local politics, which involves the power structure of local communities and a regionalist mindset, show different developments with the implementation of local autonomy. Under the circumstances, leadership was required to address conflicts with local residents.

According to Peter Drucker, what moves a network is co-existence and negotiations, and leadership is the power to derive them. In addition, in order to adapt to a constantly changing society, leaders need to depart from the old methods and challenge themselves to embrace the new. This is important because it is leadership that determines whether we will overcome change by using it as a transition towards hope or whether we will be swept into an era of crisis due to change. In an era of globalization and technological

advancement, leadership that can transform a crisis into hope is difficult to explain by emphasizing only a single aspect. It is due to the fact that, as society has become diversified, problems have also become more complex.

As examined earlier, one of the most desirable aspects of leadership is a transformational leadership that reflects the demands of this complex and diverse modern society. Among various leadership styles, transformational leadership has the greatest organizational efficiency and can act as a mechanism to resolve conflicts in complex conflict situations in today's modern society. New leadership roles emphasized in a changing society are as follows:

First, the leader should act as a pathfinder in times of uncertainties. As a representative of an organization, the leader should go beyond organizational efficiency and present a vision that can satisfy the entire stakeholders of the organizations.

Second, a leader does not need to be omnipotent to achieve a vision. Although a leader does not possess particular skills, he or she instead can trust his or her subordinates and take advantage of their capabilities. If a leader is overconfident and tries to do everything on his own, it undermines the morale of subordinates and makes the organization stagnant, unable to grow. The leader should be in a mutually-trusting relationship with employees and should put them in the right place to help them achieve their goals.

Third, a leader should not only present a vision, but also should demonstrate commitment to accomplishing it. The leader should pursue a vision in a prompt manner by sharing information through ongoing communication with members of the organization, thereby creating a new organization.

Fourth, a leader should make thorough preparations as it is impossible to predict when conflict may arise. The leader should have the ability to respond to conflicts in a flexible manner based on personal experience and knowledge, without being confused.

A leader should be able to present a clear vision and demonstrate his or her commitment to utilizing talents and realizing the vision. In addition,

in conflict situations a leader should manage conflicts by best utilizing knowledge and information.

Based on the above theory, it can be said that the leadership of Mayor LEE Myung-bak, analyzed through the Cheonggyecheon Restoration Project, is transformational leadership of the 21st century. It is said that change is not something we wait for, but something we make and that vision is not something to be possessed, but to be implemented. Therefore, Mayor LEE Myung-bak was able to successfully push ahead with the Cheonggyecheon Restoration Project based on his leadership, which is a model required in a knowledge-based information society. The following section will examine the types of leadership demonstrated by Mayor LEE Myung-bak through case studies related to the Cheonggyecheon Restoration Project.

3.1. Talent Utilization Leadership

It is no exaggeration to say that the management and the destiny of an organization are determined by its leadership. That is why whenever there is an organization's success or failure, the ability and attitude of the leadership become highlighted. The power of good organizational management lies in its talent utilization. The principle of putting the right people in the right place, which sounds like a cliché, is actually the first step of proper leadership strategies. As the adage "Travel around the world to find the right people" indicates, it is not advisable to find talents through limited channels. Wayne Calloway, CEO of Pepsi Cola, interviewed candidates in person for top 600 jobs of the company and always monitors even low-ranking jobs. Al Zein, Chairman of Gillette, spent 90% of his working hours overseas checking whether field managers shared his vision and managed the organization accordingly. As such, the most important element in talent utilization is to locate competent people with a shared vision (LEE Kark-bum, 2001).

- **Case Study:** Utilization of competent individuals rather than using individuals based on past connections: Inclusive leadership

“After inauguration as Seoul mayor, people in my election camp passed around a list of people who had been engaged in an “anti- LEE Myung-bak campaign.” At the back of my mind, I wanted to see the list, but finally resisted the temptation (because I would have sided with certain people in forming the Cheonggyecheon Project Headquarters if I had seen the list). I tried to pick competent people for the Cheonggyecheon Project Headquarters. It would be ideal if those who supported me in my undertakings could work for the Cheonggyecheon Project Headquarters. However, if I let those who did not support me to work in good positions, it would motivate them to work harder.

“As far as talent utilization is concerned, it is absurd not to utilize people just because they did not support me. Rather, it seems that I have benefited more from people who were not favorable to me. A case in point was my middle school teacher. He gave me trouble, but I could go on to high school thanks to him” (quoted from Daily Records of Seoul Mayor LEE Myung-bak).

Personal emotions or intentions should not affect decisions on talent utilization. This is referred to as “fair and impartial leadership,” which means that a person who is right for a particular project should be picked regardless of whether or not he or she opposed the opinion of the leadership. Meanwhile, everybody belongs to a certain community and region and graduates from certain schools. However, leaders should make conscious efforts not to consider such regional or school backgrounds in selecting people. If these outdated factors of conflicts are eliminated, there would be no possibility for these factors to intervene in the decision-making process when implementing important projects (LEE Kark-bum, 2001).

The most sensible method to resolve conflicts generated in the process of change is to present reasonable standards. Leadership which deals with problems in an impartial manner and seeks fair talent utilization based on competences is required to pursue change in the right direction. This is talent utilization leadership, a virtue of 21st century leaders.

3.2. Participatory and Field-oriented Leadership

The second characteristic of Mayor LEE Myung-bak's leadership is his ability to operate and make the best use of an organization. With respect to talent utilization, selection of the right people is paramount. What is more important is ensuring that the organization is fully operational. The ability to operate an organization refers to making the best use of creativity and pro-active attitude of its members. People should move the organization, not vice versa. Creating an atmosphere where members can openly present their opinions and work freely is the path towards high-quality work. Therefore, like CEOs of enterprises, it is necessary for leaders in the public sector to frequently make field visits to check whether the organization moves forward while sharing the vision of the leadership. What is crucial here is that the leader makes such checks in person, yet allows the members of the organization to work freely through bold transfers of power. This is the leader's ability to make the best use of an organization.

- **Case Study 1: Governance system utilization**

“It is truly unreasonable to create a governance system and not use it. As soon as he was inaugurated as Seoul mayor on July 1, 2002, Mayor LEE Myung-bak appointed members of the Cheongyecheon Revival Research Group to managerial positions of the governance system. It was a move intended to enhance homogeneity of leaders.

“In addition, Mayor LEE presided over meetings at 8a.m. every Saturday attended by city officials, the Seoul Institute, and Citizens' Committee to coordinate different opinions. The weekly meetings continued until the commencement of the project as part of efforts to unify internal opinions and for the governance system to reach agreement. The weekly meetings also gave a great impetus to the speedy implementation of the project” (quoted from Daily Records of Seoul Mayor LEE Myung-bak).

- Case Study 2

“Mayor LEE practically transferred power of representation to the negotiation team. Although it was the Mayor who led the project, he transferred authority to selected merchants at the head of the restoration administrative planning unit. It did not mean that there was any formal transfer of authority. However, I believe that we could negotiate with merchants confidently and accept their demands because Mayor LEE transferred his power of representation” (from an interview with a working-level city official A).

“Mayor LEE transferred the power of representation to the chief negotiator from the city government and accepted all the results produced by his negotiations with the merchants. As for areas in which the chief negotiator experienced difficulties, the mayor intervened and got problems straightened out” (from an interview with a working-level city official C).

According to Bernard M. Bass (1985), transformational leadership is defined as leadership in which the leader arouses the followers’ firm belief and convictions on the leader and his or her personal values, clearly sets goals for the followers and set examples, and leads the organization towards a direction where satisfaction with the performance of the organization or its members can be enhanced through individualized consideration and appropriate stimulation.

It appears that scholars differ in their opinions on behavioral elements of transformational leadership, yet they largely agree on the following points (AHN Sang-han, 1998). First, a transformational leader should have a future-oriented mindset and present a clear vision. Second, a transformational leader should be the front runner in bringing change and set an example for his or her followers. Third, a transformational leader should be able to stimulate and inspire the followers. In addition, KIM Seong-soo et al. (1999) classifies behavioral elements of leaders into four categories by adding democratic management to the generally discussed elements of respect, leading by example, and taking the lead in bringing change. Democratic management has

been added because it could explain many elements such as participation in decision-making process, transfer of power, and discretion in an organization in a comprehensive manner. Therefore, the leadership displayed by Mayor LEE Myung-bak can be classified as a model of transformational leadership in that he utilized governance appropriately and resolutely transferred his power, thereby making negotiations for the Cheonggyecheon Restoration Project a success. In addition, Mayor LEE successfully led the government project by adopting a field-oriented leadership through which he stimulated and inspired members of the organization, while thinking and working together in the field, rather than merely instructing and supervising them.

3.3. Experience-Driven Leadership

The third characteristic of Mayor LEE Myung-bak's leadership is that he has demonstrated a knowledge-based, experience-driven leadership. In a knowledge-based society, elements constituting knowledge are also undergoing change. The first step towards knowledge-based management is to explosively expand the possibility of knowledge utilization by sharing the knowledge and experience of individuals with enterprises or society as a whole (LEE Kark-bum, 2001).

- **Case Study 1: Leadership based on expertise**

The public use of Dongdaemun Stadium's parking lot illustrates the importance of leadership based on expertise. There were countless people who illegally parked their cars on the Cheonggye elevated freeway at night, which posed an obstacle to the speedy implementation of the Cheonggyecheon Restoration Project. Mayor LEE made a bold decision to allow Dongdaemun Stadium's parking facilities to be used as public parking.

The use of the stadium as a parking space had the following benefits: 1) the demolition period, which would otherwise have required 14 months, was shortened to a mere two months; 2) it addressed the parking problems of merchants; and 3) it offered space for street vendors. This was a result of Mayor

LEE's past construction experience and his ability to react quickly to events.

- **Case Study 2**

“Customarily, cabinet ministers or politicians tend to have no work experience. Unlike them, Mayor LEE was a person who has learned through hands-on experience. He understood the order of doing business and knew business like the back of his hand from beginning to end. It is needless to say that he knew how to respond to certain business by judging how much time the business would require and what variables could act as risk factors (causes of conflicts).

“The Cheonggyecheon Restoration Project was made possible due to the leadership based on work experience. Mayor LEE's experience-based leadership helped him cultivate a strong drive and confidence, allowing him to press ahead with the project as planned. The project proceeded smoothly without any errors because there were firm goals. I think that the leadership displayed by the leader played a pivotal role” (interview with a working-level city official B).

The essence of the era of globalization and information technology lies in network organization. A leader should be able to take advantage of knowledge network, as the power of open knowledge network is immensely greater than the power of a small staff organization. Knowledge-based leadership refers to a leadership that ceaselessly expands total knowledge assets of an organization, while utilizing knowledge network.

- **Case Study 3**

“I thought that Mayor LEE Myung-bak had an excellent crisis management capability. In fact, business leaders encounter more crises than leaders in the public sector. When Mayor LEE joined Hyundai Construction, there were only 97 employees. However, he had the ability to increase the number to hundreds of thousands of employees. How many crises did he go through while operating the company? Crises in the business sector would be quite different from those experienced by public agencies. I think Mayor LEE Myung-bak is very disciplined because he went through so many crises such as his company being put in a serious danger of bankruptcy” (from an interview with a city official).

One of the qualities displayed by transformational leadership is a crisis management capability. It is a prepared leadership based on empirical knowledge that is exercised in real or applied circumstances in a prompt and accurate manner, depending on changing situations. It is said that what is essential for a leader who will lead a new era is his or her ability to adapt to change. The speed of change in a new era is the same as the speed of change that takes place ceaselessly in terms of people's ways of thinking and values. Such change in values cause conflicts and sometimes takes the form of "advancement." Therefore, building a knowledge base through experience and learning is essential for leaders of the 21st century to help them respond to ongoing conflicts in a flexible manner.

3.4. Drive and Initiative

Another conditions to satisfy the model of a 21st century leader is his or her commitment to realizing a vision. Then, where does the power of realizing vision come from? When leadership for nation management and leadership for business management are compared, the power comes from a strong drive and initiative that makes projects successful. The drive and initiative comes from the leader's commitment to creating change and his or her "can-do spirit." Such commitment and conviction is witnessed in principle-centered leadership. The reason why some leaders gain control and drive things forward despite challenges of numerous conflicts is that the leadership is based on principles. Principle-centered leaders do not overreact to negative behaviors, criticism or human weaknesses. They do not care much despite finding weaknesses in others, not because they are not aware of them, but because they are aware of the actions of others and their potential are different (Covey, 1997). There is a saying that your belief will take you where you want to go. The attitude of embracing any challenge for one's convictions gives the power to do things they want to do. It can be said that Mayor LEE's drive and initiative comes from his principle-based leadership.

- Case Study

“Let’s say that 90% of the people support a project and 10% oppose it. Those who support the project keep quiet, while those who oppose raise their voices. Both politicians and administrators should be wary of populism. What you hear is not everything. If we are hesitant about a project beneficial to national development due to opposing voices, we will be unable to complete anything. The high-speed railway project was delayed by 10 years due to indecisiveness. We still need to complete construction between the cities of Daegu and Busan. Because of populism, projects, which are key to national development, are faced with obstacles and ultimately they cost more. Even digging a single tunnel won’t be easy if we listen to all the voices. I believe that leadership is about driving things forward with a conviction, once a project is deemed beneficial to national development” (interview with Hankook Ilbo newspaper on June 29, 2004).

A characteristic of Mayor LEE Myung-bak’s leadership is to manage while sticking to the basics. As a leader, the basics of nation management include keeping democratic order, maintaining public wellbeing and ceaselessly endeavoring to raise national standing for the future. The basics of business management include maintaining a solid financial structure, creating a positive work environment where employees can work freely, and making steady investments for the future. The management style directly opposite to basics-oriented management is populist leadership. Populism goes against the formation of a democratic order, makes residents feel insecure, and neglects the future while clinging to immediate gain.

Today, the world has entered an era of globalization. More focus should be placed on how to manage the Republic of Korea on the global stage, rather than paying attention to whether a state prefers a specific group among different social classes or whether a state sides with a specific group among different interest groups. If a leader undermines competitiveness of an organization while paying excessive attention to interest groups, it is leadership that does not stick to the basics.

It is vital that leadership not promote the present while sacrificing the

future. Avoiding the present difficulties by using expenses to be invested for the future, causing over-development of national land, which will be handed down to future generations, while accommodating the demands of specific interest groups or losing appropriate timing while pandering to populism are tantamount to misguided business management methods (LEE Kark-bum, 2001). An honest leadership that sticks to the basics is a leadership that promotes change of the present, while looking ahead into the future. Public support is followed only when the leader demonstrates commitment to achieving a vision of national development, not when the leader is desperate to hold onto power.

3.5. A New CEO Style Political Leadership

Leadership required in the early 21st century where society has evolved from an industrial society to a knowledge-based information society is leadership with a vision for change and commitment to turning it into reality. In addition, an open-minded leadership is also required to transform change, often regarded as crisis, into great opportunities.

Today, an era has dawned where a business mindset based on market principles is necessary even in state administration. It should be recognized that it is an era where nations can survive only when they take the lead on the world stage, not struggle with internal affairs. In this context, Mayor LEE's CEO-style political leadership will be examined below.

Stephen Covey pinpointed service-oriented attitude as a characteristic of principle-centered leaders. According to him, every morning these leaders “yoke up” and put on the harness of service, thinking of others (Covey, 1997). When pushing ahead with a project, a sense of responsibility, service and contribution serve as an impetus for making it successful. The paradigm shift demonstrated by Mayor LEE who regarded residents as “customers” acted as the engine for successful implementation of the Cheonggyecheon Restoration Project.

• **Case Study 1: Seoul Mayor Runs Seoul by Adopting CEO Management Styles**
New Citizen Weekly: Mayor LEE, you served as CEO of Hyundai Group. How did your experience as a CEO help you manage city administration?

Mayor LEE: Based on my past experience in the corporate world, I believe that efficiency of business administration should be introduced to management of the state and cities. When I first joined Hyundai Group, it was a very small company. I started out as a new employee of this small company and worked there for years until it became a global company, observing the entire development process from a small business to a large enterprise. Such experience is very useful in operating and managing Seoul City.

In business operation, the customer is king. All enterprises should endeavor to provide best services to their customers. The same applies to cities and states. In some sense, the city or the state is a large company run by taxes paid by the public. I am confident that the best service can be provided only when all employees of the Seoul Metropolitan Government put the public first. However, those who have a traditional bureaucratic mindset try to enjoy various benefits within their power. In the past, they believed that they were the owner of the state and regarded taxpayers' money as their own. However, the government of today should strive to promote public convenience and improve inconveniences. While I served as Chairman of Hyundai Group, I was able to achieve a paradigm shift at an even faster pace. The first thing I did since inaugurated as mayor was to instruct all employees, including vice mayors to receive three-day management training. Now the second-round training has been already completed. I have dispatched Seoul city officials to cities around the world, including London, New York, Tokyo and Shanghai to have them take a first-hand look at how public officials in those cities work and what ideas and systems are adopted there. I have also dispatched high-ranking officials to private enterprises to learn their rational management techniques and business methods and apply them to public service.

New Citizen Weekly: What experiences and lessons can be shared with Shanghai in the globalization of Seoul?

Mayor LEE: Shanghai has longer history of globalization than Seoul. Although the city experienced a little hiatus, the speed of Shanghai's globalization is

truly amazing. In the process, Seoul pays keen attention to the development of the software sector. As a CEO-turned-mayor, I am interested in transforming Seoul into the best city for doing business. To this end, we will learn Shanghai's policy experiences. I also think that we should learn from Shanghai which has constructed various facilities and amenities to attract foreign investment such as international schools, cultural facilities, hospitals with no language barriers, and recreational facilities.

Finally, please convey Seoul residents' warmest regards to residents of Shanghai and China (China's New Citizen Weekly's interview with Mayor LEE Myung-bak in November 2004).

- **Case Study 2**

"When I was in the business world, I thought that if I become a competitive public official, one factor that would change the nation would be a business mindset. I traveled all around the world and realized that a business mindset should be introduced to public administration officials working in the 21st century. With that as a goal, I sought to teach this to more than 46,000 Seoul city officials during my term. How much work could I do during my four-year-old term as mayor?"

"However, I believe that if public officials can change, our society can change continuously and secure competitiveness. Public officials have tremendous power such as drawing up, executing and overseeing regulations. I think that if public officials remain unchanged, there would be limitations for companies to do business in this country. That is why I ran for Seoul mayor.

"I joined the Seoul Metropolitan Government with 46,000 public officials without bringing any aide from outside. Despite the fact that the city government is a tremendous organization with its budget exceeding as much as 20 trillion won including special account budgets, I did not receive briefings on the operation of the city government.

"I have no previous experience in public service, yet I did not receive numerous reports because it would take at least six months for a person like me with no prior experience in city administration to receive all the briefings on operations of the city government. It would even take a year for me to make on-site visits. I

omitted such process.

“My purpose was not to change myself, but to instill my business mindset to public officials. Right after I was inaugurated as Seoul mayor on July 2, 2002, I selected hundreds of officials by organization and division ranging from team leaders to department heads and division heads and sent them overseas.

“City officials became confused as the new mayor selected officials and sent them abroad. For instance, I asked our head of urban architecture department to sit next to the head of urban planning department of a city with the best urban architecture in the world and learn from them. As for our head of welfare division, I sent him to the city hall of a capital city with the best welfare system in the world and asked him to sit next to the head of welfare department to learn. When our head of environment department went abroad, he sat next to the head of environment department of a city with the most advanced environmental system in the world and learned best practices. I requested this from all advanced cities in the world. All of them accepted our requests because we paid for travel expenses and our public officials merely sat next to their officials to learn. As Seoul City established sisterhood ties with many cities around the world, we could make urgent requests from them.

“I instructed Seoul city officials to sit next to government officials of other countries tasked with same responsibilities and duties as them and to learn how they handle work from morning to evening and even after work. There was a stir in the entire city government.

“They whispered that the new mayor did not receive work briefings and instead selected people and sent them abroad for a few months. By the time they returned, I rented a training center in Yongin City, Gyeonggi Province from Samsung Group where all the city officials, including vice mayors, participated in three-day training programs. It took 10 months to complete training for all the city officials including lowest-rank officials. Now, the second round of training sessions has commenced. All city officials can receive training four times during my term. We ran a very rigorous curriculum. We surveyed what ideas city officials had when they entered the training center and how their thinking and ideas changed when they completed the training and asked external experts to observe the change of individual officials.

“It was nothing but calling for change. Despite my busy schedules, I shuttled between Seoul and Yongin and delivered my messages and listened to their opinions. I asked everyone to help me understand public administration and, in turn, asked them to understand business administration” (Mayor LEE’s lecture delivered at Pusan National University, Graduate School of Business Administration, Top Executive Program alumni association meeting).

Here lies the significance of the phrase “Think Global, Act Local,” as the root of the future lies in the present and a case in a country is applied to other countries in the global context (LEE Kark-bum, 2001).

Amid the wave of globalization, what is needed for a small country which has nothing but “human resources”? Who cultivates great dreams for the Republic of Korea? An era has dawned where the nation should nurture people who cultivate hope, namely, people with transformational leadership. As the power of a nation will be determined by human resources in the future, identifying and developing new leadership models will be tantamount to cultivating our future.

The “Negotiation” Designed for Creating a Green City

1. The Roles and Functions of Negotiations in the Cheonggyecheon Restoration Project

1.1. Preparing for Negotiation

Preparing for negotiation begins with drawing up an overall roadmap about how the leadership would proceed with the negotiation. It is about coming up with the so-called “big picture.” At this stage, issues should be identified and a detailed action plan for negotiation strategies and their implementation should be prepared, while the negotiation representative should be selected.

A strategy is a plan of action designed to achieve a major or overall aim and it is differentiated from actions and action plan. Although it is difficult to clearly divide a strategy and a tactic, they differ in terms of scale and perspectives. A tactic refers to short-term and flexible moves designed to take more comprehensive and higher-level strategies into action. Let’s say that an integrated negotiation strategy has been selected to establish a productive relationship with the other party by adopting an approach to resolve

common issues. Detailed tactics to implement such integrated negotiation strategy include maintaining a trustworthy and predictable preference system (building trust of the other party) and facilitating communication. In other words, the tactic is subordinate to the strategy. Action plan refers to an action element which is integrated with the strategy. The process of drawing up an action plan in negotiation is to formulate detailed action plans on tactics, use of resources, and improvisational response in the process of pursuing overall strategy. Then, what strategies have been employed in the negotiation process for the Cheonggyecheon Restoration Project? The strategies are classified into “know your enemy and know yourself”, double-track, negotiation partner, PR, and “put yourself in my shoes”.

1.1.1. “Know Your Enemy and Know Yourself” Strategy

As negotiation is interdependent in nature, the first step towards strategy implementation is to collect information to “know the other party and know oneself.” The negotiation team of the Seoul Metropolitan Government figured that the Cheonggyecheon Restoration Project would have a direct impact on people residing in the vicinity of the Cheonggyecheon Stream along with those who owned stores or business installations in the area and embarked on field study on the Cheonggyecheon business district during the preparation stage. Plans for the demolition of the elevated Cheonggye freeway, restoration of the stream, and creation of a neighborhood park would significantly change the landscape of the Cheonggyecheon area, which would result in a drastically different living environment for local residents. For merchants and business owners in the area, it was expected that change in floating population due to the creation of a neighborhood park and change in the environment would emerge as a new condition that would determine economic profits (KIM Seong-guk et.al., 2003).

There was a high possibility that the Cheonggyecheon merchants would oppose the restoration project out of concerns about business loss, and problems associate with traffic flow and parking. Taking these

into consideration, the Seoul Metropolitan Government made thorough preparations for merchants and came up with countermeasures. From August 12, 2002 to November 2, 2002, the city conducted a field study on the current status of shopping districts, types of business operation by business category, and systems by business category in the Cheonggyecheon area, laying the foundation for setting the basic direction for comprehensive countermeasures for merchants' concerns. Such field study helped the negotiation team to respond promptly to stakeholder groups in the negotiation process.

