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# Enabling Innovation through Policy Initiative: Korean Perspective

2007. 4.10

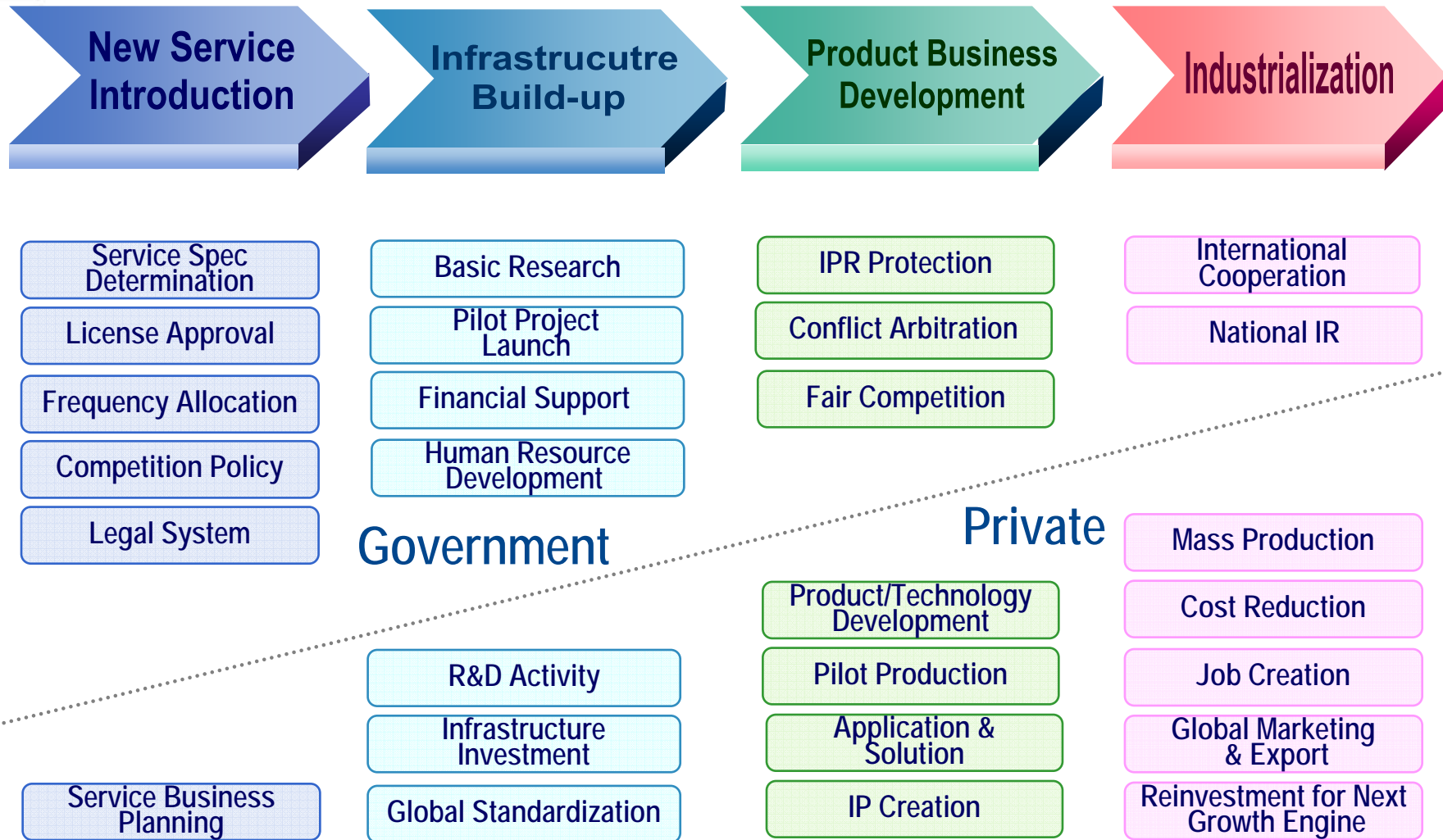
