

## The Four Stages of Political and Economic Power of the Postwar Development in Kaohsiung Port City

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**ABSTRACT.** *The postwar development of Kaohsiung Port City and southern Taiwan was led and driven by economic policy. In the 1980s the martial law was lifted by the Taiwanese government and the regulatory policy was reformed. In the 2000s the political power shifted after a democratic election. The political effects and the significant spatial changes in Kaohsiung Port City presented different space phenomena or implications of power during the four periods. This article will sum up analysis which has used the relative concentration index, cross-domain coordination and structuration theory to demonstrate the relationship between political and economic power of the postwar development in Kaohsiung Port City. The study will provide a reference on the development of Kaohsiung Port City for further academic research.*

**Keywords:** *Kaohsiung Port City, cross-domain coordination, economics, regime, governing power.*

### I. Introduction

There are four main research approaches in geography research: empiricism, positivism, humanism and structuralism (Cai & Jiang, 2001). Through these research methods and explanations we can try to understand a variety of phenomena of Kaohsiung Port City and experience the philosophical discourse of the characteristics and appearance of different port cities. When the Quantitative Revolution started in 1960 (Burton, 1963), these phenomena are specifically quantitated and systematically analyzed. Many scholars discovered different issues of port city and methods of analysis. For example, Banga (1992), Basu (1985), Broeze

(1989), Driessen (2005), Fawaz & Bayly (2002), Murphey (1989) and Tan (2007). In the late 1980s a considerable number of academic, political and empirical scholars specialized in economic development and the analysis of management systems (cf. Amin & Thrift, 1994; Campbell, 1990; Duncan & Goodwin, 1988; Imrie & Thomas, 1999). However, the relationship between politics and economics of Kaohsiung Port City was rarely brought up for discussion. The expansion and development of the hinterland of the port city has always been an important issue. The balance between the port and the city, and the maintenance of these areas, were often achieved through political negotiations (Tan, 2007).

Therefore, this study divided the postwar development of Kaohsiung Port City and the relationship between politics and economics into four stages. In addition, the author used the relative concentration index, cross-domain coordination and structuration theory to analyze and demonstrate the relationship between politics and economics of the postwar development in Kaohsiung Port City. This research contained geographic and public policy (cf. Amin & Thrift, 1995, Cooke & Morgan, 1998; Goodwin & Painter, 1996; Grabher, 1993; Moulaert, Swngedouw & Wilson, 1988; Peck & Tickell, 1994; Scott, 1998; Storper, 1997) as well as the implications of social science (cf. Hirst, 1997; Jessop, 1994; 1998; Putnam, 1993). It can provide the understanding and practical applications of the economics, system and power of Kaohsiung Port City as well as the interpretation of spatial power.

The paper is focus on development of Kaohsiung port city during the Postwar Development Period (1960-2010)( the development of Kaohsiung port city during the Japanese occupation see Figure 1). The development is explained of a technique to generate 'modeled' surfaces of census-type socioeconomic survey data that offer the potential to overcome many of the problems inherent in the analysis and presentation of such data in conventional area-based form (Bracker, 1989). Data collected from literature review and Geography Data Mapping were analyzed with Induction Approach to present a clearer content of the development in Kaohsiung port city. Try to understand the relation of those development strategies and power. Provide some meaningful advice for the development strategies of Kaohsiung port.

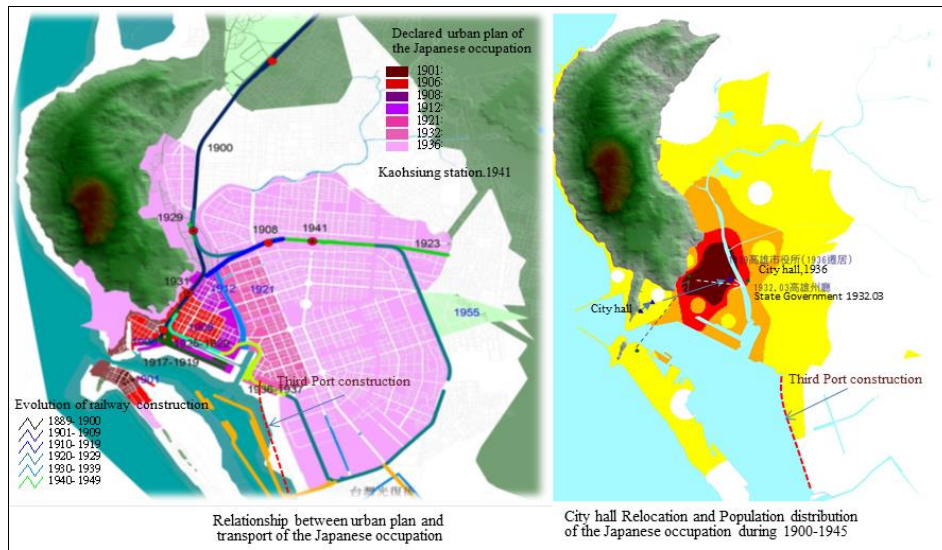


Figure 1. The development of Kaohsiung port city during the Japanese occupation  
Source: Author.