City official B: Like in a war, thorough investigation and research on the other party were needed in coming up with countermeasures for merchants' concerns of the Cheonggyecheon project. Thus, starting from August 2002, the negotiation team conducted a status survey on various fields, including store names, business categories, numbers of employees, sales, merchant associations, and characteristics of leaders in merchant associations.

City official C: We can formulate strategies only when we understand the other party first. The taskforce on merchant issues of the Seoul Metropolitan Government not only analyzed the existing data, but also conducted field research on the current status of the Cheonggyecheon commercial district to understand the basic situation concerning the Cheonggyecheon merchants.

City official E: We studied domestic case studies on conflict situations, such as cases where conflicts led to project failure and cases where projects were successfully implemented despite serious conflicts. We first studied such cases through literature and then visited the sites in person. For instance, we visited the Donggang Dam project site and identified why the project was canceled and what measures should be taken for the Seoul Metropolitan Government to successfully press ahead with the project. We also identified case studies where parties involved reached a compromise among similar case studies on conflict of interests and used them as reference in the process of formulating conflict management strategies.

In case studies on conflict management in municipal government-led urban development projects, a lack of accurate understanding of the real field situations was often pinpointed as a factor leading to failure in conflict management. It was due to the fact that conflict management was based on bureaucratic administrative expediency, it was easy to overlook the real field situations and measures related to stakeholders would make it difficult to promote efficient conflict management because of a reality gap. However, the negotiation team of the Seoul Metropolitan Government conducted field surveys in the process of coming up with countermeasures for merchants which led them to gain a thorough understanding of the current situation of the Cheonggyecheon merchants. Through dialogue, they also could identify what they wanted and what weaknesses they had. In particular, the field survey experience laid the foundation for making the negotiations more favorable to the Seoul Metropolitan Government during the negotiation process, as those who know the other party well tend to become a stronger negotiator in discussions.

Furthermore, through advance preparations, the Seoul Metropolitan Government set two principles of no compensation for business loss and no postponement of project commencement in July prior to participating in negotiations with merchants. The reason why conflict management in municipal government-led urban development projects is not efficient in terms of accuracy and speed is that it fails to set clear principles, more specifically to make stakeholders accurately understand the limitations of the project implementer. In other words, stakeholders came to present their demands boundlessly as they were not aware of limitations of the project implementer, which delayed negotiations and continually presented new negotiation issues, making it difficult for negotiation participants to reach agreement. However, in the Cheonggyecheon Restoration Project, the Seoul Metropolitan Government presented principles, clarifying what it could offer to merchants and striving to make them understand its position.

City official A: What is important in implementing public projects is to present

clear principles and standards. To this end, prior to negotiation with the merchants, we made it clear that the city government would not provide cash compensation for business loss and would not postpone the commencement of construction. We delivered the city government's position in an unequivocal, accurate manner, creating a condition where the merchants would make their own decisions.

City official B: There was sentiment that, if stakeholders would make demands through collective petitions, the city government would concede to them to some degree, albeit not 100%. Therefore, we presented our principles and standards from the beginning. At first, the merchants said that they would support the Cheonggyecheon Restoration Project as long as the city government would offer compensation for their business loss. The Seoul Metropolitan Government made it clear that it would not offer compensation for business loss no matter what, although it would accept other conditions, and asked the merchants to lodge a compensation claim if they wanted to receive any compensation. The city government argued that it would provide compensation if the court rules that it needs to pay compensation. The merchants reviewed the possibility of cash compensation and reached a conclusion that it would be difficult for them to receive compensation in advance. Then, they demanded the postponement of construction as they needed time for preparations.

The Seoul Metropolitan Government set two principles in negotiations with the Cheonggyecheon merchants. First, it would not offer compensation for any business loss. The Cheonggyecheon district was a huge commercial district consisting of 60,000 stores and more than 200,000 employees. Therefore, if the city government offers financial compensation, the total compensation amount would exceed the scope of the city government's ability to pay. As the Cheonggyecheon commercial district was formed along the both sides of the stream, it was not difficult to offer differentiated compensation. If only financial compensation was made, the opposition from the merchants who would demand greater compensation would reach a

peak, jeopardizing the Cheonggyecheon Restoration Project itself. Therefore, the Seoul Metropolitan Government received legal advice and, based on the results of legal counsel, the city government restricted the scope of the Cheonggyecheon Restoration Project to Cheonggye Street and the Cheonggye elevated highway, which were the city-owned land, while setting the principle of “no compensation for business loss.

The second principle was no postponement of commencement of the Cheonggyecheon Restoration Project scheduled for July 2003. The Seoul Metropolitan Government formed the Cheonggyecheon Project Headquarters in July 2002 and presented its policy of formulating its master plan and commencing the project in a year. The city government contended that the Cheonggyecheon Restoration Project should commence in July 2003, citing such reasons as serious safety issues on the structures covering the Cheonggyecheon Stream and a possibility of greater damage to the Cheonggyecheon area in postponement of the construction commencement as it would delay construction period by one year.

After all, the negotiation principles set by the Seoul Metropolitan Government through advance field surveys made the merchants realize that it would be impossible for them to attain their initial demands for cash compensation and postponement of the construction, prompting them to consider the realistic option of “relocation.” In addition, a condition was created where the position of the Seoul Metropolitan Government was delivered in an accurate manner, making the merchants figure out efficient ways to respond.

1.1.2. Double-track Strategy

In the process of communicating with different merchants to collect relevant information, the negotiation team of the Seoul Metropolitan Government found out that Cheonggyecheon merchants had different opinions. This implied that, by adopting a double-track strategy, the Seoul Metropolitan government could widen the gap in differing opinions

or could persuade hard-liners through soft-liners. Therefore, the city government implemented a strategy to persuade the merchants who wanted relocation, who were considered soft-liners within the Cheonggyecheon Business Protection Committee, while persuading the Apparel Industry Countermeasure Committee, which adopted the most hardline stance among merchants associations, along with the representative of the Cheonggyecheon Business Protection Committee.

City official A: The Cheonggyecheon merchants were divided into the hard-liners who strongly opposed the project as they believed that they would gain more from the city government only through collective actions and the soft-liners who sought practical gains through dialogue. In the end, the soft-liners contributed to directing the hard-liners towards relocation, which was a more realistic alternative.

City official A: In order to negotiate, it is necessary to identify weaknesses of the other party and make a focused attack on them.

City official C: When we deal with merchants, we come to identify who has different opinions. In this case, it is necessary to strategically incite those with different opinions or to split them by highlighting their range in opinions.

Prior to negotiation, the Seoul Metropolitan Government thoroughly studied tendencies and demands of the Cheonggyecheon merchants. It realized that, within the merchant groups opposing the Cheonggyecheon Restoration Project, there was a group who wanted to resolve the issues via practical gain and induced them to widen opinions with the hard-liners by adopting a differentiated approach. In other words, the city government induced the soft-liners to criticize actions of the hard-liners. As a result, negotiation issues were narrowed down to the creation of a relocation complex claimed by the soft-liners and the Cheonggyecheon merchants proposed relocation measures to the city government first. Difference in opinions between the soft-liners

who called for relocation and the hard-liners calling for redevelopment within the Cheonggyecheon Business Protection Committee ultimately undermined the internal unity of the entire merchant groups and the hard-liners were persuaded by the practical gain seekers into agreeing with the alternative presented by the Seoul Metropolitan Government.

Meanwhile, the Seoul Metropolitan Government concluded that it would not be able to persuade the hawkish Apparel Industry Countermeasure Committee alone and made joint efforts with the representative of the Cheonggyecheon Business Protection Committee to persuade them.

City official A: The Apparel Industry Countermeasure Committee was adopting an excessively hardline stance, so we were unable to communicate with them. We thought at in the worst-case scenario, we may have to embark on the project while failing to persuade them. But then, the Chairman of the Business Protection Committee proposed an idea to persuade the Apparel Industry Countermeasure Committee if the Seoul Metropolitan Government would offer relocation site of 170,000 pyeong (1 pyeong = 3.3 square meters). The city government concluded that it would be more efficient for merchants rather than the city government to persuade other merchants and agreed to create a relocation site of 150,000 pyeong after negotiations with the Chairman of the Business Protection Committee. At the negotiation table attended also by the Chairman of the Apparel Industry Countermeasure Committee, the Chairman of the Business Protection Committee said that he had had the same opinions as the Chairman of the Apparel Industry Countermeasure Committee three months ago and that now he realized that the position was wrong, dampening the Apparel Committee Chairman's spirit. Then, the Apparel Committee Chairman, who had been firm about his position, made excessive demands. However, it was a good opportunity for us because, as long as the other party makes demands, it meant that there was room for negotiation.

Seoul Metropolitan Government's strategy of encouraging the soft-liners to persuade the head-liners was successful in conducting phased negotiations

and striking a compromise with the merchants. However, the strategy had a risk that the hard-liner merchants may storm out of the negotiating table citing stakeholders causing an internal conflict, thus it had to be implemented in an extremely secretive and technical fashion.

1.1.3. Negotiation Partner Strategy

It is difficult to resolve numerous problems arising in modern society due to conflicting interests. The scope and impact of interests become inevitably expanded in modern society characterized by diversity, segmentation and complexity, which can easily lead to conflicts of interest. In organizational theory, the “stakeholder” is defined as “any group or individual who can affect or is affected by the achievement of the organization’s objectives.” In other words, if any group has legitimate interest in organizational activities, it is deemed qualified as a stakeholder (KANG Sin-gyeom, 1999). It is desirable to define stakeholders, who are affected by specific policies or programs, in a comprehensive and broad manner (Bryson & Crosby, 1992). In a broad sense, stakeholders include any individuals, groups or organizations that are directly or indirectly affected by policies, plans or projects. The interests of such groups, individuals or organizations are not fixed, but dynamic and thus interactions among people with different interests result in unpredictable conflict situations.

Interest groups affected by the Cheonggyecheon Restoration Project can be classified into owners of land or buildings, rent-paying merchants, street vendors, local residents, civic groups, transportation business operators, and the general public. As the Seoul Metropolitan Government could potentially form conflict relationships with merchants, street vendors, residents or civic groups, selecting negotiation partners among them emerged as an important issue.

Owners of buildings or land and local residents living in the project area are not main stakeholders of the project. Rather, local residents and building owners (such as residents of nearby Cheonggye Byucksan Apartment) would accept the project as they expect that land prices or property value of their

buildings would increase after the restoration project. This group of people anticipated an increase in floor area ratio or government assistance if they changed their business types after implementation of the project. However, such issues as traffic congestion and noise arising from the construction may cause inconveniences to local residents, which may prompt them to oppose the project. On the other hand, merchants doing business in the Cheonggyecheon area (mostly rent-paying merchants and some street vendors) held a position that they would not accept the proceeding of the project unless the city government would pay compensation or guarantee relocation of the commercial district.

Major stakeholders with conflicting interests in the Cheonggyecheon Restoration Project would be either local residents or merchants. Out of the two groups, local residents had a voting right and thus they inevitably became stronger in negotiation with the city. Although they made illegitimate, excessive or extreme demands, the city government had no choice but to accept them because it was the weak in the negotiation. As indicated by conflict situations such as the Buan incident, an anti-nuclear waste dumping campaign, and the Seoul Outer Ring Road involving Sapaesan Tunnel, local residents were able to wield greater influence through contacts with external organizations such as civic groups. The Seoul Metropolitan Government figured that if the local residents were the main stakeholder group with conflicting interest, the city would be placed unfavorable in negotiations and thus endeavored to change local residents' perceptions through full-fledged PR activities promoting the Cheonggyecheon Restoration Project as beneficial to local residents, while creating official channels by forming such groups as a resident-merchant council. The city government's measures of blocking external channels to keep them from contacting external organizations and protecting local residents served as the foundation for causing no conflicts in the negotiation process.

The Cheonggyecheon merchants as a negotiation partner can be considered in terms of social, economic and cultural conditions. It was found out that the Cheonggyecheon merchants belonged to a number of different groups and displayed a weak level of cohesion. In particular,

transactions made by the Cheonggyecheon merchants took the form of circulating funds by issuing and recovering promissory notes to circulate products. In order to carry out actual transactions, they had to stay in their business sites and to maintain the flow of goods and funds. Such conditions kept the Cheonggyecheon merchants from pushing for extreme and long-term collective actions because it was difficult for them to put up with any disadvantages individually if such adverse situations as detention would occur. Given this, the Seoul Metropolitan Government chose the merchants as its negotiation partner among different stakeholders to engage in negotiations with them. As a result, the city government was able to induce negotiations with a stakeholder group with high stakes in the project by selecting merchants who were expected to experience direct or indirect damage to their business activities, as its negotiation partner rather than local residents who would benefit from the development directly or indirectly.

1.1.4. PR Strategies

The Seoul Metropolitan Government was keenly aware of the need for PR strategies to shift from negative attitudes of the merchants along the stream, gain support from experts towards the project, secure support from the public, and publicize the need and validity of the project in an accurate and systematic manner.

The Seoul Metropolitan Government set the following implementation directions: to implement PR activities in an effective and consistent manner; to establish a connected and comprehensive PR system with the Public Opinion Subcommittee of the Citizens' Committee and relevant departments of the city government; and to form consensus on the Cheonggyecheon Restoration Project with the general public. Based on the directions, the city government came up with strategies.

The PR strategies are largely classified into a strategy by stage and a strategy by target. The phased strategy is indicated in Figure 5-1. The strategy by target is demonstrated in Table 5-1.

Figure 5.1 Phased PR strategies for the Cheonggyecheon Restoration Project

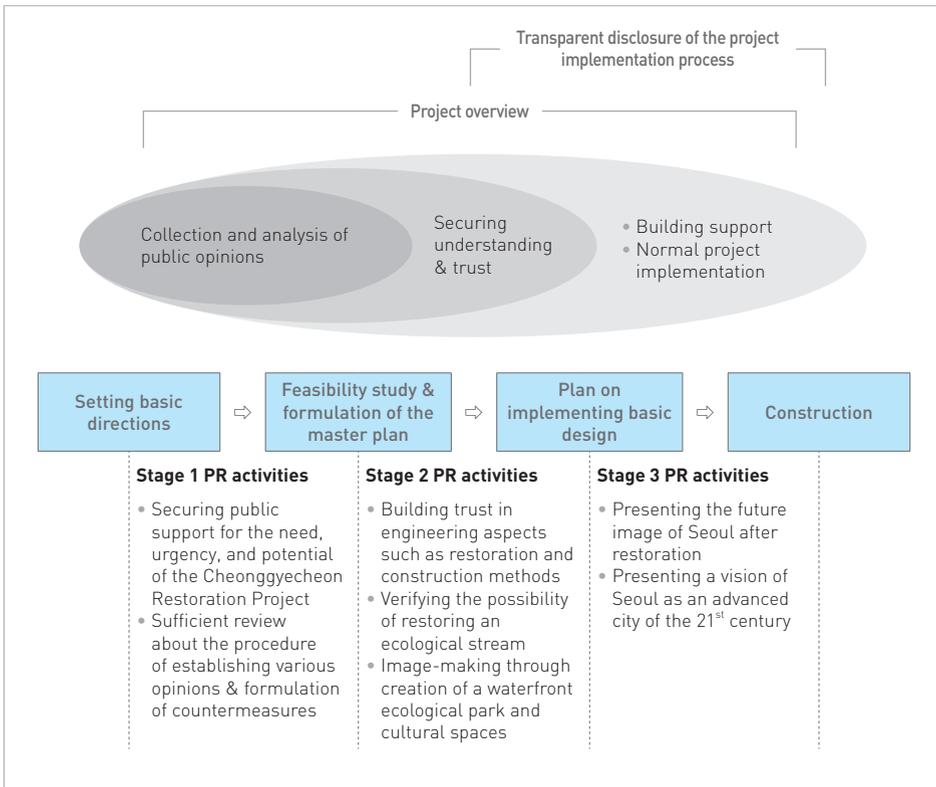


Table 5.1 Strategies by target

Targets		Strategies
Key groups favorable to the project	Cheonggyecheon Revival Research Group, cultural and environmental groups	To boost approval rate and utilize the groups to lead public opinion
Groups favorable to the project	Seoul city officials, members of related organizations, partnership organizations, members of societies related to the environment, history and culture, and members of Citizens' Committee	To highlight and persuade the strengths of the project
Groups which could potentially side with any party	The media, general public, and students	To adopt aggressive media relations and persuasion strategies to convince undecided groups to favorably view the project
Groups unfavorable to the project	Merchants in the Cheonggyecheon area (coalitions), traffic experts	To minimize opposing opinions

1.1.5. “Put Yourself in My Shoes” Strategy

The Seoul Metropolitan Government strived to build trust with the Cheonggyecheon merchant representatives. In actual negotiations, interests come before personal relationships. However, in Korean sentimentality, there are cases where agreement is reached on the basis of trust and building trusting relationships contributes to easing conflicts. When trusting relationships are formed, stakeholders may discuss internal difficulties experienced by their stakeholder groups and negotiations can continue through unofficial channels, even if negotiations through official channels inevitably break down. In addition, as the principles of concession and compromise are strongly based on trust, trusting relationships can be regarded as a key element of creating an amicable negotiation atmosphere.

Therefore, the Seoul Metropolitan Government endeavored to build trusting relationships with the merchants by placing themselves in the merchants’ shoes, which was well demonstrated in the following remarks.

City official A: The Seoul Metropolitan Government and the Cheonggyecheon merchants developed deep relationships through ongoing meetings. Thus, dialogue channels between representatives of the two sides were always well maintained even when negotiations broke down.

City official B: During a year from July 1, 2002 to July 1, 2003, five city officials visited merchants about 3,000 times, making visits more than 10 times a day. Through those visits, the merchants came to believe that the city government was trying to understand the viewpoint of merchants and cared about them. It was true that such efforts by the city government actually moved the hearts of the merchants to some degree. What is more important in resolving conflicts is to build a trusting relationship by touching people emotionally rather than employing institutional mechanisms.

City official D: The city government regarded the merchants’ opposition as a

natural action rather than criticizing them for local selfishness. Based on such attitude, the city government tried to understand the position of the merchants and come up with measures for them, which was seen positively by the merchants who eventually came to trust the city government.

City officials tried to understand the merchants and endeavored to take consideration of their situations, which helped them build a trusting relationship with the merchants and ultimately convinced them. In conflict management, even though institutional tools are also important, the most important element is to touch the heart of people and build trust with them.

1.2. Negotiation Tactics

In order to implement strategies, the Seoul Metropolitan Government formulated concrete tactics, which are described as short-term and flexible. The three tactics employed by the city government are written below.

1.2.1. Efficient Division of Roles

The negotiation team of the Seoul Metropolitan Government consisted of the head of the Cheonggyecheon Restoration Administrative Planning Unit, a project coordinating officer, the head of the Civil Petition Management Team, and two city government officials. The team members divided their roles to prepare for negotiations with the merchants. Albeit being a high-ranking official, the head of the Cheonggyecheon Restoration Administrative Planning Unit was an open-minded person who met the merchants in person to listen to their opinions and explained the position of the city government. The project coordinating officer had good interpersonal skills, was well versed in his work, and could push forward the city government's position strongly. The head of Civil Petition Management Team was a calm and logical person, while the two working-level officers were hard-working and reliable, collecting information internally and externally, respectively. Such division of roles enabled them to efficiently perform their respective duties and tasks.

1.2.2. Diverse Countermeasures

Although the Seoul Metropolitan Government had clear principles and standards, it was also necessary to flexibly respond to situations in the field. The city government came up with various countermeasures based on diverse scenarios they created through preliminary surveys.

City official A: The city government made it clear that it would be willing to coordinate opinions with the merchants in areas other than the two principles. We made it possible to change areas other than the two principles through dialogue.

City official B: Although we had principles, we worked flexibly in terms of strategies and methodology. With information acquired through on-site visits, we changed areas requiring modification in a bold manner.

City official A: We predicted what actions the merchants would take through preliminary surveys and waited. In particular, we predicted the merchants' responses as late as May and late June with the construction commencement set for July 1, 2003 approaching fast and devised various scenarios, adopting different strategies depending on situations.

City official D: We predicted possible crisis situations. We even came up with countermeasures for a scenario on serious situations such as some merchants attempting to burn or hurt themselves to deliver their message because there were some merchants from the Sky Overpass Arcade who could take extreme actions.

This illustrates that, although it is important to clarify what the city government can present through preliminary preparations, it is also necessary to flexibly respond to reactions of the merchants.

1.2.3. Minimization of Negotiation Issues

Negotiation issues may jeopardize the negotiation itself if they are not controlled at an appropriate level. If negotiation issues include detailed goals that are difficult for stakeholders or the implementer to accommodate or compromise, the negotiation would inevitably proceed with difficulties. It necessitated the Seoul Metropolitan Government to analyze conflict situations and to identify and minimize negotiation issues including one or two key issues and other small issues.²⁶ In order to minimize negotiation issues, the city government induced a single negotiation agenda by controlling structural conflict factors through the adoption of a maximum conflict management strategy (countermeasures for merchants) on conflict factors other than economic interests and establishment of a collaboration system. The process of minimizing negotiation issues demonstrated in the process of Policy Council operation can be summarized as Table 5-2.

Negotiation issues dealt with in Policy Council meetings narrowed down to the creation of a relocation complex. In the 7th Policy Council meeting where the two parties reached a tentative agreement, the two parties entered the stage of final mediation with different opinions. In addition, the issues of compensation for business loss and postponement of the construction, which had been key demands presented by the Cheonggyecheon merchants 'coalition at the initial stage of the Policy Council meetings, disappeared from the negotiation table, replaced by the issue of creation of a relocation complex, which was a more practical issue, indicating that opinions between

²⁶ In order to minimize negotiation issues, it is necessary to determine the order of negotiation issues in terms of their importance by determining which issues are the most important and which issues are less important. Negotiation is a dynamic process in which information exchange, argument and counterargument, proposals and counter-proposals, concession and trade-off take place. During such dynamic process, the negotiator should recognize what is important for his or her side. In addition, there is a need for classifying negotiation issues in terms of negotiation importance by using the high, medium, and low classification method. Secondly, it is necessary to classify what issues are connected and what issues are separate by evaluating the connectivity of issues. Separate issues can be added or deleted and can be dealt with independently in the negotiation process, whereas connected issues need to be considered seriously in the negotiation process due to their synergistic effect.

Table 5.2 Operation process of the Policy Council in 2003

The 2 nd Policy Council meeting (February 7)	
Representatives of Cheonggyecheon merchants	Negotiation team from the Seoul Metropolitan Government
<ul style="list-style-type: none"> • Dividing merchants into those who wish to stay, those who wish to relocate, and those whose business would close • Coming up with countermeasures • Demanding compensation for business loss • Demanding an alternative site 	<ul style="list-style-type: none"> • Efforts to minimize inconveniences in business operation and revitalize the commercial district • No compensation for business loss • Providing full support when an alternative site is designated
The 3 rd Policy Council meeting (March 13)	
Representatives of Cheonggyecheon merchants	Negotiation team from the Seoul Metropolitan Government
<ul style="list-style-type: none"> • Postponement of the Cheonggyecheon project scheduled for July 2003 • Request for providing indirect assistance measures • Request for redevelopment blueprints for the Cheonggyecheon area • Request for pro-active resolution of the Sky Arcade issue 	<ul style="list-style-type: none"> • No postponement of the Cheonggyecheon project commencement • Review of indirect assistance measures
The 5 th Policy Council meeting (April 8)	
Representatives of Cheonggyecheon merchants	Negotiation team from the Seoul Metropolitan Government
<ul style="list-style-type: none"> • Dividing merchants to those who would relocate and those who stay • Reaching agreement on holding a weekly meeting 	<ul style="list-style-type: none"> • Dividing merchants to those who would relocate and those who stay • Reaching agreement on holding a weekly meeting • Proposing to focus on coming up with practical measures rather than logical confrontations on construction postponement and compensation for business loss
The 7 th Policy Council meeting (June 9)	
Representatives of Cheonggyecheon merchants	Negotiation team from the Seoul Metropolitan Government
<ul style="list-style-type: none"> • Efforts to revitalize the commercial district • Demanding additional land of 60,000 pyeong on top of the alternative land of 90,000 pyeong 	<ul style="list-style-type: none"> • Making continuous efforts to revitalize the commercial district • Review of the size of alternative land

the project implementer and stakeholders were narrowing down.

