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A Study on Urban Economy and Sub-Culture in the Urban Area
- A Case Study on Itaewon -

도시 내 하위문화와 지역경제에 대한 연구
- 이태원을 중심으로 -

2018년 8월

서울대학교 환경대학원
환경계획학과 도시 및 지역계획 전공
이 보람
도시 내 하위문화와 지역경제에 대한 연구
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이 논문을 도시계획학 석사 학위논문으로 제출함
2018년 8월

서울대학교 환경대학원
환경계획학과 도시 및 지역계획 전공
이 보람

이보람의 도시계획학 석사 학위논문을 인준함
2018년 8월

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위원 김경민
A B S T R A C T

The purchasing power of sexual minorities has continuously increased, creating what has been deemed a “dream market” due to its potential market size. The increase in sexual minorities’ consumer power indicates the community’s growing influence and potential to continue this trend. Particularly, Itaewon, a multi-cultural neighborhood in Seoul, has experienced a growing number of gay (-run and owned) bars, restaurants, and clubs since the late 90s, developing a pink economy.

This paper offers social and economic perspectives on the gay district in Itaewon as a case study by analyzing the space and development of Gay Hill. The major objectives of the research is as follows: ① examining the characteristics of the gay district, ② investigating how the gay population takes a lead in the community, influencing nearby businesses and the neighborhood as a whole, and ③ analyzing how the pink economy emerges in Itaewon and takes spaces, accompanying the gentrification process as a result.

Through a literature review, archives of historical and current newspapers and publications, spatial analysis through GIS, in-depth interviews, and ethnographical observations, this study explores the meaning, characteristics, and occurrences of the gay district in Seoul. This analysis suggests that the pink economy on Gay Hill has provided psychological stability and comfort to the gay population. Moreover, unlike gay districts in other countries, Gay Hill has developed based on commercial activities, rather than residential; in other words, gay agglomerations of commercial activities with a “hip” atmosphere attract people and consequently, contribute to the urban economy through the pink economy. The boundaries of gay culture steadily being transgressed with the mainstream and pink economy is thus in its nurturing stage. At the same time, the gay community is threatened by decreasing tolerance and businesses due to more heterosexuals arriving with the second wave of gentrification, but it is more affected by the slow reduction of gay population visiting Itaewon.
Though the pink economy is growing, the public remains unwelcoming of sexual minorities in South Korea – and quantitative methodologies on this segment of the population based on statistics and data are limited. However, this research is meaningful as the study on the role of the gay community in commercialized urban areas and on the pink economy has not been conducted in South Korea. As society begins to accept the identity of sexual minorities and as their economic power increases, there is even a greater need for understanding the complex relationship between sexual minorities and urban space.

Keywords : Pink Economy, Gay District, Gay Hill, Gaytrification, Itaewon, Subculture
Student Number : 2016-24811
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I. Introduction

1. Background and Objective

1) Background

Back in 1991, Wall Street Journal once put LGBT (Lesbian, Gay, Bisexual and Transgender) market as a “dream market,” because of its potential market size.¹ Likewise, the purchasing power of sexual minorities has continuously increased, and it rose to $917 billion in 2015, according to Bloomberg.²

Figure 1. Purchasing Power of LGBT from 2012 to 2015

Considering the fact that total U.S. disposable income was $13.5 trillion in 2015, its buying power comprised about 7% – the increase in the consumer power indicates the community’s growing influence and potential to continue this trend. Globally, purchasing power of sexual minorities is estimated $3 trillion, and nearly 70 million people compose Chinese LGBT community.³ Global companies have recognized this

³ Campbell, Charlie. “How China’s Pink Economy is Leading the Country’s Battle for LGBT Rights”.
economy in the pink, indicating the spending power of sexual minorities.

Particularly, Itaewon, a multi-cultural neighborhood in Seoul, has experienced a growing number of gay (-run and owned) bars, restaurants, and clubs since the late 90s, developing a pink economy. Though general awareness of sexual minorities in Korea is still very low, sexual minorities, especially gay community, has been visible in Itaewon, where has been a “foreigners’ area,” embracing diversity regardless of sexual orientation along with Jongro in Seoul. Gay subculture businesses moved from the fringes to the mainstream of Itaewon culture – the boundaries of gay culture steadily being transgressed with the mainstream and pink economy in Itaewon is growing.

2) Purpose

The study of sexual minorities has been developed within the fields of sociology and geography. It has been largely conducted in the United States and European countries, and analyzes the relationship between certain spaces and the gay community (Weightman, 1981; Collins, 2004; Lee, 2007). On the other hand, the study of sexual minorities in South Korea is limited and excluded from academic fields because of its subject matter. Among the various socially disadvantaged groups, studies of sexual minorities are still not conducted. Although there are research of the formation of gay space (Lee, 2007; Han, 2013), they merely discuss the importance and impact of its space.

While people have been indifferent about homosexuality, sexual minorities have created the spaces for themselves for psychological stability and comfort. These spaces of sub-culture, however, influence not only its nearby businesses, but also its neighborhood as a whole.

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4 According to the Organization for Economic Cooperation and Development (OECD), Korea places 31st among 35 countries on the acceptance of homosexuality.
Particularly, in Itaewon, the gay community has invaded the spaces with bars and restaurants since the late 90s. The popular gay space, called Gay Hill, offers social and economic opportunities to sexual minorities; therefore, gay spaces provide not only a sense of belonging, but also contribute to urban economy through the pink economy.

Furthermore, gentrification is a phenomenon that has occurred not only in foreign cities, such as London and New York, but also in Seoul. In fact, recently, there has been a steady report about the gaytrification in Jongro as it is exposed on social media and becoming popular places for mainstreams.

Major objectives of the research are:

(1) What are the characteristics of the gay district?
It provides the background and development of gay districts. The gay district is found to consist a cluster of gay businesses, including bars and restaurants, while gay districts in other cities often create “gay village,” or “gayborhood,” which consist of both gay businesses and residents. This comparison reveals that a different type of gay space is created in Seoul.

(2) How did the gay population take a lead in the community?
The development of gay culture in Itaewon began with gay bars and nightclubs. While Itaewon once was neglected fringe of a downtown area, gay opened bars and restaurants and helped to pave the way for the commercial district’s revitalization. Many restaurants in Itaewon is not only for gay, but also for straights owned by or run by gay, and Gay Hill even becomes a tourist attraction.

(3) How pink economy emerges in Itaewon and takes spaces, accompanying the gentrification process as a result (gaytrification)?
Prior studies indicate that gay shape a small cluster with gay-oriented businesses, and become a gentrifier in the district. While doing so, gay population take practices of enclave economy. According to Branchik’s
model of the pink economy, gay market ultimately integrate with mainstream. Moreover, as gay community is integrated with heterosexual and thus the pink economy expands, gay community is gentrified (Ruting 2008). This research will study the mechanism of the pink economy occurring in Itaewon, and examine whether it results gaytrification.

2. Research Scope

The spatial extent of the study is limited to Itaewon, Seoul, particularly on certain gay area, called Gay Hill. Itaewon can be divided into four different areas (Haebangchon, Gyunglidan Street, Itaewon Main Street, and Hangangjin), and among these four areas, this research focuses on the gay districts, where famous for the gay district in Seoul.

Figure 2. Itaewon

The content of this research aims at the gay’s commercial activities, such as restaurants, shops, and bars. Businesses targeting gay community have expanded and consequently create an environment in which their culture can be thrived. It can be divided into two categories: businesses for gay, and businesses run by gay.
3. Methodology

Methodology includes review on theoretical background and archives of historical and current newspapers and publication, analysis on space, in-depth interview, and field studies.

This research revisits the previous theories related to sexual minorities explained in various literature publications. Because this research focuses on the minority and its space, it first studies the concept of enclaves and ghetto. In terms of minority commercialization with a broader perspective, it then explores ethnic economy, enclave economy, and pink economy. Then, it defines the meaning and the characteristics of gay districts, examines gay-led gentrification, and researches on gay districts in Seoul. A comprehensive review of Itaewon is also studied for the historical as well as social exploration of the space.

