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BUILDING A CREATIVE ECONOMY

THE CREATIVE ECONOMY OF THE PARK GEUN-HYE ADMINISTRATION

By Cha Doo-won

Abstract

The Korean economy has faced several crises, such as the ending of the rapid economic growth era in the 21st century, continued stagnation of per capita GDP growth since 2007 where its value exceeded \$20,000 for the first time, an expected decrease in economic growth rate from 3.5 percent in 2010 to 2.1 percent in 2020, the employment rate staying around 59 percent since 2007, and a decrease in the coefficient of employment in all industries from 10.1 in 2005 to 7.9 in 2011. In addition, a rapidly aging population, the world's lowest birth rate, and the absence of next-generation growth engine technology is darkening the economic outlook. The Park Geun-hye administration, since its inauguration in 2013, suggested the “job-centered creative economy” as a core philosophy of its state affairs to solve the problems stated above. Even if it is difficult to analyze the concrete results of the creative economy, this paper intends to examine the evolution of the creative economy policy from its advent to the present to review its problems and to propose its future direction.

The creative economy policy had been a part of economic policy in Korea even before the inauguration of the Park Geun-hye administration. First of all, local governments have executed strategies to create creative cities since the 1990s. These strategies are being enforced even now as local public services to foster core creative industries, such as culture and the arts, departing from the existing regional development concept centered on manufacturing. The importance of culture and creativity as essential parts of regional development strategies has been generally perceived globally. Thus, this may be viewed as the extension of UNESCO’s regional development strategy for Europe to link regional development with the creative industry under the theme of “Culture and Development.”¹

Korean government support for creative industries by local governments may be largely classified into two approaches: cultural policy and industrial policy. The cultural policy approach improves the quality of life of residents with culture and art contents as well as related infrastructure, and increases the consumption of creative products by training creative talents as well as the supply of cultural contents and infrastructure in the region. The main project of the cultural policy approach was the “Project to Create the Asian Culture Industry Cluster” that the Roh Moo-hyun administration promoted for a balanced national development and a future city model. Despite its intent, this project failed to obtain the desired results because of estrangement from local resident interests, insufficient ripple effects, inadequate experts, and so on.²

The industrial policy approach, unlike the creative city strategy, aims to develop specific creative industries in the industrial

ecosystem and supports all or part of the value chains of creative industry businesses. For example, the Lee Myung-bak administration enforced the “Expanded Local Development Strategies” under which some central departments—the Presidential Committee on Balanced National Development, for example—guaranteed sustainability by transcending their administrative districts in order to secure regional competitiveness. Even if these strategies were equipped with the right policy orientation, they did not sufficiently accomplish policy enforcement or effectiveness. Moreover, it is hard to find a case in which these local government projects created jobs and increased income as intended by the government, let alone achieved financial independence.³

Secondly, there have been debates on the expansion of the creative economy concept since 2009. These debates occurred through the “Korea Creative Economy Research Network” launched with the Korea Venture Business Association to devise strategies for the Korean economy to enter into leading and advanced countries because its per capita income reached \$20,000. These debates concluded that it was essential for creative economy policy enforcement to create synergy among the information and technology, traditional manufacturing, and culture industries. In addition, as the paradigm shifted from a knowledge-based to a creative-based economy, pursuing open innovation was necessary for all businesses, even as large businesses focused on the market and venture businesses on innovation.⁴ The creative economy has become the national administration philosophy of the Park Geun-hye administration through these processes.

Table 1 Evolution of the Concept of Creative Economy in Korea

	Introductory Period (1990-) →	Expanding Period (2009-) →	National Administration Philosophy (2013-)
Leading Department	<ul style="list-style-type: none"> Government (Ministry of Culture, Sports, and Tourism; Ministry of Knowledge Economy; etc.) Local governments 	<ul style="list-style-type: none"> Private sector (Korean Venture Association) 	<ul style="list-style-type: none"> Government (Ministry of Science, ICT and Future Planning)
Objective	<ul style="list-style-type: none"> (Industrial Policy Aspect) Local city development strategy (Cultural Policy Aspect) Improvement of quality of life of residents 	<ul style="list-style-type: none"> National innovation strategy 	<ul style="list-style-type: none"> National economy paradigm shift (Catch-up → Leading)
Main Contents	<ul style="list-style-type: none"> Creative industry (Culture, Art, etc.) centered on creative city development strategies and local service projects 	<ul style="list-style-type: none"> Role separation between large businesses (market) and venture businesses (innovation) as well as mutual open innovation 	<ul style="list-style-type: none"> Convergence of science, ICT, and various fields New market and job creation

Source: Lee Min-Hwa and Cha Doo-Won, *Creative Economy @ Korea*, Book Concert (June 2014), pp. 88-105.