The process of integrating negotiation issues does not take place in the negotiation table alone where the confrontation of logic between the project implementer and stakeholders occurs. Rather, how to manage the environment outside the negotiating table can determine the extent of negotiation issues. The Seoul Metropolitan Government provided conviction that it would resolve common problems through agreement with stakeholders, while focusing on minimizing problems in the process of reaching its goals by carrying out consistent measures for merchants outside

the negotiating table.

Particularly dealing with countermeasures for merchants centering on minimization of inconveniences in business operation and revitalization of the commercial district, the Seoul Metropolitan Government strived to minimize damage incurred by the restoration project to the neighboring commercial district and invigorate the Cheonggyecheon commercial district. Through such efforts made by the city government, the Cheonggyecheon merchants came to recognize that the Cheonggyecheon Restoration Project was not a “predetermined future,” but a “future to be made jointly” with the city.

1.3. Representation and Negotiation Conditions

One of basic conditions of negotiation is that among the project implementer and the stakeholder group, those who are authorized to represent each group should participate in negotiations. If those who partake in negotiations do not have representation and thus have no authority, it is difficult to have smooth communication between the representative and the represented group and to present consistent opinions. In addition, implementation of agreement may fall through, even though the two parties reach an agreement. For instance, in the case of negotiations concerning the waste landfill site in Gimpo City, a working council was a major negotiation channel. The project implementer was an association of different government entities, including the Ministry of Environment, Seoul Metropolitan Government, Incheon Metropolitan Government, and Gyeonggi Provincial Government, while there was a single stakeholder group. Negotiation representatives of the project implementer changed frequently and work coordination and collaboration among different government entities did not proceed smoothly. In the case of the Cheonggyecheon Restoration Project, representation of the two negotiation parties was clearly presented.

In the case of the Seoul Metropolitan Government, the Cheonggyecheon Project Headquarters led the project by participating as a negotiation team. The Cheonggyecheon Restoration Administrative Planning Unit under the

Project Headquarters participated in negotiations with representatives of the Cheonggyecheon merchants. The negotiation team consisted of five members, including the head of the Cheonggyecheon Restoration Administrative Planning Unit, a project coordinating officer, the head of Civil Petition Management Team, and two city government officials. Seoul's Mayor transferred his representation authority in negotiations to the head of the Cheonggyecheon Restoration Administrative Planning Unit. Therefore, the negotiation representative of the Seoul Metropolitan Government was the head of the Cheonggyecheon Restoration Administrative Planning Unit.

City official A: The Mayor practically transferred his full authority to the negotiation team. Although it was the Mayor who led the project, he transferred the authority to make contacts between the merchants to the head of the Cheonggyecheon Restoration Administrative Planning Unit. It does not mean that the transfer was made officially. However, the negotiation team was able to present its position confidently and accepted their demands in negotiations with the merchants because the Mayor transferred the representative power.

City official B: The Mayor entrusted the bureau chief who led the negotiation team with full powers. He accepted negotiation results produced by the negotiation team representative. When the negotiation representative was faced with obstacles, he intervened to resolve them.

City official E: The Mayor entrusted the head of the Cheonggyecheon Project Administrative Planning Unit with right of representation and accepted most of the negotiation results.

In the case of the Seoul Metropolitan Government, which was the project implementer, the Seoul Mayor, the highest decision-making official, practically entrusted the bureau chief with authority, which helped the negotiation team possess representative power and proceed to negotiations with the representatives of the merchants.

At the initial stage of negotiations, the merchant representatives figured that the head of Cheonggyecheon Project Administrative Planning Unit, who was the negotiation team leader, was merely a city official receiving instructions from the Mayor and demanded a direct meeting with the Mayor, renouncing his representation. They believed that their demands would be accepted only when they talk to the Mayor in person and negotiate with him as the Mayor was the final decision-maker for the Cheonggyecheon Restoration Project. Such behavior displayed by the merchants was due to past conflict cases where conflicts were resolved only through the highest decision-maker of the project. However, the merchant representatives gradually granted the negotiation representative of the Seoul Metropolitan Government with representation, recognizing him as the major negotiator. It was made possible by a trusting relationship between the two parties and sincerity and consistency displayed by the negotiation team.

City official A: One of the things I emphasized to the Cheonggyecheon merchants was that, although I was a representative of the Seoul Metropolitan Government in the negotiating table, I become the representative of the Cheonggyecheon merchants when I go back to the city headquarters.

City official B: I once visited Mayor LEE Myung-bak's office to have a meeting. I saw a report spread on Mayor LEE's desk, which summarized merchants' opinions and was delivered to the negotiation representative of Seoul during Policy Council meeting. I thought that the city negotiation representative was delivering our opinions to the Mayor as it was without making any adjustments.

The negotiation team of the Seoul Metropolitan Government was able to proceed with negotiations in a prompt manner despite a limited time frame and produced satisfactory negotiation results, as its representation was recognized by the Seoul Mayor and the merchants.

The negotiation team representing the Cheonggyecheon merchants included the Cheonggyecheon Business Protection Committee, the Apparel

Industry Committee, and street vendors operating along the Cheonggyecheon Stream. The Cheonggyecheon Business Protection Committee and the Apparel Industry Committee were organizations informally formed by merchants who were concerned about infringement of their trade rights due to the Cheonggyecheon Restoration Project. However, the key members of the two associations, which represented the merchants in the negotiations, were merchant leaseholders who were not legal beneficiaries in the case of acquisition of public land and compensation for loss due to urban development projects. However, the Seoul Metropolitan Government adopted a forward-looking attitude and encouraged the merchant representatives to attend negotiations. It endowed them with representation so they could freely express their opinions, minimize disputes, and maximize the continuity and ramifications of negotiations. This was made possible because the Seoul Metropolitan Government had a principle of proactively responding to dialogue even from the stage of formulating countermeasures on merchants, if the Cheonggyecheon merchants would voluntarily form associations and propose a dialogue with the city government. For this reason, the two merchant associations were able to receive official documents related to the city government's Cheonggyecheon project after their formation.

In the case of street vendors, the Seoul Metropolitan Government concluded during drawing up the master plan that it was impossible for street vendors to operate on the streets due to the reduction of the road width and that street stalls would not be approved once the nearby environment of the Cheonggyecheon Stream changed after the completion of the project, thereby classifying street vendors as subject of administrative action. The city government regarded street vendors as illegal and believed that, if the Cheonggyecheon Project Headquarters views them as a stakeholder group and takes direct control of the group, it would pose a stumbling block for the launch of the Cheonggyecheon project. Therefore, the Seoul Metropolitan Government attempted to manage conflict with street vendors separately from general merchants in the Cheonggyecheon area and assigned a different city department to take charge of street vendors. The Department of Construction

and Planning was in charge of dialogue with street vendors, indicating that street vendors were not endowed with representation to participate in the negotiation process deemed by this study as the confrontation between the city government's negotiation team and the merchants. It can be said that the Seoul Metropolitan Government recognized the representation of only the Cheonggyecheon Business Protection Committee and Apparel Industry Committee as its negotiation partners and was engaged in negotiations with them.

1.4. Negotiation Progress and Strategies

1.4.1. Negotiation Progress

Negotiation is a process between two or more parties (each with their own needs and viewpoints) seeking to reach an agreement to settle a matter of mutual concern. In the Cheonggyecheon Restoration Project, the Seoul Metropolitan Government and merchant representatives were engaged in negotiations over the matter of the launch of the Cheonggyecheon project.

The Seoul Metropolitan Government called for commencement of the project citing safety problems involving the covered structures and justification of the project as leading a new paradigm. On the other hand, the merchants opposed the restoration project out of concerns that the Cheonggyecheon project would not only instantly destroy the industrial network formed over decades, but also cause business slowdown of the commercial district. In order to resolve the conflict, the city and the merchants strived to reach an agreement through official negotiations (Policy Council meetings, meetings between the Mayor and merchant representatives, etc.) and unofficial negotiations (negotiations over dinner, etc.). With the date of construction commencement approaching, the two sides showed sharp confrontation in negotiations.

In order to resolve conflicts, the Seoul Metropolitan Government and the merchants underwent a process of understanding and recognizing

the limitations of each other and reached a compromise based on mutual trust. Then, how did the negotiations between the city government and the merchants start in the first place and what was discussed during the negotiation process?

The Seoul Metropolitan Government predicted that it would face oppositions from various stakeholders in pushing ahead with the Cheonggyecheon Restoration Project. However, the city government believed that it would be able to persuade residents into consenting to the project by presenting the significance and justification of the project. In addition, as there was a possibility that the Cheonggyecheon merchants would experience various disadvantages and inconveniences before and after the project, the city government placed its top priority in conflict management on predicting and addressing petitions and complaints. It also agreed that the solution to resolve problems with the merchants was having a negotiation with them. Therefore, the Seoul Metropolitan Government recognized the need for negotiation, created several predictable scenarios by collecting information and devising various negotiation strategies, and prepared relevant negotiation cards, depending on the scenarios. The city government made preliminary preparations for negotiations, yet did not propose to hold negotiations first, as it predicted that if the city government would propose negotiation first, the merchants would make greater demands. The following is the summary of negotiation meeting minutes (PARK Min-jin, 2003: p. 52).

- October 2002

Merchant representatives formed the Cheonggyecheon Business Protection Committee and demanded meetings with the Seoul Metropolitan Government. In response, the first meeting between YANG Yun-jae, Head of the Cheonggyecheon Project Headquarters and merchant representatives was held. At that time, both the city government and the merchant representatives did not formulate detailed alternatives concerning countermeasures. Therefore, rather than expressing their respective positions, the merchants explained their reasons for opposing the project and argued that there was no need for restoring the Cheonggyecheon

Stream, while YANG merely explained the need for the Cheonggyecheon Restoration Project.

- December 2002

Chairman of the Cheonggyecheon Business Protection Committee and 10 others visited the Seoul Metropolitan Government to deliver results of internal surveys and their demands, which prompted full-fledged negotiations. However, a practical negotiation agenda was not available. The two parties came to discuss practical negotiation agenda only after the Policy Council was formed.

- February 18, 2003

The Policy Council was formed as an official negotiation channel of the Seoul Metropolitan Government and the negotiation team and served as a venue for sharing information and exchanging opinions. However, dialogue broke down as the city government set up banners informing “traffic control measure from July 1, 2003” on April 10. For two months, the two sides exchanged their opinions through unofficial negotiations. When the negotiation broke down, discussion forums hosted by the media and civic groups pointed out that the city government’s countermeasures for the Cheonggyecheon merchants were unsatisfactory, forcing the city government into a corner. Since then, based on trust built through frequent meetings and dialogue, the city persuaded the stakeholders, who were internally dealt a blow, and frankly exchanged opinions including those not discussed in official negotiations. This process helped the two sides start to discuss the issue of relocation, which was a more realistic option.

- May 23, 2003

The Seoul Metropolitan Government and the Cheonggyecheon Business Protection Committee tentatively agreed to relocate the Cheonggyecheon commercial district to Munjeong in Songpa District and related negotiations made rapid progress. Although the merchant committee continuously raised the issue of compensation for business loss due to the restoration project, the merchants recognized that it was difficult to achieve under the current legal system and instead started to take interest in relocation. In the negotiation

meeting held on May 23, 2003 the Cheonggyecheon merchants and the city first reached an agreement on the relocation site. However, when the agreement was broadcast through the media, the Cheonggyecheon Business Protection Committee expressed strong opposition, claiming that the city government was manipulating the media in its favor and denying the agreement. Within the Cheonggyecheon Business Protection Committee, merchants had completely different opinions on relocation by industry. Some industries strongly supported the relocation, while others strongly opposed it. They also differed in their opinions on the scale and methods of relocation. In fact, the President of the Tool and Industrial Material Association was officially excluded from participation in the Cheonggyecheon Business Protection Committee because he conducted surveys on relocation among the association members without prior consultations. This incident prompted internal conflict and division within the merchants' committee.

- June 12, 2003

The Cheonggyecheon Business Protection Committee reported that they would hold a rally to highlight internal issues, while six committee members including Chairman LEE Ung-jae unilaterally demanded a meeting with the Mayor and visited the city government. However, when they were denied access at the front gate of the City Hall, the Chairman of the Cheonggyecheon Business Protection Committee announced its plan to increase the intensity of their protest by shaving their heads and staging a hunger strike. Civic groups including the Citizens' Coalition for Economic Justice announced that they would oppose the July construction if the Seoul Metropolitan Government did not reach an agreement with the merchants, raising tension.

- June 13, 2003

The negotiation leader of the Seoul Metropolitan Government and the representative of the Cheonggyecheon Business Protection Committee had a meeting. The merchant representative expressed difficulties and concerns, saying that the Cheonggyecheon Business Protection Committee took a hardline stance because roughly half of the committee members demanded the adoption of

a hawkish approach as they believed that they could thwart the construction through protests. In addition, he said that he personally had no complaint about the 150,000 pyeong-relocation site and could persuade his committee if the city government could increase the share of the merchants in redevelopment. The city observed the developments mainly focusing on representatives of associations of various business categories that were interested in relocation among member trade associations of the Cheonggyecheon Business Protection Committee and strived to persuade them.

- June 16, 2003

A joint rally participated by the Apparel Industry Committee and the Cheonggyecheon Business Protection Committee was held. The rally was attended by approximately 3,000 people and turned violent with leaders of trade associations shaving their heads and some participants occupying the Cheonggyecheon elevated highway. After the rally, a meeting between the merchant representatives and the second Vice Mayor for Administrative Affairs was held. The representatives from the Cheonggyecheon Business Protection Committee demanded that the city government make efforts to invigorate the commercial district by adopting an open-minded approach and that the size of the alternative site should be 150,000 pyeong, arguing that the relocation site should become a large-scale complex encompassing all businesses operating in the Cheonggyecheon commercial district. In response, the Seoul Metropolitan Government agreed on June 10th 2003 to expand the scale of the relocation site to 150,000 pyeong, an increase by 60,000 pyeong and to continue consultations on details in the future. However, this was also reported through the media.

Concerning the media report, the leader of the Cheonggyecheon Business Protection Committee mentioned that the Committee did not propose any conditions on the issue of relocation and that the site expansion plan was the city government's unilateral plan. He added that the basic direction of his committee would be receiving official documents on more detailed measures including relocation after postponement of the restoration project. However, the size adjustment of the relocation site reflected the demands of the merchants who had called for a relocation site of more than 170,000 pyeong, implying

that confrontation between the city government and the merchants over the compensation issue found common ground.

The Apparel Industry Committee made demands for measures differentiated from other industries, citing that the industry would be directly hit by the restoration project and that it organized a large-scale rally. The apparel group demanded that the city government response by the morning of June 11, 2003. However, the Seoul Metropolitan Government had few options other than the measures for the merchants it had presented until then, signaling difficulties ahead.

- June 19, 2003

The city government's negotiation representative and the merchant representative sat together at the negotiating table. They reached agreements on meetings with the Mayor, establishment of a body dedicated to measures for merchants, and a big framework on the relocation site, as well as delegation of power to the body in charge of merchant matters to help it pro-actively press ahead with measures for merchants.

- June 21, 2003

The Seoul Mayor and five merchant representatives including Chairman of the Cheonggyecheon Business Protection Committee and Chairman of the Apparel Industry Committee were engaged in a final negotiation concerning measures for merchants. The merchant representatives believed that the negotiation was intended to receive confirmation of the Seoul Mayor as working-level agreement on the relocation site in Munjeong had been already completed. Besides the relocation issue, they made the following three demands: 1) the Seoul Metropolitan Government should establish a body dedicated to merchant issues and find solutions through ongoing dialogue, as measures for merchants should be implemented even after project commencement, 2) change is needed to develop the Cheonggyecheon commercial district and countermeasures for merchants should be devised not to let the commercial district fall apart regardless of whether merchants relocate or stay, as maintenance and development of the current commercial zone is a goal of the Cheonggyecheon

Restoration Project, and 3) redevelopment should be implemented as quickly as possible and the city government should create a commercial complex on the relocation site in the form of a public development project.

Although the final negotiation was completed and the Seoul Metropolitan City and the merchant representatives reached an agreement, the merchant representatives were expected to undergo considerable difficulties in persuading general merchants. On June 25, 2003, an official document, which contained final negotiation results and detailed implementation plan on the creation of a relocated commercial complex was signed by the Seoul Mayor and delivered to the Cheonggyecheon Business Protection Committee. However, there were sharp differences in opinions over the official document within the committee. In particular, there was a huge variety in opinions on relocation between the Executive Board of the Business Protection Committee and general merchants, making it difficult to coordinate their opinions. Some merchants strongly resisted the Executive Board's decision to accept the conditions of the city and said they would take independent action to undermine the construction. Although there were merchants with hardline stances, there were also merchants who believed that there was no need to prevent the construction as the city government promised relocation. The Chairman of the Cheonggyecheon Business Protection Committee pinned his hope on the formation of a body dedicated to merchant affairs and subsequent compensation measures to be produced by the body. The Apparel Industry Committee promised to accept the proposals of the city government, to restrain from holding rallies, and to cooperate in the project implementation. As indicated above, the Cheonggyecheon merchants came to cooperate in the Cheonggyecheon Restoration Project out of their expectation that the city government would keep its promise as stated in the official documents, despite the fact that they failed to coordinate their different opinions.

As demonstrated in the negotiation meeting minutes, if the Seoul Metropolitan Government, the project implementer, had been able to

accommodate the merchants' demands in a conflict situation, negotiation itself would have not been necessary. As the project implementer is not able to accommodate all the demands made by stakeholders, it is necessary to identify what stakeholders want and resolve conflicts through negotiation based on mutual communication and concession, which creates a win-win effect. In addition, building trust between the project implementer and stakeholders makes it possible for them to continue dialogue through unofficial negotiations even in the case of breakdown of official negotiations, affecting the negotiation results. Meanwhile, information disclosure through unconfirmed, hasty media reports risks weakening internal solidarity and jeopardizing agreement.

One condition for successful conflict resolution is to maintain ongoing relationships between conflict parties. As a conflict situation becomes protracted, conflict parties anticipate ongoing inter-dependence. Ongoing relationships make parties familiarized with expectations, strategies and proposals of the other party and conflict parties ultimately avoid behaviors that could seriously threaten their long-term relationship. Only when there is an assumption that they would meet again, the current strategy can be submitted (JIN Jong-sun, 1997: p. 26). Providing appropriate negotiation channels is a prerequisite for cooperation and conflict management between the negotiation parties. It does not necessarily mean that all conflicts are resolved as long as there are dialogue channels. However, if an official dialogue channel is closed, the level of mutual understanding would decrease and uncertainties in conflict resolution would proportionately increase.

In order to facilitate dialogue in the negotiation process, what should be preceded is to set up a body and system for facilitating consultations on matters of mutual concern, such as compensation, drafting an agreement, and post-construction operation management. It could take the form of official negotiation channels such as the Policy Council or unofficial negotiation channels such as a behind-the-scene negotiation channel.

The Policy Council served as an official negotiation channel where the Seoul Metropolitan Government and the merchant associations exchanged

Table 5.3 Details of Policy Council meetings in 2003

Date	Negotiating parties	Negotiation issues and demands
1 st Policy Council meeting (February 18)	Seoul City	<ul style="list-style-type: none"> • First meeting of the Policy Council • Discussion on how to operate the Policy Council • Discussion on overall issues of the Cheonggyecheon Restoration Project
	Merchant representatives	
2 nd Policy Council meeting (February 27)	Seoul City	<ul style="list-style-type: none"> • No compensation for business loss • Minimization of inconveniences in business operation and efforts to invigorate the commercial district • Rendering full support, if an alternative site is designated • Devising respective countermeasures for those who stay, those who hope to relocate, and those whose businesses would no longer be operational • Demand compensation for business loss • Demand for an alternative site
	Merchant representatives	
3 rd Policy Council meeting (March 13)	Seoul City	<ul style="list-style-type: none"> • No postponement of the Cheonggyecheon restoration construction scheduled for July 2003 • Review of indirect assistance measures • Postponement of the Cheonggyecheon restoration construction scheduled for July 2003 • Request for indirect assistance measures • Request for a blueprint related to the redevelopment of the Cheonggyecheon area • Request for proactive resolution of the Sky Arcade issue
	Merchant representatives	
4 th Policy Council meeting (March 20)	Seoul City	<ul style="list-style-type: none"> • Explanation about the Cheonggyecheon Restoration Project and collection of suggestions
	Merchant representatives	
5 th Policy Council meeting (April 3)	Seoul City	<ul style="list-style-type: none"> • Proposal to focus on coming up with practical measures rather than rhetorical confrontation on construction postponement and compensation for business loss • Agreement to hold a weekly meeting with those who want relocation and those who will stay • Agreement to hold a weekly meeting with those who want relocation and those who will stay
	Merchant representatives	
6 th Policy Council meeting (April 8)	Seoul City	<ul style="list-style-type: none"> • Since July 1, the two parties were engaged in war of words rather than dialogue due to the merchants' opposition of the city government's move to display placards informing the public of traffic measures in the Cheonggyecheon area. In the end, the Policy Council meeting broke down due to opposition of the merchants
	Merchant representatives	
7 th Policy Council meeting (June 9)	Seoul City	<ul style="list-style-type: none"> • Ongoing efforts to revitalize the commercial district • Review of the size of the alternative site • Demand for efforts to revitalize the commercial district • Demand for additional land of 60,000 pyeong on top of the 90,000 pyeong alternative site
	Merchant representatives	

opinions through negotiations. The council was endowed as a substantive body designed for consultations on matters of mutual interest such as compensation, drafting agreements, and post-construction operation management. A summary of the seven Policy Council meetings, major negotiation issues between the city government and the merchants, as well as

the merchants' demands are provided in Table 5.3.

Substantive dialogue did take place in the 6th Policy Council meeting. Until the 5th Policy Council meeting, a key issue between the city government and merchant representatives centered around compensation for business loss. The merchants believed it was natural for the government to offer compensation, as the restoration project would significantly undermine the Cheonggyecheon commercial district amid economic slowdown. On the other hand, the city government, which had conducted preliminary surveys, stuck with its position that there would be no compensation for business loss. The Cheonggyecheon merchants presented compensation for business loss as the top priority issue, thus there was little likelihood for compromise between the two parties. In addition, the Policy Council meetings served as a venue for listening to demands of the merchant representatives or explaining the project plan, rather than substantive discussions taking place or the two parties reaching an agreement and thus the Policy Council did not have substantive issues on which the two parties could reach an agreement. In addition, the city's display of banners informing drivers of upcoming traffic control in the Cheonggyecheon area greatly angered the merchants and consequently smooth dialogue did not take place in the 6th Policy Council meeting. On April 11, the merchant representatives criticized the city government for what it considered to be unsatisfactory measures for merchants and its trend of unilaterally pushing ahead with the project. The merchants then rejected all forms of dialogue and declared a suspension of negotiations.