Using archives of historical and current newspapers and publications, the development of gay district in Seoul can be analyzed. For example, commercial activities, such as the changes in locations of gay bars and the expansion of the gay market are found. Newspaper also reveals the characteristics of space – news articles, columns, and editorial, containing ‘gay,’ ‘Itaewon,’ is searched from January 2000 until March 2018 and scrutinize to answer how acceptance of gay changes throughout time, and how the space has developed. The collected data explains the characteristics of Itaewon to demonstrate how Gay Hill has emerged in as a gay area. Visual analysis through GIS will help to understand its formation and growth process.

Because of its subject matter, it is difficult to gather numbers and apply statistical methods. Therefore, in-depth interviews on both gay and non-gay actors are crucial. Interview with the managers of bars, gay visiting the place,

---

5 According to prior studies, the gay community has started from Jongro, and expanded to Itaewon since the late 1990s and the early 2000s, when the subway was opened.
non-gay, and field studies are conducted to supplement and extend the knowledge that cannot be covered through quantitative data.

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Sex</th>
<th>Sexual Orientation</th>
<th>Industry / Job</th>
<th>Relationship with Itaewon</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hur</td>
<td>M</td>
<td>Gay</td>
<td>Student</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Lee</td>
<td>M</td>
<td>Gay</td>
<td>Freelancer</td>
<td>Activist Living in Itaewon</td>
</tr>
<tr>
<td>3</td>
<td>Choi</td>
<td>F</td>
<td>Artist</td>
<td>Living Nearby</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Shin</td>
<td>M</td>
<td>Student</td>
<td>Living in Itaewon for more than 20 years</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Cho</td>
<td>M</td>
<td>Café / Owner</td>
<td>Been 1 years Located in Gyunglidan Street</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Kwon</td>
<td>M</td>
<td>Bar / Owner</td>
<td>Been 2 years Located in Hangangjin</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Kim</td>
<td>M</td>
<td>Gay</td>
<td>Student</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Lee</td>
<td>M</td>
<td>Shop Owner</td>
<td>Been 10 years Located in Gyunglidan Street</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Kim</td>
<td>M</td>
<td>Gay</td>
<td>Hair Salon Owner Located in Noksapyung</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Lee</td>
<td>F</td>
<td>Employee</td>
<td>Located in Noksapyung</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Lim</td>
<td>M</td>
<td>Gay</td>
<td>Club Owner Operated clubs in Gay Hill</td>
<td></td>
</tr>
</tbody>
</table>

Ethnographical observations is made in the field study. For whom may not able to have in-depth interview, written interviews via e-mail or interviews via other media that can be found online are supplemented. Collectively, these qualitative approaches will thoroughly reflect the social and cultural aspects of its space.

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6 This interview was conducted through the magazine called Chingusai in July, 2016. He passed away in April, 2017 (https://chingusai.net/xj/newsletter/477856?category=529929).
4. The Framework of Thesis

This study seeks for the role of gay community in commercialized urban area. As the society begins to accept its identity and its economy power increases, it is crucial to acknowledge their influence in the space. Therefore, this study analyzes the well-known gay district in Seoul, named Gay Hill, to examine its development, role of gay community, economic structure, and impact, which can be also found in other minority areas.

The research is organized as follows. The background and purpose is stated in the introduction. The research scope and methodology is also included. A case-study approach is adopted to conduct exploratory study and to have a deeper insight into the gay community that cannot be read. Chapter II covers theoretical background and literature review. Because there are terms containing similar meaning, terminology is reviewed to avoid confusion. Former studies on ethnic and enclave economy, development of gay district, pink economy, and gay-led gentrification are covered to acknowledge preceding phenomenon in different areas. Moreover, research on Itaewon is conducted to explore the development and history of its site and link to current phenomenon occurring in Itaewon. Chapter III begins with the overview of gay districts in Seoul. Among them, this research focuses on one specific district, Gay Hill in Itaewon. Thorough examination is performed to understand historical development of the district, its characteristics, and classification of gay commerce. The response of interviews is reported in this part as well. Chapter IV reveals the findings based on the literature review, newspaper archives, space analysis, interview, and field study. It explains the neighborhood characteristics and role of gay community in the gay district. Also, it shows how the gay emerged as a new actor, and whether they have practiced pink economy. The last chapter concludes the research by providing its implication and limitation of the research.
II. Theoretical Background

Literature review includes studies related to the minority spaces, such as enclaves and ghetto, and the economy developed from their spaces, including ethnic economy, enclave economy, and pink economy. To offer social and economic perspectives on the gay district, analyzing the mechanism of spatial development within a specific location for the particular group and businesses is crucial in this study. Moreover, not only does an ethnic or economic factors shape the communities, but also sub-culture create communities in Korea. Subsequently, it reviews the theories on the formation and development of gay districts. In end, case studies on gay districts in Seoul are reviewed.

1. Enclave and Ghetto

Studies on enclaves can be categorized by ① a study on geographical point of views focusing on the spatial characteristics and distribution of enclaves at a macro-level, ② a study on the relationship between the development and the migration, and ③ a case study of the ethnic communities. Similarly, many studies tackle minority spaces of ethnic enclaves, ethnic community, and ethnic clusters. Depending on the subjects and focus on the studies, it is often used as immigrant enclaves as well.

Knox and Pinch (2010) describes that spatial segregation as well as congregation is determined by the interplay of discrimination, fabric effects, and the degree of internal group cohesion –the phenomenon of spatial expression of minority groups\(^7\) can be classified into colony, enclave, and ghetto. Both enclaves and ghettos are long lasting cluster, where ‘enclaves’ are formed through internal cohesion as a major force, while ‘ghettos’ are dominantly formed by external factors. Moreover, they present the process of assimilation, which can be found in the spatial segregation of minority groups.

\(^7\) They describe that ‘minority group’ is characterized by race, religion language, and nationality and cultural characteristics.
It is crucial to understand that assimilation is simply not the absorption of culture, but creation of new hybrid forms of cultures of both mainstream and minority. Two causes of assimilation include ① external factors, including group attitudes, institutional discrimination, and structural effects, and ② internal group cohesiveness.

Logan et al. (2002) also suggests the difference between ethnic enclaves and ghettos that ethnic enclaves embrace immigrant groups with higher levels of human financial capital than surrounding areas, and even applies the term ‘ethnic community’ to refer to ethnic neighborhoods that provide wider market businesses. On the other hand, they interpret ghetto as areas for the excluded groups regardless of their personal resources and preferences.

Park et al. (2009) illustrates ethnic places as four types based on the function and meaning: ① a socio-space, ② an integrated district for the lower urban classes, ③ a place of identity, and ④ commercialized space. Particularly, a socio-space is resulted from the product of a living social relationship that is organized and changed by the various forces of social relations – it can be understood that sexual minorities are evolved in the spaces in which they interact. Besides, it can be seen as a ‘place of identity’ where they form a sense of place attachment and dependence. Park et al. (2009) also witness three main aspects that build ethnic spaces. First, relatively low cultural and economic entry barriers due to historical or certain conditions draw foreigners. Second, geographical factors, such as closeness with industrial complex for foreigners work, accordingly lead the residential space, expanding their networks. Lastly, areas with inexpensive but have convenient transportation system, affect the creation.

![Figure 3. Development Phase of Ethnic Minorities (Park et al., 2009)](Image-url)
Abrahamson (1996) identifies ethnic enclave plays an important role by easing the psychological impact of environmental changes, giving them an alternative economic structure, and promoting cultural heritage, and similarly, Marcuse (1997) portrays such ethnic communities as areas with a particular population group, self-defined by ethnicity, religion, or others and gathered as a means of enhancing their economic, social, political and cultural development. Lately, Murray (2011) studies an area in Toronto as an ethnic community for gay.

Depending on the scope and characteristics of the studies, spaces for enclaves can be identified by the name associated with a country or culture. For example, gay enclaves have been identified in much of the literature and a ‘ghetto’ is used more often in addressing their spaces (Lauria and Knopp, 1985; Levine, 1979).

The geographical studies of sexual minorities have been discussed in the West, with Levine (1979) investigating “gay ghetto.” Levine (1979) explores the meaning of “ghetto” as an area with a minority group, and uses the term ‘gay ghetto’ as having four characteristics – a concentration of gay institutions, a conspicuous and locally dominant gay culture, social isolation, a residential population in gay. In fact, Levine (1979) determines ‘gay ghetto’ where contains high concentration of gay institutions and cruising places within the concentrated areas. Sibalis (2004) also describes through the term, “gay ghetto,” whereas Collins (2004) defines the term “gay village” as a geographical area with a visible clustering of gay businesses and community.