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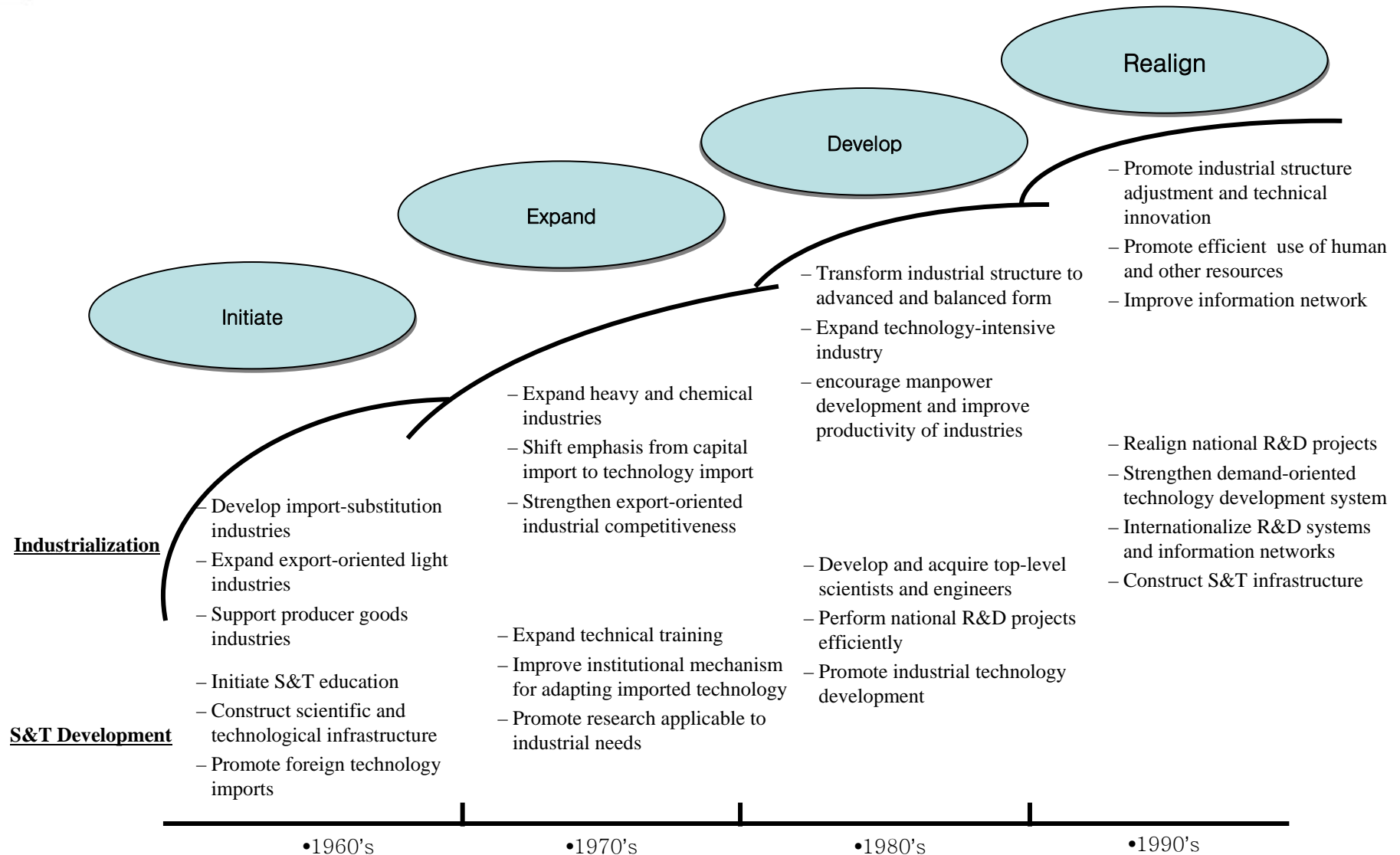
KOREA INFORMATION SOCIETY  
DEVELOPMENT INSTITUTE