Firstly, this study explained the relationship between the economic development of Kaohsiung Port City and the postwar development of economics of Taiwan in the early stage. Also, the structure of Kaohsiung Port City was indicated by RCI index. Secondly, this study explained the spatial adjustment and construction of Kaohsiung Port City according to the container trend. In addition, it showed that the system needed to be changed and the political power had been affected after the lifting of the martial law. Thirdly, the research used the administrative contract and New Caoya structuration theory as case studies to explain the concept of power-sharing and differentiation. Finally, the consolidation of Kaohsiung City and Kaohsiung County, the system after adjusting the power and cultural turn, the coordination between central and local government as a necessity were discussed. Furthermore, the study analyzed the relationships between the regime, governing power and options in Kaohsiung Port City.

## II. The first stage (1960-1980): the structure of port city seeking wealth was led by the nation

The cycle strategy of postwar economic growth in Taiwan was to take the Port of Kaohsiung as a base to develop import substitution industrial policy. Traced back to 1954, no matter in manufacturing, construction, commercial and service units, the area surrounding the Old Port of Kaohsiung (Yancheng District) occupied the largest ratio of the city. Its population ratio was only 1/10 of the city population, but had 1/4 of the city's work units (Zhang, 1995: 198) (see Figure 2). It was estimated that since the Port of Kaohsiung has

developed from the small fishing village and bulk cargo terminal to the world's third largest container port, the production value of Kaohsiung City, salary income, employment and tax contribution were up to 30 ~ 37% of the region (Chung-Hua Institution for Economics Research, 2004); this accounted for half of the total added value created by Taiwan's major ports. Its output value and employment accounted for more than 10% of the national total, which reduced the unemployment rate for 13.6 % ~17.2% (National Kaohsiung Normal University, 2009).