Similarly, Weightman (1981) distinguishes spaces based on the spatial characteristics: “gay community,” “gay region,” “gay neighborhoods,” and “gay action and activity spaces.” According to Weightman (1981), the “gay community” does not necessarily mean the traditional sociological idea in that it lacks a broad definable territorial base sharing organizations with a residential population. It simply refers a group of people, having a sense of togetherness, and includes times, space, interaction and relationship. Gay community is particularly involved in gay bars, which are apparent in the gay
landscape. “Gay region” is “voluntary region,” or large clusters dominated by gay, and some resorts, where have become predominantly gay, can be considered as this type of space. Places where houses large male homosexual populations and commercial institutions can be called “gay neighborhoods,” while “gay action and activity spaces” are greatly incorporated with gay bars and cruising areas along with communication channels.

<table>
<thead>
<tr>
<th>Terminology</th>
<th>Definition</th>
<th>Reference</th>
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<tr>
<td></td>
<td>Neighborhoods housing large numbers of homosexual men and women as well as gathering people where homosexual behavior is generally accepted – specifically, neighborhoods that satisfying three requisites: high concentration of gay location, socially isolated, and residential concentration</td>
<td>Levine (1979)</td>
</tr>
<tr>
<td>Gay Village</td>
<td>Gay agglomeration describing a visible physical clustering of gay enterprises and community within a city</td>
<td>Collins (2004)</td>
</tr>
<tr>
<td>Gay Community</td>
<td>Includes time, space, interaction and relationships, knowledge of straight world, and experiential dimensions of the gay world – should have gay institutions, such as bars and theatres</td>
<td>Weightman (1981)</td>
</tr>
<tr>
<td>Gay Region</td>
<td>Gay should dominate a particular place</td>
<td>Weightman (1981)</td>
</tr>
<tr>
<td>Gay Neighborhood</td>
<td>Where resides residential clustering and commercial institutions</td>
<td>Weightman (1981)</td>
</tr>
</tbody>
</table>

In this way, it is applicable to address ghettos as an urban gay enclave. It can be approached through the macroscopic way on the formation of ethnic

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8 Wilbur Zelinsky addresses “voluntary regions” as regions where people join together based on their common interests and sentiments.
enclaves, whereas it can be also tackled with the microscopic perspective on the formation of certain minority communities. Nonetheless, among a variety of terms from “gay ghetto” to “gay village,” this study is intended to be expressed in terms of “gay district,” an area for gay, where gay establishments, such as gay bars and clubs, locate and shares social and psychological sentiments.

2. Ethnic Economy and Enclave Economy

In terms of the economic phenomenon integrated with cultural component in a broader perspective, this study approaches ‘ethnic economy’ and ‘enclave economy.’

The concept of ‘ethnic economy’ includes all type of immigrants and employees of ethnic minorities, theoretically developed by sociologists (Light, 1972). Light and Karageorgis (1994) explains that ethnic economy embraces businesses owned by or run by members of ethnic groups or minorities, regardless of its size, types, and spatial location. It has no relevance to the intensity of ethnic cohesion, and from this point of view, it can be also considered that sexual minorities have its own ethnic economy.

Enclave economy is a type of ethnic economy based on their ethnic and location; not all ethnic economy is considered enclave economy. In the early conceptualization theory by Portes and Bach (1985), enclave economy was idea based on structural and cultural factors. It emphasizes the structure of minority groups in labor markets, which can offer opportunities to their members. This unique type of ethnic economy consists of a wide range of economic activities from small businesses to trade and commerce (Portes and Zhou, 1992).

Unlike ethnic economy that generally encompasses most of businesses, enclave economy characterizes four aspects. First, enclave economy is composed
entrepreneurs from various classes. Second, economic activities not limited to commercial activities, but also productive activities for general consumers. Third, types of start-up is diversified – it is not limited to niche markets that are neglected by the mainstream, but also encompasses a variety of economic activities seen in the general economy, such as professional services and production. Last but not least, enclave economy demands strong cohesion in a community and recognition as particular population because early stage of enclave economy requires resources, such as labor supply, information and reputation within the same population (Portes and Manning, 1986).

The strong cohesion as well as trust among group members is essential for the development enclave economy. Bounded by identifiable ethnic community, the importance of this economy is not to provide a shelter, but to provide economic alternatives in the society. Therefore, the pink economy can be looked at by applying the concept of ethnic as well as enclave economy.

In fact, the idea of the pink economy can be referred from ‘business niches’ of Zhou (2004), which usually appears in the minority group areas, including ghettos. They start small businesses that have been abandoned from the mainstream service sectors. However, they have moved into mainstream business services, and even expanded into secondary sectors. In a way, it has similar process of development of the pink economy.

3. Pink Economy (Pink Dollars and Pink Pounds)

As a means of survival and self-defense, it has developed from ethnic and enclave economy – and a nascent pink economy is introduced.

Pink dollar or pink pound indicates the spending power of LGBT community, and the relationship between its consumers and the market is referred to the pink economy.9 Its consumption was marginal, but with the rise of gay

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liberation and public visibility, it has grown in certain neighborhoods, in many
gay districts worldwide. Started with bars and nightclubs, it extends to
magazines and even tourism (Boyd, 2011).

Branchik (2002) categorizes the development of American gay market in three
historical phases: the underground phase, the community-building phase, and
the mainstream phase. Three segments are differ by historical drivers and
activities of buyers and sellers.

The underground phase (pre-1941) characterizes the period when gay migrate
into cities, forming relationship with others. Gay buyers shape shopping
patterns based on convenience and location in the cities while self-revealing.
Sellers are unaware of its target except few sex-oriented bars. The market
remains marginal, but service businesses begin growing. Second phase is called
community building (1941-1970) that the changes in legal and social
conditions help to create gay-friendly environment. Gay consumers create self-
identified commercial neighborhoods, and gay-owned businesses, such as bars
and nightclubs, begin to expose in the urban areas. Mainstream phase (1970-
present) is associated with increased social acceptance of gay that mainstream
consumer integrate into the economy. Companies acknowledge the size and the
desirability of the gay market, and soon began advertising targeted the gay –
for example, Absolut vodka first appeared in The Advocate, a popular
magazine of the time; Ikea featured a gay couple shopping in its advertisement.
Number of resort towns competed to attract gay vacationers in the 1970s and
straight customers also began to visit gay-oriented spaces.

Besides, gay commerce had been evolving to include new services and new consumption practices that closely correspond to the lifestyles. Binnie and Skeggs (2004) confirms Manchester’s gay village attracts straight women to consumer with its difference.

Giraud (2012) indicates that gay business is no longer limited to bars and clubs, but expands to everyday service, including specialist bookshops and hairdressing and beauty salons. These consumption practices demonstrate an expansion of pink economy.

4. The Development of Gay Districts

Many studies illustrate that many gay district has developed with cultural businesses (Sibalis, 2004; Binnie and Skeggs 2004; Boyd, 2011; Winkle, 2015).

Sibalis (2004) simply demonstrates the factors building the gay ghetto in Marais, including a physically attractive historical site, governmental urban planning programs, low rents, growth of pink economy as well as
entrepreneurship, and location itself.

Collins (2004), on the other hand, explicitly examines this ‘new economic geography’ with historical, social, and political economic and postulates the stages of development. He discovers that gay village in England had emerged as the areas in decline became a venue for sexually and legally excluded activities, and soon commercializes with gay related enterprises. He classifies the development stages of the gay villages in London in the late 20th century based on the empirical findings. First stage named ‘pre-conditions’ is characterized by a small cluster of gay residents or gay enterprises, including bars, with low property prices and rental values. The area shows physical urban decay and is also filled with the sex-related industry. Second stage called ‘emergence’ features gradual increase in a number of gay-oriented businesses. Nearby spaces are renovated and converted to ‘gay-run’ pubs. The area attracts more gay customers. Third stage, ‘expansion and diversification,’ appears when gay-focused businesses widen and emerge in close proximity. Gay service-sector not just includes bars and restaurants, but expands to gay health clubs and retail stores. Gay commercials earn increasing returns to scale from visiting gay. The density of gay household in the region also increases. Final stage called ‘integration’ attracts new commercials targeted both gay and heterosexual customers. This “secondary growth” for fashionable young people or mainstream society, invites service providers, and ultimately increase property prices and rentals. It often sustains revenue streams of gay businesses, but displacement of early gay residential colonizers are found.