Figure 1

Creative Economy Policy Enforcement Process of the Park Geun-hye Administration



Source: Cha Doo-Won, Yu Ji-Yeon, The Concept of Creative Economy and Analysis of Policies of Leading Countries, KISTEP Issue Paper 2013-01 (March 2013).

Creative Economy Policy Enforcement Process of the Park Geun-hye Administration

During her 2013 inaugural address, President Park Geun-hye defined the creative economy as:

“A creative economy is defined by the convergence of science and technology with industry, the fusion of culture with industry, and the blossoming of creativity in the very borders that were once permeated by barriers. It is about going beyond the rudimentary expansion of existing markets, and creating new markets and new jobs by building on the bedrock of convergence. At the very heart of a creative economy lie science technology and the IT industry, areas that I have earmarked as key priorities.”⁵

Park Geun-hye first defined this term as a presidential candidate in the 2012 publication of *Creative Economy*. Since 2013, President Park Geun-hye has announced various policies to fulfill the creative economy and perform the related tasks.⁶

In *Creative Economy*, Park suggested seven strategies to lay the foundation for a creative economy: creation of new markets and jobs; development of software as a future growing business; realization of the creative economy through opening and sharing; realization of a startup nation; construction of a recruitment system to look beyond specifications; promotion of K-Move in which Korean youths move the world; and the creation of MSIP (Ministry of Science, ICT and Future Planning).⁷ President Park’s May 28, 2013 Cabinet meeting announced the major government initiatives to shape the 140 government projects that the 18th Commission on Presidential Transition had announced through cross-governmental reviews, such as reflection of departmental action plans and review of resources.⁸ These four government administration keynotes were: economic rehabilitation, national welfare, culture prosperity, and establishment of a foundation for peaceful unification. On economic rehabilitation, the government suggested 22 creative economy-related tasks, such as construction of a creative economy ecosystem,

promotion of venture businesses as well as small and medium-sized businesses, development of a new industry and market, and others.

In her first year in office, the Park Geun-hye administration concentrated on disseminating the concept of a creative economy and centering the realization of it on scientific technology and ICT. The MSIP and related authorities announced the Action Plan for the Creative Economy on June 4, 2013, for full-fledged enforcement of major government projects.⁹ The Park Geun-hye administration established the “Realization of National Welfare and New Era of Hope through the Creative Economy” as its vision and announced three objectives (creation of jobs and market, reinforcement of creative economy global leadership, and a society that respects creativity), six strategies, and 24 promotional tasks. Also, the Park Geun-hye administration suggested roles and assignments by department as promotional strategies for the Korean creative economy that involved scientific technology and ICT. This was to acknowledge the limitations of advanced countries’ catch-up strategies for the last 40 years and to announce the conversion into an economic paradigm to create jobs.

Furthermore, in July 2013, the Third S&T Basic Plan reinforced core measures for the realization of a creative economy for science and technology. This plan is the most comprehensive one in the field of science and technology, established every five years pursuant to Article 7 of the Framework Act on Science and Technology, and called for the expansion of 21 legal requirements. In addition, for R&D, it called for the economic growth field to the quality of life field to link with the Action Plan for the Creative Economy, making the R&D phase include technology transfer, commercialization, and job creation, as well as reflecting various medium and long-term plans for the field of science and technology.¹⁰

In its second year in power, the Park Geun-hye administration unveiled in March 2014 the “Three-Year Plan for Economic Innovation” that analyzed policies and suggested alternatives to problems such as the fixation of rent seeking, low economic dynamics, and overly weighted growth toward exports rather

Table 2

Action Plan for the Creative Economy with Six Strategies and 24 Promotional Tasks

