

지역상권 활성화를 위한 공간관리 방안

Spatial Management Strategies for Revitalizing Local Trading Areas

정인아 Jung, Ina
서수정 Seo, Soojeong
진태승 Jin, Teseung
유예슬 Yoo, Yeseul

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SUMMARY

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The Act on Coexistence and Revitalization of Local Trading Areas, enacted in July 2021, aims to revitalize declining trading areas. It focuses on two policy targets: autonomous trading zones to revitalize declining areas and local coexistence zones to prevent gentrification. The policy direction is to foster a local trading area ecosystem where space, actors, and programs are organically connected. It emphasizes private-sector-led revitalization of trading areas and aims for comprehensive spatial management that enhances the value of places. Specifically, in response to the population decline crisis, the need for a comprehensive approach that integrates physical, economic, and sociocultural aspects of local trading areas, in connection with N-minute living areas, has been highlighted.

This study begins with the recognition that local trading areas should be approached as public goods where economic, social, cultural, and human capital converge, making physical space essential for their functioning. The purpose of this study is to propose spatial management strategies at the local level to revitalize local trading areas and establish a sustainable economic ecosystem in response to the era of population decline and low growth. To this end, the study identifies the scope and targets of spatial management for

local trading areas in connection with their surrounding living areas, and suggests policy and institutional improvements for spatial management to support the revitalization of local trading areas. The key findings of the study are summarized as follows:

- The Significance of Spatial Management for Revitalizing Local Trading Areas and the Scope of Spatial Management in Connection with Surrounding Living Areas

Chapter 2 examines the functional changes of local trading areas in response to shifting socioeconomic conditions, including changes in consumption patterns, the evolving demand in regional cities due to population decline, and the transformation of local trading areas centered around user rights. Based on this analysis and referencing the Act on Coexistence and Revitalization of Local Trading Areas, the chapter outlines the significance and scope of spatial management aimed at revitalizing local trading areas. It derives the key components of local trading areas—space, program, and governance—based on the legal definition of local trading areas as "governance + local value + physical cluster."

Spatial management for revitalizing local trading areas refers to managing and improving these areas as physical entities in order to maintain and enhance their value. This encompasses both the physical spatial environment planning of the trading areas and the socioeconomic management of their operations, from a place-based, comprehensive perspective. It is crucial to consider the scope of spatial management in connection with surrounding living areas (N-minute living areas). In this context, the spatial management of local trading areas should be divided into three components—space, program, and governance—in order to enhance commercial functions, increase the utility value of the area, and unlock business potential. The scope of spatial management connected to surrounding living areas is further specified across urban planning, urban design, and architectural levels.

- Analysis of Relevant Policies from the Perspective of Spatial Management

Chapter 3 analyzes past trends in trading area revitalization policies and the policies for coexistence and revitalization of local trading areas under the Act on Coexistence and Revitalization of Local Trading Areas from a spatial management perspective, identifying the limitations and implications of these institutions and policies. To do so, related systems and policies were categorized into physical space, programs, and governance, and analyzed with a focus on spatial management characteristics. The analysis found that, since the 2000s, policies have evolved from focusing primarily on financial support to management

support and finally to infrastructure development support. In this context, the policy for revitalizing local trading areas under the Act on Coexistence and Revitalization of Local Trading Areas has shifted toward enhancing the self-sufficiency and sustainability of trading areas. This is being achieved by branding local trading areas from a management perspective, promoting private sector commercial activities through support for investment and financing, and expanding business models.

The implications of this analysis are as follows: From the perspective of physical space, the lack of clear spatial concepts and planning frameworks, along with a focus on improving convenience facilities, suggests the need to clarify the spatial concept, revise the criteria for designating revitalization zones, improve the planning system, and manage the scale of trading areas. In terms of programs, to address population decline, it is necessary to manage vacant stores and consider repurposing them, taking into account the demand from surrounding areas. Additionally, the content and operational models of business support programs need further refinement. Regarding governance, the need for a cooperation system between the spatial and economic sectors at the local level is emphasized, along with the importance of place-based public-private partnership strategies.

- Analysis of the Current Status and Revitalization Levels of Local Trading Areas Nationwide, and the Scale of Local Trading Areas in Need of Management

In addition to analyzing the trends in systems and policies, Chapter 3 seeks to grasp the actual status of local trading areas nationwide by analyzing the provisional total of 3,540 local trading areas presented in the Comprehensive Plan for Coexistence and Revitalization of Local Trading Areas. The analysis reveals that 54.5% of these areas are classified as small-scale trading areas with 30 to 100 stores, and 74.7% of them are located in residential areas. This finding highlights a significant discrepancy between these realities and the revitalization zone designation criteria of the Act on Coexistence and Revitalization of Local Trading Areas, which requires over 50% of the area to be designated as a commercial area and at least 100 stores.

Furthermore, the degree of revitalization of local trading areas across the country was analyzed based on the rate of change in the number of businesses and the rate of change in sales. These areas were categorized into five types: declining, saturated, stagnant (maintaining), revitalized, and new trading areas, using quartile ranges as the basis for

classification. The analysis revealed that 35.7% (1,248) of local trading areas nationwide are in need of management, with 15.6% (546 areas) classified as saturated and 20.1% (702 areas) as declining.