[Diagram of stages of development]

Figure 5. Stages of the Development (Collins, 2004)
Ruting (2008) revisits Collins’ model to examine recent changes in Sydney, Australia, and introduces more stages. He establishes the stage that “cosmopolitan” or “bohemian” demand are generated between Collins’ third and fourth stage. As streetscape gradually improves, the district would perceived as “cosmopolitan” or “bohemian,” first to non-gay before actually integrating with mainstream. Then, this perception would bring mainstream to be assimilated. Second, he develops additional stages of ‘decline’ and ‘colonization’ at the end of the model. After Collins’ ‘integration’ stage, some gay residents and service providers can be relocated and this would result unattractive area as it was before. Furthermore, mainstream of heterosexual market can colonize the area.

Figure 6. Stages of the Development (Ruting, 2008)

5. Gay Gentrification (Gaytrification)

Gay gentrification, also known as gaytrification, refers to gentrification specifically involving with gay populations (Ruting, 2008; Giraud, 2012; Christafore and Leguizamon, 2017). Earlier studies focuses on the role of gay in the communities and its specific social relations in spaces (Castell, 1983; Lauria and Knopp, 1985; Knopp, 1990; Lees, 1990). For example, Castell indicates that the presence of gay had affected the real estate in San Francisco in the late 20th century.

Moreover, Lauria and Knopp (1985) emphasizes the specific role of gay and the “spatial responses” to gay communities, and Knopp (1990) further observes
gay as the key actors of the community. Knopp (1990) finds out that the most active in the development of the gay community were gay speculators and develops, while the most resistant were gay neighborhood activists. This surprising result signifies that the class who treat the land as an economic asset can be promoted by forming a multicultural and cross-class alliance with the gay community in some urban land market. Besides, the local gay community became stratified based on class interest. Lees (1990) continues the relationship between “marginal groups” of race as well as gender and gentrification.

The literature focusing on gay gentrification parts into two discussions based on the perception of whom the gentrifier. The first pertains gay as gentrifier – Clay (1979) has identified the role of gay as “incumbent upgrading,” and some suggest gay population holds a possible position to become gentrifier (Lauria and Knopp, 1985).

Similarly, Giraud (2012) reveals the involvement of gay in gentrification process by comparing two gay districts in Paris and Montreal. It argues that gay men bring “hip” atmosphere to commercial activities and inevitably lead local gentrification, but the degrees are varied. Paris shows “marginal” gentrification, because gay is found in certain streets so that gay cannot be the only gentrifier of the area. On the other hand, because Montreal employs restrict urban zoning and highlights the idea of “community,” the gentrification occurred later. Particularly, the emphasis on “community” leads gay as a social resource and thus creates better relationships.

Recent research of Christafore and Leguizamon (2017) discovers that 1 percentage point increase in the number of same sex coupled household causes about 2-3% increase in the probability of gentrification by using census tract-level data from 30 largest metropolitan in the United States. Although this study focuses on residential gentrification, it is meaningful that it connects the presence of gay and probability of gentrification, and implies gay population as a driver of gentrification.
On the contrary, some argue that sexual minorities ultimately become victims and is likely to be displaced (Bell and Binnie, 2004; Binnie, 2004; Ruting, 2008; Boyd, 2011; Doan and Higgins, 2011). In fact, Bell and Binnie (2004) indicate that this process of gentrification as "colonization by trendy straights." They stress its long-term (negative) effects when gay commercial spaces are continuously moved out.

Boyd (2011) recapitulates the gentrification through the case of Castro in San Francisco, where once was neglected Irish-Catholic neighborhood but grow into the renowned gay district. Documents from the archive describes that in the 1960s, several gay white-collar moved into the Castro for cheap housing and opened shops and restaurants along the street. Harvey Milk, managing a small shop along Castro Street and elected as city supervisor, organized the Castro Street Fair to vitalize the Castro’s business community, and supported trade unions and small business associations. As a gay politician, he fought for their space, and created an economic niche for gay. Since 1970, the number of new restaurants open in the Castro exceeded its former number of restaurants and destination eaters appeared. The rent price had risen from $300 per month to $1,200 per month – local shops are replaced by high-end merchandise stores. Milk supported two bills to reduce threats of displacement of gay community: 1) a ban on the change of residential into upper-level commercial and professional office on Castro Street, 2) a moratorium on new restaurants and bar in the district.

Doan and Higgins (2011) also examines the consequences of gentrification for the LGBT community in Atlanta, including the disappearance of commercial spaces for LGBT. They further question the role of LGBT businesses and community organizations to preserve their neighborhoods. In addition, Sibalis (2004) evidences financial pressures push the gay in Marais into other neighborhoods, referring to the situation “in crisis.”

One of the factor involves gaytrification is the role of gay population, or “gay index.” As postulated by Florida, "to some extent, homosexuality represents
the last frontier of diversity in our society, and thus a place that welcomes the gay community welcomes all kinds of people,” a “gay index” measures diversity and tolerance (Florida, 2002). He, indeed, speculates that gay is positively associated with the creative class, in which gay is concentrated where hi-tech industries are located. In other words, as the discussion of the creative class, including sexual minorities, focuses on the possibilities to advance the cities, the process of gentrification is occurred in their areas.

Subsequently, Florida and Mellander (2010) argues that gay along with bohemian and artistic populations lead a second premium – a tolerance or open culture premium that makes local resources more productive. Four reasons include: ① low barriers low human capital entry barriers, which makes attract a broad range of people easy, ② efficient ways of spread new ideas and knowledge through networks, ③ reflection on regional values, such as characteristics and risk tolerance, and ④ independent mobilization in resources and tendency to create new organizations and firms. With Metropolitan Statistical Area (MSA) Level data and the use of OLS models, Florida and Mellander (2010) finds out Bohemian-Gay Index correlates to housing values, and the presence of gays as well as lesbians act as a signal of tolerance.

However, recent study of Mattson (2015) asserts that not all gay spaces in the same area are associated with gentrification, but rather depends on the place making styles and geographic deployment by illustrating three nearby streets in San Francisco.


Studies on gay districts in Seoul mainly examine two districts: Itaewon and Jongro. While research conducted on Itaewon largely discuss its characteristics as multi-cultural and commercialized space, research investigated Jongro analyze its historical importance and governance in the community (Choi,
Kim (2004) describes Itaewon as an “alien space” in the transnational globalization era and hints the formation of new groups as well as networks using resources of the area. She also proposes that Itaewon as well as Jongro “re-create” the gay culture. Similarly, Han (2013) suggest sexual minorities, specifically gay population, have created the cultural territory for themselves in Itaewon.

Lee (2007) also suggests that Itaewon has an important meaning for the gay community, but more focuses on Jongro, analyzing how cultural and social characteristics and identities of gay community shape the area. He shows gay form a unique landscape and expand their implicit impacts on the local area throughout the time.

Recent study by Jung and Nam (2017) scrutinizes the social exclusion of minority groups that are at issues in the process of promoting urban regeneration projects through participatory governance in Jongro area. They note that experts and the city government have ruled out sexual minorities who should be protected under the current legal system. Moreover, many residents of Jongro area still show discrimination and hatred against sexual minorities. It is significant that it proposes the governance embracing sexual minorities as local entities and assets. However, still its discussion has largely been neglected, despite the vigorous debate over diversity and tolerance.
III. Case Study

1. Overview

Seoul has few places for gay enclaves, and they have congregated since the 1970s, locating from Myeongdong to Itaewon (Lee, 2007). Back in the 1970s, they formed in Jongro around the iconic gay venue, Pagoda Theater, and they started to shape cultural identity in the region. Since the 1990s, with the advent of the Internet, spaces were exposed and gay subcultural scenes are found in Itaewon.

![Figure 7. Development of Gay Districts in Seoul (Lee, 2007)](image)

Particularly, Itaewon has been spaces for “ethnic outsiders” and embraced diversity regardless of sexual orientation, ethnicity, gender, and more. With increased visibility of sexual minorities, gay expanded their commercial activities in Itaewon and emerged as a “hip” gay district. Particularly, the site called Gay Hill in Itaewon holds trendy exotic cityscape with gay businesses, and is now even marketed as a tourist attraction.

