

## Territorial Politics and the Rise of a Construction-Oriented State in South Korea\*

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*There have been some critical debates about the construction-oriented, developmentalist nature of the Korean state among the Korean scholars. However, no clear explanation has emerged for why the Korean state adopted such construction-oriented, developmentalist selectivity. This paper seeks to answer this question of why the construction-oriented state has developed in South Korea by employing the strategic-relational approach to the state. In this paper, the author argues that the construction-oriented, developmentalist nature of the Korean state has been strengthened because at the local and regional scales, highly politicized territorial interests have been mobilized as a result of complex interactions among spatial selectivity of the Korean state, uneven regional development and territorialized party politics from the 1960s to the present. More specifically, the author emphasizes that the following conditions were the most influential in the formation and intensification of construction-oriented state building: 1) As the central cleavage structure of party politics is based on locality, parties and politicians easily accept local developmental politics, and thereby influence governmental decision-making according to regional interests; 2) Due to the weak development of class politics (at the national scale) and immature grass-root democracy (at the local scale), place-based interests and identities tend to be strongly territorialized; 3) Continuing from the 1970s and influenced by the politics of regionalism, the ways in which the Koreans interpret the political and economic realities has been constructed on the basis of the discursive frame of the highly politicized “center-local” relations, which has led to the intensified inter-local/inter-regional competition for the central government’s spending on local/regional development projects. Based on this analysis, this paper argues that the situation of South Korea’s neo-developmentalism and construction-oriented tendency needs to be understood through the mechanisms of more complex political, social, and economic conflicts and interaction effects among social forces acting in and through the state, and that the question cannot be explained simply by the ‘irrationality, incapacity, and immorality’ of*

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*the government and its officials.*

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## I. INTRODUCTION

Among the various criticisms of the Lee Myung Bak government's administrative leadership, one of the main points is that policies are extremely focused on land development and construction projects. Especially, it is constantly pointed out that the national government's main policies—such as the pursuit of the Korean Peninsula Grand Canal and the Four Great Rivers Improvement projects, deregulation of the restrictions on the development of the Capital region, support for a construction economy, and the easing of curbs on real estate speculation—are centered on construction and development projects. It is important to examine the state's construction-oriented and development-centered policies and suggest new policy alternatives. However, as this has been done by many scholars and civic organizations, this paper aims to uncover the underlying factors driving these policies by analyzing and explaining how South Korea's construction-orientation developmentalism has evolved. It first answers the following question: are the construction-oriented policies unique to the Lee Myung Bak government? Or, regardless of what specific regime is governing, is it an issue of a more general structural and strategic selectivity of the Korean state?

Here, it is argued that the problems arising from construction-oriented policies and their side effects do not originate from a specific individual government's policy direction or ideological preference, but from the strategic selectivity of the South Korean state. This argument is based on the fact that South Korean state's construction-oriented selectivity has been augmented and intensified continuously, and furthermore, most political forces, including both the governing and opposition parties, have not shown significantly different opinions regarding the present construction-oriented, developmentalist projects. In fact, the state's pro-construction orientation started from the time of the Roh Moo Hyun (No Muhyŏn) government,

said to be more progressive than the current Lee Myung Bak government. As resistance to and criticism of several regional development projects that were pursued by the previous Kim Dae Jung (Taejung) and Roh Moo Hyun governments—such as the Saemangŭm project, Kyöngin Canal construction, nuclear waste dump construction, new town development in the capital region, the City of Administration complex, the enterprise city, the innovative city, S-project, and so on—are similar to current debates, some scholars have explained and criticized the state's construction orientation using the concept of neo-developmentalism (Cho, M. 2003; Byeon, C. 2005; Hong, S. 2005).

Thus, an important contribution for scholars to make is to explain the evolution of South Korea's path to this extreme construction orientation in terms of cause and effect, rather than through a particular evaluation of Lee Myung Bak government's construction-oriented policies. The purpose of this paper, therefore, is to explain the evolution of South Korea's construction orientation, in particular analyzing how the boom of developmental politics based on territorial interests has influenced the formation of the state's construction-oriented tendency.

## II. CRITICAL REVIEW OF DEBATES ON NEO-DEVELOPMENTALISM

The debate on neo-developmentalism began in 2000, when conflicts between development and preservation intensified over state-led development projects such as the Saemangŭm project and nuclear waste dump construction. Some progressive scholars started to criticize the government's pro-development position and called it "neo-developmentalism." Cho Myung-Rae (2003: 50) stated, "on the surface, the government emphasizes the preservation and value of the environment, but in reality, it promotes development, and we call this neo-developmentalism." The paradigm of neo-developmentalism was used to show that even under the governments of Kim Dae Jung and Roh Moo Hyun, thought to be comparatively more liberal and more tolerant of civil society involvement, state-led projects were paradoxically geared towards development over environmental protection and preservation. Based on this awareness, Cho (2003) defines neo-developmentalism as "the phenomenon of

our society's 'development inertia' working in a new way within a society that still prefers an expanding economy, featuring utilization of the environment according to the market logic of neo-liberalism." After this initial attempt to interpret South Korea's construction- and development-oriented policies as "neo-developmentalism," "neo-developmentalism" became a conceptual umbrella encompassing critiques of state policies favoring development over the eco-system and environment, quantitative growth and commercialization of space and place over quality of life, protection of regional communities, and state-led economic competitiveness policy over balanced regional development; this "theory of the construction-oriented state," questioning the state's overemphasis on infrastructure construction, has been much discussed since the mid-2000s.

The important issues that neo-developmentalism and construction-oriented state theory suggest can be summarized in two parts. First, neo-developmentalism appeared when the hegemony of developmentalism, which has been maintained under the Korean developmental state and state-led economic growth, was combined with neoliberalism, which speeds up the commodification of space and environment. Regarding this point, Cho (2003) shows how "developmentalism" employs "behaviors and concepts that ideologically embrace the value of exploitation and use of natural environment or natural resources," and discusses how this type of developmentalism had been the fundamental ideology of the past thirty to forty years in South Korean society, politics, economy, and daily culture. Cho argues that this ideology operates as a hegemonic discourse and philosophy that extends from individual behavior to national policies. He also points out that this developmentalism grew and materialized within the milieu of state-led artificial economic development, based on strong leadership and repressive rule against the general public during the process of capitalistic industrialization (Cho, M. 2003). Since the 1990s, this developmentalist ideology has been combined with neoliberalism, which argues that allowing individual freedom in the market is the best way to improve welfare, by consolidating the concepts of space and environment commodification and developmentalism together, resulting in "neo-developmentalism."

Second, the material base of neo-developmentalism's emergence and expansion is a construction alliance that grew and was consolidated under

the developmental state. This construction alliance is based on connections between the land-construction interests of politicians, the state (especially the key bureaucrats composing the core of government-affiliated development organs, state-owned enterprises responsible for development, various government-affiliated research institutes on urban and regional development, etc.), capitalists (especially those involved in construction and development-related areas), media, and academia (Hong, S. 2005; Choi, J. 2003; Oh, K. 2003; Chung, K. 2003). Thus, some scholars call the South Korean state a “construction-oriented state,” emphasizing that this construction alliance greatly influences both policy making for and implementation of state-led projects.