# Government Roles in Korean IT



Source: MIC(2006), IT 839 Strategy

# Interactive Development between Industrial Policy and Innovation Policy



## Technology Diffusion Policies in Korea

Technology diffusion policies are carried out at various levels. At the macro-level, emphasis on basic research is at the center of the policy initiatives. At the meso level, various policies promote effective partnership in technology developments and commercialization. At the micro level, building up the internal absorptive and innovative capacities of SMEs is emphasized.

### Technology Diffusion Policies of Korea

Macro level/ Framework Condition	Meso level of firms networks Institutional infrastructure	Micro level of the firm/ specific programs
<ul style="list-style-type: none"> <li>• Increase support for basic research</li> <li>• Improve corporate governance structure of large conglomerates(chaebols)</li> </ul>	<ul style="list-style-type: none"> <li>• Build information infrastructure</li> <li>• Strengthen research training and development through Centers of Excellence(ERC, SRC, RRC)</li> <li>• Build a market for technology transactions</li> <li>• Induce industry participation for national technology development project from the outset</li> <li>• Strengthen the role of bridging institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Promote mobility of university researchers</li> <li>• Soft support for SMEs (technology consulting, management consulting, training by SMIPC)</li> </ul>

Source: OECD(1998), Technology, Productivity and Job Creation: Best Policy Practices

## Cooperation in Knowledge Creation

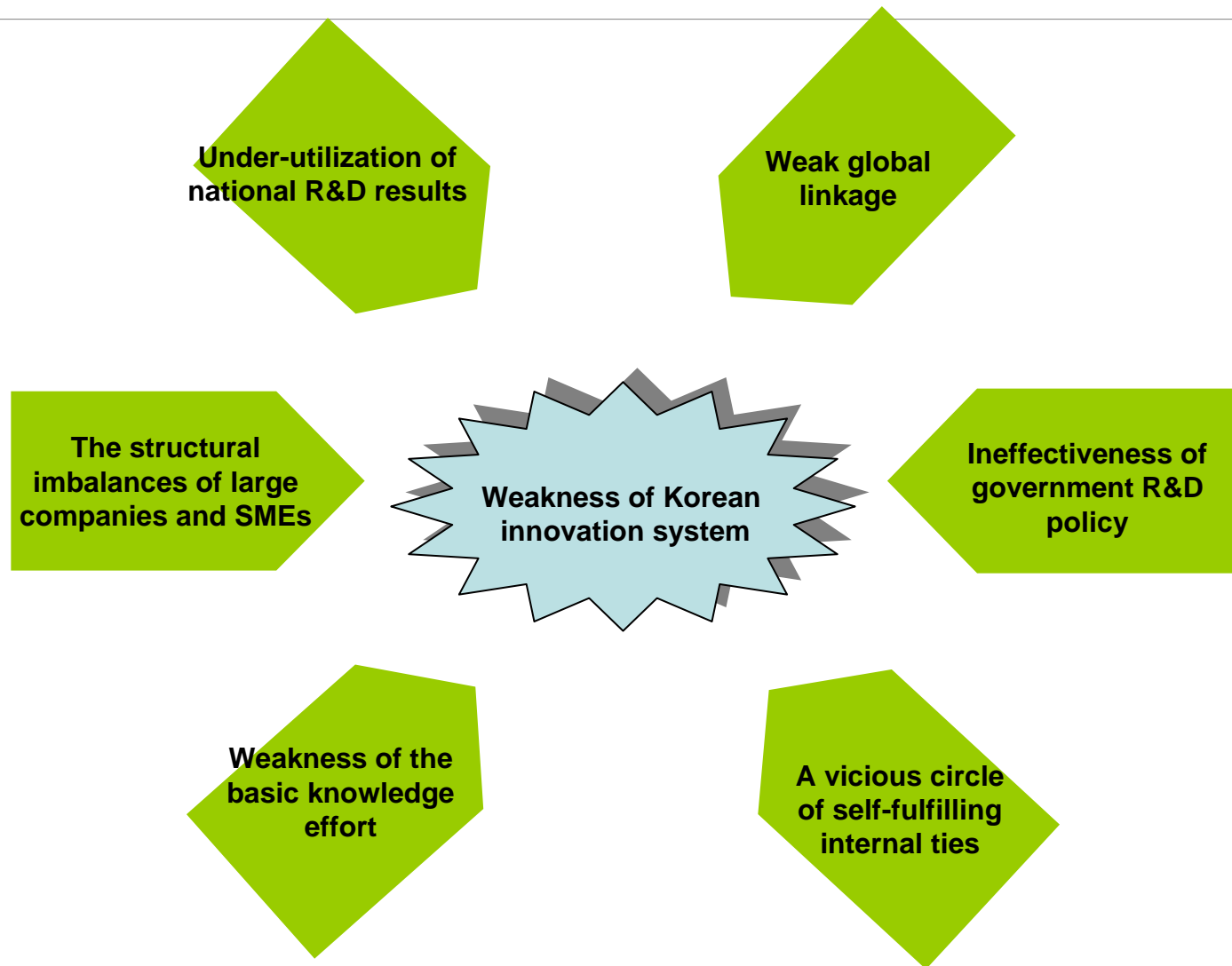
Cooperative R&D between industry, academia, and research institute in Korea can be classified into four categories. To put in a matrix form, it is categorized into research activity and education activity row-wise and divided into manpower cooperation and non-manpower cooperation column-wise, as shown in Table.