1) Historical Background

After the Korean War, the United States army stationed in Yongsan and businesses targeting the U.S. soldiers started to flourish in Itaewon. Soon, it has changed into a space for American cultural consumption – a large clothing and shoes market has formed, and jazz bar as well as clubs were also introduced.

In 1976, Islam mosque was built, and Islamic culture as well as multi-
cultural inflow occurred. The number of foreigners resided in Itaewon was relatively higher than of other areas in Seoul.

Table 3. Number of Foreigners 1992-2016, Ministry of Justice

<table>
<thead>
<tr>
<th>Year</th>
<th>Seoul</th>
<th>Yongsan-gu</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>34,632</td>
<td>6,453</td>
<td>19%</td>
</tr>
<tr>
<td>1993</td>
<td>35,965</td>
<td>5,060</td>
<td>14%</td>
</tr>
<tr>
<td>1994</td>
<td>39,246</td>
<td>4,501</td>
<td>11%</td>
</tr>
<tr>
<td>1995</td>
<td>45,072</td>
<td>6,414</td>
<td>14%</td>
</tr>
<tr>
<td>1996</td>
<td>51,776</td>
<td>7,330</td>
<td>14%</td>
</tr>
<tr>
<td>1997</td>
<td>52,923</td>
<td>7,379</td>
<td>14%</td>
</tr>
<tr>
<td>1998</td>
<td>50,990</td>
<td>7,331</td>
<td>14%</td>
</tr>
<tr>
<td>1999</td>
<td>57,189</td>
<td>8,227</td>
<td>14%</td>
</tr>
<tr>
<td>2000</td>
<td>61,920</td>
<td>8,707</td>
<td>14%</td>
</tr>
<tr>
<td>2001</td>
<td>67,908</td>
<td>9,517</td>
<td>14%</td>
</tr>
<tr>
<td>2002</td>
<td>73,228</td>
<td>10,565</td>
<td>14%</td>
</tr>
<tr>
<td>2003</td>
<td>102,882</td>
<td>8,852</td>
<td>9%</td>
</tr>
<tr>
<td>2004</td>
<td>114,685</td>
<td>8,963</td>
<td>8%</td>
</tr>
<tr>
<td>2005</td>
<td>129,660</td>
<td>9,817</td>
<td>8%</td>
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<tr>
<td>2006</td>
<td>175,036</td>
<td>10,998</td>
<td>6%</td>
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<td>2007</td>
<td>229,072</td>
<td>12,530</td>
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<tr>
<td>2008</td>
<td>255,207</td>
<td>12,819</td>
<td>5%</td>
</tr>
<tr>
<td>2009</td>
<td>255,749</td>
<td>12,492</td>
<td>5%</td>
</tr>
<tr>
<td>2010</td>
<td>262,902</td>
<td>12,290</td>
<td>5%</td>
</tr>
<tr>
<td>2011</td>
<td>279,220</td>
<td>12,789</td>
<td>5%</td>
</tr>
<tr>
<td>2012</td>
<td>247,108</td>
<td>12,062</td>
<td>5%</td>
</tr>
<tr>
<td>2013</td>
<td>244,410</td>
<td>12,185</td>
<td>5%</td>
</tr>
<tr>
<td>2014</td>
<td>266,360</td>
<td>13,963</td>
<td>5%</td>
</tr>
<tr>
<td>2015</td>
<td>274,957</td>
<td>14,567</td>
<td>5%</td>
</tr>
<tr>
<td>2016</td>
<td>273,441</td>
<td>14,861</td>
<td>5%</td>
</tr>
</tbody>
</table>

With the 1986 Asian Games and the 1988 Olympics, Itaewon became an entertainment and commercial space for foreigners; cafes and restaurants were also increased to meet new demands (Lee, 2010). Besides, vintage furniture shops for foreign visitors and diplomatic were appeared along
the road to Bogwangdong (Song, 2011). Ultimately, this shopping market has formed a new commercial culture not only for Americans, but also for foreigners in other countries (Park, 2013).

However, regulations forced restaurants and bars to shut down at night, causing many stores to close. The market decreased in size because of the economic crisis in the 1990s makes the matter worse.

The biggest change shown was the queer culture settled in Itaewon. A variety of foreign minority groups started to fill the spaces. Because it was considered a place for foreigners, the cultural barrier was lower than that of other districts in Seoul. Gay bars began to evidently appear and gradually entered the businesses after the opening of the first gay bar, called “Tunnel,” in 1996 (Han, 2013; Park, 2013). With the development of the Internet in the late 1990s, the gay community in Itaewon was formed mostly around gay men in their 20s and early 30s, who made online available. Large-scale gatherings of online communities were held in Itaewon and exhibits an urban gay subculture.

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10 There is debate on the date of the first gay bar opened in Itaewon. Due to the pressure of the society, many gay bars were operated secretly, without signage.
In addition, the headquarter of ‘Cheil Worldwide,’ a marketing company under the Samsung Group moved to Itaewon, which results another big turning point as the increase in the population of 800 employees and their fashionable culture begin to stimulate the local economy (Design House, 2011).

Subway Line 6 was opened in 2000, and the city government planned to study place marketing strategies for Itaewon and to improve its street environment. Residential buildings in the neighborhoods adjacent to the main road were changed into restaurants and cafes, and they quickly spread the dining industry (Hong, 2015).

Since 2003, certain areas in Itaewon is designated as “new town,” redevelopment project planned by Seoul Metropolitan Government, and the committee was organized in 2010. Consequently the union was established in 2012 for the redevelopment.

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Residential and Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Coverage Ratio</td>
<td>60% (max)</td>
</tr>
<tr>
<td>Floor Area Ratio</td>
<td>214% (max)</td>
</tr>
<tr>
<td>Height</td>
<td>48m (max)</td>
</tr>
</tbody>
</table>

Table 3. Hannam New Town Redevelopment
2) Classification of Gay Business in Itaewon

Gay businesses in Itaewon can be largely divided into two parts: fashion and food and beverage. Gay business in Itaewon commercialized space is mainly food and beverage; it can be categorized in gay bars, gay clubs, and restaurants and cafes run by gay. Gay bars and clubs provide spaces for gay population, while restaurants and cafes target straight customers visiting Itaewon as well.
2. Gay Hill, Itaewon

Identification of homosexual populations and spaces might be difficult, but it is not impossible. Nonetheless, gay has organized and developed their own places and networks. Gay district is a place for gay men share their culture and territories for a long time; Levine (1979) determines gay gathering places where represent high concentration of gay institutions and cruising places within the concentrated areas.

Although sexual minorities existed in Seoul throughout the time, the gay space in Itaewon is witnessed since the early 1990s. Because of its opened atmosphere, the minority communities were naturally formed in Itaewon, and later people involved in online community brought more subcultural scenes. The growth of the gay community had occurred along with the surge in online communities since the late 1990s. Gay in their 20s and early 30s shared information online where anonymity was guaranteed, and organized a large body of meeting around Itaewon. Gay bars were opened and people called the street, Gay Hill, where embraces sexuality and gender identity-based cultures. Gay bars, which still exist, such as “Why Not,” “Always Homme,” “Oz,” and “Soho” were opened.

<table>
<thead>
<tr>
<th>Year</th>
<th>Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>Tunnel, Spartacus, Trance (Gay Bar) Opened</td>
</tr>
<tr>
<td>1997</td>
<td>Zipper (Gay Bar) Opened</td>
</tr>
<tr>
<td>2000</td>
<td>Itaewon Station (Line 6) Opened</td>
</tr>
<tr>
<td>2000</td>
<td>Why Not, Always Homme (Gay Bar, Still Exist) Opened</td>
</tr>
<tr>
<td>2003</td>
<td>Soho (Gay Bar, Still Exist) Opened</td>
</tr>
<tr>
<td>2006</td>
<td>Eat Me (Gay Bar), Reball, Del Disco (Gay Club) Opened</td>
</tr>
<tr>
<td>2007</td>
<td>Pulse (Gay Club) Opened</td>
</tr>
<tr>
<td>2012</td>
<td>Gray (Gay Club) Opened</td>
</tr>
<tr>
<td>2018</td>
<td>Pulse (Gay Club) Closed</td>
</tr>
</tbody>
</table>
Figure 11. Gay Hill Daytime (Photo taken 2018.05)

Figure 12. Gay Hill Nighttime (Photo taken 2017.06)
IV. Findings

Literature review, archives of historical and current newspapers and publications, field works, and interviews serve to contextualize the impact of gay in the commercialized urban area. These qualitative evidences illustrate the five findings: neighborhood characteristics, characteristics of gay district, importance of gay community, appearance of pink economy, and the emergence of gaytrification as a result.