Strategy 1 • Creation of the ecosystem in which creativity is rewarded fairly and it is easy to start a new company
Promotional Task 1-1 • To expand investment in creative idea and technology
Promotional Task 1-2 • To create an environment where it is easy to establish a start-up
Promotional Task 1-3 • To convert ideas and technologies into intellectual properties and to protect, utilize, and promote the same
Promotional Task 1-4 • To vitalize the commercialization of creative property
Promotional Task 1-5 • To construct a start-up safety network with which it may be possible to try again
Strategy 2 • Strengthen the competitiveness of the venture and small & medium-sized company as a key player
Promotional Task 2-1 • To establish the foundation for the growth of venture business as well as small and medium-sized businesses
Promotional Task 2-2 • To support the global market development of venture business as well as small and medium-sized businesses
Promotional Task 2-3 • To promote the coexistence and cooperation among large businesses as well as small and medium-sized businesses-
Promotional Task 2-4 • To solve difficulties, such as labor shortage, etc., of venture businesses as well as small and medium-sized businesses-
Strategy 3 • Creation of the new growth engine to develop new products and new markets
Promotional Task 3-1 • To create a new growth engine of the existing industry through the convergence of scientific technology and ICT
Promotional Task 3-2 • To develop software and Internet-based new industry and high-value contents industry
Promotional Task 3-3 • To create a new market through human-centered technology innovation
Promotional Task 3-4 • To develop a new market through the discovery and promotion of a new promising industry
Promotional Task 3-5 • To promote industrial convergence and market creation through regulation rationalization
Strategy 4 • Training of creative global talent
Promotional Task 4-1 • To reinforce the convergence and creative talents training
Promotional Task 4-2 • To expand education in order to infuse competitiveness and entrepreneurship
Promotional Task 4-3 • To vitalize the overseas expansion and domestic inflow of creative talents
Strategy 5 • Strengthen the Innovation Competitiveness of S&T and ICT as the basis of the creative economy
Promotional Task 5-1 • To improve the R&D system to expand potential and strengthen commercialization
Promotional Task 5-2 • To reinforce ICT innovation competency and to accelerate the creative economy
Promotional Task 5-3 • To reinforce the cooperation of industry, academy, research institution, and local government in order to create jobs
Promotional Task 5-4 • To reinforce the roles of scientific technology and ICT to solve global problems
Strategy 6 • Development of the creative economy culture in which people and government work together
Promotional Task 6-1 • To develop an environment of creativity and imagination
Promotional Task 6-2 • To fuse public resources and national ideas through Government 3.0
Promotional Task 6-3 • To innovate methods with which the government operates to realize the creative economy

Source: MSIP and related authorities, *Action Plan for the Creative Economy—Creation Plan for Creative Economy Ecosystem* (June 2013).

than domestic consumption.¹¹ The plan suggested three main directions for future economic policies: 1) “economy with sound foundation” through the normalization of abnormality; 2) “dynamic innovative economy” through the creative economy; and 3) “economy in which domestic consumption and export are balanced” through the revitalization of the domestic consumption. The following 11 tasks were suggested for these promotional directions: vitalization of an online creative economic town under a dynamic creative economy category; construction and diffusion of off-line creative economy innovation centers; enhancement of the competitiveness of small and medium-sized businesses; solution of management difficulties for growth of start-ups into small and medium-sized businesses; diffusion of environment for start-up and rechallenge; virtuous cycle of investment fund; expansion of M&A purchase foundation; expansion of M&A incentives; M&A deregulation; and the promotion of convergence based new industry. The plan contains more concrete action plans for the realization of the creative economy, such as the proposal of an annual action roadmap through 2017.

In the plan, the Korean government placed special emphasis on the creative economy innovation center—one for each of the 17 local governments through 2015. Each creative economy innovation center is a nonprofit corporation that is selected from organizations that belong to or are affiliated with public institutions, economic organizations, universities, research institutions, etc., through the consultation of the Minister of Science, ICT and Future Planning, a head of the relevant organization, and the city mayor or governor. The creative economy innovation center, as a regional innovation base, supports the growth and overseas expansion of small and medium-sized businesses in specialized regional industry fields through linkage and cooperation among economic innovation subjects. That is, the creative economy innovation center is an organization that supervises the realization and diffusion of the local creative economy, such as the development of local society, training of talents and businesses, etc., by fostering the center as a core base for the realization of the local creative economy. In particular, the creative economy innovation center applies various support methods and models, such as nurturing a field that the relevant large business has the advantage as a specialized local industry by matching one local government and one large business.¹²

In addition, the creative economy innovation center, with an online creative economy town (www.creativekorea.or.kr) completed in September 2013, serves as a core off-line platform for the realization of the creative economy and outcome creation. It allows various economic subjects—individuals or businesses—to collaborate and share ideas online, to support

each other on mutual topics of interest (such as technology or commercialization strategies), and to have access to expert mentoring. Additional support, such as an application for intellectual property rights or a prototype for manufacturing expenses, is also provided.¹³

Uneasy Settlement Process of the Creative Economy: Cause of Controversy over the Creative Economy of the Park Geun-hye Administration