- Deriving Analytical Elements Through Actual Spatial Management Plans, Policies, and Case Studies of Local Trading Areas

Chapter 4 reviews spatial management strategies for revitalizing trading areas by analyzing domestic and international case studies. The analysis is divided into three key sectors, highlighting different characteristics of spatial management strategies. In the neighborhood-based trading area regeneration sector, the study examines cases such as the Portland Neighborhood District in the United States and the Location Optimization Plan in Toyama City, Japan. These cases were used to analyze the spatial management characteristics of local trading areas by considering the influence range of trading areas and their connection to the functional roles of surrounding living areas. In the trading area revitalization policies linked to community-building, the study explores Japan's Regional Commercial Independence Promotion Project, the Regional Commercial Function Enhancement Project, and the Area-based Local Value Enhancement and Consumption Creation Project. The analysis identifies the spatial management characteristics considered in policy support projects aimed at revitalizing trading areas. For the public-private partnership and private-led trading area revitalization, the research looks into the UK's Portas Review—a strategy to respond to the decline of high streets—and Korea's Incheon Gaehangro Project, which was privately led, as well as the Yesan Market Revitalization Project, a collaboration between businesses and government. These examples were used to analyze the spatial management features observed in projects with private sector participation.

Based on these case studies, the study compares spatial management strategies for revitalizing trading areas in the context of population decline and low growth. By comparing these strategies with the trading area revitalization policies analyzed in Chapter 3, the study identifies key analytical elements for managing the spatial aspects of local trading areas.

- In-depth Analysis of Local Trading Areas Connected to Surrounding Living Areas Through Empirical Regional Analysis

Chapter 5 utilizes the analytical elements derived from the domestic and international case

studies in Chapter 4 to conduct a spatial characteristics analysis of local trading areas in Jeonju, Jeollabuk-do, focusing on their connection to surrounding living areas. The aim was to identify local spatial management issues in practice, in relation to the institutional and policy challenges discussed in Chapter 3. Following a review at the local government level of local trading areas linked to surrounding living areas, three distinct types of trading areas—transportation-tourism type, daily life-integrated type, and recreation-retail type—were selected for in-depth analysis. This allowed for the identification of common spatial management issues across different functional types of local trading areas.

The analysis revealed that the demand for local trading areas is sometimes concentrated within surrounding living areas, while in other cases, it heavily depends on external demand. This suggests that, in an era of population decline and low growth, there is a need to prioritize strengthening the capacity to meet the demand from surrounding living areas rather than relying on external demand. Additionally, the findings highlight the need for revitalization strategies that take into account the extent of influence in local trading areas. Furthermore, the demand and spatial characteristics of local trading areas vary, underscoring the need to identify specific spatial management challenges by differentiating them based on physical space, program offerings, and governance structures.

- Proposing Policy and Institutional Improvement Measures for Spatial Management to Revitalize Local Trading Areas

This study outlines the basic direction and policy tasks for spatial management aimed at revitalizing local trading areas, and presents improvement measures for related policies and institutions. Through comprehensive spatial management connected to surrounding living areas, it is possible to realize a regional circular economy comprised of sustainable local trading areas that coexist with the community, particularly in response to the challenges of population decline and slow growth. The policy and institutional improvements for the three key tasks are as follows:

First, to establish an institutional foundation for strengthening the functional role of local trading areas, the study proposed improvements to the system for designating revitalization zones, planning system reforms to address population decline and implement N-minute living areas, and management strategies for local trading areas and vacant stores that take into account the demand from surrounding living areas.

Second, for space creation and management focused on the value of local trading areas,

the study proposed operational guidelines for design management of comprehensive space control within local trading areas, as well as improvements to special provisions and support measures for revitalization zones.

Third, to establish a project implementation system that maximizes the value and potential of local trading areas, the study suggested improvements to the method of promoting the Neighborhood Trading Area Development Support Project for the advancement of policy initiatives, along with proactive space management strategies by leveraging interdepartmental collaboration on projects related to population decline packages.

- Limitations of the Study and Future Tasks

This study approached local trading areas from a comprehensive spatial management perspective, offering a new approach that integrates the surrounding living areas. However, several limitations exist, and addressing these in future research will be necessary to devise more effective policies for revitalizing local trading areas.

First, regarding the limitations of the case study region, this study was confined to a single city (Jeonju), where analysis was conducted at the basic local government level, and in-depth analysis was performed on three individual local trading areas. Therefore, generalizing the findings from Chapter 5 is challenging. The functional types—such as transportation–tourism type, daily life–integrated type, recreation–retail type, and business–support type—may vary based on the characteristics of different cities and local trading areas. The spatial management issues also differ depending on the unique demands and usage patterns of each area. Moving forward, it is crucial to analyze multiple case studies across various municipalities and individual local trading areas, which will help to derive spatial management characteristics and systematize analysis methods for local trading areas nationwide. In particular, ongoing research is needed to explore action plans for place–based revitalization of local trading areas in response to the N–minute living area concept and evolving consumption patterns.

Second, there are limitations in proposing spatial management strategies. While the study broadly covered the scope of spatial management for local trading areas, it lacked specific implementation details, such as methods for mixed–use development, place branding, or leveraging resources like private sector funds and government subsidies to enhance place value. To address this, follow–up studies should focus on developing concrete action plans and design guidelines for use by local stakeholders involved in spatial management.

Third, there are limitations in proposing collaborative projects with other government departments. The study centered on the Act on Coexistence and Revitalization of Local Trading Areas and did not fully consider policies from other departments. As various policies related to trading areas, such as central zones and community hubs, are being implemented both directly and indirectly, it was challenging to grasp all related efforts. Revitalizing local trading areas requires a holistic approach that considers housing, public facilities, industry, and employment in the surrounding living areas. For building a regional economic ecosystem, as proposed in the comprehensive plan, interdepartmental projects need to be coordinated with a place-based focus. In addition, spatial management for local trading areas should be aligned with legal frameworks from other policies, such as basic urban plans, living area plans, and urban regeneration strategies. Therefore, there is a need to explore collaborative business models that link local trading area policies with various departmental initiatives, which can enhance the effectiveness of these policies.

Keywords :

Local trading area, Trading area revitalization, Living area spatial management, Private-public cooperation