Official negotiations such as the Policy Council tend to maintain extremely limited or procedural functions due to external factors. In particular, when stakeholders have different interests, it is difficult for them to present a unified opinion and thus their dialogue with the project implementer tends to merely confirm respective positions, simply touching upon principles. When stakeholders had starkly different interests, the merchant associations had no choice but to oppose the Cheonggyecheon Restoration Project. This situation made it difficult for the city government, the project implementer, to reach an agreement in inducing the Policy Council as a venue for productive dialogue.

Unofficial negotiation channels are a venue where negotiation parties discuss areas that are difficult to be dealt with during official negotiations and bridge differences in their opinions. In behind-the-scenes negotiations, unofficial negotiation complements official negotiation and is a dependent mechanism that is created only after official negotiation takes place. However, unofficial negotiation may exceed official negotiation in terms of actual effects because, unlike official negotiation with numerous restrictions, unofficial negotiation has relatively few restrictions and is conducive to forming close relationships, facilitating smoother communication. In reality, both the negotiation team of the Seoul Metropolitan Government and the Cheonggyecheon merchant representatives offered positive assessment on the usefulness and value of unofficial negotiation.²⁷

City official A: Although it was not an official channel, an unofficial channel was helpful in obtaining information.

Merchant representative B: We could not discuss much through the official channel because it was a time where there was a sharp confrontation between the two parties. Rather, we were able to communicate with each other through unofficial channels.

Merchant representative B: In fact, the Policy Council meetings were a kind of “sessions designed for persuasion” because the city government only tried to explain its prepared plan and to persuade us. The situation was opposite in unofficial meetings. We could detect the city government’s willingness to sincerely listen to our problems and reflect them in their decision-making process. It was the same with the merchants. We frankly told the city government

²⁷ There are also those who had negative views about unofficial negotiations among the merchant representatives. A merchant noted that, although unofficial meetings could be positive in that they are useful in obtaining information and engaging in serious dialogue, they might make stakeholders properly express their opinions due to close relationships. He added that there actually existed a many restrictions on their behaviors and use of language owing to their relationships with the negotiation team of the city government.

that we opposed the project because there was nothing we could do rather than oppose it for the sake of opposition and asked city officials to find practical and convincing alternatives.

During unofficial negotiations, practical discussions on the future of the merchants were held rather than refuting about the logic behind the support or opposition of the Cheonggyecheon restoration. During the two-month period from the breakdown of the Policy Council meetings to their resumption, the city and the merchant representatives endeavored to find more realistic alternatives through unofficial negotiations. The details of the two-month-long unofficial negotiations are summarized in Table 5-4.

Dialogue through unofficial negotiation channels as a complement to official negotiation channels was made in a very candid manner to the extent that the two parties exchanged opinions on areas that were not covered in official negotiations, helping the merchant representatives take interest in relocation, which was a practical alternative. Then, what made the merchants take interest in relocation? This can be explained by the reasons why they were not interested in relocation in the first place and what prompted them to change their minds. The reasons why the merchants were not interested in relocation can be found from the following interviews.

Merchant representative A: The reason why the Yongsan Electronics Market and the Techno Mart were not successful was that they had only one business category. It would be useless if there is only one commercial industry with a single business category in the neighborhood no matter how well the industry has been built.

Merchant representative B: The city government proposed relocation, but we strongly opposed it in the beginning because the scale of its plan was too small to relocate the Cheonggyecheon commercial district. Initially, the city government proposed a site of 90,000 pyeong, which was less than half of the current Cheonggyecheon commercial district.

Table 5.4 Details of unofficial negotiations in 2003

Date	Details	Remarks
April 17	<ul style="list-style-type: none"> • Meeting with two members of the Cheonggyecheon Business Protection Committee who strongly supported relocation • The explained why they took hardline stance (they did not fully understand the details of relocation as the committee chairman failed to deliver detailed information) • They came to understand the city government's relocation assistance and full supported the measure, requesting the city's efforts to make the relocation successful 	Soft-liner merchants joined hands with Seoul City indicating that a division within the merchant committee started to emerge
April 18	<ul style="list-style-type: none"> • Meeting with a member of the Cheonggyecheon Business Protection Committee • Differences on relocation was slightly narrowed 	
April 19	<ul style="list-style-type: none"> • Lunch meeting with two members of the Seun Sangga Industry Association • Discussion on pending issues and details to a petition dated April 11 that the Cheonggyecheon Business Protection Committee would take various activities opposing the project such as suspension of dialogue, solidarity with civic groups, dispatch of official documents, and attempt to publicize the issue unless their demands are not reflected by April 20 	
April 25	<ul style="list-style-type: none"> • Lunch meeting with a member of the Cheonggyecheon Business Protection Committee • Merchants wishing to relocate expressed their wish to consult with the city to produce detailed plans 	Division between the soft-liners and those who wish to relocate became visible
May 19	<ul style="list-style-type: none"> • Lunch meeting with four members of the Cheonggyecheon Business Protection Committee • Strong criticism against the Chairman of the Cheonggyecheon Business Protection Committee • The relocation team requesting change in negotiation channels 	Division within the Cheonggyecheon Business Protection Committee started
May 24	<ul style="list-style-type: none"> • Meeting with a member of the Cheonggyecheon Business Protection Committee and efforts to persuade him • The Seoul Metropolitan Government informed him that it had already predicted the Cheonggyecheon Business Protection Committee's plan on protests and devised countermeasures • The city government persuaded him, saying that it would be advantageous for the committee to accept the city's relocation measures, which were the second best alternative • The city government requested the committee member to persuade other merchants not to back the leadership of the Cheonggyecheon Business Protection Committee into a corner 	
May 26	<ul style="list-style-type: none"> • Meeting with the Chairman of the Cheonggyecheon Business Protection Committee • The Seoul City made it clear that the relocation measure is the city's last offer and that a business stabilization fund assistance was the result of negotiation 	The Chairman started to show interest in the relocation option
May 27	<ul style="list-style-type: none"> • Encounter with merchants while attending a discussion forum organized by the Citizens' Committee • Reaching an agreement on resumption of the Policy Council meetings and submission of evidence for calculation of damages incurred by merchants 	
May 28	<ul style="list-style-type: none"> • Meeting with a member of the Cheonggyecheon Business Protection Committee • The city government explained that the relocation site would be determined to accommodate merchants wishing to relocate based on a five-story building and financial assistance would be also given • Merchants requested the city to present the size of the relocation site to be accommodated by the city 	

Date	Details	Remarks
May 29	<ul style="list-style-type: none"> Meeting with a member of the Cheonggyecheon Business Protection Committee The Seoul City repeatedly explained its position and requested that merchants refrain from holding the June 9 rally 	
May 30	<ul style="list-style-type: none"> Meeting with four members of the Cheonggyecheon Business Protection Committee The committee members expressed their intention that, if the city create additional space of 100,000 pyeong to allow half of the Cheonggyecheon commercial district be relocated to the new site, they would relocate by persuade opposing merchant groups including the apparel association and support the restoration project 	Creating a turning point in final negotiation
June 1	<ul style="list-style-type: none"> Meeting with the Chairman of the Cheonggyecheon Business Protection Committee The Chairman basically agreed on the location, the Chairman requested two weeks to persuade hardline members The two parties agreed that their agreement details would not be reported via the media 	Chairman KANG Seong-in explained the background for abrupt transition to relocation
June 2	<ul style="list-style-type: none"> Meeting with the Chairman of the Apparel Industry Committee The city explained the current situation and persuaded the Chairman to accept various assistance measures presented by the city government, rather than staging protests 	Both parties were satisfied about the dialogue, although the Apparel Committee was not slanted towards accepting the city's proposal
June 3	<ul style="list-style-type: none"> Meeting with a member of the Cheonggyecheon Business Protection Committee The city explained its position on relocation 	
	<ul style="list-style-type: none"> Meeting with the Chairman of the Apparel Industry Committee Seoul persuaded the committee chairman to accept the city government's proposal and cancel the June 9 rally 	The Chairman expressed a personal wish to accept the proposal, but expressed his concern that it would not be easy to persuade the committee members
June 6	<ul style="list-style-type: none"> Meeting with the Chairman of the Cheonggyecheon Business Protection Committee, Chairman of the Apparel Industry Committee and two members from the Industry Committee Special sale of the relocation site Experiencing difficulties as a written agreement was produced and cancelled 	

Merchant representative C: The Cheonggyecheon commercial district is unique and unprecedented in the world as a general commercial district. Although traffic, facilities, and logistics of the Cheonggyecheon commercial district are relatively unfavorable compared to other commercial districts and numerous cutting-edge shopping centers constructed in the vicinity, it did not lose its No. 1 position, meaning that it has a very strong industrial network. However, in the case of relocation, such a network will collapse, so we did not intend to

negotiate on the issue of relocation.

It appeared that the merchants were not interested in relocation due to a potential collapse of their industrial network, the area of the relocation site, and insufficient connections with neighboring commercial districts. However, finally they came to take interest in relocation due to the fact that others perceived the merchants to be selfish and that they did not need to financially struggle as small merchants.

Merchant representative B: Public opinion was not on our side and whenever we staged protests, it was not easy to bear the high costs. As we lost confidence, we naturally came to take interest in relocation. Jangji Neighborhood, where the relocation site is situated, has easy access to highways and public transport such as multiple subway stations. What is the most important is that if we relocate, we would have our own stores and do not need to pay rent. In Cheonggyecheon we are no better than petty merchants. Even though my store is only 3 pyeong in total area, I pay a monthly rent of 2.4 million won. If I fail to pay rent on time only once, I am under pressure that the landlord may evict me. However, if we relocate, I do not need to experience such inconveniences.

Merchant representative C: The current location has very limited parking and it is difficult to find alternative parking. If parking spaces are not available, the commercial district would be hit hard. That was why I came to take an interest in relocation.

Merchant representative D: In fact, only destitute people work under such conditions. The big advantage of the relocation option was that we come to own our own stores without paying rent.

Merchant representative E: Merchants operating on the first floor of the Shin Pyeong Hwa Market may not be interested in relocation as the premium of their stores is as much as 300 million won. On the other hand, merchants with a low premium or smaller merchants are interested in relocation because they could

have their own stores.

In summary, the factor with the greatest impact on official and unofficial negotiations is understanding and trusting the other party, which is possible to attain through ongoing dialogue. Negotiation results are determined by the negotiation representative's leadership, more specifically his or her inclinations and characteristics. Meanwhile, the media's excessive interest and reports may have a negative impact on negotiations.

2. Finalizing Negotiation

2.1. Key Success Factors in Negotiation

Factors affecting negotiation and negotiation channels include representativeness and the negotiator's leadership. Representativeness helps negotiating parties gain a mutual understanding and maintain ongoing dialogue channels, while the negotiator's leadership enables parties to gather at the negotiation table by solidifying trust and internal cohesion. In particular, in order to strengthen internal cohesion, information on issues should be disclosed in a transparent manner and information should be shared through smooth communication within the organization. Another important factor is to integrate and unify the organization's opinions by leading the negotiation through ongoing mutual interaction towards the same goal. A goal-oriented attitude that agreement should be reached within the deadline enables parties involved to have substantive and in-depth negotiation. Meanwhile, the media, which provides the public with information through negotiation-related media coverage and calls for proper solutions by presenting alternatives, also serves as a factor facilitating negotiation. Such success factors facilitating negotiation are explained below.

2.1.1. The Power of Trust

Mutual trust between negotiating parties in Korean-style conflict situations is considered a crucial factor facilitating negotiation success. In order to build mutual trust in negotiation, building a human relationship should be preceded and it is necessary to show a sincere attitude towards the other party. If one party hurts the pride of the other party by ignoring or deceiving them, conflict can be amplified significantly. On the other hand, if one party pays compensation for damages to the other party or is willing to discuss issues, conflict can be addressed in a relatively quiet and calm manner (PARK In-gwon, 1999).

The following section examines whether the Cheonggyecheon merchant representatives placed trust in the negotiation team of the Seoul Metropolitan Government and what factors affected such trust building. In the same vein, this study also delves into the degree of trust the city's negotiation team placed in the Cheonggyecheon merchant representatives.

First, it is examined whether the Cheonggyecheon merchant representatives placed trust in the negotiation team of the Seoul Metropolitan Government. In general, trust placed in the project implementer in the negotiation process can be classified into formal trust, which can be evaluated through the degree of reflecting opinions of stakeholders, and informal trust, which can be evaluated through informal meetings and attitudes of individual negotiators. In fact, most of the Cheonggyecheon representatives responded that they placed trust in the city negotiation team in both aspects.

Merchant representative A: A high ranking official visited Cheonggyecheon in comfortable shoes even on weekends. He came here whenever he had concerns. He is different from other government officials who just receive reports at their desks. I liked his learning attitude. When I saw him work so hard, I came to trust him.

Merchant representative B: A city official came here often to meet merchants and shared their concerns. So when we met with him, we could talk frankly because we

trusted him. Although we were angry about the city government's measures for the Cheonggyecheon merchants, we could not talk negatively when we saw his face.

Merchant representative C: The most important thing in dialogue is “how sincere the negotiator is.” In this vein, a city official from the Cheonggyecheon Project Headquarters, who had talked with us from the beginning, is a person who tries to engage in dialogue with us with such sincerity.

Merchant representative D: We have met with city officials frequently, so we maintain good relationships with them. In particular, we can see a particular city official who tries to defend the position of the merchants. No matter how strongly we push for our demands, it would be impossible to reflect our opinions if working level officials report to the Mayor in a selective manner. However, we had a feeling that individual clearly reported what we had said to the Mayor and we actually confirmed it. That was why we came to trust him.

Formation of a trusting relationship between the negotiation team of the Seoul Metropolitan Government and the merchant representatives can be viewed in the degree of accurately presenting the merchants' opinions to the city government and the attitudes of individual negotiators on the city negotiation team. The former relates to formal trust relationship, while the latter concerns an informal trust relationship.

The Cheonggyecheon merchant representatives pinpoints the city officials' consistent attitude as the main reasons a trusting relationship was formed, indicating that the chief negotiator from the city government cemented the foundation for forming a trusting relationship with the merchant representatives by maintaining a relatively consistent attitude as a negotiator. The city government's negotiation team also had similar opinions on the issue of trust as the Cheonggyecheon merchants.

City official A: Whenever I met with the merchant representatives, I tried to convince them that, even though I was meeting with them as a representative

of Seoul, I explained and represented their positions as their representative when I returned to the Seoul Metropolitan Government. In addition, prior to negotiations, we consistently emphasized our two principles of no cash compensation and no postponement of the project commencement slated for July 2003. Such attitude could earn the trust of the merchant representatives.

City official B: Other than the two principle terms previously decided on, we tried to thoroughly review and reflect all demands made by the merchants. As we had told the merchants, we endeavored to maintain a consistent attitude in listening to all of their opinions.

City official C: While keeping contacting with the merchants, we showed them that we did our utmost to the best of the city government's capacity. Without trust between Seoul and the merchant representatives, there would have been no last-minute deal.

The Cheonggyecheon merchant representatives had placed both formal and informal trust in the city government's negotiation team, while the negotiation team's effort to proactively reflect the merchants' demands and its sincere and consistent attitude were instrumental in building a trusting relationship with the merchants.

The second aspect concerns whether the city government's negotiation team trusted the Cheonggyecheon merchant representatives. In the Cheonggyecheon Restoration Project, it would be difficult to build an informal relationship or a personal relationship at the official negotiating table due to such restrictions as the existence of stakeholder groups. However, it is relatively easy to form a personal relationship through informal channels as the scope of restrictions diminishes. The city government's negotiation team also pointed out that formation of an informal relationship with the merchant representatives had a significant impact on the negotiation.

City official A: Although we were engaged in the final negotiation, we did

not produce a written agreement with signatures. There was no written agreement form at all. In other conflict situations, there were many cases where written agreements were produced, yet the written agreements were broken later. However, that was not our case. We reached an oral agreement and the merchants accepted Seoul's unilateral notifications. I believe that such negotiations were made possible because negotiating parties trusted each other.

City official B: If the merchant representatives had accepted the position of representatives only for their own sake, it would not have been worth having a dialogue with them. However, when we had dialogue with them through various channels, we came to believe that they were trying their best for the entire merchant community with an attitude of serving others.

City official C: In the beginning, both parties did not trust each other. However, when we continuously had contact with each other, we came to see that the merchant groups worked hard to express their opinions despite internal conflicts.

City official E: In the beginning, even though we provided information, the merchants did not believe us. So inevitably we did not trust each other. However, when we talked frequently through unofficial meetings, we came to understand each other and had heart-to-heart dialogues with each other.

One of the most important factors in undertaking public projects is how to establish human relationships, namely, whether trust has been formed between negotiating parties. Therefore, it is necessary to build mutual trust by showing the other party a sincere, hard-working attitude, although the other party is an opponent. It is not easy to reach a compromise in negotiation if one party perceives the other party as an enemy.

2.1.2. The Power of Leadership

The negotiator aims to promote the benefits of those who he or she

represents. For instance, the negotiator engages in negotiation in the best interests of who he or she represents, depending on whether he or she represents a government or a group affected by government policies. If the negotiator has representativeness, possesses a leadership that solidifies internal cohesion of the organization, and manages the organization through appropriate strategies, it is needless to say that the power of the organization will grow. On the other hand, if the negotiator is morally corrupt or distorts the intent of the organization, the power of the organization will diminish significantly. The following section examines the leadership demonstrated by the negotiation representative of the city's negotiation team who led the negotiation with the merchants, as well as the leadership illustrated by the Chairman of the Cheonggyecheon Commercial District Protection Committee and the Chairman of the Apparel Industry Committee who led the negotiation with Seoul as the merchant representatives.

First, this study examines how the merchants viewed the leadership of the chief negotiator of the Seoul Metropolitan Government.

Merchant representative B: City official A was a trustworthy man and had a good understanding of the overall situation, while city official B had a clear understanding of the situation and responded well.

Merchant representative F: As we were preparing to stage a protest, a representative of Seoul's negotiation team visited us. From the first time when he visited us, he was quite different from what we perceived him to be. He was knowledgeable and had a full understanding of how society worked.

Merchant representative F: Frankly speaking, city official A had the power of persuasion. We could see it from the way how he carried his point. What was more important was that he had such an attitude to try to understand the position of the merchants and to resolve problems together. For instance, in the case of the relocation issue, he did not force us to "relocate unconditionally only because the city government prepared a relocation site." Instead, he told us that

relocation could be a solution as the Cheonggyecheon commercial district was outdated and the new relocation site might have a bright future. This indicates that he told us this because he understood our situation.

The merchants testified that the chief negotiator of the city government was a leader who asserted the position of the city government, while having an understanding of the merchant's position.

Second, the Seoul negotiation team observed the leadership of the Cheonggyecheon merchant representative. Internal division inside the Cheonggyecheon Commercial District Protection Committee from July 1, 2003 was due to different opinions indicating problems with the committee's leadership.

City official A: Merchant representative A was a simple-minded person and did not have many strategic negotiation moves.

City official B: Merchant representative A tended to lead the group in a self-righteous manner. As he pushed ahead with things only based on opinions of some people, opposition started to surface within the committee.

City official D: There were inevitably various opinions in the Cheonggyecheon Commercial District Protection Committee as it was such a huge group. However, the committee excluded the Chairman only because he showed interest in relocation and maintained a hard-line stance, making it difficult for people to gather around the committee.

Although the leadership of the Cheonggyecheon Commercial District Protection Committee was insufficient in enhancing internal cohesion, it appears that his leadership played an instrumental role in helping negotiating parties reach an agreement in the negotiation, given that the agreement reached between Seoul and the Cheonggyecheon merchants was mainly centered on relocation.

City official A: If the project had not begun on July 1, 2003, the merchants would have thought that the project had been delayed because of their opposition. If so, we would not have been able to commence the project at all. Thus, we firmly set the target date for construction commencement on July 1, 2003 and made multi-faceted efforts and continued the dialogue to convince the merchants. But then, we had difficulties in reaching a compromise with the Apparel Industry Committee because the committee took such a hard-line stance. Under the circumstances, the Chairman of the Cheonggyecheon Commercial District Protection Committee proposed a relocation site of 170,000 pyeong and mentioned that he would try to persuade the Chairman of the Apparel Industry Committee if Seoul would accept his proposal. Finally, the city government and the Chairman of the Commercial District Protection Committee reached agreement of a relocation site of 150,000 pyeong. In the process, the Commercial District Protection Committee Chairman offered tremendous assistance in the city government's effort to persuade the Apparel Industry Committee. The Chairman of the Cheonggyecheon Commercial District Protection Committee played a crucial role in inducing the Apparel Industry Committee to participate in negotiation and persuading the members, demonstrating his leadership.

Although his leadership failed to unify internal opinions, the Chairman of the protection committee played a key role in reaching an agreement with Seoul and making the project proceed as scheduled. On the other hand, the Apparel Industry Committee consistently opposed the Cheonggyecheon Restoration Project and opinions within the committee were relatively unified. In particular, at the conclusion stage after negotiation, the Apparel Industry Committee showed cooperative attitude such as complying with the agreement with Seoul, epitomizing positive conflict resolution.

City official A: Honestly, we almost gave up persuading the Chairman of the Apparel Industry Committee because we were not able to communicate with him effectively. It was more difficult to communicate with him than with the Chairman of the Cheonggyecheon Commercial District Protection Committee.

In addition, the Apparel Industry Committee was so unified that it was almost impregnable. So we almost gave up negotiating with the hard-liners within the Commercial District Protection Committee and the Apparel Industry Committee.

City official B: Merchant representative A was meticulous in his thinking and seemed to be the best leader. He had an attitude of serving the merchants rather than seeking his personal interests, which made the merchants place trust in him. So we were able to complete the negotiation with him within a month since we starting negotiation. The representative told us that he could persuade other merchants once he was convinced.

As indicted above, the leadership demonstrated by the Apparel Industry Committee can contribute to shifting the conflict towards more positive direction, such as making all the committee members comply with the agreement once an agreement is reached through negotiation. Although, it is difficult to persuade such leaders at the negotiating table.

2.1.3. The Power of Information Sharing

In the past, local city governments based decisions on technical rationality and pressed ahead with projects by monopolizing information and forcing stakeholders to follow them. With tchanging to democratization and a mature civil society, more emphasis has started to be placed on procedural rationality, rather than technical rationality, and sharing information has become synonymous with securing procedural legitimacy.

Amid such change, there is a need for stakeholders in negotiation to disclose and share all information concerning subject matters. If information is shared in the negotiation process, there are such benefits as building trust and preventing collusion through procedural transparency. On the other hand, if information is not shared, negotiating parties come to take a hard-line stance and distrust each other through distortion of information. Information sharing in negotiation is a key element for securing procedural

rationality and plays fundamental roles such as creating common perspectives in negotiation, rationalizing perspectives of negotiation parties, achieving concession, and conveying feelings of negotiating parties on the concluded agreement. The following section delves into information sharing in four aspects.

① Information Sharing between Seoul Mayor, the Top Decision Maker for the Cheonggyecheon Restoration Project, and the Working Level Negotiation Team

The Seoul Mayor and the negotiation team shared information on the project progress and discussed relevant issues pertaining to the city government's consistent position on the Cheonggyecheon Restoration Project at the Cheonggyecheon Restoration Project meeting²⁸, a weekly meeting held on every Saturday and attended by high ranking officials from the Cheonggyecheon Project Headquarters (head of the Headquarters, unit directors, and working level officials, etc.), as well as the Seoul Mayor and high ranking officials from the city government. Such information sharing makes negotiation goals as concrete as possible through communication between the top decision maker and working level staff and helps devise strategies and tactics geared towards the goals, thereby boosting negotiating power. Whether to approve the agreement reached in negotiation lies in the power of the top decision maker and thus working level staff should head for the negotiating table only after they receive a definite answer to the maximum scope of concession from the top decision maker. Only then, they are able to engage in negotiation in a more controlled state.