For the last forty years, systematic study of this important aspect South Korea’s state behavior, labeled “developmentalism” or “construction-orientation,” has been rare; the concept of neo-developmentalism and construction-oriented state theory are therefore very useful tools to explain South Korea’s path. Furthermore, this state-led construction orientation is found not only in South Korea, but also is common in other Asian countries such as Japan and Taiwan (of course, the specific development formation is different for each).<sup>1</sup> However, as there is in general not much research done on this trend in East Asian developmental states, analyzing and conceptualizing how and through what kinds of political, economic, social, and spatial processes Asian countries become construction-oriented and developmentalistic would be a major contribution to understanding contemporary Asian societies. Still, the current literature on neo-developmentalism and the construction-oriented state seems to be lacking in a few areas.

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<sup>1</sup> The word “construction state” was used to emphasize the negative social and political effects of construction-oriented public works in Japan, where construction enterprises make up an especially large portion of the total economic activity (Woo, S. 2004). Gavan McCormack (2002) points out that the Japanese state faces a debt crisis due to the fact that Japan is under the system of a “construction state” and that this system is maintained by the “Iron Triangle” of politicians and bureaucrats, financial enterprises, and construction companies. These arguments are supported by Table 1, which shows that South Korea and Japan have a higher percentage of construction industries as a percentage of GDP than other OECD countries.

**Table 1.** Construction Industries as Percent of GDP in OECD Countries (1980-2000)

	1980	1985	1990	1995	2000
South Korea	8	7.3	11.3	11.6	8.4
Spain	8	6.4	8.6	7.5	8.4
Iceland	10.3	9.2	9.2	7.5	8.4
Poland				7.1	8.1
Austria	8.1	6.8	6.9	7.8	7.8
Ireland	10.4	6.2	5.4	5.3	7.7
Portugal	6.1	5	5.9	6.6	7.7
Greece	9	6.8	7.8	6.4	7.5
Japan	8.9	7.5	9.6	7.9	7.2
Czech Republic			10.8	8.7	7.1
Netherlands	7.2	5.2	5.9	5.4	5.8
Australia	8	6.8	6.6	6.2	5.6
Finland	7.3	6.9	8.3	4.5	5.5
Luxembourg	7.4	4.3	6.8	6.2	5.5
Slovakia				5.1	5.4
Denmark	6.4	4.9	5	4.5	5.2
Germany	7.6	5.9	6.1	6.7	5.2
Hungary				4.6	5.2
Turkey	5.7	6.1	6.4	5.5	5.2
England	6.1	5.6	6.7	5	5.2
Mexico	6.2	4.3	3.9	3.9	5.1
Belgium	7.5	5.3	5.5	5.2	5
Canada	7.2	6	6.8	4.9	5
Italy	7.2	6.5	6.1	5.1	4.8
France	6.6	5.4	5.7	5.2	4.6
United States	4.9	4.7	4.3	3.9	4.4
New Zealand	4.9	5.4	4.1	4.2	4.3
Norway	5.2	4.9	4.6	4.5	4.1
Sweden	6.6	5.7	6.7	4.4	4

Source: the Bank of Korea (2004).

First, the explanation and understanding of the materiality of and ontological basis for the rise of neo-developmentalism are insufficient. They consider neo-developmentalism as a result of hegemonized discourses, where “developmentalist” ideology and discourses have penetrated into the Korean society and been combined with neoliberal ideology. No systematic or empirical analysis is offered to explain what the material conditions are at

the base of hegemonized developmentalist discourses, and through what kind of political and economic processes the developmentalist discourses become combined with neoliberalism. Previous debates on neo-developmentalism locate the material basis for the expansion of developmentalism in the formation of development coalitions or construction alliances. However, no specific explanation is given for what kind of political and economic interests and social relations ground the establishment of development coalitions and construction alliances and the process by which they came to influence the state actions.

Moreover, the more pressing problem is that the literature tends to look at the formation and behavior of development coalitions only at the national level. It is true that political and economic interests were formed and developed in relation to the continuation and expansion of development and construction projects promoted at the national scale, but one needs to pay attention to the fact that, in reality, the majority of development projects are pursued based on the territorial interests defined at the urban and local scales.

Usually, the introduction of local or regional development politics is considered to have emerged after the enactment of political decentralization (in the 1990s) in South Korea, but actually, regional development politics were operating even before the start of decentralization. For example, in 1965, a Development Conference was held in Taegu to attract industrial complex construction and expand local roads by the city of Taegu and its Chamber of Commerce. They invited several national cabinet-level officials such as the Deputy Prime Minister, Minister of the Interior, and Minister of Construction in order to help obtain the central government's support for these development projects. The mayor of Taegu even wrote a letter requesting President Park Jung Hee (Pak Chŏnghŭi) to attend the event (Park, B. 2003). Around this time as well, in the city of Kwangju and in Chŏnnam Province, the governor of Chŏnnam, along with the mayor of Kwangju, the Kwangju Chamber of Commerce, and assembly members from the region, formed various development alliances such as the Asia Motor Factory Establishment Committee (1962), the Kwangju Industrial Complex Promotion Committee (May 1962), the Mistreatment of Kwangju Correction Committee (September 1966), the Honam Rights Movement Committee (1968), the Chŏnnam

Province Modernization Promotion Committee (1970), and the Chönnam Development Promotion Committee (1971), in an enormous great effort to gain the central government's support for development projects for Kwangju and Chönnam Province (Jung, K. 1991; Park, B. 2003; Kim, D. 2009).

Also, in the late 1960s, regional development politics intensified around the Kyöngbu Highway construction project, one of the largest construction projects of all-time. In Kwangju and Chönnam Province, critical public opinion spread that the construction of Kyöngbu Highway would intensify regional economic disparities and expand the isolation of Kwangju and Chönnam Province, and this became the major lobbying issue for assembly members from Kwangju and Chönnam Province. These processes then became the main basis for the further formation of regionalist politics, which appeared in the early 1970s. This kind of regionally organized and mobilized development politics existed as far back as the 1960s, when the centralization of authority was extreme, and it significantly affected the national policy making processes.

Another case of important territorial politics expressed at the local scale is the recent issue of the Grand Canal construction project and related political debate. The Lee Myung Bak government's ambitious Korean Peninsula Grand Canal project, which began as Lee took office, is a typical case revealing the neo-developmental characteristics of the government. Scholars against this project led a national anti-development movement marked by extensive protest. This debate on the Korean Peninsula Grand Canal project was won by the anti-development coalition, and the Lee government announced on June 19, 2008 that it would in effect withdraw the project. The overall canal construction project was defeated at the national scale by strong resistance, but at the local scale the canal project still proceeds in various pieces. Problematically, aligned with territorial interests at the local scale, some of the activists who opposed the national canal project now approve of small-scale canal construction projects, thus contradicting themselves. This indicates that the developmental interest groups' collective support is still strong for construction-oriented development projects such as canal construction; these groups have the potential to significantly influence government policy making in the future.