1. Neighborhood Characteristics

Itaewon used to be one of the main residential areas for foreigners and commercials area in Seoul. Neighborhoods of Itaewon are found to be occupied by people of different ages, sex, and races. To understand the impacts of increasing diversity socially and economically, it is crucial to analyze spatial distribution as well as its composition. It is confirmed that there are distinct characteristics in types of businesses, distribution patterns, speed of growth, and customers in shaping commercial areas in Itaewon.

1) Gay Hill

This area is typified by an extraordinarily high concentration of gay bars, clubs, and gay culture. It is separated spatially behind the main road, and streets are lined with bars and clubs. This street block shows a low tendency to operate commercial facilities for the general public (heterosexuals). Yet, few gay bars and clubs target mainstreams. In fact, recently, heterosexuals visit to participate in the local gay scenes.

"Gay scene changes – gay usually comes on Thursday to Saturday night. It is very quiet on weekday morning and afternoon."

- Lee, Activist, 2018.06

Although isolation from the surrounding area makes a negative image to mainstream, appropriation is clearly visible and plays a crucial role in gay
communities. Gay scenes occur when gay dominates the space – gay population occupies Gay Hill on specific days and hours. Gay institutions open at night and it explains that gay culture in urban area occurs around gay institutions, and they certainly affect the culture and life patterns of gay population. Sexual minorities have created Gay Hill into their cultural territory. Gay language is widely used, usually visible at night.

2) Itaewon Main Street Area

This area usually is filled with heterosexual population, visiting diverse restaurants and cafes, regardless of time and day. Commercial services include shops, restaurants, and cafes. Many of these restaurants and cafes, on the other hand, run by gay population. Gays are visible, but not clearly identifiable – other subcultural scenes are also witnessed.

3) Gyunglidan Street

Gay as well as mainstream share bars and cafes located behind the main street – it coexists spatially. Few gay couples are found in the side streets.

"You can see as many gay in this street as in main street of Itaewon. They look for trendy cafes around Gyunglidan street... but still tend to go to where they feel ‘safe’.”

- Cho, Cafe Owner, 2016.05

Gay population start to expose in this area, as trendy cafes and bars opened in Gyunglidan street. Increase in visibility is also evidenced by the resident.

"I feel like I see them more often these days. Maybe because of changing public attitudes regarding sexual minorities, or maybe because the number of gay population just increase...”

- Shin, Resident, 2016.05

4) Haebangchon (Freedom Village)

Few gay population with modest income often resides in Haebangchon. Commercial activities more focus on restaurants and cafes, rather than
bars and clubs. There are few gay bar and cafes run by gay as well.

“Few gay move to Haebangchon and reopen their businesses…”
- Lee, Shop Owner, 2018.05

The interviewer implies the extension of the gay bar, and subsequently, the boundary of gay businesses in some respects. In fact, gay population reside, and some commercial institutions are moved to Haebangchon for low rent.

5) Hangangjin

No gay associated commercial activities are found in this area. There are apartment as well as houses for diplomats and foreigners – it is not as crowded as other areas in Itaewon. Besides, there are more female hanging around, visiting specific cafes and restaurants in the backstreet.

“This area is completely dead after 10pm. It is usually a destination spot... there are only few small bars. You can see some transgender, though. Few gays found must be friends of some owners.”
- Kwon, Bar Owner, 2018.05

2. Characteristics of Gay Hill

Among these five areas in Itaewon, none of the areas satisfies the definition of gay ghetto that Levine (1979) defines – Gay Hill, partially satisfies the requisites of high concentration of gay institutions and culture, and socially isolated, and serves as the main gay district in Itaewon.

1) Meaning of the Space

There are various “meeting place” for gay men, but most of them are crowded, such as bars and clubs, because there have been very few places where gay men can meet due to the social taboo. Similarly in Korea, the interviews and articles indicate these spaces include theater, bars, saunas, and clubs. Besides, with the development of the Internet, online space became also an important space – they all have influenced the formation
of gay places for gay communities.

Two factors shaping the district include social attitudes toward sexual minorities and the change in the means of communication. Because homosexuality is perceived as socially minor, it was critical to get information about the gay districts to establish their identities.

“I visit often because it makes me feel comfortable. It is maybe the only place we can be ourselves”

This indicates that how the area provide psychological comfort. Some commented the clubs in gay district as a place to “rest” and “escape.”

“Itaewon is where all the foreigners in Seoul gather and hang out since the U.S. military base was located. People are more generous to sexual issues here, which naturally allows gay population to come. People don’t give eyes on us.”

- Lee, Activist, 2018.06

It can be seen that people needs a place to meet and bond with people, but sexual minorities had not such a space, so they have created their own space at bars and clubs. Therefore, the gay district has emotional and symbolic significance to the communities, and even gives their lives meaning and purpose. It is a place where they interconnect and build hope. Gay districts certainly reassure as “safe” place to gay population and their activities in districts vary.

2) Gay Business

In Gay Hill, two types of gay commercial activities are existed: bars and clubs. These bars and clubs are gay-owned or -operated. They are not distributed randomly, but are rather clustered.

“We have to help each other... it’s better to stick together. Gay men have gone back and forth among us, so it’s good to form together.”

- Lim, Club Owner, 2016.07

Besides, while gay districts in western cities embrace both residential and commercial area, Itaewon is found to have only commercial area.

3) Development Stage

The following process can be predicted from analysis of the development of the gay district:

① Gay concentration occurs in underdeveloped in urban area

“Itaewon used to be considered a dangerous place. It was a space for foreigners... a community for strangers”
- Lee, Activist, 2018.06

② Gay commercial activities increases in the area

“Since the 90s, bars and clubs have been appeared. Bar owner in Jongro area opened a club in Itaewon – called Zipper – and there was even a white gay invested in a club. Still, until the early 2000s, it was an underground business.”
- Lee, Activist, 2018.06
③ Internal competition rises over time

“They mean business, like literally. Gay consumers have choices going to bars and clubs, but they are doing business hiding, so the competition was fierce. They reported to the police each other frequently. There was one incident that one club owner pouring hydrochloric acid to other owner.”

- Lee, Activist, 2018.06

④ Gay businesses demonstrate effort to form a network

Surprisingly, there was no interaction between gay commercial owners. Though they meet each other once a month, but is undertaken as a business meeting. Consequently, building network between gay business as well as community is considered a sense of duty, which people not willing to do. Besides, their keen contest developed into the interaction minimal.

“They create network under obligation. They are busy doing their own businesses, and yet they are people out there trying to build the network to support identity and regionality.”

- Lee, Activist, 2018.06

Nonetheless, some tried to bond the community by organizing events with gay bars and clubs, providing opportunities for moderate network building.

“There are communities, like a book club. They recognize the importance of the community. But still, commercial network needs someone’s sacrifice.”

- Hur, Student, 2018.05

⑤ Heterosexual customers flow in

According to interviews, it is found that influx of heterosexual in Gay Hill increases, and business owners feel very welcoming. There are more mixed bars.

“As far as I know, business owners hope for more people (hetero) to come. They want to make money, so they’ve got to think money anyway.”

- Hur, Student, 2018.05
“Some bars in Gay Hill are very open to public. There are even many lesbians coming. Like ‘Always Homme’ runs for heterosexual customers. You can see a whole mix of gay and straight now.”
- Lee, Activist, 2018.06

In fact, interviews of straights state that they have been attracted to the space by its novelty and curiosity – there is a growing interest in gay bars and clubs.