28 The Cheonggyecheon Restoration Project Saturday Meeting Group was a top decision-making body on the Cheonggyecheon Restoration Project. The meeting was held every Saturday and presided over by the Seoul Mayor. The meeting was attended by three individuals from the Cheonggyecheon Restoration Project Headquarters, one from Seoul Institute, one from the Citizens' Committee for Cheonggyecheon Restoration, and an assistant official in charge of urban policy. Director-level city officials related to the meeting (directors of Construction Department, Industry Department, Cultural Affairs Department) also attended the meeting when necessary to enhance the actual implementation of what was discussed at the meeting.

② Information Sharing within the Negotiation Team of the Seoul Metropolitan Government

Prior to engaging in negotiation, it is essential for team members to communicate smoothly and comply with internal rules of the team. Negotiating power can be maximized only when voices of the negotiation team are unified. Accordingly, the city government's negotiation team shared basic policies on merchant countermeasures through daily meetings. In particular, they strived to share basic principles and adopt a consistent position to prevent stakeholders from getting confused over the city government's position.

City official A: Every Saturday, the negotiation team gathered together in a meeting where the team members naturally shared information. Thanks to the meetings, city officials had the same answers when questions were asked and such consistent replies made the merchants believe that the city had a consistent position.

③ Information Sharing between the Seoul Negotiation Team and the Cheonggyecheon Merchant Representatives

The city government's negotiation team had a policy of sticking with the basic principles of the project; commencement in July 2003, no compensation for business loss, and resolving other issues related to the Cheonggyecheon merchants through consultations with them. This implies that it was difficult for Seoul to formulate sufficient countermeasures for the merchants due to a relatively short project preparation period and, at the same time, the city government did not possess sufficient information that could be shared with the merchants.

City official A: Seoul announced everything it prepared, so the city government believed that it provided the merchants with enough information. However, the merchants seemed to think that the city government did not disclose all the information available, believing other information existed. Whenever meetings

were held, the first remark made by the merchants was “What is new today?”

The Cheonggyecheon merchant representatives also commonly pointed out the lack of information sharing. They remarked that the city had been working on something behind the scenes, yet it did not share the details with the merchant representatives.

Merchant representative C: “Seoul City does not offer information to us in a clear-cut manner probably because problems might arise if they provide us with unfinalized information.”

Merchant representative D: “Seoul’s negotiation team does not provide us with information we want in a straightforward manner probably because such information is confidential. So, at times when we are in dialogue, we have a feeling that we are just wasting time, not getting any tangible results. It seems that only abstract dialogue takes place.”

Merchant representative E: “Through informal negotiations, we built personal relationships with the city negotiation team. However, we got a feeling that the negotiation team did not provide us with everything, although they could share information in a more candid manner. So, even though we wanted to provide necessary information to our members through continuous contact with Seoul, we just couldn’t.”

The negotiation team stated that it fully disclosed all information related to the city government’s measures with the merchants and had consultations with them on areas requiring improvement within the scope of not violating the two principles. The difference in opinions on information sharing between Seoul and the merchants caused rumors to be circulated throughout the commercial district negatively impacting the negotiation process.

Merchant representative E: Once a leaflet was posted on the bulletin board of

our shopping district. It was about redevelopment of the commercial district. The leaflet explained the city would implement the redevelopment project and it even included a phone number for further information. However, it turned out that the leaflet was posted by a real estate company, not the city. As such, unfounded information made the merchants feel insecure.

Merchant representative F: A rumor was circulated that restoration of the steam would commence only after the demolition of the nearby area. To fix this rumor, Seoul officially announced that it would proceed with the restoration project without demolishing the nearby commercial buildings. Such rumors made both Seoul and the merchant representatives frustrated.

City official A: We had nothing to hide concerning the restoration project, so we disclosed all information available. However, some merchants denounced the city and even made up stories. Such unfounded information was especially easily spread among merchants located in geographical proximity. It was not easy for the city government to correct such distorted information. We merely produced leaflets and distributed them twice.

City official C: Compared to the information provided by Seoul to the merchant representatives, average merchants shared very little information probably because the merchant representatives shared only information necessary for staging protests. In order to solve the problem, the city attended information sessions and circulated related leaflets.

Problems concerning information sharing between the city's negotiation team and the Cheonggyecheon merchants were partly due to the relatively short time allotted for the city government to collect information. However, the stakeholder group's relatively low perception on information sharing was also attributable to the problems, which caused mistrust between Seoul and the merchant representatives owing to the resulting unfounded information.

④ Information Sharing between the Cheonggyecheon Merchant Representatives and General Merchants

There were many cases where an agreement was rejected due to a lack of information sharing between the negotiation representatives of the stakeholder group and the members of their group, although agreement was reached between negotiation representatives from the two parties through negotiation. For instance, in the case of selecting a site for a waste incineration plant between Saha District and Buk District in Busan, although an agreement was reached, it was rejected through a referendum (KIM Sang-gu, 2002: p. 65). This may be interpreted as an issue of authority of the negotiation representatives. However, more importantly, it signifies that smooth information sharing between the negotiation representatives and the members of the stakeholder group did not take place. In general, negotiation is an attempt to compromise interests of the two parties by identifying common ground and thus the center of the agreement inevitably leans towards a certain party. Therefore, it is crucial to share sufficient information between negotiation representatives and members of a stakeholder group in accepting an agreement. The Cheonggyecheon merchant representatives strived to share what information they obtained from the city, as well as agreed upon matters.

Merchant representative B: We have an internal advisory council for the Cheonggyecheon restoration measures, so we shared information at the council or by individually visiting merchants in person. In addition, we had an internal newsletter through which we delivered information related to the Cheonggyecheon project.

Merchant representative G: We held regular meetings where we provided information to the general merchants.

Merchant representative H: We published booklets to publicize meeting details to our members, while sharing information regularly through board of directors meetings.

Merchant representative I: We informed others of what was discussed at the policy council at our monthly meetings. We also shared information via our internal newsletters.

However, it was clear that there was a difference in perceptions on the degree of information sharing between the Cheonggyecheon merchant representatives and the general merchants. Some merchant representatives mentioned that they experienced difficulties in publicizing information and details discussed with the city among the general merchants.

Merchant representative C: There are only a few merchants who pay attention to the Cheonggyecheon Restoration Project. General merchants mostly obtain related information from the media. While obtaining information from outside, the truth sometimes got lost.

Merchant representative F: We held meetings regularly. However, what was the most difficult for us is that general merchants sometimes did not trust the information we provided. In addition, as we met with city officials frequently, there were some unfounded rumors circulating among the merchants, which was very frustrating for us.

Seoul's negotiation team also pointed out that there was a problem with information sharing between the merchant representatives and the general merchants.

City official C: The Cheonggyecheon merchant representatives claim that they delivered the project-related information, more specifically, the city government's measures concerning the merchants to the general merchants and collected their opinions. However, from our viewpoint, they did not provide sufficient information to us. We suspect that they only provided information which would affect their protests.

Given the above, it can be surmised that information sharing did not take place smoothly among the city's negotiation team, the Cheonggyecheon merchant representatives and general merchants, although all of them had the intention to share information. Fundamental causes include the project implementer's inadequate preparation for necessary information and misunderstanding and distortion of information in the process of delivering information. Lack of information sharing placed a considerable burden on the negotiation process. It also made it difficult for the city government's negotiation team and the merchant representatives to trust each other easily, while undermining acceptance of the agreement by general merchants.

2.1.4. The Power of Internal Cohesion

Group coalition begins with an attempt to enhance power or status or share risks amid uncertainties (Jin Jong-sun, 1997: p. 21). Internal cohesion ① helps stakeholders engage in a conflict under certain rules, and ② lack of cohesion within a group acts as a factor that delays or disrupts external negotiation. Cohesion is a resultant force that makes members of a group remain in the group and is determined by the degree of satisfaction offered by the group over certain qualities of the group or individual goals of the members. More specifically, cohesion can be viewed as the resultant of all the forces, including attraction towards the group and deterrence that resists the force deviating from the group. This is attributable to certain qualities of the group or attractiveness of the group, which include their flexibility, motivational foundation of members, members' outcome expectations, and individual comparison criteria for benefit evaluation.

Internal cohesion in an organization has not only a strategic aspect in which an organization secures a upper hand in negotiation by displaying its power, but also is related to the group's cohesion and consistency of its demands in the negotiation process. In the case of a project implementer, internal cohesion can be enhanced by setting seamless project implementation as its goal. On the other hand, in the case of stakeholders, internal

cohesion varies depending on the focus of interests in the course of project implementation. If the project implementer is a local government, internal cohesion does not significantly affect negotiation. However, in the case of stakeholders, the degree of internal cohesion and the members' emotional bond can act as a variable affecting the negotiation results. For instance, when stakeholders display a high degree of internal cohesion, if an intense conflict arises the possibility of moving towards a more integrated solution also increases. On the other hand, if stakeholders exhibit a low degree of internal cohesion, the possibility of conflict resolution decreases.

The project implementer of the Cheonggyecheon Restoration Project was a local government, namely, the Seoul Metropolitan Government. The internal cohesion of the project implementer is assessed by examining the negotiation team that participated in negotiation in terms of the degree of sharing goals with the team, interaction, and evaluation of the negotiation team by others. In the case of Seoul, the project implementer of the Cheonggyecheon Restoration Project, the negotiation team evaluated its internal cohesion positively.

City official C: The negotiation team was very cohesive to the point that they met even after work hours to exchange opinions.

City official D: The negotiation team was very cohesive to the point that other people called it a “dream team.”

In the case of the merchants, internal cohesion for the Cheonggyecheon Commercial District Protection Committee and the Apparel Industry Committee can be evaluated separately by examining whether the members agreed to the group's goals, the numbers of collective actions, and the degree of organization (numbers of participants in collective actions).

The Cheonggyecheon Commercial District Protection Committee consisted of 2,500 members from eight organizations when it was formed in August 2002. It underwent steady growth and became a massive association

of organizations, comprising 4,000 members from 18 organizations in May 2003 and 5,233 members from 21 organizations in July 2003. As the restoration project became more of a possibility, the Cheonggyecheon Commercial District Protection Committee gradually expanded in terms of its members and business categories covered. This appears to be a result of merchants' move to add and carry through their interests to the Cheonggyecheon Commercial District Protection Committee, which was in charge of negotiation with Seoul, rather than meaning that the merchants agreed in opposition to the Cheonggyecheon Restoration Project. Despite the expansion of stakeholders and business categories represented, stakeholders by business categories were divided according to their own interests, diffusing representativeness of the committee, which resulted in low internal cohesion. Merchant representatives also commonly pinpointed the issue of internal cohesion in the Cheonggyecheon Commercial District Protection Committee.

Merchant representative A: Although the committee was strong in the beginning because it held the common goal of opposing the Cheonggyecheon restoration, it was finally divided due to different interests.

Merchant representative B: There were too many organizations in the Cheonggyecheon Commercial District Protection Committee. There were up to 20 of them. Some groups supported redevelopment, while others strongly pushed for relocation. There were also hard-liners who called for unconditional opposition to the restoration project. There was tremendous discord among them.

Merchant representative D: While observing the situation inside the Cheonggyecheon Commercial District Protection Committee, I realized that if we keep on like this, we would wind up with nothing. Collective action is fine, but not being able to do business because of collective action is no better than a death sentence to us. Seoul's position was firm, while we were merely discussing this and that. That was why we brought up the issue of relocation first. We wanted to see where this discussion would lead us.

Merchant representative B: Different industries have different interests and we do not have enough time because we have to run our businesses. In addition, we are not as knowledgeable as the city, so it is no wonder that the merchant committee has such a low cohesion.

Merchant representative A: I thought staging protests was easy. However, once I have participated in them, I realized that it was no joke. Protests are also costly. A protest costs about 10 million won and who would finance them? One of the merchants who staged a protest on the Cheonggye elevated highway was arrested and later it went to trial. This is quite a problematic situation. What should he do? He is not able to run his store, losing money every day. This is a fearful scenario for merchants.

With the passage of time, the Cheonggyecheon Commercial District Protection Committee was divided into members with moderate opinions calling for relocation and members with hard-line stance calling for remaining in the Cheonggyecheon area, further weakening internal cohesion of the committee. In the negotiation process, the members were engaged in a strong confrontation between those who maintained that relocation would be inevitable if the Cheonggyecheon Restoration Project proceeds and those who called for opposition to the restoration project to the very end, causing friction within the group and further weakening internal cohesion, which was sharply different from the initial stage.

The Cheonggyecheon Commercial District Protection Committee failed to present a consistent position in negotiation and the moderate merchants supporting relocation led the negotiation with Seoul. Finally, the committee had no choice but to reach an agreement on relocation.

On the other hand, the Cheonggyecheon Apparel Industry Committee was formed in February 2003 with 4,417 members from three industries and staged anti-restoration protests. The committee was highly cohesive as it involved only a single business category, namely apparel, and merchants in the apparel industries developed deep bonds, thus voicing the strongest

opposition against the Cheonggyecheon Restoration Project.

The differences and characteristics of the two merchant committees and the merchant representatives and Seoul's negotiation team are mentioned as follows:

Merchant representative E: The Cheonggyecheon Commercial District Protection Committee not only encompasses various business categories, but also its members are spread across a relatively large area. On the other hand, the Apparel Industry Committee involves only single business category and is located in a single building, so it was no wonder that the Apparel Industry Committee is highly cohesive.

City official A: We did not pay much attention to the Apparel Industry Committee because the apparel business opted for remaining in the Cheonggyecheon area. One day, the Apparel Industry Committee took to the streets to stage an anti-Cheonggyecheon restoration protest, which was really shocking to us. We met with the Chairman of the Apparel Industry Committee, but it was difficult to get our message across to him. The Apparel Industry Committee mobilized merchants for anti-Cheonggyecheon restoration activities in a more organized manner than the Cheonggyecheon Commercial District Protection Committee.

Merchant representative C: Originally, the Pyeonghwa apparel market has long taken a hard-line stance, which was started with the worker rights activist Jeon Tae-il. The apparel market has a tradition that merchants become united and work together to address problems whenever necessary. In addition, the merchants had a sense of victimization, hard hit by newly established fashion malls such as Doota and Migliore. It was no wonder that they became angry at the news that the streets near their market would be demolished due to the Cheonggyecheon Restoration Project. The merchants, who had been already suffering from slow business, took to the streets in response.

Based on the strength of a single business category and sharing the same location, the Apparel Industry Committee not only communicated smoothly internally, but also displayed relatively higher cohesion than the Cheonggyecheon Commercial District Protection Committee in collective response.

Another important criterion for determining internal cohesion is the numbers of merchants who participated in collective action designed to oppose restoration of the Cheonggyecheon Stream. Although the number of the Cheonggyecheon Commercial District Protection Committee members was steadily rising, the number of merchants partaking in collective action was on the decline. In contrast, approximately 2,000 merchants, roughly half of the Apparel Industry Committee steadily participated in collective action. The city's negotiation team was highly cohesive as its members continuously interacted with one another under the same goal. On the other hand, the merchants displayed relatively low internal cohesion due to being an association of groups with different interests, changing goals depending on interests, and the merchants' vulnerability to collective action.

2.1.5. The Power of Time

In negotiation, negotiating parties go through the repeated process of communication within a given time and their demands and expectations become lowered, creating a mood geared for inducing concession. If deadlines are set in negotiation, parties come to have a sense that they should reach an agreement within a given time, facilitating substantive negotiation. The longer the negotiation period becomes, the more emotional confrontation or problems in human relationships such as misunderstanding and criticism are likely to occur. Therefore, it is necessary to set an appropriate negotiation timeframe to smoothly reach an agreement.²⁹

²⁹ Deadlines sometimes may have a negative effect undermining negotiation. In some cases, stakeholders strive to strategically postpone deadlines, jeopardizing the project implementation itself.

In general, when deadlines are set, they may act as a variable affecting negotiation as negotiating parties should engage in substantive negotiation within a given time. In the case of the Cheonggyecheon Restoration Project, a deadline of July 1, 2003 was set for commencement of construction, which was an optimal time for addressing the safety problems of the Cheonggye elevated highway and ensuring construction ran smoothly.³⁰

The logic of the Seoul Metropolitan Government was that the city government can promote public safety by expediting the Cheonggyecheon Restoration Project schedule and demolishing the elevated highway, as the safety problems concerning the Cheonggyecheon elevated highway reached a level requiring immediate attention. As July 2003 was located right after the rainy season it be the optimal time to start construction, as basic construction work should be completed before June 2004 when the next rainy season starts, giving rise to the possibility of floods caused by torrential rain. In sum, the city aligned the urgency and necessity of the Cheonggyecheon Restoration Project to July 1, 2003, indicating that technical rationality lies deep behind the city government's logic.

As the Seoul Metropolitan Government announced that it would hold a groundbreaking ceremony on July 1, 2003, the negotiation deadline was also set on June 1, 2003. The deadline imposed considerable burden on both the city and the merchants as it would be impossible to implement the project if stakeholders continued to oppose the construction commencement date.

30 Groundbreaking of the Cheonggyecheon Restoration Project in July 2003 implies a shortening of the construction period. The construction period for the Cheonggyecheon Restoration Project proposed by candidate LEE Myung-bak during the Seoul mayoral election was four years with groundbreaking slated for 2004 (discussion and planning over one and a half years, actual construction period over two and a half years). The effects of shortened construction periods results in reduced costs for construction, which eases opposition to project costs. Additionally, shortened construction periods can reduce inconveniences of neighboring commercial districts in Cheonggyecheon. A prolonged construction period may result in accumulated damage to the nearby commercial districts, which would lead to increased dissatisfaction and opposition. Thus, shortened construction period is helpful to ensure smooth project proceeding. The shortened period for discussion and research from the initially planned one and a half years to eight months had a positive effect on the groundbreaking in July 2003.

City official A: Like any other negotiation, we were under pressure by the deadline of July 1, 2003 set for the Cheonggyecheon Restoration Project.

City official C: As the deadline approached, conflict seemed to be escalating. However, conflict eased through dialogue at the final stage.

Merchant representative A: When I looked at the master plan, the groundbreaking of the project was scheduled for July 1, 2003. I thought that the Cheonggyecheon Restoration Project would be actually implemented given that Mayor LEE Myung-bak was known as “The Bulldozer” for his determination to get things done. When I found that the date was set, I thought that we were in big trouble if we failed to strike a deal.

Meanwhile, as the Citizens’ Committee for the Cheonggyecheon Restoration decided to agree on the project commencement on July 1, 2003 from a critical perspective, as the deadline date was firmly established with legitimacy.

Merchant representative B: When even the Citizens’ Committee agreed on the project groundbreaking on July 2003, we just became speechless. As the July commencement seemed to be certain, we had to find a solution through negotiation or thwart the project commencement prior to July.

With the deadline approaching, negotiation proceeded centering on realistic alternatives rather than confrontation of rationale over “for or against” the project. The deadline played an instrumental role in reaching an agreement on relocation and formation of a consultative body to discuss merchant measures.

As the city set the deadline citing the safety issue concerning the elevated highway and concerns about possible floods during the construction period, stakeholders were compelled to engage in negotiation by setting July 1, 2003 as their psychological defensive line. Ultimately, the deadline acted as a

positive factor helping the negotiating parties reach an agreement.

2.1.6. The Power of the Media

The media today is omnipresent across society, having an accumulative impact on our lives. In particular, the media's influence on the public sector has become so dominant to the point that the phrase "media democracy" has been coined domestically. It is generally believed that the media plays roles as a provider of government policies, a critic of policies, a monitor of policy implementation, and a participant in policy decision making. According to the existing literature, the media has a heavy impact on the government's policy process. First, the media has a great impact on setting policy agenda that determines social issues which the government should prioritize. By setting dialogue agenda among people as well as debate agenda among leaders, the media creates certain issues, while making other issues disappear. In addition, the media has a considerable impact on the policy evaluation stage where policy effects and implementation activities are reviewed and examined (Jang Seok-yeong, 2001: pp. 1-2).

It has been found that the media also plays a crucial role in conflicts between the government and stakeholders (PARK Ho-suk, 1996: p. 329). In the event of conflicts, the media not only provides the government and the public with information on such conflicts, but also criticizes those involved by exerting its functions of criticizing and monitoring while calling for resolution by presenting alternatives such as installation of an appropriate mediation body. Thanks to such functions, there have been a number of cases where conflict parties started to make efforts to resolve their conflict. With society becoming increasingly diversified and decentralized, the influence of the media on the general public has increased and the position media takes on a specific project has become an important variable in determining the success of projects.

Concerning the Cheonggyecheon Restoration Project, the media provided stakeholders and the general public with knowledge through media reports

Table 5.5 Favorableness of the Cheonggyecheon Restoration Project by type

Type of media coverage Degree of expression	News articles	Editorial	Contributing articles	Comments on current affairs	Columns	Total
Extremely critical	34	3	2	-	1	40
Critical	49	2	3	2	2	58
Neutral	125	-	2	1	1	129
Supportive	61	-	2	1	2	66
Fully supportive	45	1	10	1	-	57
Total	314	6	19	5	6	350

Sources: Seoul Metropolitan Government, Seoul Institute, 2003, p. 145.

on project implementation by the project implementer. In the negotiation process between the Seoul Metropolitan Government and the merchants, the Cheonggyecheon merchants commonly stated that they obtained details of the Cheonggyecheon Restoration Project through the media.³¹ In addition to accurate information on the project, the media also produced not a few speculative reports, causing confusion between the stakeholders and the project implementer in negotiation.

City official B: The media tended to go too far concerning the sensitive issue of redevelopment of the Cheonggyecheon area. The merchants, who were very sensitive to media reports, believed that the Cheonggyecheon restoration and redevelopment of adjacent areas would take place at the same time. Without listening to accurate details of the Cheonggyecheon Restoration Project, the merchants formed of unconditional opposition to the project. Prior to negotiation, we had to make tremendous efforts to reverse such sentiments.

In hindsight, the media mostly agreed on the justification of the project and played a role as a guide for smooth implementation. According to an

31 Surveys were conducted to find out what information channels were used by the merchants to obtain information regarding the Cheonggyecheon Restoration Project. In a survey conducted by the Seoul Institute (2003), the merchants obtained information through the broadcasting media (60.4%), newspapers (27.1%), neighbors (8.1%), and associations, clubs or social gatherings (1.9%). According to a survey conducted by PARK Min-jin (2003), they obtained information from newspapers (30.4%), broadcasting media (23.8%), relevant association meetings (21.9%), neighboring merchants (13.1%), PR published by Seoul City (6.9%), and the Seoul Metropolitan Government's homepage (3.9%).

analysis of media friendliness among major daily newspapers from July 1, 2002 to April 2003, news articles, which were friendly or favorable to the Cheonggyecheon Restoration Project, were far prevalent than news articles which were critical or in opposition to the project as shown in Table 5-5.

According to an analysis conducted by the Seoul Institute (2003: pp. 145-147), in terms of types of media coverage of leading daily newspapers, news articles appeared most frequently totaling 314. Unlike opinions or columns, news articles are written factual description of events based on objectivity. Therefore, the fact that the share of news articles was the greatest can be interpreted that there were many objective, factual reports on the implementation of the Cheonggyecheon Restoration Project. In terms of the content of the “news articles,” reports with negative favorableness (-) such as extreme criticism/opposition and criticism/opposition numbered 83, while reports with positive favorableness (+) such as supportive/favorable and fully supportive/favorable amounted to 106, indicating that there were more with positive than negative. This implies that, given journalists’ tendency to be objective and neutral, the reports lent support to Seoul, the project implementer.