From the examples, if one accepts that regionally formed territorial





**Figure 1.** A Conference on the Construction of a Canal in Yeongsan River, held in Gwangju on 19 April 2007. The slogan in the placard says, “Revive the Waterway in Yeongsan River, the Lifeline of the Southwestern Region!”

interests, and development politics based on those interests, significantly influence government policy decisions, looking for the material conditions of neo-developmentalism only in the nationally formed construction alliances is a very limited approach. Some of the literature on neo-developmentalism discusses the problem of local development alliances, but it falls short of giving a clear explanation of in what political, economic, and social contexts local development alliances are created and function. Also, some interpret local development alliances as a result of the expansion of centrally-formed development alliances since the start of decentralization (Cho, M. 2003). Therefore, many overlook the fact that even before decentralization, local-level territorial politics significantly influenced construction-oriented development projects. In sum, previous discussions of neo-developmentalism fail to grasp the fact that the spread of developmentalism is not just an ideological problem but is based on the materiality of locally created territorial interests.

Secondly, discussion of neo-developmentalism and the construction-oriented state focuses on the state’s selectivity to prefer certain types of

policies and projects, but the mechanism of how the Korean state has made its developmentalist and constructed-oriented selectivity is not fully explained. Besides discussion of the existence of development or construction alliances, an explanation of the political and economic motivations behind South Korean or other East Asian states' construction-orientation does not clearly emerge. Construction-oriented national development projects may help economic growth, but also they may inhibit capital accumulation at the level of national economy. Also, social conflicts from unreasonably imposed construction projects may not be helpful in establishing a state's hegemonic legitimacy. Given these limitations to construction-led development projects, in that they can harm capital accumulation or lessen support for legitimacy of the existing political system, why and how the South Korean state shows selectivity towards construction development projects still needs to be explained. Is it just an expression of the pre-modern irrationality remained in the Korean society? Or is it a result of the ignorance, incapacity, and moral deficiency of the political powers that be? If these explanations are not helpful, then scholars need to suggest more systematic and analytical explanations for the Korean state's construction-oriented selectivity.

Therefore, this paper sheds light on the political, economic, and social processes undergirding the creation of South Korea's construction-oriented developmentalism using 1) strategi-relational state theory and 2) a theorization of development politics based on territorial interests.

### III. A STRATEGIC-RELATIONAL UNDERSTANDING OF THE STATE

The strategic-relational approach to the state has been developed by British sociologist Bob Jessop. Jessop (1990), influenced by Poulantzas' state theory, critiqued both the reductionist or essentialist Marxist understandings of the capitalist state and the Weberian view of the state emphasizing the state autonomy from social forces. For Jessop, although an economy (or capital) and politics (or the state) functionally depend on each other, this functional integration is always problematic due to institutional separation between the economy and politics. He argues that functional integration of economy and

politics is possible only through strategic activities, i.e. accumulation strategy or hegemonic projects, of both the state and social forces acting in and through the state.

The core concept of strategic-relational state theory is a “state’s strategic selectivity.” A capitalist state always shows certain kinds of selectivity, privileging specific social forces, interests and actors over others’. In this light, Jessop challenges a reductionist or essentialist view to the state, which is based on the notion that the state cannot help but serve the interests of capitalist class or show such selectivity because of demand from capital accumulation. He argues that among diverse social forces acting in and through the state, through constantly continued social and political struggles and mutual interactions, a state’s selectivity is constructed, and he calls this “strategic selectivity.” In other words, although it is conditioned and constrained by the economic necessity for capital accumulation and the political necessity of maintaining the legitimacy of the existing social-political order, a state’s selectivity is made through strategies of diverse social forces and their interactions; these strategies are selected on the basis of complex and sometimes coincidental judgments of social forces within specific historical, social, political, and geographical conditions and situations. In this sense, Jessop acknowledges “the state as political strategy” and explains that the state power is based not on what the state possesses, but on what comes from the social forces acting in and through the state; in other words, the state’s institutionalized powers and duties are defined through the specifically defined and situated relations and interactions among these social forces under certain political and economic contexts.

Building on Jessop’s strategic-relational approach to the state, Brenner (2004) tries to spatialize the state theory by focusing on the spatial explanation of a state’s “strategic selectivity”. In order to do this, Brenner first suggests the concepts of “state spatial project” and “state spatial strategy,” which explain state actions from a spatial perspective. Here, the “state spatial project,” as a spatial framework of political regulation, represents the strategic expression of the state’s distinctive form of spatial organization as a discrete, territorially centralized, self-contained, and internally differentiated institutional apparatus. Thus, state spatial projects internationally stipulate state-regulated space as a closed territory, in order to obtain uniform integration of a state’s

territory, and internally differentiate state activities among different levels of territorial administration and coordinate state policies among diverse locations and scales. On the other hand, “state spatial strategy” is associated with the ways in which state institutions are mobilized to regulate social relations and to influence their locational geographies. Specifically, it refers to the state activities to plan and implement various policies that have direct or indirect spatial effects such as industrial policies, economic development plans, infrastructure construction, regional policies, urban policies, labor market policies, and so on. In this sense, the construction-oriented state development projects can be understood as a form of the state spatial strategy.

The “state spatial project” and the “state spatial strategy” tend to result in favoritism toward specific regions, spaces, and scales over others, and this phenomenon is called “spatial selectivity.” Brenner explains this “spatial selectivity” in terms of strategic relational processes. In other words, based on strategic relational interactions among various social forces acting in and through the state, state spatial projects and strategies are created, reflecting a few selected interests’ accumulation strategies and hegemonic projects. These spatial projects and strategies, therefore, show a certain kind of spatial selectivity. In understanding the strategic relations that construct a state’s spatial selectivity, Brenner pays special attention to the path-dependent influences of the existing spatial organizations of the state. In other words, as a result of strategic relational interactions, once the specific institutionalized arrangement, framework, and spatial selectivity are formed, they in turn affect strategic relational interactions among social forces and interests at the next stage. This strategic relational interaction affects a state’s spatial form and spatial selectivity, and this revolving process is repeated. Based on this reasoning, Brenner argues that state spatial selectivity is a result of a dialectical interaction between: 1) inherited patterns (for example, territorial partitionings, scalar configurations, etc.) of state spatial organization; and 2) emergent state spatial projects and strategies that aim to modify or reshape the entrenched spatial form of the state. Through this process of dialectical interaction, a state’s spatial form and selectivity are ceaselessly evolving and constantly being restructured. Therefore, the processes of spatial and scalar restructuring of the state such as ‘glocalization’ and ‘decentralization’ that take place in many countries can be understood as the results of these changes

in state's spatial form and selectivity stemming from strategic relational processes.

