



Policy Brief: Urban Policy Intervention and The Socioeconomic Disparities Mitigation in Housing and Transportation: A Comparative Study Between Yangon and Seoul

Khine Yin Htun, MA 2023

ABSREACT

This study explores how Seoul and Yangon's urban policies in housing and public transportation have evolved throughout the years to deliver effective urban services to all its residents. The historical contexts of these topic areas are explored in Seoul and Yangon to determine what policy changes were implemented, what pushed them to reform, and what types of governance structures were used to carry out these policy shifts. In comparison to Yangon, Seoul has better government-led housing programs and reliable public transportation, as well as a government subsidy system to address disparities in urban development, which could serve as a valuable lesson for Yangon's sustainable urban development with socioeconomic inclusion for people living in poverty. Based on this assumption, this study aims to compare the two cities' housing and public transportation strategies. To better understand the similarities and variations between Yangon and Seoul, Jon Pierre's urban governance model will be utilized to analyze the governance structure in housing and transportation. Finally, based on the lessons learned from Seoul, this paper makes policy recommendations for Yangon to alleviate housing disparity and strengthen its public transit infrastructure.

1.INTRODUCTION

Historically, the industrialization process has resulted in urbanization around the world by bringing people to cities for economic opportunity. At the beginning of the process, most cities experience unequal forms of urban growth on urban services due to weak urban governance structures, inadequate institutions, and ineffective leadership. However, some cities have managed to find feasible policy and government structure to mitigate socioeconomic disparities while some are still early stages of development of institutions and governance systems. Based on this concern, the following study examines how urban policy interventions in the housing and transportation sectors can reduce inequality in two cities: Yangon and Seoul.

While there are certain parallels between the two cities, such as population size, homeownership rates, and capital cities for both countries, comparative studies on urban policy are rather few. Currently, South Korea has a stronger economy, democracy, and higher living standards compared to Myanmar also experienced a military coup in 1961. Moreover, at the beginning of the urban planning process, it encountered challenges such as housing shortages, poor public transportation, and lack of public participation in decision-making in terms of economic growth and rapid urbanization. However, after gaining political power, the democratic government of South Korea changed housing-related policies, placing a major focus on equality and inclusivity. Urban-related concerns became a political agenda item



during the political transition because elected administrations presented new ideas to address the housing crisis and improve public transportation for all citizens. Despite the political turmoil Myanmar is currently experiencing, there remains a potential that things will improve over the next three to five years. Thus, a comparative analysis of South Korea's housing and transportation policies and actions for Seoul could be beneficial in improving understanding of socioeconomic disparities in Yangon. As a result, the purpose of the study is to compare the conditions in Seoul and Yangon to learn what efforts in the South Korean government took to improve urban services for its citizens.

2. APPLICATION OF JON PIERRE'S FRAMEWORK

Jon Pierre's urban governance model is used to understand Seoul and Yangon's urban governance model and urban policy interventions in this study. The aim of using this model as a theoretical framework is to comprehend the urban politics, governance systems, and urban institutions of Seoul and Yangon and how these two cities are addressing contemporary urban challenges. It comprises four governance models: welfare, pro-growth, corporatist, and managerial. Regarding important stakeholders, goals, tools, and results, each of these models illustrates a distinct kind of governance. Pierre (2011) argues that the degree of autonomy possessed by each actor is determined by the dynamics of institutions, which is why urban politics encompass more than just the exchanges between city officials and residents. This model's central idea originates from US and UK cities, and it is primarily utilized for evaluations of urban governance systems in Western cities. However, this study employs the urban governance concept by Jon Pierre to examine Seoul and Yangon's urban governance model to compare policy interventions in housing and public transport areas.

3. GOVERNMENT INTERVENTION IN HOUSING DEVELOPMENT

- **3.1 Seoul**

Since the early 2000s, South Korea has prioritized housing due to rapid economic growth and high demand. The government built new towns to increase housing, focusing on low-income families (KRIHS, 2012). The National Housing Fund offers low-cost mortgages to moderate- and middle-income households, and the Korea Housing Finance Corporation provides housing credit guarantees. Macroprudential controls were introduced in 2003 to manage housing loan demand and prevent systemic risk (Kim & Park, 2016). Seoul launched the "Monthly Rent Aid" program in 2002 to help low-income families with rent, funded by the city's social welfare budget. Single-person households in Seoul have surged, rising from 7% in 1985 to 24% in 2010 (Park & Choi, 2015). The Park Geun-hye administration (2013-2017) initiated the Happy House program, offering affordable rentals on government land to students, young people, and newly married couples (Ko & Kim, 2022). In 2020 and 2021, around 36,000 public housing units were built, with plans for an additional 55,000 homes by 2025 to address rising housing demand and affordability (Times, 2022).