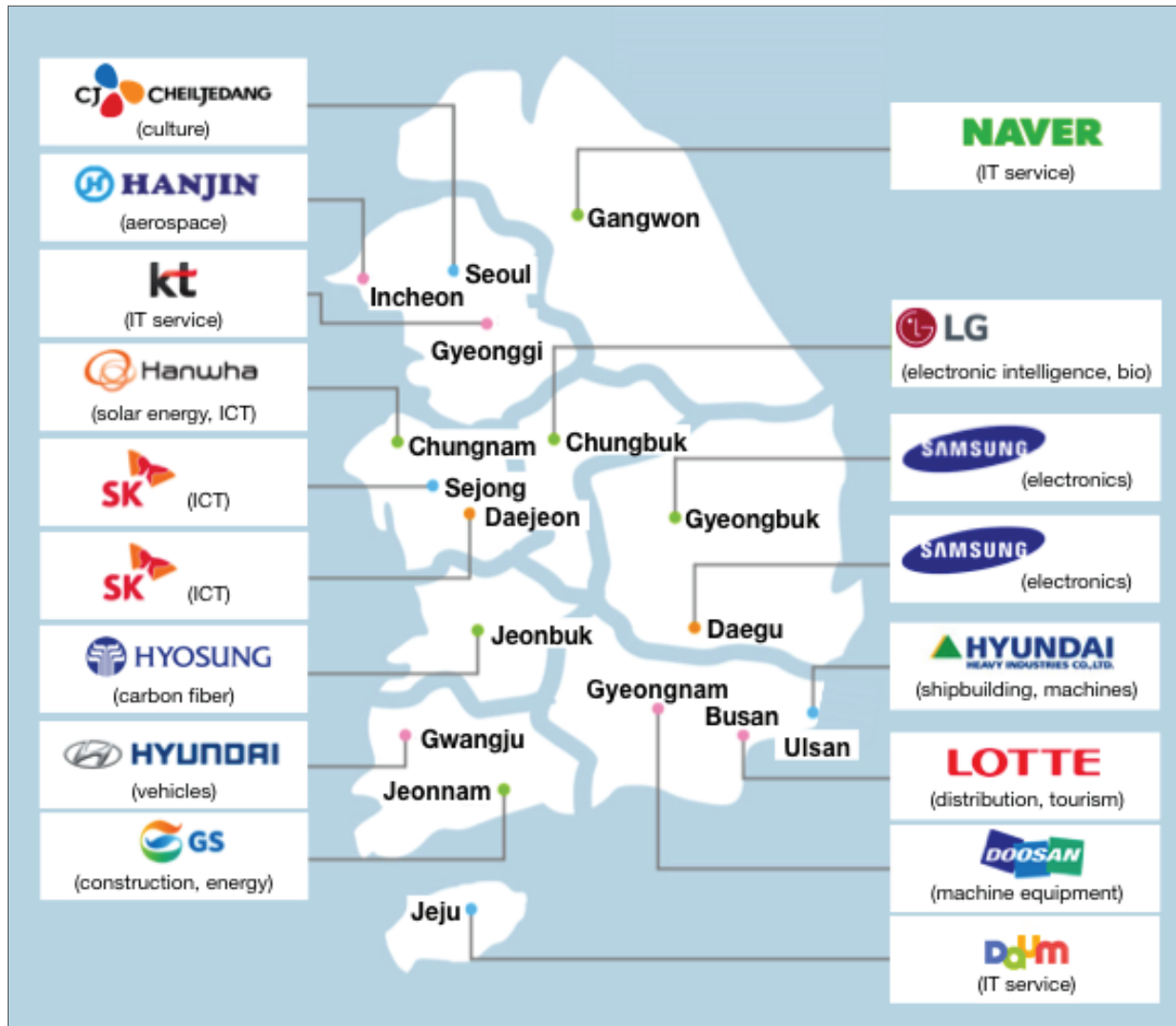
The definitions of creative economy and creative industry were not brand new concepts. However, the ambiguous concept of a creative economy and its policy enforcement was at the heart of controversy among the National Assembly, media, and people. Professor Galloway at the University of Glasgow stated in his paper that the British government used the terms of creative industry and cultural industry confusingly in the enforcement of the creative economy policy.¹⁴ In 2012, the Ministry of Economy, Trade and Industry in Japan, as well as the Nomura Research Institute, redefined creative industry as “an industry that is composed of product, business, talent, etc., which are selected in a market through the added value of creativity rather than price.” The Japanese government suggested that the creative industry may differ based on the policy and competitiveness of the related industry by adding three new fields, such as advertisement, art, and design, to the six fields that were proposed in the Cool Japan Strategy, which was the strategy to promote the creative industry.¹⁵

In addition, the UN predicted that the creative industry, as the most dynamic field in the world’s economy, would provide developing countries with opportunities for new and high economic development. The organization published creative economy reports in 2008 and 2010. The creative economy has been carried out globally by advanced countries, developing countries, local governments, and international organizations. The 2010 UN creative report defined the creative economy as follows: “an evolving concept based on creative asset that potentially generates economic growth and development.” Regardless of how the creative industries are defined and classified, there is no disagreement that they lay at the center of what can be labeled, in broader terms, the creative economy.¹⁶

As shown above, creative industry may differ based on how the government defines its scope, which will impact how a creative economy is viewed, therefore both are seen as dynamic concepts. There are still controversies over these concepts in Korea for two reasons.¹⁷ The first one is the compatibility of the term. The term “creative economy” was first suggested in *Creative Economy*, written by John Howkins in 2001, which described the relationship between creativity and the

Figure 2

1:1 Link of Creative Economy Innovation Center by Local Governments and Large Businesses



Source: MSIP, <http://www.msip.go.kr>.