From a strategic relational point of view, in order to explain South Korean state's neo-developmentalism, and its construction-oriented nature, the following questions need to be answered:

- 1) If one looks at this construction-orientation as one of the specifics that define South Korean state's spatial form and selectivity, what are the political and economic processes that brought about this pattern?
- 2) How has the construction-oriented nature of the Korean state developed in relation to the state's accumulation strategies and hegemonic projects that are constructed through strategic relational interactions among diverse social forces acting in and through the state?
- 3) How has the construction-oriented nature of the state affected subsequent strategic relational interactions among social interests?
- 4) Within these continuous changes and interaction processes, how has the construction-oriented nature of the Korean state changed and evolved?

#### IV. TERRITORIAL INTERESTS MOBILIZATION AND DEVELOPMENTAL POLITICS

In order to fully answer the above questions, more systematic analysis of the construction alliances is necessary, as these alliances are the most important interest groups influencing state strategic selectivity of "developmentalism." An understanding and explanation of the interest bases, the mechanisms through which members of the construction alliances form their coalitions, and how this kind of construction alliances influences state activities are needed. Previous discussions on the construction alliances have mainly focused on how and on what kinds of institutionalized and organizational interests the main actors promoting construction activities—politicians, bureaucrats, media, and academia—form construction alliances and initiate development projects (Hong, S. 2005). Although this attempt has contributed much towards explaining one important aspect of the construction alliance

formation and its operation, previous research has not paid enough attention to the role of development politics based on territorial interests, a key element of construction alliance formation.

An analysis on the political actions based on territorial interests helps to explain construction-oriented developmentalism because of the inevitable place-based natures of construction projects. The state's construction projects are a field in which place and spatial selectivity is more directly and clearly revealed than for any other state activities. Construction projects clearly bring about benefits and costs at the national scale, their impact and side effects are more clearly seen at the local scale. Thus, locally dependent actors react very sensitively to positive or negative effects of construction projects at a specific place; as a result, each specific construction project features very different pros and cons.

Furthermore, for construction projects there is inevitably a gap between exchange value and use value. Construction projects may differentiate the use and exchange values of land and real estate, and hence the actors who are fixed and dependent on a specific place may have different benefits and costs depending on the location and ownership of the land and real estate they are associated with. Coupled with the spatiality of construction projects, such differentiation of spatial values is a core condition that makes construction projects become an important political issue. Considering the spatiality of these construction and development projects and consequential political competition and conflict, one must inevitably consider the territorial interests related to each construction project in explaining the formation of a construction alliance and a state's construction-oriented tendency.

Then, through what process do political activities based on territorial interests appear? According to David Harvey and Kevin Cox, territorial politics occur from dialectical interactions between mobility and fixity, two contrasting tendencies inherent in capitalism. Paying attention to competitive relations among capitalists in capitalist economies, Harvey (1982, 1985, 1989) mentioned two contrasting strategies that capitalists deploy in order to best the competition: one is by developing better technology, designing a more efficient corporate organization, or selecting a better location where resources, infrastructure, market, and labor are easily attainable. The other way is to keep a competitive advantage by consolidating monopolistic control

of superior technology and location so that other capitalists cannot obtain such technology and location easily. According to Harvey, such contradictory relations between these two competitive strategies are the conditions that ultimately bring out territorial politics.

The former of these two competitive strategies can be spatially expressed as capital's ceaseless search for new locations, which results in the tendency of capital mobility and the continuous instability of the capitalist space economy. The spatial expression of the latter strategy is the creation of 'structured coherence' in production, technology, social relations, consumption patterns, labor processes, class relations, and culture in a specific place or region, through which the monopoly of previously-obtained superior technologies and locational advantages can be secured and increased. These two conflicting tendencies are contradictory to each other; the structured coherence created in a specific place or region is constantly threatened by constant instability and the pressure for restructuring, stemming from the unstable characteristics of the capitalistic space economy. According to Harvey, such situations of the continuous instability and crisis tendencies appear unbearable to capital and labor, both of which are dependent on the structured coherence created in that region or place. Territorial politics arise as such place-dependent actors respond to this crisis.

Thus, capital and labor attempt to maintain the circulation and accumulation of capital within their city and regional economy by protecting this structured coherence. However, this process is highly political, because policies to protect and save an urban or regional economy and the implementation of such policies do not equally distribute benefits to all social groups and interests. Moreover, if these policies that are carried out in the name of saving the urban or regional economy put more burden on residents of that city or region via additional fees and taxes, competing interests will easily clash, collide, and quarrel. In order to evade this situation, the social forces that try to protect an urban or regional economy can mobilize territorializing strategies by privileging territorial interests and identities over other social and political interests and identities based on class, gender, ethnicity, and so on. The result of such urban politics is the formation of regional class alliances in each city or region. Furthermore, such class alliances compete and oppose each other in order to maintain the structured coherence of the

cities, where they are dependent, and through this, competition and conflict among cities or regions can be created (Harvey 1985, 1989). In other words, certain forms of territoriality are created in cities or regions, and people are politically mobilized based on this, leading to the rise of territorial politics.

Building on Harvey's argument that the contradictory relations between mobility and fixity are the required condition for the rise of territorial politics, Cox suggests that locally dependent actors can organize the politics of local economic development by forming growth coalitions in order to protect or enhance their place-dependent interests at the local scale (Cox and Mair 1988; Cox 1993). Because place-dependent interests are not just always related to exchange values of place but also related to use values of place, the actions aiming at protecting place-dependent interests do not always lead to developmental politics. However, in many cases, the actions aiming at attracting values created at the wider circulation of capital flows to the region, or capturing values made in or within that region, are likely turned out to be a form of developmental politics, which tries to attract outside capital to the region by improving the social and physical infrastructure of the place.

Cox (1997, 1998) argues that in this process, territorial identities and ideologies can be strengthened in order to bring about political participation and agreement among the place-dependent actors whose bases are on use values rather than exchange values or the actors who have weaker place-dependent interests. As a result, the processes of territorialization can occur. Here, territorialization means the social-political process by which "territory" is created. In particular, it is related to an effort to reinforce the boundness and exclusiveness of a place on the bases of certain place-based ideologies and identities, to distinguish "us" and "others," and to set down relational features in a specific direction within a specific place (Sack 1986).<sup>2</sup> The processes of territorialization increase cohesion and integration

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<sup>2</sup> Territory refers to a portion of geographic space which is claimed or occupied by a person or group of persons or by an institution, and thus it is an area of 'bounded space' (Storey 2001: 1). Therefore, it should not be seen as pre-given or natural, but it is socially and politically constructed by human actions. In regards to this, Sack (1986) looks at the creation of territory through the perspective of power conflict and struggle, and he argues that the creation of territory is an effort to exercise influence and control over people, circumstances, and their relations as individuals or groups





Figure 2. Placard on Korean Peninsula Grand Canal Construction Project in the Region of Yöju (February 2007).

within the place, and intensify territorial competition and conflict against other places. For a representative example of this territorialization process, Figure 2 shows a slogan (“Is One Really A Yöju Citizen if One Opposes Canal Construction?” – (Yöju Korean Peninsula Grand Canal Promotion Central Committee), proclaiming that if one opposes the Korean Peninsula Grand Canal construction project, he/she will be seen as being against Yöju’s territorial interests. Such a process of territorialization makes opposition to specific developmental projects within the region unpalatable, bringing about full support from the region’s residents.