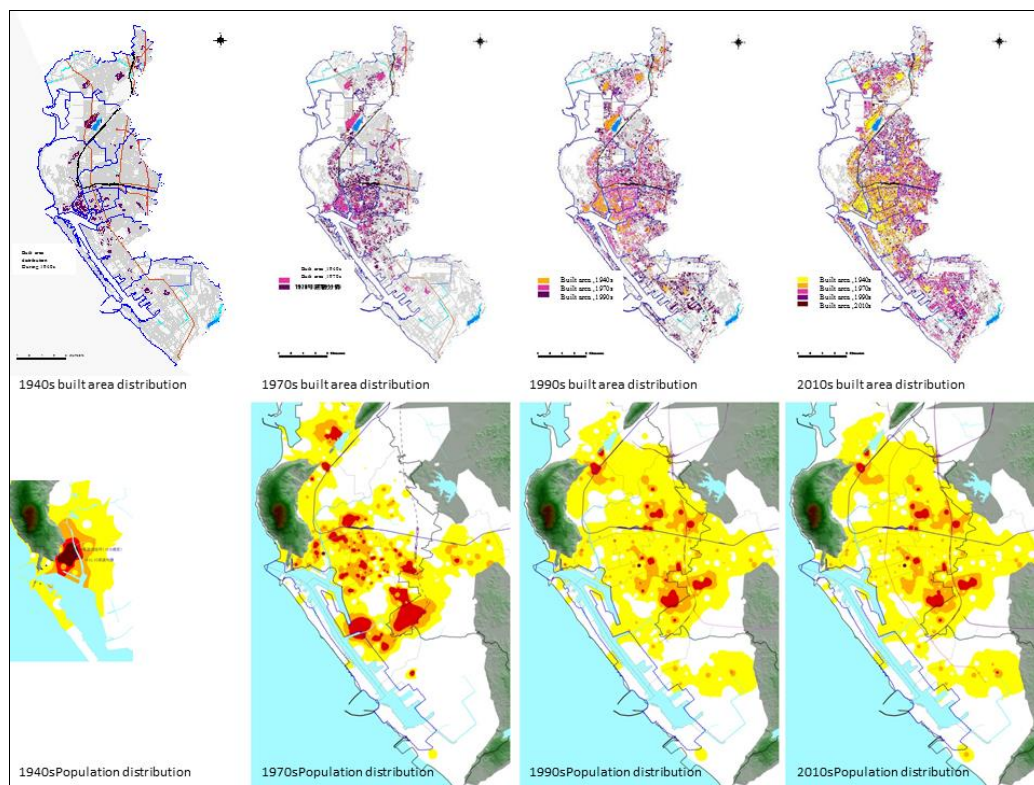


Fig.2 The population and build distribution of the Kaohsiung port city

The petrochemical industry was the representative of import substitution industry in the mid-1970s. Particularly after the oil crisis, Taiwan was the same as other developing countries that were trying to develop their own petrochemical industries. In southern Taiwan, the area around the Port of Kaohsiung was the first to undergo a change (Hsu & Cheng, 2002). At that time, there were 90% of the petrochemical plants centralized nearby the Port of Kaohsiung. In addition, since the central government promoted labor-intensive industries and offered the private sectors tax reduction, equipment, financing and inexpensive lands, the Kaohsiung Export Processing Zone, Chinese Petroleum Corporation (CPC Corporation), China Steel Corporation (CSC) and China Ship Building Corporation (CSBC) were established in Kaohsiung owing to the central government's economic policies (Figure 3). Along with the development of iron and steel, machinery, shipbuilding, and consumptive electronics

industries, Kaohsiung Port City was opened up to foreign markets, and also expanded the domestic market.

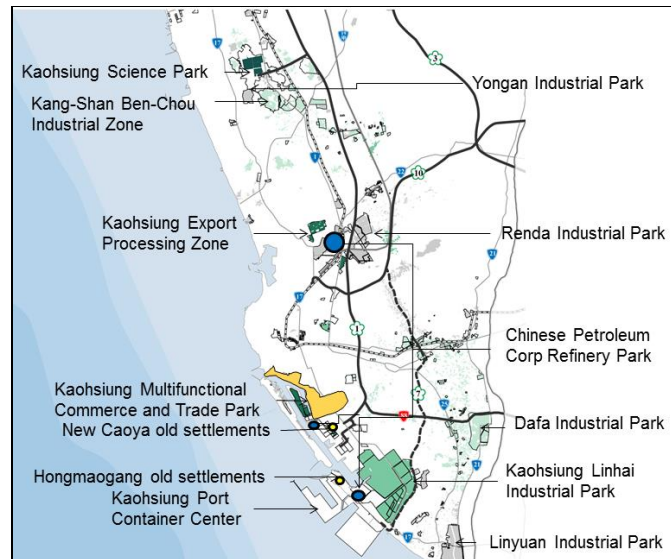


Fig.3 The Kaohsiung port and the city and hinterlands.

Source: Lin-Liao, 2013a; Author.

In order to understand the spatial structure of the relationship between the port and the city, the French geographer Guccruct referred to the approaches of Vallega, Vigarie, Kenyon and other scholars; he used the port throughput as an index to reflect the development scale of the port, the urban population as an index to reflect the scale of urban development and the RCI index to measure the scale of port and urban development portfolio in different situations (see Figure 4). In this matrix, the circle represents the city, the square represents the port and different graphic combinations represent different types of port and urban combinations. A diagonal line indicates the development process of a small harbor town to a port city. Along this diagonal line the city and port size are quite similar. For example, New York, Tokyo and Hong Kong are like this type of port city. The second diagonal line indicates the most imbalance situations: from small cities with pivotal ports (such as Freeport, Lae, etc.) to big cities with small ports (such as Stockholm, Tunisia, Baltimore, Kolkata, etc.). The intersection of these two diagonal lines is the balance point of the scale of city and port development, but almost no port city can match this ideal equilibrium (Chen, 2009).

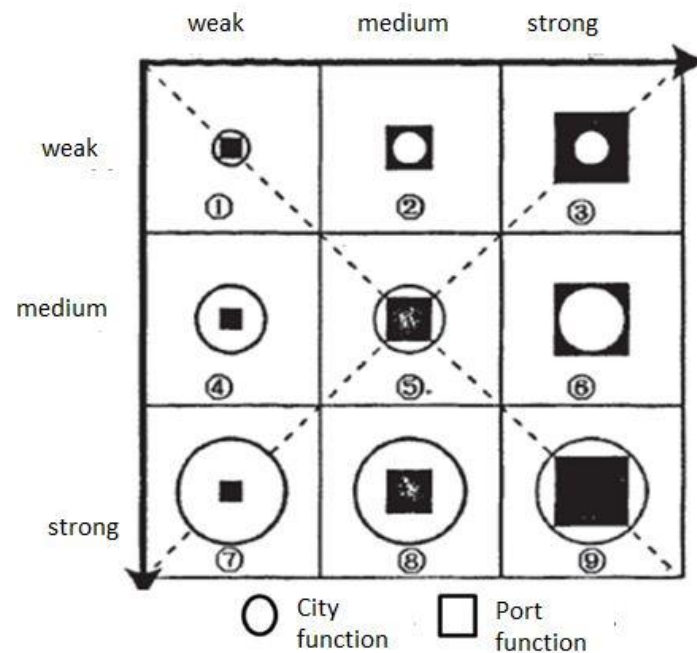


Figure 4: the varying portfolios of cities and ports (Chen, 2009)