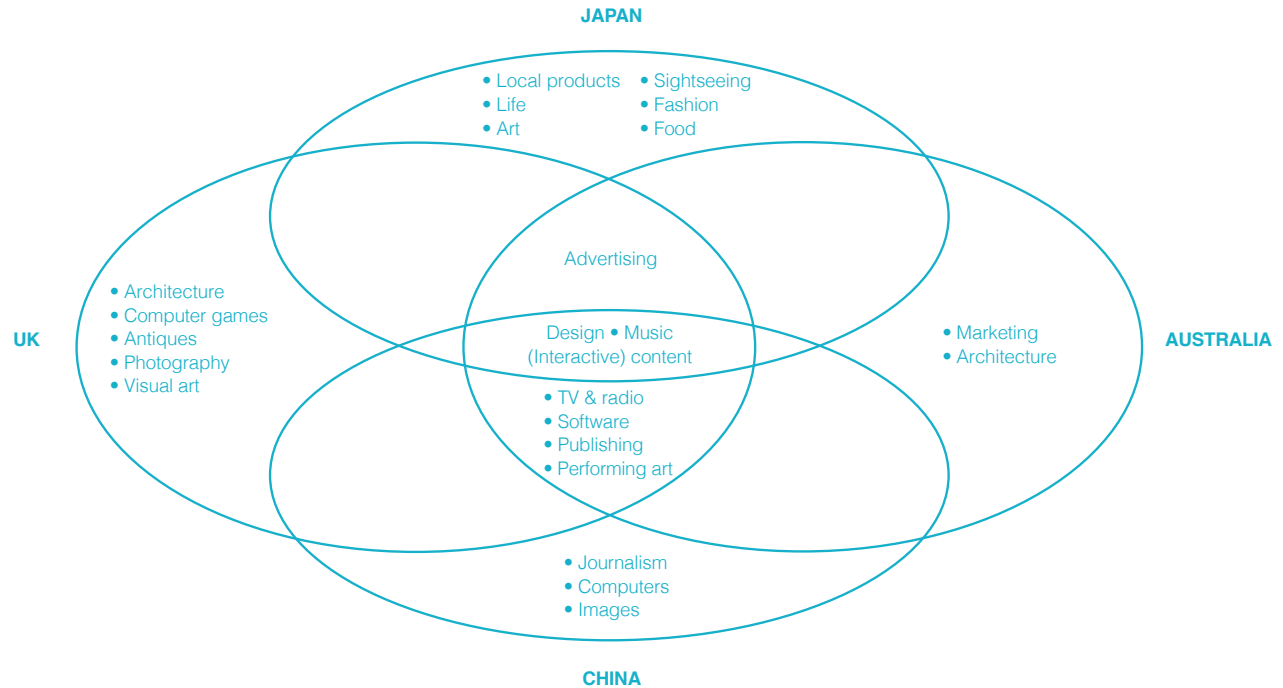
economy,¹⁸ and *Creative Strategy Management and Know-how in the Creative Era*, a report by the Nomura Research Institute, which suggested the creative society as a paradigm to follow the information-oriented society. It proposed for the first time the creative industry as a new growth engine to value the worth and roles of creative activities.¹⁹ As illustrated above, creative economy, creative industry, and creative city have been widely used domestically and overseas. In Korea, these terms have been widely used in the regional development and cultural industry fields. However, when the term “creative economy,” which had been used in state affairs philosophy, collided with the

existing creative economy ecosystem, the confusion occurred. For example, local governments such as Seoul and Busan had already implemented strategies to promote the creative industry. Icheon (crafts and folk art), Seoul (design), and Jeonju (gastronomy) were selected for the creative city network that UNESCO constructed to share experiences, ideas, and model cases for cultural, societal, and economic development of cities since 2004.