In summary, in the process by which spatially-fixed and place-dependent actors try to protect or enhance their place-dependent interests in the capitalist space economy, which faces constant instability and change, territorial politics originate as actors engage in competition against other regions and politically mobilize territorial identities and interests. Based on this argument, it can be argued that the construction projects are directly tied to actors who have a stake in place-dependent and spatially-bound interests because of their spatial immobility and strong local effects on the use and exchange values of places. The locally dependent actors form development alliances or growth

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by setting boundaries on a specific region and claiming control of it. If one looks at territory through this perspective, the creation of territory and the establishment of boundaries are political strategies to achieve specific purposes, and the establishment of boundaries leads to the exclusion and inclusion of “us” and “others.” Territory is created by human activities aiming at occupying better positions in power struggles.

coalitions at the local scale and actively try to attract construction projects that can increase their place-dependent interests.

## V. TERRITORIAL POLITICS AND THE STATE'S CONSTRUCTION-ORIENTED TENDENCY

Developmental politics based on these territorial interests occur in every capitalist society; however, the concrete forms of the territorial politics may be expressed in many different ways. Also, while developmental politics based on territorial interests may greatly affect state activities in some countries, in others it may not. Why does such difference occur? Under what conditions do developmental politics based on territorial interests affect state activities, especially a state's strategic selectivity? We require a conceptual framework that will allow us to answer these questions in order to explain the Korean state's construction orientation.

As Brenner (2004) has argued, the capitalist state has spatial selectivity in its activities. The policies or strategies of the state tend to privilege certain regions or spatial scales over others under strategic interactions among various social actors acting in and through the state. The state's spatial selectivity can be expressed in diverse ways, such as in explicit spatial policies by which a specific region or city receives much more support and benefits from the state, or in aspatial policies like industrial, trade or investment policies by which, nonetheless, a specific region or city implicitly receives disproportionate benefits. Such spatial selectivity of state behavior becomes an important factor that explains economic development and growth differentials between localities or between cities.

In the case where uneven regional development is greatly influenced by the spatial selectivity of state behavior, regional competition and conflict can be provoked by state policies and strategies. When disadvantaged by the state's spatial selectivity, some regions or cities will criticize or challenge state policies and strategies, while favored regions or cities will be more likely to try to continue working the spatial selectivity of the state to their benefit. When competition and conflict over a state's policies and strategies intensify, territorial politics may arise to protect and enhance the place-dependent interests of local

actors on the basis of the mobilization of a specific region's territorial identity and interests. The result is the intensification of regional conflict, emergence of regionalist politics, and intensification of center-local conflict.<sup>3</sup>

Such conflict between localities or between scales is a serious threat to maintaining national unity. In order to resolve this, the state may implement several spatial strategies and spatial projects as a hegemonic project to appease regional competition and conflicting situations. This is demonstrated by the fact that the states in all capitalist economies implement various policies to resolve regional disparities and to mitigate regional conflicts despite variations in the degree of differentiation.

A state's spatial strategies and spatial projects become more or less development-oriented according to the degree of political mobilization of territorial interests. Because the magnitude of mobilization of territorial politics at the local scale can be very high, when regional competition or conflict, or center-local conflict, is intense, it is not easy to mediate various local interests and demands. As a result, it is likely for state policies to become more construction-oriented in order to fulfill territorial demands. On the other hand, when territorial interests are mobilized inadequately and other political mobilization mechanisms such as class, race, or religion become more important issues, it is easier to control territorial interests nationally, and the state is less influenced by local or regional demands for development.

Then, what kinds of conditions increase the levels of the political mobilization of territorial interests? Although numerous conditions operate in complex ways, three conditions are mentioned here to help explain the construction-oriented tendency of the Korean state.

The first condition is the structure of political cleavage. It is important to know how party politics work. Parties organize and compete to get power and votes in a democratic political system. Therefore, parties must organize their political bases in order to win an election, and as a result, a political cleavage structure of interests is formed. In order to win an election, parties must search for various sources of political cleavage, such as class, race, region, and

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<sup>3</sup> See Park, B. (2003) for a representative case study that interprets South Korea's regionalist politics as a result of uneven development conditioned by the state's spatial selectivity and the resultant territorial politics.

religion. If regionally-based political-economic interests and identity issues are used to form a party's support base, then a political cleavage structure will be created based on regional and territorial interests. Even though class conflict, the main contradiction of capitalism, affects political cleavage structures, it is only contingent if class conflict turns out to be the main factor. If the labor movement is nationally organized, based on strong class solidarity and politically closely associated with a specific party, then class politics will be vigorous, and class interests are more likely to be used as the main sources of political mobilization (Taylor and Johnston 1979). If this is not the case, then other factors such as regionalism, race, and religion are likely to be used for political base construction.

In the case of South Korea, the country experienced rapid development of capitalism and intense labor-management conflict, but class politics did not grow as the main dimension of party politics; thus, class politics has had little effect on the formation of political cleavage structures. In this void, parties looked for other ways to mobilize supporters, and regional interests are one route they found. The developmental state pursued state-led economic growth, and its spatial selectivity caused the problems of regional economic disparity. This intensified regional conflict and competition regarding governmental policies. This condition of underdeveloped class politics led parties to create their political support base by mobilizing territorial interests at the regional scale. The result is the current South Korean politics of regional cleavage (Park, B. 2003).

When political cleavage structures are organized around regions in this way, developmental demands that are based on territorial interests will be even more magnified and reproduced by parties and politicians, and will more profoundly affect government policy. If political cleavage structures are organized around non-regional factors such as class, the involvement of parties and politicians in developmental politics based on territorial interests will be greatly weakened, and this will have the effect of weakening a state's construction orientation.<sup>4</sup>

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<sup>4</sup> It is possible to interpret Japan's construction-oriented state as magnified and reproduced by the effects of a similar territorialization of politics. Traditionally in Japan, pork barrel politics—local parliamentary members trying to exchange

The second condition intensifying the territorial politics is the spatial scale at which territorial interests are mobilized. Territorial interests can be defined and mobilized at various geographical scales. In fact, the emergence of nation-states is a result of the mobilization and institutionalization of territorial interests at the national scale. This does not mean that territorial interests are not mobilized when class politics are active and a social democratic political system is instituted. In such cases, territorial interests are mobilized at the national scale and expressed as inter-national competition for capital accumulation. However, the degree of territorial interest mobilization at the local scale is comparatively weak. In contrast, the emergence of regionalist politics or local party politics greatly increases the possibility of territorial interests being mobilized at a geographical scale below the national scale.