The author has used RCI index to measure the top 20 port cities with the global container volume and scale of urban development. The RCI index of Kaohsiung Port City is over 3, which classified the port city as a small city with a big port. According to the analysis, the container ports in most European countries and America rely on re-exports to stimulate the domestic trade, especially Antwerp port in Belgium. The RCI index of 8 port cities in China such as Qingdao and Shanghai are less than 3 (Lin-Liao, 2013a). Chen Hang (2009) proved that the scale of the ports and cities development mentioned above had been stable for 20 years. There is a tendency that the Chinese container ports significantly rely on the Chinese inland market. The economic development model of Kaohsiung Port City is equivalent to that of the American, European and Singapore's port cities. Its transportation function is also better than the Chinese container ports along the coast (Lin-Liao, 2013a). Therefore, due to the location of the Port of Kaohsiung and the advantage of state-led economic development, the economy of the Port of Kaohsiung and Kaohsiung City was inseparable. Gradually the spatial structure combination of Kaohsiung Port City was formed as a small city with a big port. In the late 1980s, the trend was global containerization. Therefore, the national policy no longer focused on actively developing the surrounding hinterland near the port area, but on how to transform the old port and to improve the management system, in order to strengthen trade competitiveness.



### **III. The second stage (1981-2000): Pursuing changes in management system under the trend of containerization**

Most world class harbors are transformed from either fishing ports or colonial ports. Colonial ports are generally located near developed cities. This is because colonists needed to rapidly and efficiently consolidate the natural resources and processed products from colonies and sell them to their own territories (Lee, Song & Dueruet, 2008). Colonial ports played a key role in developing the nearby cities' economy between the local markets and interests of foreign countries (Murphey, 1989; Basu, 1985). In 1956 McLean Motor Company started to use standardized shipping containers and simplified the distribution procedures from the sender to the recipient (Gilman, 1977; ICCO, 1996). Soon afterwards, modern shipping revolution introduced the shipping container into multimodal transport, a concept which was then applied to inland transport (Notteboom, 1997). In the 1960s ports in Asia, such as the Port of Kaohsiung in Taiwan (1966) and the Port of Masan in Korea (1971), used free trade zone to develop manufacturing industry. Meanwhile, Hong Kong and Singapore focused on improving business development environment of free ports (Lee et al., 2008). This new generation of port cities, along with the transport and logistics revolution which they bring forward, have significant impacts on the spatial structures of their local municipalities.

This evolution brings to Asian ports, especially shipping container ports, the opportunities of multimodal transports, logistics centres, free trade zones and other similar initiatives, as well as helps them acquire or maintain their overall attractiveness and competitiveness (Lee et al., 2008: 372). The revolution in cargo handling, together with upscaling of shipping lines, however, often made facilities at old ports redundant (Turner, 1977). It is the central government agency in far-away Taipei city that has the authority to define policies for remodelling the area of Old Port of Kaohsiung. As a result, the Central Government and the Kaohsiung City Government expressed their different opinions over the administration system in various occasions. The Executive Yuan eventually approved the establishment of Port of Kaohsiung Administration Committee in 1993. In 1995 The Port of Kaohsiung Administration Committee Guidelines were approved and published. Due to the restrictions in the Commercial Port Law, there was very limited progress in the consolidation of the Port of Kaohsiung and Kaohsiung municipality. This program was terminated in 2001.

Between the 1980s and the 1990s, many countries gradually adopted the aforementioned port reforming policies. Some of the harbor administration agencies were even incorporated (Asian development Bank, 2000; World Bank, 2001). During the 20th century, the administration systems of most ports focused on the establishment of supervising authority, or providing port facilities and warehouses as the working area for cargo handling or shipping

line servicing (Jean, Elisabeth & Brian, 2007), as well as the port privatization. Other authors (Baird, 1995, 1999, 2000; Baltazar & Brooks, 2001) also developed the strategy to delegate the administration authority (Debie, Gouvernal & Slack, 2007). Baird (2002) quoted the result of a survey conducted by International Association of Ports and Harbors (IAPH) between 1998 and 1999 over 188 ports, and pointed out that only 7% were privately owned and operated, while about 92% were public ports (Ministry of Transportation and Communications, 2007: 213). Prior to 2012, the organizational structure of Taiwan ports is the only one that was owned by the Central Government, administered and operated by the Central Government agencies.