Another cause of the controversy was the fact that the Park Geun-hye administration did not set the scope of creative industry

Figure 3

Scope of Creative Industry in Various Countries



Source: Cha Doo-Won, “S&T Master Plan and its Roles—Creative Economy and the Third Science and Technology Basic Plan,” Presentation Material of KISTEP-ISTIC STI Training Program for High-Level Policy Makers, Malacca, Malaysia (December 8-12, 2014).

to specific industrial fields or scientific technology fields, but instead emphasized the convergence of scientific technology, industry, culture, and industry. Thus, it was impossible to measure and explain the effects of creative economy policy, such as industry scale, employment scale, and economic ripple effects. It was also difficult for people to understand investment in the creative economy in terms of specific outcomes.²⁰

The budget of the creative economy rather than the creative industry has been set since 2014. It does not include R&D investment for the creative industry, but does include government-supported projects in six categories: creation of a start-up ecosystem, support for venture businesses as well as small and medium-sized businesses, development of new industry and markets, training of globally creative talents, reinforcement of S&T and ICT capability, and culture creation for the creative economy. The cross-department creative economy budget in 2015 was 8.3302 trillion *won*, which showed a 17.1 percent (1.2192 trillion *won*) increase compared with 7.1 trillion *won* in 2014. This accounted for 44.3 percent of the gross government R&D budget (18.8245 trillion *won*) for 2015. In particular, the “creation of a start-up ecosystem” and “support for venture businesses

as well as small and medium-sized businesses” showed a 38.6 percent (468 billion *won*) increase compared to 2014, and the “development of new industry and market” showed an 18.8 percent (560.9 billion *won*) increase compared to 2014. This illustrates that the Park Geun-hye administration focuses on outcomes of the creative economy that use scientific technologies.²¹

Conclusion

The previous Creative Economy Commission consisting of the Minister of MSIP, a chairman, vice-ministers from the relevant authorities, and members to manage and consider the primary policies associated with the creative economy was eliminated in May of 2014.²² In its place, Park Geun-hye government restructured the governance with an eye to promoting leadership on the creative economy and departmental cooperation, while placing an emphasis on the creative economy being driven by the private sector through the following organizations: the Creative Economy Initiative Public–Private Partnership; the Public–Private Creative Economy Committee under the MSIP; the Steering Committee for the Creative Economy Initiative Public–

Table 3

Creative Economy Budget (100 million *won*)

Classification	FY 2014 (A)	FY 2015 (B)	Variation	
			(B-A)	(%)
Total	71,110	83,302	12,192	17.1
1. Creation of a start-up ecosystem	5,371	6,541	1,169	21.8
- New support for the six-month challenge platform.	-	653	653	-
- Net start-up growth R & D, etc.	5,371	5,888	516	9.6
2. Support for venture businesses as well as small and medium-sized businesses	7,248	10,943	3,695	51.0
- Gazelles business support	900	3,000	2,100	233.3
- Youth funds, anger investment fund, etc.	6,348	7,943	1,595	25.1
- Promotion of large-scale demonstration project	-	1,791	1,791	-
- Net Biomedical technology development, etc.	29,828	33,646	3,818	12.8
4. Training of globally creative talent	9,463	9,653	190	2.0
5. Reinforcement of S&T and ICT capability	17,734	18,922	1,188	6.7
- Development and support of the creative economy valley	-	308	308	-
- Support, etc., of net individual basic research	17,734	18,614	880	5.0
6. Creation of the creative economy culture	1,466	1,808	342	23.3

Source: Kim Yong-Jung and An Seung-Gu, "Government R&D Medium- and Long-term Investment Strategies for the Realization of the Creative Economy," *KISTEP Inside and Insight*, Vol. 5 (2014), pp. 45.

Private Partnership; the Regional Creative Economy Committee; and the Creative Economy Innovation Center.²³

These governance changes mean a conversion to the creative economy innovation centers scheduled to be installed in all local governments until 2015. This also calls for a concentration of all local R&D resources in the creative economy innovation centers that will promote specialized local businesses by matching them with large businesses on a 1:1 basis. It also relies on the networking of these innovation centers to disseminate creative economy philosophy and outcome creation.

In conclusion, the Korean government uses the creative economy as a philosophy to innovate the national economy, unlike policy enforcement in other countries. Also, as shown in the creative economy budgets, the Korean government promotes the creation of an online creative economy valley, off-line creative economy innovation centers, a start-up ecosystem, support for venture businesses and small and medium-sized businesses, and the development of the new industry and markets. The Park administration reinforced these policies by including essential tasks for the creative economy into major government projects, creative economy realization plans, and the Third Science and Technology

Basic Plan.²⁴ In 2015, its third year in power, the Park Geun-hye administration is set to make an effort to create outcomes with the "creative economy centered on job creation" and to improve people's perception as illustrated above.

Notwithstanding the efforts of the government explained above, two matters shall be considered to realize the creative economy. First, the governance of the creative economy shall cooperate with the governance of S&T, ICT, industry, convergence, etc. Even if the governance of the creative economy in the central government is established with the MSIP and the Public-Private Creative Economy Committee, and that the creative economy innovation centers are established in local governments, the strategy to link and cooperate with the governance of the relevant field is necessary to promote the creative economy more efficiently.