▪ 3.2 Yangon

Yangon's housing crisis is marked by a lack of affordable housing and the rise of informal settlements (Asian Development Bank, 2020; Kyed, 2019). Historically, the National Housing Bank built 24 villages and three satellite towns (1942-1962). Under the Socialist Regime (1962-1988), the Housing Department provided public rental housing, collective housing, government sale housing, and urban infrastructure projects. In the 1990s, the military administration's Housing Development program supplied low- and medium-income housing (Naing, 2021). Following the political transition, the civilian government launched the "Million Homes Plan" to build one million new homes by 2030. The Department of Urban Housing and Development (DUHD) developed a four-phase, five-year plan to support this goal (JICA, 2013). DUHD offers affordable housing for lower middle-class households and low-cost housing for low-income families. However, average low-income families struggle with the 30% down payment and 70% mortgage loan, resulting in most units being occupied by middle-class class than low-income households (Nwal and Panuwatwanich, 2018; Naing, 2022).

4. GOVERNMENT INTERVENTION IN TRANSPORTATION DEVELOPMENT

• 4.1 Seoul

This analysis focuses on bus transportation as it is the most widely used public transport in both Seoul and Yangon. In the late 1990s and early 2000s, Seoul had a poor bus system. Myung-bak Lee, the newly elected mayor who was elected in 2002, had a proposal to overhaul the bus transport system in response to popular complaints regarding the transportation system (Pucher, 2005). The SMG, in collaboration with the Ministry of Land, Infrastructure, and Transport (MOLIT), aimed to reform buses and make public transit companies eligible for government subsidies (Kim & Dickey, 2006).

In February 2004, the Passenger Transport Business Act was updated to standardize bus operating costs and fare transfers (Pucher, 2005). The Smart Card system was introduced to improve compatibility and accessibility, offering discounts for seniors, students, and needy individuals, and simplifying the fare system (Kim & Dickey, 2006). The Intelligent Transport System (ITS) was integrated to collect real-time data on bus operations. The Korea Smart Card Company (KSCC) was established to manage fare collection and revenue distribution among bus operators. As a result, user satisfaction with bus transportation improved significantly, rising from 14.2% in 2002 to 36.9% in 2005, due to enhanced comfort, safety, convenience, and punctuality (Kim & Kwon, 2019).

▪ 4.2 Yangon

Yangon's urban transportation has deteriorated since 2012, with motorization tripling between 2010 and 2017, leading to severe traffic congestion (World Bank, 2020). To address this, the Yangon Region Public Transportation Authority (YRTA) launched the Yangon Bus Services (YBS) in 2017, aiming to improve bus services, reduce commute times, and alleviate congestion for 1.9 million people (Bangkok Post, 2017). However, many people blamed the insufficient number of buses that traveled the routes on the first day of the new system. Despite being overloaded and delayed, commuters remained enthusiastic about Rangoon's new public bus system on its first day of operation. (Paing, 2017).



5. GOVERNANCE COMPARISON BETWEEN SOUL AND YANGON

• 5.1 Seoul

Pierre's model of urban managerialism supports efficient and transparent government, robust economic growth, and effective use of tax revenues. It prioritizes cost-effectiveness and aims to create a service-oriented corporation providing high-quality services to citizens (Pierre, 2011, p.34). Seoul exemplifies this through strategic planning and performance management, focusing on affordable housing and housing support loans for low-income families, students, and newly married couples. The Seoul Metropolitan Government (SMG) and the Ministry of Land, Infrastructure, and Transport (MOLIT) reformed the bus system to ensure well-connected transit in affordable areas, demonstrating managerial governance.