“Itaewon used to be an abandoned place for sexual minorities, but now it is turning into a place where mainstream can enjoy together. I think it’s very vital.”
- Lee, Activist, 2018.06

“I feel like heterosexuals visit gay bars and clubs more and more. I, even visit (gay) bars with my friends not gay. Is there a need to separate space? It's not like straights must go to straight bars... gay also come to straight bars anyway. Gay bar is fun too.”
- Choi, Artist, 2018.04

It matches with the findings that Binnie and Skeggs (2004) confirms that gayness is used as a resource to attract women as consumers into space.

Figure 14. Gay Hill Development Stage

By comparing to Collins’ model and Ruting’s model, the development of Gay Hill shows parallel results that it was once a small cluster of gay enterprises, increased number of gay oriented business, expands the economy, and now integrate with heterosexual customers. Gay Hill reaches to ‘integration’ phase – and aware of ‘decline and colonization,’ which Ruting (2008) discovers.
3. Role of Gay Community

Recognizing the role of gay business and communities is very important because this is essential in establishing and maintaining a sense of neighborhood identity – gay population has contributed to the neighborhood changes in two ways: urban economy and social attitudes.

1) As an Economic Actor

As Gay Bars are concentrated in the backstreet, economic structure of Itaewon has changed. Gay mostly go to gay bars, and increasing influx the lead in the region. As more number of gay visit the Gay Hill, the related business in the districts developed consequently. It can be found in the following interviews that sexual minorities have become an undeniable presence in the Itaewon economy.

“There are many gay people around here who run large restaurants, cafes, bars, and clubs. They definitely pave the way for the perception that gay people can make spaces. It seems like the public has become aware of the fact that gay creates commercial spaces.”
- Lim, Club Owner, 2016.07

“The position of the gay clubs in Itaewon is very strong. Liquor companies that distributes the alcoholic beverages recognize the amount of alcohol gay consume... it is considered as a strong market”
- Lim, Club Owner, 2016.07

Besides, although not all gay bars and clubs turn into market success, many gay bars and clubs are strengthening its position, which characterizes the gay districts in Itaewon.

“People in the neighborhood are very aware of the gay business districts.”
- Lim, Club Owner, 2016.07

“Landlords welcome us. There may be someone who don’t like us though.”
- Lim, Club Owner, 2016.07
Gay population is certainly significant trigger in bringing people into the area. It is found that gay communities have not only expanded the gay culture, but also led to an influx of non-gay, attracting new commercials and heterosexual customers. Hashtags on Twitter and articles about #gaybar in Itaewon are increasing.

![Figure 15. Hashtags on #gaybar in Itaewon](image1)

![Figure 16. News Articles on Gay Community in Itaewon](image2)

In a way, gay population can be both consumers and suppliers in the economy of Itaewon. For example, gay provides commercial spaces, not only for homosexuals, but also for heterosexuals, but also gay visit spaces to spend their money.

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12 The number of posts that mentioned #gaybar in Itaewon on Twitter, excluding advertisements and overlapping messages.
“*We spend money in Itaewon, though not as much as before. Gay is a big spender, spending huge for self-satisfaction because there is no compulsion to buy a house or save money for the children.*”

- Hur, Student, 2018.05

As a consumer, gay visit not only gay bars, but also straight venues, and their demand brings more commercial activities. It is difficult to measure the exact and direct relationship between because it has been affected by many others, such as tourisms, but it seems that gay communities have contributed to the revitalization of the businesses that had been neglected locally.

“I feel like heterosexuals visit gay bars and clubs more and more. I, even visit (gay) bars with my friends not gay. Is there a need to separate space? It’s not like straights must go to straight bars... gay also come to straight bars anyway. Gay bar is fun too.”

- Choi, Artist, 2018.04

2) Changes in Social Attitudes

LGBT acceptance has increased and they seem more visible in the area; significant integration is happening. In other words, social conditions are changing helping to create an environment for both homosexual and heterosexual – this change will not be happened without gay communities, who work and interact with people in Itaewon.

“It may sound presumptuous, but considering the increasing pace of the official Queer Culture Festival, it is quite impressive. People start to gather and their views change.”

- Lim, Club Owner, 2016.07

Because they bring commercialization in Itaewon, many heterosexual owners acknowledge their efforts. In this way, social attitudes towards gay.

“It is evident that the straight women visit the space because it is gay – they think it is the trendiest place.”

- Choi, Artist, 2018.04
4. Appearance of Pink Economy

According to the theory of enclave economy, minorities can use their resources to improve unfavorable conditions in the market. Though Itaewon is introduced in media as a tourist destination, negative perception of the sub-culture had accelerated isolation. An increasing number of sexual minorities develops the niche business of gay communities. The phenomenon in Itaewon, particularly in Gay Hill, is interpreted as the process that gay population concentrate in underdeveloped area and create their own business boundaries. In this respect, the success of gay businesses depend on not only the size of the population, but also the access beyond the communities.

Itaewon embraces an ‘economic niche for gay spenders,’ and it can be certainly interpreted as a factor that forms the enclave economy (Boyd, 2011). Location choices for commercial services are usually made individually, but the boundary of a gay district is a major factor because of the perception of space. This unique type of enclave economy, also known as pink economy, rises particularly in Gay Hill, where defined as a cluster of gay locations.

“Gay owners used to be operated other bars and clubs in Itaewon. For example, one of the owners of G-Spot opened Del Disco, and another owner run Reball.”

- Lee, Activist, 2018.06

This explains the characteristics of enclave economy that they tended to stay in the district, and opened new clubs, nurturing the pink economy. The pink economy, in fact, can be measured by bars and clubs, which explains the vitality of gay district. It brings people to consume in the area.

“Back in 90s and the early 2000s, club culture was unfamiliar to Koreans. Many celebrities and heterosexuals came to Itaewon to visit gay clubs.”

- Lim, Club Owner, 2016.07

In fact, according to Lee (2007), it has a circular structure that gay, rather than visiting only one gay bar, tend to visit other gay bars in the area as well. This
enhances their business; it is advantageous to have gay bars and related businesses in the area together.

“It has a circular structure that gay, rather than visiting only one gay bar, tend to visit other gay bars in the area as well. This enhances their business; it is advantageous to have gay bars and related businesses in the area together.”
- Lim, Club Owner, 2016.07

“Gays do not like to walk farther. It should be walkable within maximum 300m.”
- Lee, Activist, 2018.06

Nonetheless, gay bars has begun to open to mainstreams, showing the transition, expansion, and even greater opportunities of the pink economy, occurring in Gay Hill. Although they seek to stay with traditional gay enclaves, they also attempt to expand their economy through the interactions with others. One interviewers comment this phenomenon as “inevitable” to expand the businesses and assimilate.

“We also interact with straight business owners. They come, we go... we talk about the businesses.”
- Lim, Club Owner, 2016.07

In sum, the boundaries of a gay culture steadily being transgressed and as a result, the pink economy grows.

5. Emergence of Gay-led Gentrification

Sexuality and the process of gentrification have been considered in many previous studies. Broadly, there are two stages in gaytrification that first, gay population gentrifies the space, and second, gay population is gentrified at last. It is revealed that gaytrification is partially occurred in Itaewon as the pink economy is in its nurturing stage.

Gay community is threatened by decreasing tolerance and businesses due to more heterosexual arriving with the second wave of gentrification, but it is
more affected by the slow reduction of gay population visiting Itaewon; in other words, population replacement occurs rather than displacement.

Figure 17. Gay Bars and Clubs (1997-2003)\textsuperscript{13}

Figure 18. Gay Bars and Clubs (2015-2018)\textsuperscript{14}

\textsuperscript{13} It re-maps gay bars and clubs that were introduced in the popular gay magazine, “Buddy,” from 1997 to 2003.

\textsuperscript{14} It re-maps gay bars and clubs that are found through Naver Maps Archive, online gay communities, new articles, and field studies.
Surprisingly, the closure of gay bars in Itaewon, perhaps, is a result of rise in rent, but more of the emergence of online gay culture and change of societal views. In other words, gay friends used to meet each other in Itaewon, but they are no longer bounded to Itaewon. This phenomenon of ‘de-territorialization,’ indeed, is also found in the Oxford Street in Sydney (Ruting, 2008). The interviews provide anecdotal evidence of the decentering of gay population due to the online as well.

“Only reason to go to Itaewon is to meet new bunch of people without perception... now we can simply meet through online and meet at the place anywhere because people less care about gay these days.”