Concerning the degree of favorableness by media type, it is difficult to determine the degree of favorableness of weekly newspapers due to their low frequency of covering the Cheonggyecheon Restoration Project. However, in the case of daily newspapers, the frequency of neutral reports is the highest category. If supportive/favorable reports and fully supportive/favorable reports are considered “favorable reports” and critical/opposing reports and extremely critical/opposing reports are considered “non-favorable reports,” favorable reports numbered 123 (35.14%), 7% higher than non-favorable reports which numbered 98 (28%). Overall, it can be concluded that leading daily newspapers’ media coverage of the Cheonggyecheon Restoration Project was relatively favorable.

It can be viewed that the media’s favorable attention had an impact on earning trust from the general public. The media maintained its favorable stance on the Cheonggyecheon Restoration Project as it agreed to the

justification of the project. The media's favorable stance on the project acted as a persuasion mechanism to the public, ultimately having a positive impact on the Seoul Metropolitan Government, the project implementer.

The Cheonggyecheon merchant representatives also perceived the media development. The merchants believed negative perceptions in the media did not represent their interests.³² This is attributable to the media reports tending to simplify conflict as an aggregate of segmented events or confrontation between two groups with starkly different positions. In general, a conflict evolves through several stages. However, the news mainly pays attention to a stage where conflict is clearly visible to the eyes of the public, more specifically, visible "events" such as strikes, protests or lawsuits, while minimizing explanation on the causes of the conflict, motives of the opposing parties and gradually evolving process of the conflict (YANG Jeong-hye, 2001: p. 288).

In fact, concerning media coverage of the Cheonggyecheon Restoration Project, the Cheonggyecheon merchants mentioned that the media did not cover the positions of the city, the project implementer, and the merchants, the stakeholders, in an impartial manner. They also added that the impact of the media coverage was stronger than they anticipated.

Merchant representative A: At first, I believed media reports unconditionally because I obtained information through the media. But now I can't believe what the media says.

Merchant representative B: When the media came to us for media coverage, they brought materials offered by Seoul with them and merely checked whether the materials were true. I think this was due to the fact that Seoul had provided the media with materials that could draw public support.

³² According to surveys conducted among the Cheonggyecheon merchant representatives, 90% of the respondents stated that the media coverage of the Cheonggyecheon Restoration Project was not neutral.

Merchant representative E: Concerning the Cheonggyecheon Restoration Project, the mass media failed to play a role as the media in its truest sense. The media should tell only the truth, but the media coverage was biased. For instance, only a few merchants, who deviated from our merchant protest groups, went up the Cheonggyecheon elevated highway to stage a separate protest. However, the media reported as if all the merchants went up there to protest.

Merchant representative F: It seems that Seoul manipulated the media effectively. Reporters visited us and had interviews with us. However, there was no actual media coverage or reports on TV or in newspapers. On the other hand, news items favorable to Seoul were always reported. So, later, when the reporters asked us to visit us to have interviews, we refused. Why do they need to come in the first place if they would produce no reports?

Merchant representative B: Due to media coverage favorable to Seoul, we felt discouraged. Our position was not properly delivered to the general public. However, what was more dispiriting was a social atmosphere that viewed us as a group characterized by “Not In My Back Yard” or a group merely desiring greater compensation.

The reason why the media was favorable to the Cheonggyecheon Restoration Project is related to the project’s justification encompassing environmental, historical and cultural aspects. However, the Cheonggyecheon merchant groups had no choice but to have dissatisfaction over the media coverage as their survival preceded project justification. In the actual negotiation process, the media dealt with the Cheonggyecheon merchant issue as a problem that could arise in the course of implementing the project and thus the merchant issue did not receive much attention.

Although the media coverage did not have a direct impact on the negotiation, the Cheonggyecheon merchants believed that it was a crucial factor that deprived them of the justification and leverage in their conflict with the project implementer. They also pointed out that the media coverage

put invisible pressure to them in the negotiation process. However, the media did not have an entirely positive impact on Seoul, the project implementer. The media irritated the Cheonggyecheon merchants with excessively hasty media coverage of the Cheonggyecheon Restoration Project during the negotiation process, which also caused trouble for the city negotiators. In particular, the media reported the agreement reached between Seoul City and Cheonggyecheon merchants during the negotiation process in an excessively hasty manner, making the negotiating parties have to spend an additional month handling the subsequent internal argument that ensued.

2.2. The Role of Negotiation as a Strategy for Public Conflict Management

The Seoul Metropolitan Government made multifaceted conflict management efforts in a bid to predict and manage potential conflicts that occur in the course of implementing the Cheonggyecheon Restoration Project. The city government formulated countermeasures for merchants based on its prediction of possible severe conflicts with them. The details of the measures are listed below.

First, Seoul actively collected opinions of the Cheonggyecheon merchants. Collection of stakeholder opinions was a top priority task since the launch of the Cheonggyecheon Restoration Project Headquarters on July 2, 2002. Seoul city officials visited commercial industries near the Cheonggyecheon Stream daily and held interviews to collect information, while on-site petition centers were set up in front of the Hanwha Building in Cheonggye 2-ga and Dongdaemun Market to receive opinions related to the restoration. In addition, the city government collected opinions of stakeholders through various channels by forming a policy council with the Cheonggyecheon Commercial District Protection Committee to discuss merchant-related measures on a weekly basis, as well as operating a council composed of merchant and local resident stakeholders from four districts near the Cheonggyecheon area, including the districts of Jongno, Jung,

Dongdaemun, and Seongdong to listen to opinions of local merchants. The Citizens' Council listened to opinions of the merchants in person by visiting the Cheonggyecheon Commercial District Protection Committee and representatives of commercial industries in the area in addition to organizing meetings to collect their opinions. The Citizens' Committee also took the lead in holding public hearing sessions to announce the master plan for the Cheonggyecheon Restoration Project and collect opinions of experts and stakeholders.

Second, based on the collected opinions, the Seoul Metropolitan Government established comprehensive measures concerning the merchants and announced them. Until establishment of the comprehensive merchant measures, the Seoul Metropolitan Government strived to accommodate their demands³³ as much as possible through individual reviews. Based on various opinions collected, the city government announced comprehensive merchant measures on April 2, 2003.

Third, the city strived to maintain mutually collaborative systems with departments within the Seoul Metropolitan Government, central government agencies, and other relevant public agencies concerning the Cheonggyecheon Restoration Project. In implementing merchant measures, there were not many measures for the Cheonggyecheon merchants presented by the Cheonggyecheon Restoration Project Headquarters. Therefore, it was essential to build collaborative relations with relevant departments of Seoul. Policies, which were related to or helpful for the Cheonggyecheon Restoration Project, such as traditional market revitalization measures, balanced regional development plans and refurbishment of mass transit systems, were closely coordinated and connected with the Cheonggyecheon project thanks to the

33 The merchants' demands can be summarized as follows: ① appropriate traffic measures following reduced lanes, ② establishment of alleys behind Gwansu in Jongno District and Cheongpyeonghwa Market in Jung District, ③ securing business parking space, ④ providing a alternative site, ⑤ installation of a photo island at Heunginjimun Gate in Dongdaemun, ⑥ taking measures against noise and vibration during construction, ⑦ transfer of management rights for business parking space, etc. (Cheonggyecheon Restoration Project Headquarters, quoted from media report dated on April 2, 2003).

Table 5.6 Comprehensive measures for Cheonggyecheon merchants

Area	Description
Measures to minimize inconveniences to business operation	<ul style="list-style-type: none"> • Limiting the construction to within the width of the Cheonggyecheon highway • Guarantee of uninterrupted business activities by securing two-lane streets on both sides of Cheonggyecheon Street and provide business parking during or after construction • Installation of construction fences to minimize noise and dust • Installation of a parking lot in Dongdaemun Stadium and opening of the parking lot for the Cheonggyecheon merchants • Operation of free shuttle-bus service in the vicinity of Cheonggyecheon Street during construction
Measures to revitalize the commercial district	<ul style="list-style-type: none"> • Financial support for Traditional Market Environment Improvement Project (within 80% of the project budget) • Loan assistance with 10 billion won in redevelopment funds for market modernization • Business stabilization loan service for small businesses and small merchants • Discount of parking fees in parking lots located in the Hunlyunwon Park, Jongmyo Shrine and Dongdaemun Stadium • Administrative and financial support for areas desiring downtown redevelopment
Others	<ul style="list-style-type: none"> • Measures for relocation support • Proactive accommodation of petitions lodged by individual industry zones

Source: PARK Myeong-hyeon, 2004, p. 117.

formation of a strong collaborative system.

Meanwhile, due to the past failure in conflict management such as the Buan Incident and the Sapaesan Outer Ring Expressway which took place since the launch of the Participatory Government, the central government was concerned that the Cheonggyecheon Restoration Project would repeat the same path. Therefore, rather than providing active support, the central government observed the situation from a distance, while providing minimum support in case the Cheonggyecheon Restoration Project may escalate into a wider social conflict. In an effort to garner support from the central government agencies, including Cheong Wa Dae and Prime Minister's Office, Seoul explained the details of the Cheonggyecheon Restoration Project and its measures on traffic and merchant issues, which were the most urgent pending issues, to central government agencies and sought their support.

Fourth, the Seoul Metropolitan Government built trust with the merchants by adopting an attitude to understand the merchants. In addition to being public officials carrying out administrative affairs, Seoul city officials strived to understand the position of the merchants and seek

solutions, thereby forming a common ground with the merchants and building a trusting relationship. Given that one of the most important factors in facilitating the commencement of the Cheonggyecheon Restoration Project was cooperation with the merchants, maintenance of such trusting relationship played a crucial role in deriving cooperation from the merchants (Choi Dong-yun, 2003).

2.3. Concluding Negotiation

On June 21, 2003, the Seoul Mayor, Chairman of the Cheonggyecheon Commercial District Protection Committee, Chairman of the Apparel Industry Committee, and five merchant representatives were engaged in final negotiation. As working level agreement on the relocation site in Munjeong-dong was already concluded, the merchants presented the following three conditions: ① as measures for the Cheonggyecheon merchants require continuous attention, a body dedicated to merchant issues should be set up and solutions to problems should be solved through ongoing dialogue, ② change is needed to ensure the development of the Cheonggyecheon commercial district and measures for the Cheonggyecheon merchants should be devised to prevent the commercial district from falling apart regardless of whether merchants choose to relocate or remain, as the maintenance and development of the current commercial district is one of goals of the Cheonggyecheon Restoration Project, and ③ redevelopment should be carried out at the earliest possible date and the relocation site should be developed into a commercial complex through public development.

When the results of final negotiation and a detailed plan on the creation of a relocated commercial complex were presented in the form of an official document signed by the Seoul Mayor on June 25, 2003, there was a stark difference in opinions among the merchant associations. The difference was particularly noticeable between the leadership of the Cheonggyecheon Commercial District Protection Committee and the general merchants, making it difficult to coordinate their opinions. Some merchants expressed

a strong opposition to the Cheonggyecheon Commercial District Protection Committee leadership's decision to accept Seoul's conditions and announced that they would deter the project independently. Although some merchants showed a hard-line stance, the majority of the merchants believed that there was no need to block construction as Seoul City promised to relocate them. The Chairman of the Cheonggyecheon Commercial District Protection Committee also pinned his hope on the formation of a body dedicated to merchant matters and subsequent compensation measures as proposed by the city government.

The merchants failed to perfectly unify their opinions internally and ultimately agreed to the project groundbreaking on June 1, 2003 out of expectation that the city would keep its promise as indicated by official documents. On July 1, 2003, the Seoul Metropolitan Government held a groundbreaking ceremony for the Cheonggyecheon Restoration Project near Gwanggyo and the Cheonggyecheon elevated highway with an attendance of 4,000 people, launching the project in a full-fledged fashion.

If an agreement is reached in negotiation, the content of the agreement should be documented and officialized in the form of a final agreement between the conflict parties, namely, the government and local residents. Without such officialization process, it may not only cause disputes concerning the content of negotiation results later, but also it is impossible to monitor the actual implementation of the negotiation results. Given that Korean people are traditionally not familiar with documentation or officialization of mutual obligations, a written final agreement on negotiation results and signatures of negotiation representatives are absolutely necessary.

The agreement in the Cheonggyecheon Restoration Project took the form of official documents delivered by Seoul to the merchants and oral promises made by the Seoul Mayor. Its main points included establishment of a body dedicated to merchant affairs and preparation of merchant measures to prevent the Cheonggyecheon commercial district from being dispersed. Whether the agreement was honored properly after negotiation is as follows.

In accordance with the agreement that states implementation of

immediate and ongoing merchant measures through the installation of a body dedicated to merchant affairs, the city made diversified efforts such as holding preparatory meetings to form a consultative body and organizing external meetings for merchant measures.

On August 29, 2003, the first preparatory meeting to form a consultative body aimed at promoting development of the Cheonggyecheon commercial district was held. Seoul decided to form a consultative body, which would include 10 members from the Merchant Measures Council, by drawing up a basic plan based on discussion results on basic matters, which would be finalized in the following meeting.

On September 19, 2003, the second preparatory meeting aimed to form a consultation body for the development of the Cheonggyecheon commercial district was held, featuring participation of 10 members from the Merchant Measures Council, head of Administrative Planning Department, a coordinating officer, and the first construction department head. At the meeting, the city explained the overall construction progress as well as progress of slope wall construction. Deliberations on the formation of the Merchant Measures Council and regulations on its operation were conducted article by article.

On October 17, 2003, the third preparatory meeting aimed to form a consultative body on the Merchant Measures Council was held with attendance of 10 members from the Merchant Measures Council, head of Administrative Planning Department, a coordinating officer, the first construction department head, a project team leader, and a construction administration team leader. At the meeting, pending issues related to the Cheonggyecheon Restoration Project and overall progress in the implementation of measures on the Cheonggyecheon merchants were explained. In addition, opinions of the merchants were collected and a master plan (draft) on the creation of a relocation complex was explained and discussed.

On November 15, 2003, the city officially launched a body in charge of merchant affairs by forming the Merchant Measures Council, appointing its

members and holding the first meeting.

Even after the launch of the Cheonggyecheon Restoration Project, the Seoul Metropolitan Government came up with a variety of measures to protect the Cheonggyecheon merchants and invigorate the local commercial districts.

On August 11, 2003, Seoul improved operation methods by taking consideration of characteristics by each commercial district and collecting opinions of merchants on freight parking.

On August 12, 2003, Seoul instructed its departments to procure goods for the city governments from the Cheonggyecheon commercial district to invigorate the commercial district which was suffering from slow business due to economic downturn and the Cheonggyecheon Restoration Project.

On October 17, 2003, the city funded environmental improvement projects, including remodeling expenses to enhance competitiveness of the traditional market in the area and help the merchants adjust to the environmental change caused by the Cheonggyecheon Restoration Project. The financial assistance was made in the form of funding 80% of environmental improvement project costs per market. State-funded projects involved four markets, including Cheongpyeonghwa, while city government-funded projects focused on two markets including Pyeonghwa.

In sum, negotiation of the Cheonggyecheon Restoration Project achieved a distributive situation based on the zero-sum goals of opposition of the Cheonggyecheon project and July 2003 project commencement. The merchant groups, the stakeholders of the project, which had initially aimed to oppose the Cheonggyecheon Restoration Project, changed its position from “project postponement” to “relocation” through information acquisition and dialogue with the project implementer, while the focus of discussions moved from opposition to the city’s project implementation to the future of the commercial district after completion of the Cheonggyecheon Restoration Project.

Additional background behind the successful negotiation process of the Cheonggyecheon Restoration Project was that the negotiation was a

principled negotiation where the project implementer and stakeholders agreed to broad principles of the project and reached agreement on overall issues of the project through mutual dialogue and compromise, rather than being a positioned negotiation where negotiating parties hold on to their respective positions. Personal trust between negotiation representatives built during the negotiation process, leadership, and wide external support of the Cheonggyecheon project may be somewhat out of the scope of a principled negotiation. However, negotiation of the Cheonggyecheon Restoration Project can be viewed as being close to a principled negotiation given presentation of alternatives for mutual interest and application of objective standards.

In conclusion, the Cheonggyecheon Restoration Project can be regarded as a successful project thanks to the power of envisioning the project and a strong leadership that transformed the plan into reality, as well as the art of negotiation with opinion leaders and civic groups. On top of such elements, the Seoul Metropolitan Government identified potential conflict factors from planning stage to implementation stage and made appropriate responses, making the Cheonggyecheon Restoration Project a success.

Outcomes of the Cheonggyecheon Restoration Project

1. Outcomes of the Cheonggyecheon Restoration Project I: A Paradigm Shift in Urban Management

1.1. Pedestrian and Mass Transit-centered Urban Transportation

The Cheonggyecheon Restoration Project played a crucial role in shifting the paradigm of Korea's transportation policy from supply of facilities and vehicle-centered transportation to people-centered mass transit. One of the key issues concerning conflicting opinions in the discourse of the Cheonggyecheon restoration was a possible traffic problem after the commencement of the Cheonggyecheon Restoration Project. In reality, the project proceeded without causing serious traffic disturbances as expected by the Seoul Metropolitan Government. Subsequently the debate over the traffic issue subsided and instead a paradigm shift took place at a fast pace. Despite the fact that the four-lane elevated highway was removed and the width of the road decreased by half, traffic monitoring results at the initial stage of the Cheonggyecheon Restoration Project showed that the overall travel speed in Seoul improved compared to the time prior to the project and that the travel

speed during the morning rush hour in downtown Seoul improved except for the initial three days. Furthermore, it was analyzed that Seoul City's predictions were considerably accurate within the limits of error, significantly enhancing the reliability of the city government's transport administration. Such a paradoxical phenomenon despite the sharp decrease in road capacity can be attributed to the fact that the city's mass transit service was sufficiently available to the point that it could absorb such external shock caused by the project. In particular, it turned out that the number of subway users in downtown Seoul increased by 5%.

As the Cheonggyecheon Restoration Project proceeded smoothly in the area of traffic issues, a revolutionary change took place in the transportation sector not only in Seoul, but also nationwide. Encouraged by the positive outcomes of the Cheonggyecheon project, the Seoul Metropolitan Government opened a public plaza in front of City Hall, which had been postponed several times, while constructing a number of crossings on main roads, bringing about a big change in arterial roads in downtown areas where considerations for pedestrians had been largely ignored over the years. Construction of crossings had a great impact on local commercial districts, and merchants in Bukchang-dong celebrated booming business by setting up a placard expressing appreciation to the city. The reform to the city's mass transit system following the city government's Seoul Plaza project in front of City Hall would have been impossible to achieve without the commitment and administrative accuracy of the Seoul Metropolitan Government which had been demonstrated during the implementation of the Cheonggyecheon Restoration Project.

Attempts had been made on several occasions to come up with a rider-friendly bus operation system by breaking down vested interests of the bus industry which had been continued over multiple years to no avail. The central bus only lane system and the quasi-public bus operating system attempted by the Seoul Metropolitan Government became one of key urban transportation policies of the Ministry of Construction and Transportation under the central government and promptly spread to other metropolitan

governments such as the cities of Busan, Daegu and Daejeon along with Gyeonggi Province, serving as a springboard for nationwide dissemination of the bus reform.

The Cheonggyecheon Restoration Project showed the resulting traffic issues to be negligible after demolition of the elevated structure and local residents showed positive response to the project led to a significant impact on the city government's traffic structure management policies. In Seoul, the elevated highways of Samil, Wonnam, Mia, and Seoul Station were demolished in turn and local residents strongly called for demolition of them in Gwanghee and Hyehe as well. In addition, the design for the elevated section for the Gangnam Beltway, one of key projects of Seoul, was modified to make it underground.

Such phenomenon was not limited to Seoul, but was spreading across the country in the form of movements calling for removal of the existing elevated highways or rejecting the construction of elevated highways. Although the importance of elevated structures in transportation should be evaluated on a case-by-case basis, this demonstrated residents strongly desired an environmentally-friendly road environment rather than convenient vehicle-centered transportation. Such projects as the Dusan 5-way intersection and elevated highway in Daegu City, the elevated highway connecting with Namhang Bridge in Yeongdo District in Busan, the Meonae 5-way intersection elevated construction in Yongin City, and the elevated highway covering a stream in Daejeon City were withdrawn due to opposition by local residents. In addition, it appears that the Cheonggyecheon Restoration Project also had an impact on a campaign calling for removal of an elevated highway in Tokyo, Japan.

1.2. Restoration of a Stream-centered Urban Environment

In the process of industrialization, urban streams were mostly covered or developed into roads by constructing structures above the streams due to filthy water and obstruction in traffic flow. The Inner Beltway above

Jungnangcheon (Jungnang Stream) is the most recent example. As such, most urban streams disappeared from the urban environment. Disappearance of streams in large cities not only destroys urban ecological environments, but also exacerbates various types of environmental pollution including air pollution, and noise and vibration caused by vehicles. Given the reality, it is evident that the Cheonggyecheon Restoration Project carries great significance from an environmental perspective.

The Seoul Metropolitan Government's stream restoration, which started with the Cheonggyecheon Restoration Project, spread to include restoration of Seongbukcheon and Jungnangcheon, while a firm plan on the improvement of Hongjecheon was formulated. In addition, full-fledged research aimed to restore all streams in Seoul was launched. As eco-friendliness was emphasized and property prices in areas concerned sharply rose through stream restoration, the number of local residents who showed favorable response to these projects increased along with their willingness to cooperate. With stream restoration projects underway, ways to manage and supply rainwater were presented and Seoul enacted an ordinance that obligates buildings near the Cheonggyecheon waters or newly constructed buildings to store rainwater, striving to establish a land use pattern to save natural resources.

The impact of the urban stream restoration project sparked by the Cheonggyecheon Restoration Project was rapidly spreading across the nation. Like Seoul, most of the streams in large cities in Korea were either covered or neglected without receiving any proper management. Cities that showed highly positive attitude towards improvement of urban streams included Busan and Daejeon. Starting with the project of improving Dongcheon (Dong Stream) Section I in 2005, Busan City planned to undertake improvement projects for such streams as Oncheoncheon, Suyeongcheon, Chuncheon, and Gudeokcheon. Daejeon City finalized that it would implement a project to improve its three major streams. Other cities also joined the movement with streams such as Gwangjucheon in Gwangju City, Jeonjucheon in Jeonju City, Musimcheon in Cheongju City, Hoewoncheon in Masan City, Gongjicheon in Chuncheon City, Wonseongcheon in Cheonan City, Suwoncheon in Suwon

City, Hakuicheon and Anyangcheon in Anyang City have been either restored or are scheduled to be restored.

The impact of the Cheonggyecheon Restoration Project on the improvement of urban streams was not merely limited to Korea, but also showed signs of spreading across major cities around the world. Experts and municipal lawmakers from Tokyo city government visited the Cheonggyecheon to learn from the project and apply it to the Tokyo's project aimed to restore the Shibuya River. Civic groups, experts and administrative officials from Osaka City used the Cheonggyecheon Restoration Project as a model for its "water city" project utilizing streams, rivers and the sea for their city.

1.3. Balanced Regional Development between the Gangnam and Gangbuk Districts Based on Sustainability

Regional imbalance is a serious social problem witnessed in large cities around the globe and Korea is no exception. Since the Gangnam district located south of the Han River was developed intensively from the 1970s, the hollowing-out of downtown areas in the Gangbuk district located north of the Han River accelerated and redevelopment of old buildings in the district was delayed. The imbalanced growth between the Gangnam and the Gangbuk districts emerged as the most serious urban problem facing the city. As the Cheonggyecheon is located in central Gangbuk, the Restoration Project contributed to invigoration of the Gangbuk district, bringing about noticeable change.