**Classification of Industry-Academia-GRI Cooperative R&D**

Classification	Manpower Cooperation	Non-Manpower Cooperation
Research Activity (Cooperative Research)	<ul style="list-style-type: none"> <li>◆ Joint research in specific projects</li> <li>◆ Projects commissioned by private companies to universities and research institutes</li> <li>◆ Visiting researchers</li> <li>◆ Technology consulting to private companies</li> </ul>	<ul style="list-style-type: none"> <li>◆ Co-use research facilities</li> <li>◆ Exchange of technology information</li> <li>◆ Technology transfer</li> <li>◆ R&amp;D cost sharing</li> </ul>
Education Activity	<ul style="list-style-type: none"> <li>◆ Exchange of professor and researcher                             <ul style="list-style-type: none"> <li>- Professors lecturing at private companies</li> <li>- Researchers lecturing at universities</li> </ul> </li> <li>◆ Exchange of students                             <ul style="list-style-type: none"> <li>- Field training at private companies</li> <li>- Researchers participating in the graduate course</li> </ul> </li> <li>◆ Industry's participation in training programs at universities</li> </ul>	<ul style="list-style-type: none"> <li>◆ Offering research facilities to universities(donation or allowance of free use)</li> <li>◆ Exchange of training materials and information</li> <li>◆ Providing scholarship (Private companies' strategy to secure high-caliber manpower)</li> </ul>

Source: Review of Science & Technology Policy in Korea, Background Report, STEPI, 1995

# Weakness of Korean innovation system



Source: OECD(2000) Korea and the Knowledge-based Economy: Making the Transition

# Issues in Government R&D

- ◆ Basic Research (University) Vs Applied Research (GRI)
- ◆ Complements Or Substitutes?  
Government and Private R&D
- ◆ Steering & Funding of GRIs
- ◆ Who pays for Government R&D? (Informatization promotion fund of Korea)
- ◆ How would you measure output, outcome and impact of government R&D?
- ◆ Facilitator or Vision Provider ?

## A Tribute to Two Economists

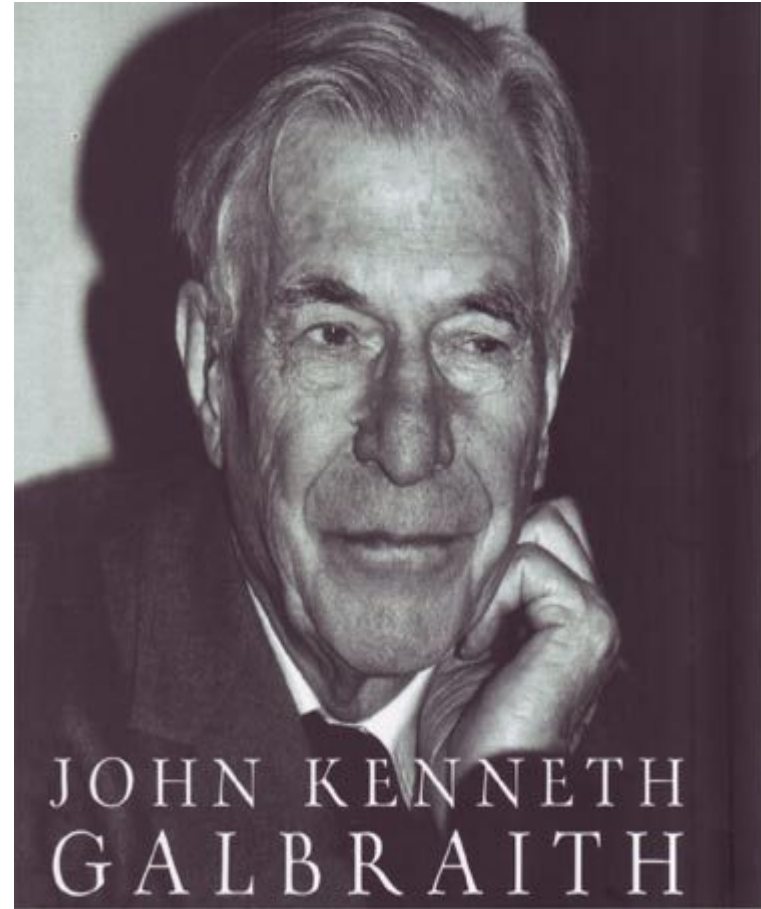
Will the pendulum swing back?



*For Unity, John Galbraith*

Milton Friedman (July 31, 1912–Nov 16, 2006)

Individuals make better decisions than governments  
and markets perform better than governments.



JOHN KENNETH  
GALBRAITH

(Oct. 15 1908–Apr 29, 2006)

The private sector is too much in control.  
We need countervailing forces of governments.