The Public-Private Creative Economy Committee under the MSIP supervises the creative economy with respect to the governance of the central government. However, there is no interaction with top-level organizations in the relevant field, such as the National Science & Technology Council, the IT Strategy Committee, and the Industrial Convergence Development Committee.

Table 4

Purpose and Main Functions of Creative Economy-Related Organizations

Organization Name	Purpose of Establishment and Main Functions
Public-Private Creative Economy Committee	<p>Purpose: Creative economy-related cooperation channel between the public and the private sectors</p> <p>Main Function: Consult and coordinate the following matters related to the creative economy</p> <ul style="list-style-type: none"> • Cooperation of the public and the private sectors • Discovery and enforcement of public and private cooperation tasks as well as the inspection of enforcement and outcomes thereof • Collection of opinion and proposal of private sector for government policies
Creative Economy Initiative Public-Private Partnership	<p>Purpose: Discovery and enforcement of public and private cooperation tasks related to the creative economy as well as efficient support for local creative economy</p> <p>Main Functions:</p> <ul style="list-style-type: none"> • Discovery, planning, and enforcement of public and private cooperation projects for new industry and growth engine • Discovery of enforcement projects for start-up vitalization as well as promotion of venture business and small and medium-sized business • Planning and enforcement of program related to the diffusion of the creative economy culture • Support for the operation of creative economy valley
Steering Committee for Creative Economy Initiative Public-Private Partnership	<p>Purpose: Deliberation and coordination of matters with respect to the realization and diffusion of the creative economy through the cooperation among government, local government, and private businesses</p> <p>Main Functions:</p> <ul style="list-style-type: none"> • Matters with respect to the cooperation of national and local government • Inspection of private and public cooperation, policy establishment, task discovery, and outcome as well as the deliberation and coordination of the collection of private opinion and recommendation for governments
Creative Economy Innovation Center	<p>Purpose: An essential base for the creative economy, which supervises the realization and diffusion of local creative economy</p> <p>Main Functions: To promote the following matters in the relevant local government:</p> <ul style="list-style-type: none"> • Support for small and medium-sized businesses and supervision of connection between the relevant organizations and programs • Discovery and improvement of promotion tasks for inspiration of entrepreneurship and start-up vitalization • Discovery and improvement of promotional tasks for venture business as well as for small and medium-sized businesses • Cooperation with authorities related to the creative economy • Training program development for future entrepreneurs • Promotion and support for the organization and businesses to support the start-ups • Support for the establishment and evaluation of policy related to the creative economy
Regional Creative Economy Committee	<ul style="list-style-type: none"> • Discovery and promotion of projects as well as private and public cooperation tasks related to the local creative economy

Source: MSIP, Rules of Installation and Operation of Public-Private Creative Economy Committee, Etc., Presidential Decree No. 25820 (enforced on December 9, 2014).

With respect to local governance, the cooperation system between the creative economy innovation center, the Regional Creative Economy Committee, and the existing regional R&D governance is not yet developed. There are 16 local governments, excluding Sejong, in which a technopark for planning of regional industry strategy and policy, promotion of small but strong businesses, and construction of regional industry network are installed, and Pohang operates the creative economy innovation center. Also, the science research complexes for growth potential development and balanced national development through the linkage of industry and R&D are installed in 10 local governments. There are 19 out of 26

government-funded research institutes that are established in 53 branches all over the country as well. Cooperation among other universities and local government research institutes is a very important matter for the realization of the creative economy. However, there has been very insufficient interaction between the Regional Creative Economy Committee and the regional creative economy innovation center.

In particular, duplicate investments for similar regional R&D programs have been pointed out as a major problem of the low investment efficiency, which was caused by the dual governance for regional R&D management and coordination.

Figure 5

Main Policy of Major Government Projects, Creative Economy Realization Plans, and the Third Science and Technology Basic Plan

Major Government Projects of the Park Geun-hye Administration

- Economic democracy
- Public economy

- Improve the S&T-based citizens safety

- Intellectual property ecosystem
- Strengthen the support for technology-based start-ups
- Small and middle enterprise innovation
- Create new IT convergence industry
- Expand new growth engine industry
- Expand basic research
- Create S&T-based new jobs
- Industry-University-Research Institute Cooperation
- Foster Creative Talents
- Strengthen the Regional S&T
- Establish an S&T Creative Culture

- Improve the efficiency of R&D systems

- Establish the culture of creative economy (Creative Economy Town) etc.

Action Plan for Creative Economy

The Third S&T Basic Plan

- Expand R&D expenditure
- Improve the treatment for researchers
- Establish the S&T creative culture
- Reinforce the S&T Diplomacy

Source: Cha Doo-Won and Kim Yoon-Jong, "Structure and Direction of S&T Policy of Park Geun Hye Administration," National Research Council for Economics, Humanities and Social Sciences, Final Reports (February 2014).