Change was first noticeable in the rise of building rent and land prices. According to surveys on change in rent and land prices, office rent around the Cheonggyecheon rose 3% to 11% during construction, when April 2003 was compared with April 2004. Areas indirectly affected by the Cheonggyecheon project construction such as along the roads of Jongno, Eulji-ro, and Taepyeong-ro showed almost no change. In terms of change in land prices around the Cheonggyecheon during the same period, the neighborhoods

of Yeji and Gwansu, which were scheduled for redevelopment, witnessed a rise in land prices by 44% and 47%, respectively, 1.5 times higher than the 30% witnessed in the Jongno area. Land prices in the newer section of Wangsimni rose sharply by 91% from 15 million won per pyeong (1 pyeong = 3.3 square meters) to 29 million won per pyeong over a year. Such growth rate in rent and land prices around the Cheonggyecheon is significantly higher than growth rate of 17% in average land prices in the Teheran district in Gangnam over the same period, indicating that investment value in downtown Seoul and the Cheonggyecheon area was improving at a fast pace thanks to the Cheonggyecheon Restoration Project. It is assessed that such phenomenon would ultimately contribute to Seoul's policy goal of addressing the imbalance between the Gangnam and the Gangbuk districts.

Apartment sales in the Cheonggyecheon area have been rapidly on the rise. According to a survey conducted in January 2005, a total of 1,600 households in eight apartment complexes were scheduled for sale in the area despite the fact that the construction was under way. In addition, once the development project in Wangsimni and Jeonnon/Dapsimni makes progress and the Cheongnyangni balanced development project proceeds in a full-fledged manner, it would invigorate the property market in the Gangbuk district which had long been stagnant. In addition, as a U.S. company finalized an investment in the Dongdaemun fashion district, which had been largely neglected in terms of foreign investment, additional business investments were made in succession.

Signs of a great change are witnessed in the Cheonggyecheon commercial district which had been previously considered a commercial backwater. Redevelopment of the Seun Sangga shopping center will be conducted to transform it into a high-tech ICT complex, while the Dongdaemun commercial district is set to become a hub of cutting-edge fashion with Dongdaemun's fashion industry collaborating with Hansung University based on a regional innovation strategy. Meanwhile, development plans for strategic redevelopment areas such as Samgak have been already established to transform them into financial industry districts. Accordingly, foreign

companies have been aggressively investing in the districts helping the nation gain momentum as a financial hub in Northeast Asia.

The Cheonggyecheon Restoration Project does not merely remain as an average stream restoration project conducted by a local government. The project has contributed to transforming the city of Seoul, the capital of Korea, into an eco-friendly city.

In addition, through the success of the Cheonggyecheon project, the Seoul Metropolitan Government took a step to becoming a hub in Northeast Asia, especially in the financial sector. New leadership paradigms and strategy to resolve public conflicts created in the process of implementing the Cheonggyecheon Restoration Project is an exemplary model which can serve as a reference for execution of administrative policies in cities around the globe and can be developed as a global brand. Therefore, efforts should be made to further develop and foster similar projects at a national level, not merely leaving it as a case study of the Seoul Metropolitan Government.

2. Outcomes of the Cheonggyecheon Restoration Project II: A Win-Win National Culture

At present, the Korean government is experiencing severe difficulties in undertaking government projects owing to “Not In My Backyard” and such conflicts are increasingly becoming diversified and difficult to resolve. Although such individuals against development are engaged in various violent, illegal acts such as violent protests, rallies and illegal strikes against the government to achieve their goals, the central or local governments often fail to come up with appropriate conflict resolution methods or dialogue channels. The Seoul Metropolitan Government’s conflict management strategy for the Cheonggyecheon Restoration Project demonstrates that such illegal activities are not helpful in achieving goals and that mutually-beneficial win-win solutions can be reached through non-violent and legitimate methods. Furthermore, Seoul’s conflict management strategy carries significance in that

it has changed the protest culture in Korean society.

2.1. Conflicts and National Culture Prior to the Cheonggyecheon Restoration Project

Korea was faced with conflicts of an industrial society even before the nation had reasonably addressed conflicts demonstrated in traditional society. In the same vein, the country also faced a tremendous shock caused by society's transformation into a knowledge-based information society even before conflicts in the industrial society became institutionalized and structured. Therefore, consecutive conflicts have become overlapped without time for resolution, posing a big obstacle to sustainable national development.

Since the 1990s, Korean society has undergone rapid democratization and the number of conflicts between the government and local residents or between local residents have been on the rise in the government's undertaking of public projects, including large-scale state-run projects, local public development projects, and projects for constructing unwanted facilities. However, such conflicts have not been successfully resolved due to poor conflict resolution mechanisms and responses, deepening mistrust among different regions and social groups. Furthermore, many of such projects have either failed or were nullified, causing tremendous waste of time and finances. In the case of collective petitions filed against the government between January 1 and May 25, 2003, the number of petitions against the Ministry of Construction and Transportation accounted for more than 50% of the total petitions (The Seoul Sinmun Newspaper, May 27, 2003). This vividly illustrates that numerous government projects are faced with severe oppositions of petitioners.

Such projects have similarities in that local residents opposed the projects in the form of illegal demonstrations or strong protests. There have been numerous cases where conflicts related to government projects, ranging from local government projects such as the opposition to construction of a memorial park in Seocho District, Seoul (2001 - present) to large-scale state-

led projects such as the opposition to construction of a nuclear waste plant in Buan (2003 - present), construction suspension of the Sapaesan Outer Beltway Project (1997 - present) and movement to nullify the Saemangeum Reclamation Project (1998 - present). As such conflicts became intensified and prolonged, they have incurred tremendous economic loss and caused severe social confusion, while undermining public unity. Professor KIM Tae-gi from Dankook University, the Director of the Dankook Center for Dispute Resolution criticized such social atmosphere stating “These days, Korean society is dominated by two laws, namely, the so-called “ttebeop” (literally meaning a “law of making unreasonable demands”) and “bbaekbeop” (literally meaning a “law of pulling strings”). Groups with relatively little power scramble to resort to collective actions, while powerful groups try to resolve problems by employing expedient means rather than adopting fair and transparent methods. It is necessary to firmly respond to collective actions that serve the interests of particular groups, but cause harm to society as a whole. However, both the political circle and the government refuse to take responsibility, exhibiting moral hazard” (Dong-A Ilbo, July 1, 2003).

2.2. The Cheonggyecheon Restoration Project as a Turning Point for Shifting National Culture

The Cheonggyecheon Restoration Project served as a turning point that shifted the nation’s social atmosphere where the so-called “ttebeop” and “bbaekbeop” was prevalent. Professor LEE Hyo-seon from the Department of Sociology in Chung-Ang University stated “the Korean public came to believe that their demands would be accepted as long as they make them strongly enough because the government had shown a tolerant attitude towards illegal strikes and rallies.” She added that the government would be able to block unnecessary civil petitions and protests only when it shows a clear and firm position (Dong-A Ilbo, September 19, 2003).

In the case of the Cheonggyecheon Restoration Project, various conflicts with interest groups involving such issues as traffic, merchants, and historical

restoration were predicted even during the planning stage. However, the Seoul Metropolitan Government adopted a principle-centered conflict management policy and ultimately implemented the project successfully by employing non-violent and reasonable solutions, drawing attention as a leading success story of government-led projects.

The Seoul Metropolitan Government smoothly launched the Cheonggyecheon Restoration Project by successfully reaching an agreement with the Cheonggyecheon merchants who were in the greatest conflict relationship with the city government during the project implementation process. In front of the merchants who had unconditionally opposed the project even during the envisaging phase, the city as project implementer, remained unmoved, consistently sticking with its principle-centered strategy. The foremost strategy adopted by Seoul and Seoul Mayor LEE Myung-bak was “never to respond to illegal protests and unreasonable demands and instead accept all conditions within legitimate boundaries.” As a result, the merchants who had been willing to stage violent and illegal protests at an early stage, came to listen to reasonable negotiation conditions presented by the city and the two parties peacefully reached an agreement. Even now, the merchants have been actively cooperating with the project.

Such response by the Seoul Metropolitan Government was also applied to the Seoul Metro Labor Union which decided to stage a general strike in partnership with the Korea Railroad and Subway Labor Union Federation just prior to the groundbreaking ceremony of the Cheonggyecheon Restoration Project slated for July 2003. Seoul and Mayor LEE Myung-bak consistently stuck with its principle that it is impossible to postpone a legitimate project due to an illegal strike, making the public aware that the strike staged by the Seoul Metro was an illegal one without a cause. People agreed with the government and supported the Cheonggyecheon project despite traffic-related inconveniences caused by the restoration project. Since then, the city government successfully persuaded several stakeholder groups by sticking with their principle of legitimate responses to all conflicts associated with the restoration. Such position taught a lesson that illegal or

violent protests are unnecessary if legitimate and reasonable alternatives are available.

In an era where local autonomy takes place through popular vote and people are becoming increasingly aware of their civic rights, the Seoul Metropolitan Government made a judgment believing it is no longer acceptable to block the entrance of Seoul City Hall whenever protesters visit the city government. With the Cheonggyecheon Restoration Project serving as a turning point, the Seoul Metropolitan Government came up with a “negotiation expert” system for collective petitions (Kyunghyang Sinmun, September 25, 2003). As part of such effort, the city government launched case study-based curriculum on how to engage in negotiation professionally and came up with measures to foster conflict negotiation experts, making multi-faceted efforts to resolve conflicts through legitimate negotiation without resorting to illegal violent demonstrations. The city’s initiative had a great impact on the central government, including the presidential residence Cheong Wa Dae, the Ministry of Public Administration and Security, and the Ministry of Construction and Transportation in their early adoption of a conflict management system.

2.3. Win-win National Culture Demonstrated After the Cheonggyecheon Restoration Project

Starting from the latter half of 2003, right after the Cheonggyecheon Restoration Project was launched, probably by coincidence, illegal strikes or protests failed in succession by being ignored by the public while the government took a firm stance, showing signs of change from previous tolerant positions. According to a survey on the numbers of protests against projects led by the Seoul Metropolitan Government during the 18 months before and after the July 1 groundbreaking ceremony for the Cheonggyecheon Restoration Project, a total of 26 protests were staged between January 1, 2002 and June 30, 2003 before the commencement, while a total of 12 protests were staged between July 1, 2003 and December 31,

2004, which was after the project commencement, indicating that the number of protests decreased by more than half.³⁴

When the numbers of protests excluding those related to the Cheonggyecheon Restoration Project are examined out of total numbers of protests staged, the declining trends are even more noticeable. Prior to the Cheonggyecheon Restoration Project, a total of 20 protests were staged, while the number of protests after the project amounted to merely six, decreasing by two-thirds. Although it is difficult to conclude that such result is directly caused by the Cheonggyecheon Restoration Project, it signifies that the conflict management strategy or the principle-centered negotiation method demonstrated by the Seoul Metropolitan Government had an impact on the protest culture to some degree.

The railway workers' union staged general strikes on three occasions in 2003 and 2004. However, the protests without justifiable causes failed to receive public support and the railway workers' union ended their strikes without any tangible outcomes. As illegal strikes and violent protests ensued and worker and student members of the Korean Confederation of Trade Unions staged protests, throwing Molotov cocktails in downtown areas during the 2003 Pan Korean Workers' Rally, then President ROH Moo-hyun declared that "in the case of illegal protests, the government would suspend negotiations with them," indicating that the government would firmly deal with illegal demonstrations in the future.³⁵ Most of the public, who had been fed up with illegal and violent protests, largely welcomed the government policy.

34 The numbers of various rallies and protests staged steadily increased since inauguration of the KIM Dae-jung administration, culminating in 2002. According to Analysis of Rallies and Protests in 2002 released by the National Policy Agency, a total of 34,138 rallies and protests were staged in 2002, which translated into 94 a day, an increase by more than three times compared to 1998, the first year under the KIM Dae-jung administration, and an increase of 42.6% compared to 2001 (The Kyunghyang Sinmun, August 7, 2003).

35 As if reflecting the government's commitment, the number of people arrested in connection with illegal collective actions between January 2003 and November 2003 increased 7.9% compared to 2002, while the number of people prosecuted also increased by 13.9%.

The unions of Seoul Metro also staged general strikes at the same time as the rail workers. As the Seoul Metropolitan Government, the employer of the Seoul Metro, disclosed annual salaries of the workers, they ended their strikes after three days. Since the launch of the Cheonggyecheon Restoration Project, the Seoul Metropolitan Government and Seoul Mayor LEE Myung-Bak maintained a principle of taking a firm stance against those who make excessive demands without justifiable causes or stage illegal protests. Such strategy has thus far been successful. In July 2004, a labor union of one of the largest enterprises in Korea launched a general strike, which ultimately failed due to public criticism that such strikes were merely the expression of “excessive demands made by aristocratic labor unions.”

In fact, the greatest weapon labor unions or civic groups can employ is public opinion. If social consensus has been reached to some degree that, once labor unions are involved in violent protests, the public would turn their back and the reasonable settlement of issues would not be expected (The Naeil News, November 11, 2003). It is completely different from the previous social atmosphere where workers had been considered as socially underprivileged and thus had been supported. The era has ended where the majority of people had to endure tremendous inconveniences and damage to represent interests of specific groups. Now, the Korean people have become reasonable enough not to tolerate people who do not comply with laws and regulations or exercise violence to promote their position as win-win solutions can be achieved through dialogue and cooperation. This is priceless wisdom learned through the process of undertaking such a large-scale project as the Cheonggyecheon Restoration Project.

3. Outcomes of the Cheonggyecheon Restoration Project III: The Birth of the Neo-Korean Wave (Hallyu)

The so-called Korean Wave or Hallyu started with high public popularity of Korean TV dramas and leading actors in China and Southeast Asian

countries. In recent years, a Korean drama titled *Winter Sonata* has been a great hit in Japan, a pop culture superpower, and its leading actor Bae Yong-joon emerged as a new face. It is extremely unusual that Korean TV dramas and actors have such significant impact on Japanese society and it still remains unknown how much contribution the popularity of Korean TV dramas and actors has made to improving perceptions on Korean society in advanced countries like Japan. In general, knowledge and culture trickles down from affluent countries to less affluent countries. Over the past five decades, Disney cartoons, Japanese anime and Hollywood movies were introduced to Korea, making Koreans familiar with knowledge and culture unilaterally introduced from developed countries (KIM Seong-soo, 2004). However, with the Cheonggyecheon Restoration Project serving as a turning point, the global community is placing its attention on social reform undertaken by the Seoul Metropolitan Government. In particular, in neighboring Japan, public opinion believes there is a need to analyze the Cheonggyecheon Restoration Project to actively use it as a resource to revitalize its political leadership, which suffered in the economic issue over the previous decade, and promote social transformation.

3.1. Detailed Signs

The signs of the new Korean Wave entering Japan were gradually detected by the Cheonggyecheon Restoration Support Research Unit of the Seoul Institute in charge of restoration research starting from the latter half of 2003. It is extremely rare for overseas researchers visiting Korea to listen to detailed explanation on projects undertaken by the Seoul Metropolitan Government. In particular, it is very rare for such researchers to visit a specific country more than 10 times in a short period of time concerning a specific issue. According to HWANG Keeyeon, Director of the Cheonggyecheon Restoration Research Unit, he had been inundated with requests to visit the Seoul Institute or invitation to visit Japan to deliver lectures on the Cheonggyecheon Restoration Project since the second half of 2004.

Professor Seiji Abe, a professor at Kansai University in Japan, who maintained a close relationship with Director HWANG during the time when he conducted yearlong research at the Seoul Institute, invited Director HWANG in early July 2004 as a speaker for the National Congress of Japan Society of Right to Transport, a progressive organization. During the lecture, Director HWANG introduced the Master Plan of the Cheonggyecheon Restoration Project and elaborated on various aspects of the project, including leadership and conflict management. The lecture was followed by a question and answer session that lasted more than two hours. The lecture was attended by prominent scholars in Japan including Professor Doi Yasunori of Ritsumeikan University, Director of the Japan Society of Right to Transport, Professor Nakai of Hosei University, and Professor Yoshimitsu of Kobe University, as well as Fijina Nobuyo, one of the most well-known civic activists and representative of the Osaka Citizens' Network, as well as various other influential experts.

After the lecture delivered in Japan, the Japan Society of Transportation Economics, Tokyo University, Global Environmental Forum, Osaka University, and Osaka Citizens' Network visited the Seoul Institute in succession or invited Director HWANG to Japan. Japanese media coverage of the Cheonggyecheon Restoration Project noticeably increased and the numbers individuals visiting the Cheonggyecheon Restoration Museum significantly rose. In the case of the media coverage, leading daily newspapers in Japan competitively carried interviews with Seoul Mayor LEE Myung-bak concerning the Cheonggyecheon Restoration Project starting from late 2004, including TV Asahi in October 2004, Yomiuri Weekly on December 5, 2004, Asahi Shimbun on December 21, 2004, Sankei Shimbun on December 29, 2004 and Yomiuri Shimbun on January 13, 2005. The Japanese media reported that the Cheonggyecheon Restoration Project was selected as a campaign promise and won the Best Public Administration Award for urban construction at the 2003 Venice Architecture Biennale. The Japanese media called for demolition of the elevated highway covering the Bridge of Japan following the example of the Cheonggyecheon.

In terms of visit to the Cheonggyecheon Restoration Museum, it was found that visitors from a total of 19 countries including Japan, China and the United States visited the museum from January 2003 when the museum was opened to late 2004 and the numbers of visits and visitors amounted to 120 and 2,500, respectively. By continent, Asian countries accounted for 88% of the total nationalities visiting the with 9 Asian countries having visited the museum 92 times, followed by the European Union (7%, 7 cases) and the United States (5%, 5 cases). By country, visitors from Japan were predominant, making up 60% of total visits (64 cases), followed by China with 12% (13 cases), and the United States with 5% (5 cases). With respect to visits by Japanese expert organizations such as environmental, economic, architectural and civil engineering organizations were the greatest with visits by public sector organizations, universities, specialized organizations, property-related entities, the media numbering 12, 14, 30, 5, and 2 cases, respectively. Japanese public sector organizations that visited the Cheonggyecheon Restoration Museum included the Tokyo Metropolitan Assembly, the City of Osaka, the Tokyo Metropolitan Government, the City of Hiroshima, the Akita Prefecture, a city assembly from Tottori Prefecture, the Ministry of Land, Infrastructure, Transport and Tourism, the Ministry of Construction, and the Japan Council of Local Authorities for International Relations, while Japanese universities officially visiting the museum included Tokyo University, Nihon University, Keio University, Osaka University, and Osaka City University. Specialized organizations in Japan that visited the museum included the Japan Society of Civil Engineers, the Environmental Issue Investigative Group from the International Bar Association, the Japan Society of Civil Engineers, the Japan Society of Transport Economics, the Association of Urban Housing Sciences, the Organization for Landscape and Urban Green Technology, the Japan Design Consultant Association, Osaka Citizens' Network, the Environmental Expert Association, the Japan Water Agency, and environmental NGO groups. Property-related entities included Mitsui Fudosan, the Redevelopment Association, and the West Japan Construction Surety Co., Ltd., and Kawada Construction Co., Ltd. (Cheonggyecheon Project Headquarters, 2004). Given the numbers and nature of the Japanese

group visitors, it can be concluded that they visited Seoul out of interest in the Cheonggyecheon Restoration Project and to thoroughly analyze the project, rather than merely taking a glance at the project.

3.3. Neo-Korean Wave on the Global Stage

Until now, the Korean Wave had failed to overcome the geographical boundary of Asia. On the other hand, the neo-Korean Wave created through the Cheonggyecheon Restoration Project is characterized by being global in its geographical scope. In other countries, facts about the Cheonggyecheon Restoration Project were reported through the media including CNBC, Financial Times, and the BBC. In Italy, where the 9th Venice International Biennale was held, newspapers such as *La Nuova* and *Gazzettino* offered extensive coverage of the reasons why the Cheonggyecheon Restoration Project won the Best Public Administration Award for Urban Construction. The media acclaimed the Cheonggyecheon Restoration Project, saying “urban intervention of waterfront space promoting urban revitalization” (News Maker, January 25, 2005). The successful implementation of the Cheonggyecheon Restoration Project also greatly contributed to the selection of Seoul as a healthy city by the World Health Organization in 2004. Such global attention to the Cheonggyecheon restoration is considered to be a sign of the Korean Wave, which had been confined to a few Asian countries, spreading across the globe. It is expected that the Cheonggyecheon Restoration Project will serve as a yardstick to publicize urban competitiveness of the Seoul Metropolitan Government, just as the influence of Korean private enterprises such as Samsung, LG, and POSCO are rapidly spreading across the global market. Therefore, it is necessary to thoroughly prepare for ways to utilize and sustain the attention of the global community to the Cheonggyecheon Restoration Project in promoting the development of Seoul and upgrading the new image of Seoul, even after the completion of the Cheonggyecheon project.

Table 6.1 Overseas media coverage of the Cheonggyecheon Restoration Project

Media	Date	Media coverage description
Yonhap News (English)	June 26, 2003	<ul style="list-style-type: none"> • Leadership of Seoul Mayor LEE Myung-bak who presses ahead with the Cheonggyecheon Restoration Project • Through the Cheonggyecheon Restoration Project, a development-oriented paradigm is shifted to a sustainable eco-friendly paradigm
International Herald Tribune	July 2, 2003	<ul style="list-style-type: none"> • Groundbreaking of the Cheonggyecheon Restoration Project: Seoul as a city with brand value • Resolution of traffic problems and conflicts with merchants through PR activities and persuasion • The project took consideration of both the environment and economicity
The Asia Wall Street Journal	July 11, 2003	<ul style="list-style-type: none"> • Interviews with Seoul Mayor, KIM Yong-ok (Mulhwa Ilbo journalist), and Cheonggyecheon merchants in relation to the Cheonggyecheon restoration construction • Transformation from an industrial city to an eco-city: Cheonggyecheon – A New Green City
World Today Asia from BBC News (United Kingdom)	July 16, 2003	<ul style="list-style-type: none"> • Groundbreaking for the Cheonggyecheon Restoration Project: Transformation into a scenic and eco-friendly city • Cities not regard the environment are not qualified to be world-class cities
Radio France Internationale (France)	May 9, 2004	<ul style="list-style-type: none"> • Overview of Seoul, top priority environmental issues, and a large-scale urban renewal project at an implementation stage • Environmental policy harmonizing the environment with economicity
Financial Times (United Kingdom)	May 22, 2004	<ul style="list-style-type: none"> • Polluted Seoul is undergoing a green revolution: Interview with Seoul Mayor • Seoul's transformation to a livable, charming city: Cheonggyecheon Restoration Project, Seoul afforestation project, etc.
CNBC Asia Market Warp and Business Center	July 2, 2004	<ul style="list-style-type: none"> • Interview with Seoul Mayor in relation to the Cheonggyecheon Restoration Project
Xinmin Weekly (China)	Nov. 1, 2004	<ul style="list-style-type: none"> • Seoul Mayor LEE Myung-bak managing Seoul by adopting managerial skills as a CEO • Cheonggyecheon restoration made possible through collection of diverse opinions and persuasion • There would be no additional general city projects as the Cheonggyecheon Restoration Project
TV Asahi Station (Japan)	Oct. 21, 2004	<ul style="list-style-type: none"> • The origin of the Korean Wave; back alleys in Seoul
Asahi Shimbun (Japan)	Dec. 21, 2004	<ul style="list-style-type: none"> • Cheonggyecheon as an environmental and urban redevelopment project • Seoul where nature returns
Sankei Shimbun (Japan)	Dec. 29, 2004	<ul style="list-style-type: none"> • The Cheonggyecheon –A symbol of a new eco city: Completed in October 2005 • The Cheonggyecheon Restoration Project won the Best Public Administration Award for urban construction at the 2004 Venice International Architecture Biennale, which is well-known in urban planning and construction
Yomiuri Shimbun (Japan)	Jan. 13, 2005	<ul style="list-style-type: none"> • The Cheonggyecheon Restoration Project was featured in the “Trends” section in Yomiuri Shimbun • Cheonggyecheon serves as an example for regeneration of Nihonbashi (日本橋) • The Cheonggyecheon project contributing to the spread of the Korean Wave in areas other than TV and film

Table 6.2 International awards

Date	Awards	Selection criteria
Sept. 12, 2004	Best Public Administration Award at the 9 th Venice International Biennale	Degree of public reception, the Seoul Metropolitan Government's appropriate judgment and drive, project progress speed, insight into a paradigm shift in urban renewal, etc.
Oct. 1, 2004	Health City selected by the World Health Organization	Seoul City's environmental projects such as the Cheonggyecheon Restoration Project and creation of the Seoul Plaza, as well as health promotion programs such as anti-smoking and drinking campaigns received positive evaluation from the organization.