Due to the rapid growth of East Asia economy during the same period, the Central Government and Kaohsiung City Government had to propose relevant collaboration plans and construction projects outside the normal administration system and framework, in an effort to satisfy the economic requirements and resolve those conflicts. These included: the harbor tunnel that was completed in 1984, the Number 4 Shipping Container Center that was completed in 1992, the Number 5 Shipping Container Center that was completed in 1996, and the announcement in 1999 for the transformation of the 589 hectares of the area around the old port into a multifunctional commerce and trade park. Between 1993 and 1999 the Port of Kaohsiung maintained its position as the third largest shipping container port in the world. On April 19, 1997 it launched the first direct route from Xiamen, China to Taiwan Foreign Shipping Transport Center. All of this demonstrated the process and necessity of maintaining internal stability and pursuing external system reform, which also indirectly prompted the Kaohsiung Harbor Bureau to sign administration agreements to commission Kaohsiung City Government to redevelop the Old Port of Kaohsiung.

#### **IV. The Third Stage (2001-2010): the third regime and the fifth option under national power-sharing and differentiation**

##### **4.1 The third regime: the administrative contract**

A very important change of Kaohsiung City was the shift of political power in 2000 when the ruling party was changed in the central government. This change included different governing issues under the national power-sharing and differentiation. It was also the reason that the area of the Old Port of Kaohsiung could transform successfully. Due to the trend of globalization, Kaohsiung City has to move from the state-led economic development to stimulation of the trade as the major development direction (McMichael, 1996), in order to make Kaohsiung Port City international. Moreover, most modern public administration has been moved toward the strategy of power-sharing (Kettl, 1993), which means to merge the port and the city. In 2005 the Executive Yuan formally agreed to entrust the area of the Old Port of Kaohsiung to Kaohsiung City Government for development. Again, it promoted the



three large waterfront constructions around the area, which was about NT\$ 20 billion. The change implied the power operation between party politics.

Political parties are a common political phenomenon in today's countries. Burke thought that a political party was organized by some people who agreed on the principles and worked together to promote national interest (Ware, 1996). Marxism defined a political party as a representation of the fundamental interests of a certain class or group. The party was a political organization composed of the most active members of the class or group, who follow a common political principle and take the same action (Zhao, 2002). Before democratization, Taiwan's political system was what Giovanni Sartori called the hegemonic one-party system, that is, the Kuomintang one-party system (Wu, 2007). The sociologist, Edward Shils, thought that it was a political system between democracy and totalitarianism and called it authoritarianism (Orum & Dale, 2009). Guillermo O'Donnell (1979) developed the concept of bureaucratic authoritarian regime according to the development of Argentina and Brazil. He thought that the Four Asian Tigers, such as Taiwan, had experienced similar political system (translated by Jia, 1992).

The democratization of Taiwan began in the late 1980s, after which two major parties emerged: Kuomintang (KMT) and Democratic Progressive Party (DPP) which was established by members outside KMT. The political system in Taiwan formally became a multiparty political system when the Legislative elections held in 20012 (Wu, 2007). With this, the change of the regimes in Taiwan can be roughly divided into the transition from authoritarianism that characterized leadership center to democracy that was characterized by administration of the public. Then, the multiparty democratic regime was derived from democracy. The advantage of coordinating the central with the local government or the local government with the parliament to be in the same party could contend with the central and local government regime that was multiparty. This article called this regime as Taiwan's third regime (different from the one-party authoritarian regime and the democratic regime contended by the two parties outside the government). The changes of this regime diversified and centralized the interests of Taiwan's political environment and the results of implementing policies.

The power relation of the third regime is not only for making decisions on formal procedures, but also includes the development of informal communication (Dengler, 2007). The leading roles in central and local government are combined with political parties and this creates the opportunity to modify the system; to cleverly implement the common idea of consolidating the port and the city; to reduce the central rulers' dependence on exercising the coercive power and also balance the support of the power of the political parties (including local government and opposition party); to endow the contribution and the results of cooperation in Kaohsiung Port City a collective responsibility. The importance of a

power-sharing world lies in decision making, which requires an understanding of the agents and system of central and local governments; to some extent, all agents can integrate rights (Giddens, 1984). With this, the study aimed to provide possible solutions when the government system was rigid.

#### **4.2 The fifth option of New Caoya**

Blau (1964) thought that the conditions of power were formed by the four methods. Firstly, the way to benefit from a person is to provide the service he required, that is, to change the resource allocation and govern the exchange process. Secondly, through a competitive process, the essential benefit obtained from another source is to make sure that the exchange ratio and the process of monopoly in the social structure. Thirdly, the benefits can be obtained through violence, using the power to mobilize and organize members, the political process and the division of power system. Fourthly, the recognition of lofty ideals and common values make material needs relatively unimportant, restrain material needs and give up the benefits (Li, 2012). The status of these four alternatives defined the four conditions of power.