The other important factor that influences the geographical scale in which territorial interests are mobilized is a state's spatial form, especially at what scale regulatory processes are mainly taking place. With the centralization of the political system, if the state's regulatory processes are taking place at the national scale and political decision making at the local level is less important, then the territorialization processes of politics at the local scale can be weak. However, with decentralization of the state, if local government decision-making becomes important, then the processes of territorialization can become active at the local scale. After decentralization in South Korea, the rise of small-scale regionalism and intensification of inter-local competition

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votes and central government grants—were widespread (Fukui and Fukai 1996). Before the medium-constituency electorate system was replaced with the single-district electorate system in 1993, under the long-term ruling Liberal Democratic Party, Liberal Democratic candidates were competing with each other in the same electoral districts (Grofman et al. 1999; Katz 1986). As a result, ideological and policy differences between parties and interest groups had less of an effect on election results, and instead, it became very important which one among various Liberal Democratic candidates was more capable in lobbying the central government. Therefore, the important factor deciding electoral outcomes became who represented a region's interests better (Grofman 1999: 390). In other words, stimulation of territorial interests became an important factor in party politics. In this situation, individual politicians were stroved to attract central government grants for public construction projects that represented territorial interests; this became the basis for growth and continuation of the Japanese construction-oriented state.

have been influenced by the changes in the state's spatial structure.

Along with this, the geographical scale at which the interests of capital are defined also influences the geographical scale of the territorialization. With the development of capitalism, the monopoly of capital intensifies and the size of firms becomes bigger, but each country shows different characteristics in its spatial scale at which the interests of capital are defined. For instance, the United States has a higher percentage of local companies operating in economic activities than Britain has. The utility companies in the U.S. that provide electricity, water, and gas are local firms based on specific regions, and hence they play a very important role in the formation of territorialized developmental politics. On the other hand, Britain has more nationally organized companies; thus, territorialized developmental politics at the local scale are less active than in the United States (Wood 1996). In South Korea, large conglomerates occupy a much larger portion in the economy than locally-based small businesses, so that the role of industrial capital is minor in the territorial politics at the local scales. Nevertheless, it does not mean that locally based companies do not exist. Some companies do have strong place-based interests at the local scale, especially in the form of construction companies or local media, and they make up important parts of *t'ohu* (powerful local landed families), playing a key role in developmental politics based on territorial interests.

The third factor is the structure of discourse that interprets a region's political and economic "reality." Regional territorial politics are mobilized, and the way in which actors interpret the region's political economic situation is oftentimes different from the region's actual political economic reality. Various alienation theories, such as the Honam alienation theory and the *Jibang* (the regions outside of the Seoul Metropolitan Region) alienation theory that are popular in South Korea play a very important role in the mobilization of territorial politics. Yet, these alienation theories are not based on a correct interpretation of that region's political and economic "reality." Influenced by regionalist politics that appeared in the 1960s and the 1970s, South Korean locals have interpreted political and economic reality based on the beliefs that 1) state-led development projects greatly influence a region's economic development, and 2) the distribution of such development projects to localities is influenced by the regional home of the main power figures

in the central government. This interpretation regards relationships with the central power as more important than each region's objective economic condition or historical development path. This shows how territorial developmental politics mostly revolves around regional equity and spatial selectivity of the central government's development projects in South Korea. Regional bids for national development projects result in blind bidding for the central government's development projects without serious consideration of whether that national development project will improve the standard of living and local economy.

## VI. HISTORICAL PROCESSES OF SOUTH KOREA'S CONSTRUCTION-ORIENTED NEO-DEVELOPMENTALIST STATE FORMATION: AN EXPLORATORY EXPLANATION

### 1. State-led Economic Growth and the Formation of a 'Construction-Oriented Developmental State'

In the 1960s and 1970s the 'construction-oriented developmental state' first emerged in South Korea with two early characteristics. First was the growth of a construction bureaucracy and construction capital. Under state-led industrialization, the state invested in large scale, social and physical infrastructures, constructed various industrial complexes, and pursued various regional development projects. As a result, government ministries related to construction and the construction industry grew rapidly. Furthermore, based on the growth coalition between the state and *chaeböls* (large conglomerates), the connection between construction bureaucrats and construction conglomerates was strengthened. The second characteristic was that regional development-dependent political interests grew. Under the influence of regionalist politics that appeared during this period, mechanisms that mobilized political support based on regional interests were established. As a result, the state's regional development projects became a main interest of parties and politicians. Based on this growth of regional development-dependent political interests, developmentalist discourses became a hegemonic ideology in South Korean society.

Now, we need to look at how these two characteristics arose in relation to strategic relational interactions among various social forces with regards to South Korea's state strategies and state form of that time. First, we can summarize the South Korean developmental state's state strategies and state form as follows. Regarding state strategies, the South Korean state, based on export-oriented industrialization in the 1960s and heavy and chemical industrialization in the 1970s, pursued an accumulation strategy aiming at maximizing the efficiency in economic growth through intensive mobilization of capital and labor. In addition, the South Korean government practiced hegemonic projects that included the establishment of political legitimacy through achieving national economic growth and delivering wealth to the people, the neutralization of political opposition through repressive and authoritarian political practices, the mobilization of regionalist political support, and the active utilization of ideologies such as modernization theory and anti-communism within its repressive political system. The state form was characterized as follows: 1) in terms of the form of political representation, an authoritarian regime that secured the state's superior position over civil society by repressing political activities and weakening parliamentary democracy, and 2) in terms of the spatial form, the construction of an exclusive regulatory space within the national territory, the establishment of highly centralized state territoriality, and a strong tendency of spatial selectivity in the state activities promoting accumulation strategies and hegemonic projects.

These conditions have led to 1) the growth of construction bureaucrats and capital, and 2) the emergence of regional development-dependent political forces by influencing the strategic relational interactions among social forces, and eventually contributed to the rise of a construction-oriented developmental state in South Korea. More concrete mechanisms can be explained as follows.

1) Under state-led economic development strategies, the state had to develop physical infrastructure in order to deliver and use resources efficiently.<sup>5</sup> This is evident in the use of foreign loans. At that time, when

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<sup>5</sup> Of course, some of this was necessary for national economic development, but at the



capital for economic development was scarce, foreign loans were actively sought; most of these foreign loans were invested in physical infrastructure. For example, from 1959 to 1969, 45.9% of foreign loans were invested in manufacturing and 47.82% in physical infrastructure (Seoul Social Science Research Center 1991: 183). Such vast amounts of investment in physical infrastructure construction resulted in the increased role of the construction administration, which mostly handled national land development as a part of economic development. This provided a chance for the construction bureaucracy and capital to grow in South Korea.

2) The authoritarian state form resulted in the immature development of political and civil societies and an immature class politics due to a repressive political system and labor regulation. In this situation, parties and political forces created a cleavage structure that tried to get political support based on the ideological binary of authoritarianism vs. democracy. However, this cleavage structure lacked material foundation, and parties and political interests continuously sought complementary cleavage factors.