PART
III

Conflict Management Theory for Execution of Public Policy



A New Paradigm in Public Conflict Management

1. Key Success Factors of the Cheonggyecheon Restoration Project

1.1. Securing a Justifiable Project Cause

The Cheonggyecheon Restoration Project was a cause supported by a number of people. Although the idea of the stream restoration originated from a few people, a majority of the public came to understand the project as it was adopted as an election campaign promise and extensive discourse on the project was conducted. However, many projects chosen as campaign pledges do not necessarily secure justifiable causes because people can vote for a candidate while opposing individual projects the candidate has chosen as a campaign promise. Therefore, all large-scale public projects should undergo repeated public opinion surveys and a thorough review conducted by experts. The Cheonggyecheon Restoration Project was given passage by the City Council and secured support from the central government. Problems identified in the course of project implementation have been addressed through a system involving the Seoul Metropolitan Government, the Citizens'

Council, and the Research Support Group, while positive public opinion on the project were secured by capitalizing on expert groups and the media.

It is no doubt that the Cheonggyecheon Restoration Project faced numerous problems such as traffic flow, business support measures for Cheonggyecheon merchants, and experts' debates over historical and cultural restoration of the area, as it was an unprecedented large-scale, multi-purpose stream restoration project taking place in a metropolitan city. Nevertheless, the reason why the Cheonggyecheon Restoration Project proceeded smoothly is that the issue of the restoration was well-aligned with a new social and cultural paradigm. More specifically, the Cheonggyecheon Restoration Project significantly coincided with the direction of post-capitalism that is shifting from development to environmentally-friendliness, from economic growth to social ecology, and from efficiency to equity. This is well demonstrated by the fact that most of the society supported the restoration project at the fundamental level with society undergoing rapid social change in the new millennium. The project had merits in almost all aspects including enhancement of national pride by eliminating the remains of the Japanese colonial rule, restoration of Korean culture and history, fundamental solution for safety issues by demolishing the obsolete and unsightly elevated highway which required extensive repair, a necessary transformation of a shady commercial area resembling a slum under the elevated highway, construction of an eco-city through the restoration of the Cheonggyecheon Stream, and balanced development between Gangnam and Gangbuk districts through the transformation of the Cheonggyecheon area into a financial and cultural hub. The majority of residents and expert groups agreed to the positive aspects of the project. People ranging from Seoul residents to civic groups, cultural historians, environmentalists, urban development-related individuals, and the media expressed their support for the Cheonggyecheon Restoration Project at a fundamental level.

Concerns about the traffic issue, which was the biggest obstacle to the project at the groundbreaking stage, subsided as the traffic flow was relatively smooth. In addition, creation of construction jobs through a large-

scale urban development project at the time of economic difficulties was another unanticipated benefit of the project. It should not be overlooked that securing justifiable causes for the project through dedicated effort of social leaders, maturity of political and economic conditions, and the media's active role in forming public opinion significantly contributed to the success of the Cheonggyecheon Restoration Project.

1.2. Leadership

Another success factor of the Cheonggyecheon Restoration Project lies in outstanding leadership. A true leader is somebody who overcomes difficulties and facilitates rational decision-making process when faced with conflict situations (Rainey, 1997). A leader should prudently review rationales behind respective alternatives. He or she should fully understand arguments made by parties with different opinions to weigh the options. If some opinions are reasonable enough to be reflected in reality, the leader should respect them. Once an alternative is chosen, the leader should adopt a strategy to make improvements to the option on an ongoing basis for areas requiring improvement, while maximizing its strengths. Concerning an alternative chosen through such process, the leader should ensure that there would be no undue social cost to be incurred by conflicts. Therefore, a leader has the responsibility and obligation to actively protect and execute an alternative selected through a reasonable decision-making process. The leadership of Seoul Mayor LEE Myung-bak is well demonstrated given the fact that he pressed ahead with and implemented an alternative agreed through such process.

Although a justifiable cause for a project is secured, it is almost impossible that all people will support a project. In the case of the Cheonggyecheon Restoration Project, conflict with merchants operating in the Cheonggyecheon area was the biggest issue. Even though the merchants supported the project in principle, some started to oppose the project out of concerns about possible damage to their business and the conflict between the merchants and

the city intensified with the passage of time.

As was noted by many people, Mayor LEE Myung-bak, who was the top leader of the Cheonggyecheon project, broke through the problem with his drive and determination. Stephen Covey (1997), an organizational strategist, stated that the best state for a project is one that is proceeding smoothly in the right direction using the criteria of direction and progress. More specifically, if a car races towards a destination based on a wrong map, it is going increasingly away from the desired destination. On the other hand, if a car races towards a destination according to the right map, it promptly arrives at the destination. In the same vein, a project is most effective when the right direction is set and is implemented in a prompt manner. Mayor LEE's map of the "project direction agreed by the majority" laid the firm foundation for his drive for implementing the restoration project. Mayor LEE had to implement the project in a prompt and seamless manner. The Cheonggyecheon project served as a project that fully demonstrated his leadership as indicated by his nickname "Bulldozer." The Cheonggyecheon Restoration Project is an example that has maximized the efficiency of project execution through presentation of a clear direction and exercise of unique leadership. It is a project which exhibits his capabilities and characteristics.

Mayor LEE implemented the Cheonggyecheon Restoration Project based on long-term development vision for Seoul. Although the project itself was on a gigantic scale, it was merely part of the bigger picture of city administration. In other words, Mayor LEE held the perspective that the Cheonggyecheon project would be implemented as part of total projects for the city based on a direction for city development. Major city administration directions advocated by Mayor LEE included the design of Seoul as a cultural city, construction of a mass transit-oriented city, balanced development between the districts of Gangnam and Gangbuk, and construction of an eco-city. Restoration of the Cheonggye Stream was launched based on such directions and consequently produced satisfactory results.

The reason why the Seoul Metropolitan Government was able to set an accurate direction concerning the long-term development vision for

the city was partly attributable to effective utilization of policy aides such as relevant city officials, expert groups, and research groups. To this end, the city government established policy implementation systems and public relation systems to proactively persuade and analyze the media, while continuously emphasizing inter-governmental cooperation, as well as public cooperation. On top of that, the roles of the Cheonggyecheon Restoration Project Headquarters, the Citizens' Committee, and the Seoul Institute were harmoniously and effectively coordinated and linked. At the heart of such system lied the leadership of Seoul Mayor LEE Myung-bak who was capable of overseeing the entire project, which led to its' success.

1.3. Negotiation

Mechanisms operating social order can be divided into the state, market or community governance. At present, countries around the globe, including the Republic of Korea, are transitioning into the community operation method named governance (Rhodes, 1997) or association method (LEE Jae-gyeong, 2002). This signifies that the voice of the people is gradually becoming louder and the roles of the government or the market are relatively becoming smaller. However, problems caused by such new social control mechanisms are also serious and one of them is mediation in conflicts between groups or within a group.

The biggest problem of the Cheonggyecheon Restoration Project concerned local merchants, including street vendors. Although the Cheonggyecheon project was not intended to directly accommodate the land of local residents or disrupt business operations, construction work may cause inconvenience to business operation of merchants in the area. With construction work proceeding visibly, the Cheonggyecheon merchants started to build opposition forces and even civic groups, which did not strongly voice opposition, and started to represent the position of the merchants.

The city government first analyzed negotiation partners through thorough preparations and prudently selected negotiation partners. In fact,

one of the most important roles of the Cheonggyecheon Restoration Project Headquarters was to hold dialogue with the merchants in order to persuade them. The Headquarters not only set up the Cheonggyecheon Restoration Museum, but also made daily visits to the merchants to distribute PR publications and collected their opinions. Members of the Headquarters summarized the merchants' demands and came up with measures to minimize inconveniences to business operation and revitalize the commercial district. The Headquarters resolved pending issues one by one by building trust through the collection of opinions and coming up with practical measures. A number of merchants and street vendors, who had been operating in the Cheonggyecheon area over multiple decades, closed their business in the area and moved to the proposed relocation site as the relocation measures proposed by the Seoul Metropolitan Government materialized. Some of merchants shut down their business permanently or moved to other locations.

What is notable here is that the Cheonggyecheon Restoration Project restrained from adopting the old-fashioned method in which the government unilaterally made a decision, announced it, and then defended the decision. Rather, the project evolved into a venue for true negotiation with the public. In terms of style, it is difficult to consider the restoration project as an alternative dispute resolution method, which is drawing attention as a reasonable approach in recent conflict management theories, as there was no mediation or arbitration. However, the project had a similar effect as alternative dispute resolution (ADR) in the sense that it took advantage of a neutral organization, namely, the Citizens' Committee, at negotiations. In addition, the Cheonggyecheon Restoration Project is extremely similar to ADR given that it appropriately utilized public hearings on several occasions, as well as dialogue, meetings and negotiation between city officials and the merchants. In particular, such aspects of setting negotiation principles included no financial compensation and no construction postponement, securing trust from negotiation partners through official and unofficial communication channels, implementation of agreements reached through the channels, and provision of a monitoring system that continuously checks on

the implementation status results in almost the same effect as utilizing ADR.

2. Successful Strategic Process for Public Conflict Management

The Cheonggyecheon Restoration Project is regarded as an important success story in conflict management. A process which can serve as a reference in future public conflict management is through the success of the Cheonggyecheon Restoration Project as presented below.

2.1. Conflict Analysis

The first stage of conflict analysis is to recognize a problem. In order to solve a problem, it should first recognize the existence of a problem. It may sound too obvious, but in the case of even the ultimately successful Cheonggyecheon Restoration Project, both the mayor, who was in charge of the project, and YANG Yoon-jae, Head of the Cheonggyecheon Restoration Project Headquarters were not aware that an agreement for the traffic problem with the National Police Agency was not reached even when the commencement of the project was only a few days away. This indicates how commonly people fail to recognize the existence of a problem. If a person in charge does not recognize a problem due to ineffective internal communication, it may lead to a failure of the project. In fact, there are numerous cases where conflicts intensify or negotiation process reaches a dead end because the very basic first step is not implemented properly or implemented in a belated manner. Recognizing a problem can take place internally among public officials in charge of the project or during dialogue or meetings with outside people. Problems may first be noticed and reported by broadcasting companies or newspapers.

Once a problem is recognized, internal members of the project implementer should share overall understanding of the problem. At this stage, it is necessary to collect basic information and obtain more information

through dialogue with key people or through newspaper or magazine articles. In other words, it is a stage where internal members should share their understanding of the problem through internal dialogue and adoption of an overall approach to key points of the problem. At this phase, several alternatives are presented and some of them are unrealistic, while others are more concrete and realistic. In addition, tendencies of parties concerned should be analyzed as groups who wish to resolve conflict as soon as possible and groups who intend to pursue interest through prolonged conflict.

When overall understanding of a problem is shared to some degree, collection of accurate information should follow to facilitate a more detailed conflict analysis. Here, information refers to not merely key conflict details. As a conflict encompasses key aspects of project procedures and details with parties concerned, merely having an understanding of key conflict details does not necessarily lead to an easy conflict resolution. Only when a trusting relationship, fair procedure, and agreement on key points are combined, conflict can be resolved and problems can be addressed. Therefore, accurate information collection on these three elements should proceed.

First, the kind of information to be collected should be determined. Such information includes “Who are the parties concerned?,” “What is the current status of conflict?,” “What are the key points claimed by respective parties?,” “What does one party think of the other party’s viewpoints?.” In order to collect such information, there are different types of methods, including direct observation by meeting with people involved and listening to their opinions or attending meetings or gatherings, an indirect method which utilizes such media as TV news, newspapers and magazines, and interviews conducted to collect opinions. Such collected information should be neatly summarized and analyzed by categories such as dates, venues, key issues, claimants, advocates, and opponents.

2.2. Strategy Formulation

In order to prevent unnecessary conflicts and to effectively manage

conflicts, it is imperative to come up with strategies. In some sense, conflict management itself can be regarded as a strategy. Strategies can be formulated prior to conflict analysis. There are various project topics which include how much focus should be placed on respective conflict parties, who are the partners who will assist the project implementer and what approaches needs to be employed to access them, how would a compensation system and criteria be established, which negotiation partners should be chosen, what agenda should be or should not be dealt with at the negotiation table, how should the media be utilized, how much concession should be made and what are the key issues that should not be conceded, what are possible conflicts that could occur in the course of policy execution, and whether countermeasures for the conflicts are available. Well-planned scenarios for such project topics should be available even at the envisioning stage of a project. In other words, all possible factors that could cause conflicts in the course of project implementation should be considered in advance. It is no exaggeration to say that the formulation of conflict management strategies determines the success of a project. In the case of the Cheonggyecheon Restoration Project, such activities were carried out by specialized research support groups in the areas of traffic issues, environment, urban development, historical and cultural aspects, and merchant issues from the planning stage to the project implementation stage. Appropriate ways to manage conflicts were explored, which included utilization of the Citizens' Committee and legal advisory group, PR activities through the media, and dialogue with merchant representatives.

Depending on whether good strategies are formulated, conflicts may not occur at all or even if a conflict arises, it can be eased or weakened. In general, strategy formulation requires the following steps (Carpenter and Kennedy, 1991).

2.2.1. Define Problems

How to resolve perceived conflict depends on how well a problem

is defined. In the case of the Cheonggyecheon Restoration Project, such problems as how to address traffic congestion and how to deal with inconveniences to business operation of the Cheonggyecheon merchants should be identified first. Only when such basic problems are well defined, more detailed problems can be identified.

2.2.2. Collect External Factors Affecting the Project

Preparations for external factors affecting the project should be made in advance. They should be carefully considered because it is possible to make such preparations. In the case of the Cheonggyecheon Restoration Project, external factors included whether important dates for the project and negotiation schedules are well aligned, whether project commencement date or external contract dates are already set according to the overall project progress, even though meetings with resident representatives should be given more priority, whether there are areas in violation of various legal procedures, whether human resources essential for the project are available, and if their cooperation in the project is secured.

2.2.3. Establish Conflict Management Goals

The goal of conflict management could be to eliminate or reduce conflict. However, the goals can be further differentiated such as promoting information exchange to eliminate mutual misunderstanding and establishing a concept on key issues. Conflict management goals could be to draw up practical and realistic alternatives or most generally to reach an agreement. As the Cheonggyecheon Restoration Project was a massive project, its goals were divided into separate project areas.

2.2.4. Select Meeting Structure

The types of meeting to be used could be from various meeting types

ranging from public hearings, advisory committee meetings, workshops, and official negotiation meetings. In the case of the Cheonggyecheon Restoration Project, various types of meeting were efficiently utilized depending on issues, which included public hearing sessions on several occasions, internal meetings of the Citizens' Committee, meetings between the Citizens' Committee and the Cheonggyecheon Restoration Project Headquarters, meetings between the Cheonggyecheon Restoration Project Headquarters and merchant representatives, and academic workshops organized by the Seoul Institute.

2.2.5. Establish a Step-By-Step Process

Conflict management process can be summarized as ① the selection of a process, ② staff training, ③ extraction of alternatives, and ④ reaching an agreement. However, the process may differ depending on conflict management goals and thus it should be established in a flexible manner. If the goal of conflict management is to extract practical alternatives, reaching an agreement would become an unnecessary process. In many cases as witnessed by the Cheonggyecheon Restoration Project, a major goal of conflict management is to make the project proceed smoothly by reaching an agreement, and thus it is important to establish such process.

2.2.6. Determine Who Would Participate

With respect to participants, the scope and types of participation should be decided. The participation scope is related to the issue of representation and the number of participants, as well as the amount of time and effort to be expended during future negotiations. Therefore, a decision should be made in a prudent manner. Concerning participation types and representation, in the case of the Cheonggyecheon Restoration Project, although all leading civic groups did not participate in dialogue with the Citizens' Committee, the issue of representation was not discussed as a serious issue. All related interest groups did not necessarily become participants as some could believe

that civic groups should remain outside to keep the government in check. However, it is essential to carefully contemplate on who the interested parties are and whether groups are excluded from dialogue and negotiation.

2.2.7. Define the Roles of Participants

Once the scope of participants is determined, the roles of respective participants should be identified. It should be decided what roles respective participants can play in dialogue and negotiation and what roles the participants take responsibility for to facilitate the smooth proceeding of a project. Roles include an idea presenter who can propose alternatives, issues, and ideas (Professor ROH Su-hong), an influential figure who has a good reputation can earn respect and trust of others and can induce people to unify their opinions (novelist PAK Kyong-ni), a role of a sponsor (Cheonggyecheon Revival Research Group), a facilitator who facilitates in smooth proceeding of a process such as meetings and negotiation (Seoul Mayor), a role as a meeting minute recorder who keeps records to prevent omission of information or misunderstanding (Cheonggyecheon Restoration Project Headquarters), an expert in charge of technical matters (BEAK Yong-ho, Director of the Seoul Institute and HWANG Keeyeon, Head of the Cheonggyecheon Restoration Support Research Group), a role that supports a reasonable system to ensure smooth proceeding of negotiation (Citizens' Committee), and a role as observers (media and civic groups). As the Cheonggyecheon Restoration Project was a large-scale project, such respective roles were divided in a relatively detailed fashion and those who assumed such roles faithfully fulfilled their roles.

2.2.8. Establish Detailed Plans on Other Processes

Detailed plans on meeting or negotiation schedules and duration, meeting venues, expenses, and media relations should be established in advance.

2.3. Strategy Execution

The final stage is strategy execution. The value of strategy is realized only when it is executed. A well-formulated strategy can become successful only when it is executed in a technically-satisfactory manner. Implementation of programs refer to deciding detailed and elaborate methods for problem resolution within the principles and standards established at the strategy formulation stage and includes the selection of processes, persuasion and training of parties concerned, and development of alternatives.

What should be noted at the implementation stage is that general principles and criteria determined at the higher level should not be altered, even though details may be modified. If the principles and standards are altered, it is highly likely the negotiation and dialogue will break down. As indicated by the case study of the Cheonggyecheon Restoration Project, those who dealt with the merchants ranged from low-ranking officials to the mayor presented consistent principles and implemented them. Strategy execution also refers to faithful fulfillment of mutually agreed points. If agreement has been reached through various processes and dialogue, it should be implemented without fail.

In Korean conflict management, it is extremely rare to find a reasonable decision-making process to reach an agreement. Another aspect requiring improvement is that alternatives selected through a decision-making process are not respected. In some cases, chosen alternatives are not respected because they did not go through a reasonable decision-making process. However, if an alternative was chosen through consent of the majority, accepting the alternative despite minor areas of dissatisfaction is the principle of a democratic society. Therefore, it is necessary for Korean society to cultivate a mature civic society who will accept the results without sticking to the process and adapting one's position to the result.

The Seoul Metropolitan Government presented countermeasures on business operation and relocation by collecting opinions of local residents. However, some of the merchants opposed them, citing the lack of direct

compensation for damage to their businesses. Opposing merchants shaved their heads in protest and took to streets, while illegal street vendors staged violent demonstrations. There was no way for the city government to strike a deal with merchants who turned their back on the official negotiation table, while calling for their business interests and rights to survival which were impossible to officially quantify. The merchants resorted to deep-rooted wrongful behaviors by following the previous courses of action to express their opinions. In addition, there is no policy that can satisfy all the interests of respective individuals. However, the two parties set a negotiation deadline and started to negotiate realistic alternatives rather than rhetorical confrontation, which allowed the project to enter the implementation phase.

What needs to be noted here is that the Seoul Metropolitan Government already predicted almost all of these phenomena and came up with countermeasures. One of the strategies employed by the city government was to conduct ongoing monitoring through the analysis of media trends (LAH Tae Joon, 2004). Seoul analyzed media coverage of the restoration in newspapers and TV broadcasting from the project planning stage and used the results as indicators for project implementation. Such meticulous planning and implementation served as a driving force behind the success of the project.

3. Conclusion

In recent years, the number of large-scale public projects ambitiously launched with tremendous budgets, which then experienced difficulties or were ultimately withdrawn in the project implementation process, such as the Buan Nuclear Waste Facility Project and the Saemangeum Reclamation Project, have been on the rise in Korea. Given the numerous unresolved conflicts in the course of pressing ahead with projects led by the central government, conflicts between local governments or between a local government and the private sector would be even more serious. Conflicts

between the government and the private sector or between entities of the private sector are continuously taking place even now and there are increasing numbers of conflicts which go awry, failing to find solutions and making it difficult to quantify material losses of stakeholders. Such losses would lead to the generation of social cost, which should be ultimately shouldered by the state. This would, in turn, lead to weakened national competitiveness.

As certain types of conflicts repeatedly take place and the level of conflicts is gradually becoming higher, conflict management is gradually drawing attention in Korean society. At present, there is neither a state-level conflict resolution mechanism nor a specialized body for conflict resolution. Although respective government agencies are in charge of dispute mediation, they have an extremely weak impact. In addition, social conditions for conflict management are extremely immature due to rampant not-in-my-backyard amid the spread of collective selfishness, excessive involvement of specific civic groups in policy-making process, and a lack of strategies for government projects. It is fortunate that research on conflict resolution mechanisms in Korea has been gradually conducted in recent years.

Successful conflict resolution as shown by the Cheonggyecheon Restoration Project at the time of increased awareness of conflict management has significant implications for Korean society as a whole. The case study of said project offers a lesson that can be useful not only for policy-makers who plan large-scale public projects and government officials in charge of project execution, but also for all people who are potential conflict parties. In addition, it is imperative to conduct ongoing research on conflict management, to offer conflict management education and training, to foster experts and to take institutional approach at a national level such as enactment of a basic legislative act, establishment of a specialized conflict management body, and review.

Policy can be implemented in reality only when power and ideas are combined. If the conceptual idea of the Cheonggyecheon restoration had not been met with a leader with outstanding city administration capabilities, it would have taken decades to complete or would have been permanently

abandoned. On the other hand, even though there had been a policy-making authority, if there were no ideas available, the restoration policy would not have existed. The Cheonggyecheon Restoration Project is a lucky, attractive project in which these two elements have been combined. This lucky project has been made possible by identifying conflict factors in advance from planning to execution stages and with the appropriate responses. Through such effort, the Cheonggyecheon Restoration Project, which involved demolition of a highway penetrating downtown Seoul and reviving a stream, was implemented in an efficient and economical fashion.

Now, assessment on the true value of this unprecedented project lies in the hands of future generations who will enjoy walking along the restored Cheonggye Stream.

Cheonggyecheon Restoration Project: Conflict Management Strategies

The Korea Transport Institute (KOTI) is a comprehensive research institute specializing in national transport policies. As such, it has carried out numerous studies on transport policies and technologies for the Korean government.

Based on this experience and related expertise, KOTI has launched a research and publication series entitled “Knowledge Sharing Report: Korea’s Best Practices in the Transport Sector.” The project is designed to share with developing countries lessons learned and implications experienced by Korea in implementing its transport policies. The 22th output of this project deals with the theme of “Cheonggyecheon Restoration Project: Conflict Management Strategies.”



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