Therefore, if the government does not have sufficient resources, satisfactory alternatives, or was unable to use coercive force, or if people don't have common goal, then people will not release the option to the government. Each condition represents individual option. In contrast, the public will move closer to those people or groups (such as protest groups, parliamentary representatives) who or which are able to provide benefits to meet their needs. These groups will be given the power to govern the public. This is the choice with the concept of transaction costs. Coase (1937) pointed that the vendors exist because of profits. The production costs reflected by the price mechanism are the transaction costs. It is also a process of "how to choose" in pursuit of efficiency (Williamson, 1981: 548-549; 2000: 597-599).

Williamson (1975) thought that human factors and environmental factors cause the transaction costs. When both factors occur simultaneously, the organization will break down and result in transaction costs (Williamson, 1975:40). When the condition can not constitute the authority and the organization and market are failed owing to human and environmental factors, the public's needs become not urgent. The public will tend to maintain the current situation and will not choose fierce resistance or active petition. It is called the fifth alternative option (the fifth option for short) (Lin-Liao, 2013b). This situation will occur in the cities where development orientation is uncertain and the public property has not been legalized. The people in New Caoya old settlement chose to maintain the current status and this is the result of this model.

Conducting analysis with Blau's (1964) two potential dimensions and Coase's (1937) transaction costs, the first dimension is the collective life pattern and orientation which are of special (such as religious or political belief) or universal standard (such as wealth or ability).

The second dimension is the sum of suddenness resulted from interactive model of people and society, or government and all member's efforts (Li, 2012: 463). The cross of these two dimensions produces five types of the structure of public exchange and power interaction in social life as shown in Table 1.

Table 1: The structure of public exchange and power interaction

Option	Environmental factors	Minor phenomenon	Uncertainty and complicity
Human factors	Structure of exchange /dominance	Special standard	Universal standard
Opportunism	The result of suddenness	Integration ( II )	Differentiation( I )
Limited rationality	Common goal	Resistance(III)	Legalization(IV)
Organization failure	Market failure	Maintain the current status ( V )	

Source : Li Guo-Wu, 2012: 445 and revised by the author.

Note: V is the fifth option.

The construction of port area was booming in the 1950s and the 1960s. People in the southern region chose to live close to the land nearby the border of the port city for living and work. Due to being far away from the Central Government and the lack of manpower in the former Kaohsiung County Government, a large number of squatters had occupied the area. In the 1970s and the 1980s, the area was governed by the Kaohsiung City. From 1995 to 2000, the Kaohsiung City Government proposed the "Project on the Operation of Land Tender and Sales in New Caoya Area" and the squatters within the scope of the project were approximately 6,300 households. By now, there are still 70% of squatters in this area. Because of the shift in political power, the Kaohsiung City Government began to have a positive administrative act during this period. The public facilities of various urban plans in this area have been completed gradually since 2002. The "promotion team for reshaping New Caoya" was established in 2005. In 2009, the urban renewal plan of the New Caoya area was announced and the New Caoya area was designated as the area for urban renewal. According to the structuration analysis, the historical and spatial structure factors are the major reasons that the problem of squatting could not be solved (Lin-Liao, 2013b). Due to the policy under the division of the power and the failure of organization, the alternative model of governing the area had emerged (i.e., the model of not enforcing to dismantle and gradually improving the environment).

## **V. The fourth stage (2011-): cross-domain coordination governance under the cooperation between the port and the city (the fourth governing power)**

In 2010 Kaohsiung City merged with Kaohsiung County. The Administrative boundaries were adjusted and eliminated by the public authority and the legal regulations. The population of Kaohsiung City increased from 1.5 million to 2.77 million, and the area increased from 150 square kilometers to approximately 3,000 square kilometers, which included Gangshan and Cishan District living areas in Kaohsiung City. It became a "mini-state" or "local country" like Singapore. The Administrative power increased 20 times without going through commission and administration. However, even the institutions responsible for issue management has been transferred to the local governments, the Central Government still retain some powers (Debie, 2007). Hence, after the change of the ruling party in 2008, the Central Government withdrew part of the rights to use the old pier gradually (for example, the maritime cultural and popular music center located in Piers 11-15 was appropriated to the Ministry of Culture).