3) Spatial selectivity of state strategies and form resulted in the creation of locally differentiated interests. First, under a centralized state structure, local interests had to mobilize the central government's support and authorization for regional development. However, the state's accumulation strategies showed clear spatial selectivity, so that government investment and support for industry and regional development became concentrated in the Seoul Metropolitan Region and in the southeast region, and this caused regional economic disparities. Additionally, because of the state's hegemonic project of maintaining legitimacy through mobilization of regionalism (e.g. pro-government regionalism in the southeast) and recruitment of people based on regionally based social networks, territorial interests based on the Yöngnam region (the southeast) were better represented politically. Under

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same time, national projects such as nation building, post-war recovery, and territory reconstruction that had continued ever since independence from Japan and the Korea War had also contributed to the creation of the Korean state's path-dependent tendency to privilege the physical infrastructure development.

a combination of these conditions, differentiated interests were constructed in different regions in relation to the regulatory practices of the state; thus, there appeared a sense of alienation and anti-government regionalism in the Honam region (the southwest), while arising pro-government regionalist discourses in the Yöngnam region.

4) With the articulation of the above two conditions, the interests of parties and politicians in regional development issues increased. Besides the basic cleavage structure of “authoritarianism vs. anti-authoritarianism,” political forces that were trying to find a complementary cleavage factor began trying to secure their support base by politically mobilizing regional interests that were discriminatively created by regional economic disparities. Especially, on the basis of regional disparities and regionally-differentiated political interests and sentiments like the anti-government sentiment in the southwest and the pro-government sentiment in the southeast, territorialization strategies of political forces that were trying to win support started to appear in full scale in the 1971 Presidential election. The Yöngnam-Honam opposition structure emerged, and regionalist politics grew as a result. Seizing the opportunity, political forces started to secure their support bases by mobilizing regional political-economic interests and sentiments, the regional economic disparities, regional alienation, and the call for regional development.

5) As social discontent over state-led industrialization since the 1960s and authoritarian control started to be expressed in full scale from the end of the 1960s, and as an effort to subdue this discontent and ensure political legitimacy, the state implemented various rural and urban development policies as a hegemonic project from the 1970s. i) Social discontent over state-led industrialization could not be expressed as class-struggle as a result of strong ideological influences of anti-communism and political repression of class-based movements. However, as one can see in the case of regionalist sentiment of alienation in the Honam region, discontent over the unfairness of state-led industrialization became a political issue with regards to regional inequality. In this situation, the state began to carry out regional policies that focused on dispersing populations and industries from big cities to the

provinces from the early 1970s, and along with this, the state implemented the 1<sup>st</sup> Comprehensive National Land Development Plan in 1972. In this manner, various regional development projects came into being. ii) Also, because of the spatial selectivity in the state interventions in the economy, populations in big cities and their metropolitan areas (especially, the Seoul Metropolitan area) increased dramatically, and this led to congestion in cities like Seoul. This in turn increased the need for the spatial expansion of Seoul. It also led to housing problems for urban workers and increased the need for housing provisions. As a result, the reconstruction of urban areas and housing provision policies were initiated in full force in the 1970s. These regional, urban, and housing policies called for full implementation of large-scale construction projects and a vast amount of investment in national land development, which led to an increased national budget for construction, and the expansion of the construction industry; this contributed to a strengthening of the state's construction-oriented tendency.

6) At the start of the 1970s, the authoritarian *Yushin* regime was established by Park in order to resolve the political-economic crisis of the late 1960s and the early 1970s. Spatial selectivity and form of political representation of this regime contributed greatly to the strengthening of construction alliances and developmentalism. i) The *Yushin* regime strengthened the spatial selectivity of the state by concentrating the construction of industrial complexes for heavy and chemical industrialization in the Yŏngnam region, which resulted in the intensification of the economic gap between the Yŏngnam and Honam regions. It also reinforced a bias towards people from the Yŏngnam region when selecting national governing elites. Given this, political and economic interests and sentiments became much more differentiated among different regions. ii) Also, under the *Yushin* regime, indirect presidential elections were held and crack-downs on the opposition party intensified. Via the parliamentary electoral system, representative politics were drastically weakened, but the weakened regionalist politics among party competitors led to a rise of regionalism mobilized by individual politicians who used regional development issues as a tool. In other words, when competition between parties weakened, individual candidates tried to win the hearts of voters by highlighting the question of “how well will the candidate perform for

regional development in his relationship with central authorities?” Through this process of promoting regional development projects, the local legislative members’ lobby of the central government became stronger. As a result, development alliances that linked the center to local areas began to emerge. In other words, a link between local legislative members, local government, interest groups within the region (e.g. Chamber of Commerces), the central bureaucracy (Construction ministry, Finance ministry), and construction companies became more important, and this led to an intensification of construction alliances and expansion and reproduction of developmentalist discourses.

The state’s construction-oriented tendency of the 1960s and the 1970s was continuously strengthened in the 1980s, which was related to the expansion of various urban or regional development projects. In the 1970s, the problems of state-led industrialization, such as labor exploitation and a rise of the urban poor, rose to surface in full force. In this situation, citizens protested against repressive systems and the demand for democratization spread. In response, several hegemonic projects related to urban and local development were pursued. 1) As a result of the Kwangju Democratization Movement following the Kwangju massacre, regional conflict and regionalist politics intensified. In response, regional development policies expanded. 2) In order to provide housing in urban areas, the state pursued the development of large-scale apartment complexes. 3) As parts of the hegemonic projects, bids to host the 1986 Asian Games and 1988 Olympic Games were sought. Then, to prepare, urban redevelopment projects on a grand scale ensued. Thus, construction alliances expanded and multiplied.

Along with this, in the 1980s, regionalist politics expanded and intensified, and it was the period that the region became the core divisional structure for South Korean politics. Especially through the Kwangju Democratization Movement in the Honam region, anti-government and resistant regionalism intensified while in the Yŏngnam region, pro-government and hegemonic regionalism prevailed. Additionally, after the 1987 Democratization Movement, as formal democratization took a big step forward, the ‘authoritarianism vs. democracy’ cleavage structure that had essentially defined South Korean politics in the previous period weakened, and the spatial division element

came into the void. Democratic movement groups were divided regionally, and several regionally-based political forces emerged. Regional interests thus became mobilized in full force, and accordingly, the dependency of political forces on regional development increased even more.

## 2. Conversion from a 'Construction-oriented Developmental State' to a 'Neoliberal Construction-oriented State'

Entering the 1990s, the South Korean developmental state experienced fundamental changes in its strategies and characteristics. So-called neoliberalism began. This change was brought about by responses of the national ruling elites to destruction of the existing developmental model and the resultant crises of accumulation and legitimacy. The existing developmental model had been based on "state-led intensive mobilization of labor and capital" from the 1960s to the 1980s, but its effectiveness became greatly weakened from the late 1980s under various internal and external challenges. After the late 1980s, facing external conditions of intensification of international competition and the end of the Cold War, South Korea, which had established an exclusive regulatory space under nationalistic economic policies, was pressured to open its markets and liberalize trade. Internally, with democratization and the consequent growth of the labor movement, a system of repressive labor regulation collapsed. And, with the increasing autonomy of capital from the state due to the economic growth from the 1960s to the 1980s, the state's intensive mobilization of capital became very difficult. This situation brought about accumulation and legitimacy crises for the governing elites, as economic growth began to decline after the late 1980s, and social movement groups continued to challenge the authoritarian regime.

