

## Measures to improve sustainability in urban regeneration projects by expanding the participation of cooperatives

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1> A cooperative is a community-based autonomous and democratically-controlled enterprise. There is a need to expand its participation in urban regeneration projects as a project operator considering that the scope of project continues to expand to include every part of the nation.

- A cooperative is an autonomous association of persons united voluntarily to meet their common needs through a democratically-controlled business and it contributes to the creation of an ecosystem for the circulation of local economy through community-based activities and cooperation.

- More engagement of cooperatives as the operators of urban regeneration projects is needed so that they continue to implement the projects after the end of public support

2> Although efforts to provide measures to support and nurture economic entities mostly based on the participation of concerning regions and residents are being made by the public sector, there are not many urban regeneration models that communities participate as main project providers

- The government continues to develop business models for urban regeneration led by economic entities such as land renewal project providers and village management cooperatives, and discover preliminary social enterprises dedicated to land and traffic sectors. Still, urban regeneration project providers as regional managers are not clearly defined and there are not many models developed based on such concept

3> Urban regeneration enterprises led by cooperatives can be defined in three forms and efforts are needed to develop and sophisticate such models

- An urban regeneration support center installed at site should be authorized to control the project as a mid-level operator representing the region while creating an environment to promote the engagement of local residents in small regeneration projects so that such model can be developed further to gradually reduce support by the government

- A social and economic entity may start its business in the social care sector, of which demands are growing recently, and continue to expand its business scope while serving as an operator of public resources in the region
- As for the economy entity of urban regeneration project, the government can support its growth by giving extra points when selecting an urban generation project provider among preliminary social enterprises or providing assistance in many ways according to the level of its contribution to local regeneration projects and social values



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## Policy proposals

① Tackle difficulties and obstacles against cooperatives when they participate in urban regeneration projects

- State that general cooperatives are eligible for urban regeneration project providers, reduce acquisition tax for members of housing cooperatives when they provide housing, allow the investment by local governments to social cooperatives and others with limitations, simplify the process of changing registration after approval by general meeting, etc.

② Provide institutional framework to promote the engagement of cooperatives as urban regeneration providers

- Conduct a preliminary investigation on social and economic entities in the region during feasibility and validity studies about urban regeneration projects and reflect the results to their assessment in developing measures to promote their participation in the projects

- Provide legal grounds for supporting urban regeneration providers and develop models to enhance local capabilities through joint implementation of the project mostly led by the government during the early stage when self-sustaining business models are not fully established, other than indirect supports that are currently being made