Therefore, in term of intergovernmental relations, cooperation or integration is just one important principle. There are different levels and functions of governments in the city, the port area and the hinterland (such as the planning of land use, transportation, and other infrastructures). However, the government should focus on planning sustainable economics and society (Ivan, 2009). The broader political space needs to be guided by the regime and promoted by the administrative departments. According to the administrative contract mentioned above, the system of cross-domain coordination governance with targets and time schedules is the key of achieving a policy and developing a city. After the merger of the city and the county, the management of governing power is the important issue that has to be dealt with and coordinated.

It took 40 years to move the village of Hongmaogang and the area of Old Port of Kaohsiung was governed by the administrative contract. The author used these two cases mentioned above to propose the fourth cross-domain coordination model through the political parties and parties control under democracy (Lin-Liao, 2013a). It is called the fourth governing power (see figure 5). The bureaucratic control is the center of the operation model; the public utilities (such as Port of Kaohsiung, Taiwan International Ports Corporation, Ltd.) or the public are regulated with the market, contract or ownership. For the coordination with specific task orientation, the political parties can establish a formal contract or other written agreement to perform cross-domain coordination function and together determine the distribution of power and resources. It aims to establish a public-private partnership in coordination with the administrative contracts or agreements to solve system problems.

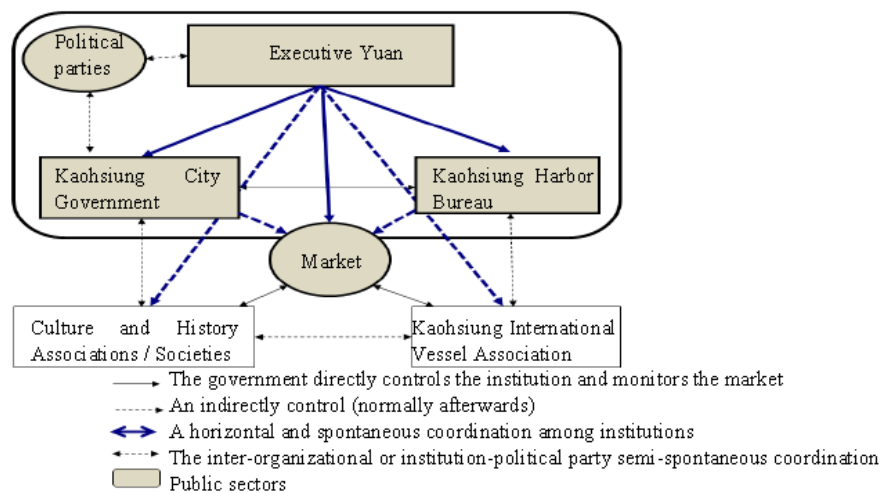


Figure 5: The Fourth Cross-Domain Coordination Mode (Lin-Liao, 2013a)

The third regime's power and the new profile of structure and characteristics changed the powers of intergovernmental relations. By integrating intergovernmental relations or local public opinion, it contributed to adjust the goal of administrative governing power. In the late 1980s the martial law was lifted by the Taiwanese government and the national authoritarianism was eliminated. At that time Taiwan's largest opposition party, the Democratic Progressive Party, generated, and the party relationship diversified the administrative coordination governance. It is the fourth governing power, also known as political governance. With the expansion of the fourth power in the new government departments, the government demands more resources from the enterprises for local people and had the rift with the manufacturers; for example, Milwaukee in the America (Orum, & Dale, 2009). No enterprises wanted to invest in New Caoya old settlement. There are some reasons for this. Firstly, it is the market factor. Secondly, the public's demand may be the key factor for enterprises. People would rather take the fifth option to exchange regime (Lin-Liao, 2013c). The impact of power interaction in Kaohsiung Port City can be seen clearly through three power cycles so far (Figure 6). However, the people in New Caoya concern about the privatization of land and it will be another predicament for Kaohsiung Port City after the consolidation of the city and the county.

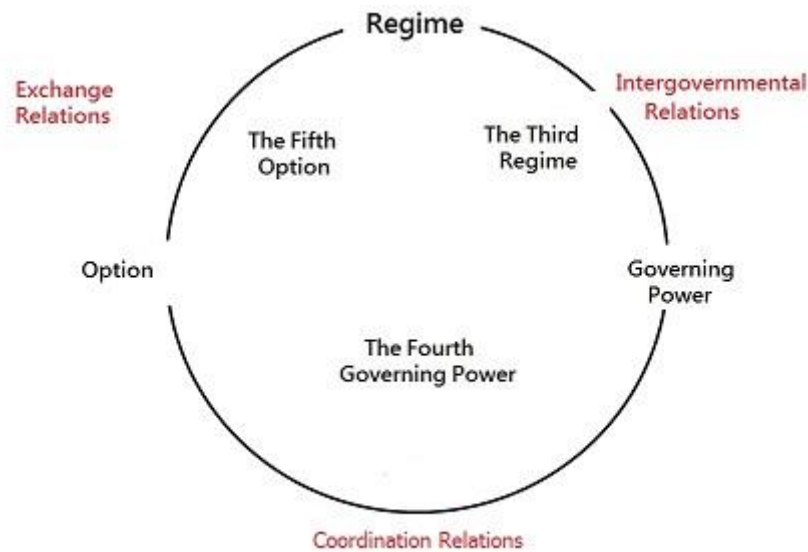


Figure 6: Illustration on the relationship between the economic and politic powers in Kaohsiung (Lin-Liao, 2013b)