In response to these crises, national ruling elites have attempted to reformulate the state strategies. First, in terms of the accumulation strategy, they tried to resolve the accumulation crisis by reorganizing the economic structure to be more market-friendly on the basis of the ideologies of neoliberalism and globalization. Second, in response to continuing challenges from social movement groups, they promoted expansion of procedural democratization, political-economic reforms, and some redistributive policies as a hegemonic project. However, such reorganization

of state strategies provided the opportunity for construction interests and developmental ideology to strengthen and expand at the national and local scales through several social groups' strategic relational interactions.

Housing and local development policies were expanded; this is evident from three sides. First, the urban population had drastically increased as a result of economic growth; construction-related bureaucrats and the construction industries formed an alliance; real estate speculation in urban areas became chronic, and South Korean urban housing prices showed a drastic increase in the late 1980s and the early 1990s. In order to appease the angry urban middle class and renters, the state carried out housing provision campaigns such as the 200 Million Unit Housing Construction Project. Secondly, because of intensified regionalist politics in the 1980s, regional interests became the core of the political cleavage structure. As a result, parties and political groups openly tried to strengthen and preserve their political support base, focusing on the regional economic disparities and regional development issues. In response, the state expanded several regional development projects aiming at promoting more balanced regional development like the West Coast Development Project. Thirdly, along with the expansion of several development projects, the state gradually relaxed various restrictions on development. With increasing demand for democratization and the rising influence of neoliberal ideology, public dissatisfaction with the state's restrictions on political and economic activities intensified, leading to the relaxation of several development curbs such as the semi-agricultural zone development restriction. Such expansion of housing and regional development projects and relaxation of development restrictions provided abundant resources for the construction alliance to continue to grow.

The scalar restructuring of the state (e.g. the implementation of a Regional Autonomy System in the 1990s) and intensification of regionalist politics, a result of democratization, allowed the construction alliance and developmental ideology to simultaneously grow and intensify. First, because of the implementation of a Regional Autonomy System, local government leaders, such as governors and mayors, came to be elected by local residents. This increased the role of the local government leaders as a representative for territorialized interests at the local scale. As a result, at the local scale

territorial development alliance formation became more active. Also, with the decentralization, as the local government's budgetary independence and responsibility increased, each local government began trying to attract private capital for regional development projects through public-private partnerships, which in turn provided an opportunity to form development and construction alliances at the local scale. As a result, the profit motive in local development projects was elevated, while the principle of the public good was drastically diminished. The start of decentralization also intensified inter-regional competition over central government funding for local development. This induced local parliamentary members, who lived by promoting regional development issues within the regional political cleavage structure, to become more actively involved in local development projects.

In the early 1990s, the neoliberal conversion began, but went into full force only after the 1997 Financial Crisis. However, even though this neoliberal conversion was taking place, it did not mean that the economic regulatory system would change completely to an ideal-type of neoliberalism. It has been widely observed that the "actually existing neoliberalism" in reality appears as a hybrid form stemming from the path-dependent, contextually specific interactions between inherited regulatory landscapes and emergent neoliberal, market-oriented restructuring projects (Brenner and Theodore 2002; Tickell and Peck 2003). South Korea adheres to this in that it follows 'developmental neoliberalism' in instances where neoliberalism shows a strong "neo-statist" tendency, because of strong path-dependency of the developmental state regulatory framework.

How does this mixed tendency emerge in regards to a state's construction-oriented tendency? First, if one looks at the path-dependency of the previously created construction-oriented developmentalism, it can find the following tendencies: 1) construction interest groups and their alliances—such as construction bureaucrats, the construction industry, local government, local legislative members, media, and intellectuals—at national and regional scales continue to have political influence; and 2) since the 1960s, as continuous construction-oriented development and the consequent acquisition of wealth through real estate investment became the main source of upward mobility, real estate was identified as the most lucrative area for speculation. As a result, construction-oriented discourses such as the Real Estate Invincibility

Legend and Real Estate Investment Supremacy became the predominant guiding ideologies for individuals hoping to get rich. Along with these path-dependent tendencies from the past, as neoliberalism spreads, discourses such as competition, markets, and entrepreneurialism became predominant, while discourses about the public good were minimalized. The combination of these two conditions has facilitated the active intervention of the central and local governments in urban and regional development projects under the name of improving national or regional competitiveness, and brought about 'neo-developmentalism', which promotes profit making and improvement in competitiveness as the goal of development rather than the public good.

Such neo-developmentalism attracts extensive support from the various construction-related interest groups at national or regional scales, such as land owners, construction-related capital, construction-related bureaucrats, local governments, local legislative members and the media. Furthermore, because of its neoliberal and market-friendly goals such as competition and efficiency, neo-developmentalism receives extensive support from followers of neoliberalism. As a result, the South Korean state has become a "neoliberal construction-oriented state."

## VII. CONCLUSION

This paper speculates on what kind of political, social, and economic processes created the South Korean state's neo-developmental tendency. From the 1960s to the present, as a result of South Korean state's spatial policies and complex political-economic processes surrounding them, the political mobilization of territorial interests at the local scale became very active. Hence, it is argued here that the state's construction-oriented tendency has intensified. More specifically, this paper emphasizes: 1) as the central cleavage structure in party politics has been formed based on region, parties and politicians have easily complied with regional development politics and influenced governmental decision-making; 2) because of the immaturity of class politics and grass-root democratization, place-based interests at the local scale have been powerfully territorialized; and 3) because the effects of regionalist politics have continued since the 1970s, the discursive



framework interpreting the region's political-economic reality has become very much politicized around "center-local" relations, greatly influencing the intensification of the South Korean state's construction-oriented tendency.

Because of the state-centric nature of the Korean social sciences, the political-economic processes at the local and regional scales have been rarely considered as the core of causal relations in explaining the Korean social phenomena. This has affected explanations on the construction-oriented development projects that have strong place-based and local characteristics. Therefore, in the existing studies on neo-developmentalism or construction-oriented state theory, territorialized politics at the local or regional scales were regarded only as by-products or outcomes of national-scale development politics. However, this paper argues that territorial politics at the local or regional scales is one of the main factors explaining South Korean state's construction-oriented tendency.

Based on this analysis, I argue that the efforts to resolve the problems arising from the Korean state's neo-developmental policies and construction-oriented tendency requires not only attacking the discourses of developmentalism and criticizing the national-scale construction alliances, but also weakening the development politics organized at the local or regional scales. Yet, as discussed briefly above, because the South Korean state's construction-oriented development tendency is a result of political, economic, social, and spatial conditions intricately intertwined with the process of South Korean capitalist development, it would seem difficult to resolve the situation simply by institutional reforms of regional development practices or decision making processes. The political-economic system, seemingly unrelated to government construction projects or development politics, first needs to be fundamentally changed in order to hinder further revitalization of developmentalist politics based on regional interests. To design such measures, deeper empirical studies about the operation of regional development politics and the processes by which regional interests influence the strategic selectivity of the Korean state are necessary.

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