Corporatist governance involves civil society organizations in urban politics and public services at the municipal level (Pierre, 2011, p. 49). Seoul implements this through partnerships with real estate developers and community organizations, as seen in the Seoul Housing & Communities Corporation (SH Corporation). This organization collaborates with private developers on housing projects. In transportation, partnerships with private bus companies, such as installing the Intelligent Transportation System (ITS) and forming Korea Smart Card Company (KSCC), enhance service efficiency and fare collection.

Pro-growth governance emphasizes economic development through infrastructure investment and corporate support (Pierre, 2011, p. 67). Seoul's housing governance includes growth-oriented measures to ensure housing accessibility and economic development, such as affordable housing and mixed-use projects. In transportation, Seoul prioritizes economic growth, improved accessibility, and connectivity. The bus fare reform from a flat fare to a distance-based system generates additional revenue, aligning with growth-oriented objectives.

▪ 5.2 Yangon

Given its emphasis on administrative efficiency, strategic planning, and performance management, Yangon's urban governance model—which is based on Jon Pierre's framework—would likely display managerial governance features. Under the direction of the Yangon City Development Committee, the Department of Urban Housing Development has led affordable housing construction projects for low-income families in Yangon. The government employees who are appointed by their various departments are the main players and decision-makers in the affordable housing initiative. Additionally, the DUHD handled the finance, location selection, and housing distribution, so there are no participatory planning procedures that would have allowed locals, community organizations, and housing specialists to offer suggestions, air grievances, and influence housing projects and policies. Unlike Seoul, Yangon's housing governance model is centralized. Similarly, the Yangon Bus Services (YBS) bus reform, enacted by the Yangon Region Public Transportation Authority (YRTA), was received with popular dissatisfaction due to a lack of buses traveling the routes on the first day of the new system. The whole planning process was only done by the YRTA without having suggestions from the public and bus companies to make it more efficient. By looking at this, Yangon's transportation governance aligns with Jon Pierre's managerial governance model since it emphasizes top-down planning and decision-making by the government.

6. Policy Recommendations

Based on Seoul's successful policies, this paper examines important policy recommendations for Yangon. The solutions include strengthening urban policy, implementing equitable housing strategies, increasing public transit, encouraging private investment via public-private partnerships, and integrating with other urban services. Yangon may enhance its urban development efforts, promote equity in society, and improve the quality of life for its citizens by learning from Seoul's experience and adapting these strategies to the local context.

- **6.1 Policy and Institutional Development**

Seoul has strong urban policies and regulations in place to deliver urban services in response to people's demands. With each election of a new democratic government, the Seoul government has tried to improve policy. In contrast, urban-related policies in Myanmar such as the National Housing Policy, Public Transportation Policy, and Affordable Housing are still early stages of development under the respective ministries and urban-related policy development is never part of the strong political agenda. Myanmar is experiencing rapid urbanization and population growth, leading to housing shortages, inadequate living conditions, and homelessness, particularly in Yangon. Therefore, it is important to have strong housing institutions and regulations to address the country's significant housing challenges and promote social, economic, and environmental well-being. Seoul has a great housing policy intervention to support housing loans for low-income families and build rental housing for young students to ease the housing crisis with the long-term objectives of creating Seoul as an inclusive city. Yangon government should adopt these kinds of policy interventions to ensure social inclusion and equity in housing policy that can support vulnerable and marginalized groups, such as low-income households, ethnic minorities, and internally displaced people so that they can access safe, adequate, and affordable housing. Similar to Seoul's bus transportation reform, the Yangon city government ought to support public transportation policy by considering public concerns rather than imposing its own agenda. Considering public point of views and concerns in policy-making process will reduce inequality and social exclusion while fostering inclusive urban development.

- **6.2 Investment (Public Private Partnership)**

As for the housing and bus reform projects, the Seoul government cooperates with private sectors to deliver efficient services avoiding financial burden from the government's budget; however, in Yangon, the affordable housing projects are done by 20% of the DUHD budget and 80% from the private investors. The existing problem is most private investors are not willing to invest in affordable housing projects in terms of low-profit return, therefore, DUHD can't keep up with their initial plan and target to deliver low-cost housing. Since the distribution amount of housing is very limited that creates speculation and a black market the Yangon government should attract private investment in the affordable housing sector with business incentives to create (Public Private Partnership) in the housing sector. Yangon should support financially feasible PPPs in the governance of housing and transportation, utilizing the resources and know-how of the private sector to solve infrastructural demands and enhance service delivery. Moreover, investing resources in public transportation services and infrastructure may assist in easing congestion, lowering air pollution, and fostering greener, healthier, and more sustainable urban areas.