- Hur, Student, 2018.05

“Many bars were closed because gay meet friends online and can go anywhere now.”

- Lee, Activist, 2018.06

When classified Itaewon area into three levels, Level 1, an area where used to have gay bars and club in the past, has experienced the decentering of gay mostly. Level 2, Gay Hill, remains an unparalleled gay district with gay bars.
and clubs.

Yet, it is interesting to find that Level 3, where has not placed as many gay bars and clubs as Level 1 and 2, has many restaurants and cafes run by gay, providing commercial activities for people visiting Itaewon. While Level 1 is replaced by other retails, such as cafes and restaurants, demonstrating the relationship between gay consumer aspiration and behavior, Level 3 attracts people with “hip” commercial activities, illustrating gay as gentrifier. In fact, Level 3 have experienced the most increased in land value.

Figure 20. Photos of Itaewon (Photo taken 2018.04)

Figure 21. Stakeholders of Gaytrification
IV. Conclusion

This paper offers social and economic perspectives on the gay district in Itaewon as a case study by analyzing the space and development of Gay Hill. It focuses not only on the meaning and observed characteristics, but also on the occurrences of the gay district in Seoul. Particularly, pink economy is actively working around Gay Hill, and implications for the phenomenon are discovered. The major objectives of the research is as follows: ① examining the characteristics of the gay district, ② investigating how the gay population takes a lead in the community, influencing nearby businesses and the neighborhood as a whole, and ③ analyzing how the pink economy emerges in Itaewon and takes spaces, accompanying the gentrification process as a result.

The research reviews the concept of enclave and ghetto, ethnic and enclave economy, pink economy, development process of gay districts, and gaytrification through the previous studies. Archives of historical and current newspapers and publications, spatial analysis through GIS, in-depth interviews, and ethnographical observations are also conducted.

Different characteristics of areas, depend on the distribution of commercials and users, are appearing within Itaewon. Although gay businesses are found distributed throughout Itaewon, Gay Hill, particularly, stands as gay district, demonstrating the gay scenes. It is spatially isolated, mainly due to social awareness, and encompasses gay businesses, providing a space where gay can be liberated from social awareness. Besides, Gay Hill has developed based on commercial activities, rather than residential, unlike gay districts in other countries. This analysis suggests that the pink economy on Gay Hill has provided psychological stability and comfort to the gay population; in other words, gay agglomerations of commercial activities with a “hip” atmosphere attract people and consequently, contribute to the urban economy through the pink economy.
Compared to Collins (2004) development of gay district, Itaewon has experienced similar process – it adds another process of “network formation.” However, compared to the explanations for gay enclaves focus on economic argument, the increasing number of gay commercials has intensified competition among gay, and networks among them are not strong enough as enclave economy.

The role of “gay” has been much neglected in the previous literature. However the role of gay communities in the urban area is important because they commercialize urban areas and on the pink economy. For example, although the entry of heterosexual customers in gay bars and clubs was psychologically limited, it is found that they are noticeably visiting gay bars and clubs – these changes can be interpreted as a natural spatial phenomenon between gay communities and mainstream in the society. This process has demonstrated the potential development of the area. It evidently shows that the pink economy is in its nurturing stage.

At the same time, the gay community is threatened by decreasing tolerance and businesses due to more heterosexuals arriving with the second wave of gentrification, but it is more affected by the slow reduction of gay population visiting Itaewon.

Though the pink economy is growing, the public remains unwelcoming of sexual minorities in South Korea – and quantitative methodologies on this segment of the population based on statistics and data are limited. ‘Coming out’ as gay is often still so difficult, especially in Korea, some have a reluctance to interview and unwilling to speak about the issue. To supplement the limits of qualitative research, studies on sexual minorities in Itaewon with quantitative methodologies based on statistics and data should also be conducted.

However, this research is meaningful as the study on the role of the gay community in commercialized urban areas and on the pink economy has not
been conducted in South Korea. As society begins to accept the identity of sexual minorities and as their economic power increases, there is even a greater need for understanding the complex relationship between minorities and urban space. Because minority spaces not only provide a sense of belonging and comfort, which may not be guaranteed in the society, and but also brings a spatial impact in urban environment, further studies need to be made, “not only in terms of broad social and economic trends, but also within the context of a particular cultural, social and political environment” (Sibalis, 2004). The demise of these spaces is not yet inevitable, but community groups can take a more active role to preserve it.
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국문초록

도시 내 하위문화와 지역경제에 대한 연구 - 이태원을 중심으로 -

이 보람

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성소수자의 모든 시장 경제를 포함하는 핑크경제(핑크이코노미)는 증가하는 추세이며, 잠재적인 시장 규모 때문에 “꿈의 시장”으로도 여겨지고 있다. 성소수자의 구매력 증가는 이들의 강력한 공동체를 보여주며, 앞으로도 이러한 트렌드가 계속 될 것으로 전망된다. 특히, 서울의 다문화 공간인 이태원을 중심으로 점점 규모가 커지고 있는데, 이는 도시 내 하위문화를 형성하는 성소수자가 소수민족 경제를 발전시킨 것으로 볼 수 있다. 90년대 이후, 게이가 운영하는, 또는 게이를 위한 카페, 레스토랑, 술집, 클럽 등이 생겨나며 게이 밀집지에서 상호작용하는 공간을 형성해왔다.

본 연구에서는 그들이 만들어낸 소비공간과 도시 내 그들의 역할에 대한 중요성을 인식하고자 이러한 공간과 진화과정을 분석하였다. 또한, 이태원 게이 밀집지인 게이힐을 사례로 소수문화집단인 게이가 밀집지를 형성하고 관찰되는 특성을 주목하였다. 연구의 주요 목적은 크게 3가지로서 ① 게이 지역의 성격은 무엇인지, ② 게이 역할이 무엇인지, ③ 게이로 인한 핑크경제가 출현하고 있는지이다.
심층 인터뷰와 동성애자들이 주축이 되어 만든 잡지, 뉴스, 현장답사, 문헌 연구 등을 종합해 본 결과, 이러한 공간은 게이 커뮤니티에게 상징적 중요성과, 정서적 유대감을 나타내는 장소였으며, 이는 상업시설과 긴밀히 연결되어 있었다. 또한 외국의 게이 밀집지와는 달리 주거시설이 아닌 상업시설을 중심으로 성장하였다는 점에서 외국과는 다른 차별된 공간임을 확인할 수 있었다. 게이 커뮤니티는 공간내에서 문화를 상업화하고 비즈니스의 주체로서 게이 뿐만 아니라, 일반(mainstream) 손님을 불러모으며, 공급자와 소비자 두 가지 역할을 모두 하고 있었다. 이는 즉, 게이가 상업활동을 확대하여 경제적 효과의 원동력이 되었고, 새로운 인구 유입으로 인한 잠재력을 증진시켰으며, 결과적으로 핑크 경제를 활성화시키고 이태원의 경제적인 상권 활성화에 기여하고 있다는 점을 보여준다. 이러한 핑크 경제가 게이트리피케이션을 야기시키는지 게이 상업시설(institution)을 분석해 본 결과, 대중의 유입으로 인한 구축(displacement)이 아닌, 문화적 다양성과 소비취향으로 인해, 더 이상 게이가 게이바와 클럽이 아닌 일반 바와 클럽에 가기 때문인 것으로 파악되었다. 즉, 게이가 소비자로써 이태원 내에서 더 많은 상업시설에 핑크경제에 기여를 하고 있는 것으로 판단된다.

핑크 경제를 하나의 시장으로 주목하고 있음에도 불구하고, 아직까지 한국 사회에서 환영받지 못하여 통계와 데이터에 기초한 정량적 방법론이 제한적이다. 하지만 이러한 도시 내 하위문화인 게이 커뮤니티가 지역의 경제에서 차지하는 중요성을 인정하고, 국내에서 부족한 연구를 진행한다는 점에서 본 연구는 의의가 있다고 생각된다. 핑크 경제는 소비의 흐름으로써 우리 사회에서 계속 지속될 것이기 때문에, 성소수자들과 도시 공간 사이의 관계를 이해하는 노력이 앞으로도 필요하다.

주요어: 핑크 경제, 게이 지역, 게이힐, 게이트리피케이션, 이태원, 하위문화
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