## V. Conclusion and Suggestions

In the post war period between 1945 and 1973, Taiwan was characterized by its state-dominated economic development. Not only had the government provided the environment for the enterprises to develop, but it also subsidized and credited them to engage the enterprises in the national construction, aiming to let the society adhere to the rule of the state. As a result, the land surrounding the Old Port of Kaohsiung was transformed into a centre of the heavy industry. The Port of Kaohsiung was also under construction with its twelve-year project during this period (Wu, 2005). Based on the RCI index analysis, the port function of the Port of Kaohsiung in 2010-2011 demonstrated a typical “large port and small city” spatial structure, which is identical with the economic development mode of the port cities in European countries, America and Singapore. Although the spatial structure, which was generated by the state’s government and aimed for fortune, has created the Taiwan Economic Miracle, it also causes the difficulty in the land use transitions around the Port of Kaohsiung area and some related issues.

Attributed to its focus on the development of the container transport in the late 70’s of the 20th century, the Port of Kaohsiung has taken the place of the world’s third largest container port for up to six years since 1993. This not only gave the Port of Kaohsiung a chance to form its city spatial patterns in different time phases. It also reflected badly on the city that its management system does not match the trend of the world. To improve its management system, the Central Government proposed the Asia-Pacific Regional Operations Center plan. As a response, the local government also announced its Kaohsiung

Multifunctional Commerce and Trade Park urban planning, to give the Port of Kaohsiung a vaster hinterland for development and create incentives to attract investors. On top of that, several Offshore Shipping Centres have been established, enabling better trade opportunities which may have been constrained by politics. The experience on changing its management system during this period brought the Central Government a lesson regarding the trend of the institutional reform, which further contributed to the elimination of the boundaries between the city and its port in the next reform stage (in Kaohsiung port city).

The nature of a port city, such as the city culture, social and political identities and economic orientation, is characterized by the governmental relation between the city and the port. The relevant issues include whether the city or the port can decide how to use the hinterland or leave it as spare space, or how far the port city's economic services can reach (Tan, 2007: 862). Since the political party rotation in the Central Government in 2000, the economic networking between the Kaohsiung City and its port or the political resources has become the key which decides whether the city and the port will conflict or cooperate with each other. Attributed to the cooperation between the political parties, the old area of the Old Port of Kaohsiung can eventually be better utilised through administrative commission contracts. The economic interests are shared by the public. The conflicts in the old settlement in the New Caoya area, which is near the Port of Kaohsiung, are actually caused by its long-existing historical background and spatial structure according to the author's analysis on its structure. There is no solution to the dispute of squatting so far (Lin-Liao, 2013b).

Since the city-county consolidation in Kaohsiung in 2010, the use of land in the Kaohsiung Port City has become more flexible. Some inland traditional industrial settlements, which have been developing depended on the Port of Kaohsiung, will be able to move after the accomplishment of access roads, i.e. the National Highway No. 7. This will also result in the release of land around the Port of Kaohsiung, seaside and waterfront. (Several similar cases can also be found in China, the US, the Netherlands and Singapore.) If the local government can coordinate with resource integration, the allocatable political resources will be more flexible and the characteristics of heavy industrial city can also be transformed. The fourth governance management which coordinates cross domains is more critical and desperate than the political power (Lin-Liao, 2013a).

Post-modern society is a society which has been changed to not valuing its industrial output but favoring its knowledge and service economy. The latest development of the Kaohsiung Port City has included many non-economical elements, which elevated the quality of people's lives and created the uniqueness of the city. The sewage remediation of the Love River, the growth of the green area in the city and the recognition of the city's cultural heritages were good examples of this. On top of that, several construction projects in the Asia's New Bay Area were also approved or started during this period. Having met the



citizens' pursuits of the characterised and aesthetic public space, more than half of the vote casts went to the ruling Democratic Progressive Party in 2010, indicating the public's satisfaction with the recent developments in Kaohsiung. This is perhaps the result of political power-sharing or distribution of power, which is emphasized by the postmodernists (Fun, 2006: 346; Weber, 1958). This is also the ideal pathway which this article has tried to demonstrate and suggest for the future of the port city governance.

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