- **6.3 Integrate with other urban services**

Based on my analysis, Seoul's housing interventions are effective because the government considers the public transportation infrastructure for commuting to the housing project locations. This is because no one may live in those locations given the lack of other urban services and a poorly connected



transportation system. Therefore, planning for affordable housing must consider the availability of an affordable public transportation system, since most people choose their locations primarily based on their ability to use public transportation to get to and from work every day.

7. Conclusion

In conclusion, Seoul's urban policy initiatives have outperformed Yangon's because they have progressively instituted several institutional reforms aimed at distributing political authority over urban development among governance bodies, with a focus on inclusivity and equality. The finding fits in with Jon Pierre's theory of urban governance, which holds that urban politics is more about the dynamics of institutions that allow each stakeholder to have the necessary degree of autonomy to play their roles to the best of their abilities than it is about interactions between local government representatives and citizens.

References

- [1] Ko, J., & Kim, C. (2022). The impacts of public housing program on housing prices: The case of South Korea. *International Journal of Sustainable Building Technology and Urban Development*, 13(4), 398-413
- [2] Korea Research Institute for Human Settlements. (2012). Korean Version of New Town Development. Government of Korea; Registration Number 11- 1051000-000216-01.
- [3] Kim, K. H., & Park, M. (2016). Housing policy in the Republic of Korea.
- [4] Park, H., & Choi, J. (2015). Long-term trends in living alone among Korean adults: Age, gender, and educational differences. *Demographic Research*, 32, 1177-1208.
- [10] Pierre, J. (2011). *The politics of urban governance*. Bloomsbury Publishing.
- [11] JICA (2014). Project for comprehensive urban transport plan of the greater Yangon (YUTRA): Final report summary. Japan International Cooperation Agency
- [12] Kyed, H. M. (2019). L'habitat informel à Yangon et les défis des migrants. *Moussons*, 33, 65-94. ADB (Asian Development Bank) (2014). Myanmar Unlocking the Potential Country Diagnostic Study. Asian Development Bank.
- [13] Naing, M. (2021). Brief History of Department of Urban and Housing Development: Focal institution for housing sector in Myanmar. *Current Urban Studies*, 09(04), 730-743





- [5] Paing, T. H. (2017, January 16). Yangon launches new bus system. The Irrawaddy. <https://www.irrawaddy.com/news/rangoon-launches-new-bus-system.html>
- [6] Times, S. (2022, August 1). Seoul tackles housing crisis with stylish low-rent homes for youth. Nationthailand. <https://www.nationthailand.com/international/40018392>
- [7] ADB (Asian Development Bank) (2014). Myanmar Unlocking the Potential Country Diagnostic Study. Asian Development Bank.
- [8] Naing, Y. M. (2022). Study on Community-led Approach in Social Housing Development for Low-income People in Yangon City, Myanmar
- [9] Nwal, S. S., and Panuwatwanich, K. (2018). Social housing in Myanmar: Issues and way forward. ACADEMIC ADVISORY BOARD, 159.
- [14] Pucher, J., Park, H., Kim, M. H., & Song, J. (2005). Public transport reforms in Seoul: Innovations motivated by funding crisis. *Journal of Public Transportation*, 8(5), 41–62. <https://doi.org/10.5038/2375-0901.8.5.3>
- [15] Kim, K. S., & Dickey, J. (2006). Role of urban governance in the process of bus system reform in Seoul. *Habitat International*, 30(4), 1035-1046.
- [16] Kim, J., & Kwon, H. (2019). Improving public transportation in the Seoul metropolitan area.
- [17] World Bank Group. (2020). Urban Transport in Yangon and Mandalay: Review of sector institutions, expenditures, and funding. *World Bank*. <https://www.worldbank.org/en/country/myanmar/publication/urban-transport-in-yangon-and-mandalay-review-of-sector-institutions-expenditures-and-funding>