That is, even if the Presidential Committee on Balanced National Development analyzes and manages regional R&D projects through comprehensive evaluation of the regional development special account pursuant to the Special Act on Balanced National Development, the National Science and Technology Committee evaluates, coordinates, and deliberates the said regional R&D project separately from the perspective of national R&D.²⁵

Secondly, policy continuity must be secured. Because it is difficult to create outcomes in the science and technology field, which is the essence of the creative economy, the following problems need to be addressed: quantitative outcomes that cannot reach qualitative outcomes; obsession with outcome creation in a short period of time; and lack of a new continuous growth engine.²⁶ The newly introduced economic system will change the governance and direction of S&T policy toward longer-term investment and research. However, the presidency is a five-year term, and future administrations could hinder R&D outcome creation and research continuity. Therefore, a systematic foundation for the continuation of creative economy policies is essential to achieving concrete outcomes.

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- 1 Goo Moon-Mo, "The Creative Ecological Study on Culture-oriented Projects in Regional Areas and its Policy Implications: Focusing on Conceptual Analysis," *Review of Cultural Economics*, Vol. 15, No. 3 (Korean Association for Cultural Economics: December 2012), pp. 79–112.
- 2 Korea Creative Content Agency, Research on the Actual Conditions of Local Culture Industry Cluster in 2011 (2011).
- 3 Goo Moon-Mo, "The Creative Ecological Study on Culture-oriented Projects in Regional Areas and its Policy Implications: Focusing on Conceptual Analysis," *Review of Cultural Economics*, Vol. 15, No. 3 (Korean Association for Cultural Economics: December 2012), pp. 79–112.
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Table 5

Comparison of the Economic System Paradigm of the Korean Government

Administration (Period)	President Kim Dae-jung (1998-2003)	President Roh Moo-hyun (2003-2008)	President Lee Myung-bak (2008-2013)	President Park Geun-hye (2013-present)
Economic System Paradigm	Knowledge Economy	Innovation Economy	Green Economy	Creative Economy
Cores of R&D Policy	Foster IT and Venture Businesses	<ul style="list-style-type: none"> National Science and Technology Innovation System (NIS) Balanced National Development 	<ul style="list-style-type: none"> Balance of Economy and Environment Balanced Growth 	Creative Economy Centered on S&T, ICT, and Job
Main Plans and Objectives	Construct E-Government <ul style="list-style-type: none"> To lead a smart era centered on mobile To foster 20,000 ventures and create 400,000 new jobs until 2020 	Construct the National Science and Technology Innovation System (NIS) <ul style="list-style-type: none"> To promote global innovation cluster Regionally balanced industrial development and formation of network national structure 	Green Growth National Strategy and Five-year Plan <ul style="list-style-type: none"> To become one of seven strongest green nations in 2020 and five strongest green nations in 2050 	Action Plan for the Creative Economy, Three-year Plan for Economy Innovation <ul style="list-style-type: none"> To create 2,380,000 jobs and obtain employment rate of 70% in 2017
New Growth Engine Industry (Main Technology)	Next Generation Growth Industry (6T) <ul style="list-style-type: none"> Information Technology Biotechnology Nanotechnology Space Technology Environment Technology Culture Technology 	Next-Generation Growth Engine <ul style="list-style-type: none"> Intelligent Robot Intelligent Home Network Future Automobile Digital Contents/SW Solution Next Generation Semi-Conductor Next Generation Cell Digital TV/Broadcasting New Biomedicine/Organ Next-generation Mobile Communication Display 	17 New Growth Engines in Three Areas <ul style="list-style-type: none"> Green Technology Industry (Renewable Energy Technologies, Water Treatment Technologies, Low-Carbon Energy Technologies, Green Transportation Systems, IT Convergence Citywide, LEDs) High-Tech Convergence (Broadcast and Communications Media, Intelligent Robots, Biopharmaceuticals and Medical Devices, Information Technology, Food Industry, Nano-Convergence) Convergence - High Value Added Service Industry (Healthcare, Green Financing, Cultural Content and Software, Education, MICE and Tourism-related Industries) 	13 Future Growth Engines <ul style="list-style-type: none"> 5G Mobile Communication Deep-Sea Offshore Plant Smart Vehicle Intelligent Robot Wearable Smart Device Realistic Contents Customized Wellness Care Smart System for Disaster and Safety Control Renewable Energy Hybrid System Renewable Energy Hybrid System Intelligent Semiconductor Convergence Materials Intelligent Internet of Things Big Data
Performance Organization	E-Government Special Committee Venture Business Vitalization Committee	S&T-centered Society Planning Group	Green Growth Committee	Public-Private Creative Economy Committee, Creative Economy Initiative Public-Private Partnership, and others.

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