Design, Economic Development, and National Policy: Lessons from Korea

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Whereas the history of economic growth for Western developed countries spans some 200 years, Korea’s economic development was accomplished in a matter of just four decades, after it got off to a late start 16 years after the end of World War II, in 1961.

At that time, Korea was one of the five poorest countries in the world, and the nation depended heavily on foreign assistance from UN member states. Now, the most recent estimates give Korea’s GDP in 2004 at $606.0 billion, making Korea the twelfth-largest economy in the world.

Born in 1949, this writer grew up in one of the poorest countries in the world—a nation with per-capita income of less than $100. From my teens into my early twenties, while I worked to save just enough money to study abroad, I watched Korea’s per-capita income rapidly escalate to $1,000.

Later, in my thirties and forties, I came back to a now semi-developed country with a per-capita income of $10,000—a country in which I enjoyed the most abundant spending years of my life. Korea is now aiming to transform into a developed economy; with its per-capita income beyond $20,000.

I doubt there is another country, or at least generation, in the history of mankind that has personally experienced such diversity in economic activities and consumption.
**A Little History**

During its period of growth, the Korean economy pursued not only quantitative growth but qualitative growth, as well. While size is certainly a quantitative measure of the state of the national economy, the qualitative factors supply the source of a nation’s competitiveness—issues of cost, quality, design, and brand—which is what drives its economy forward.

**Exports and Imports**

The years prior to 1960 were the prehistoric ages for Korea as far as economic development was concerned. In the eight years from the end of the Korean War, in 1953, until 1960, exports averaged $33 million a year, representing just 13 percent of imports, which stood at an annual average of $250 million.

At the time, countless people died of starvation every year near April on the lunar calendar, as they desperately waited for the barley harvest. This eight-year time period was the so-called era of foreign aid, as Korea could not have sustained itself without the $2.2 billion in grant aid it received in foreign assistance.

General Park Chung Hee, who took power in a military coup in 1961, launched a series of five-year economic development plans in the interest of improving life for the Korean people. In so doing, he dictated a new direction for the future of the Korean economy by making it clear that exports would be the engine behind Korea’s economic growth.

In order to export, however, one needs to have many sources of competitiveness—price, quality, after-sales service, and so forth. In the first 10 years of his leadership, Park zoomed in on the country’s low-wage manpower and the resulting cost competitiveness, and successfully took over the world’s low-end textile and footwear markets. Korean companies, however, mostly served as subcontractors to their global counterparts, supplying them with OEM manufactured products until the early 1970s.

After the first oil shock of 1973, governments in the Western countries rushed to implement a range of import-restricting measures, such as quotas on import volume, the certificate of origin program, anti-dumping duties, and the like. In response, the Korean government established an entity called the general trading company (GTC) to promote Korean exports. The key firms that were designated GTCs were tasked with building localized marketing systems inside advanced markets, carving out new export markets, and diversifying export items.

The GTCs established branch offices or local subsidiaries on key world markets, and built themselves up into gigantic conglomerates by recruiting manufacturing firms that had diverse product lines as affiliates and by conducting mergers.

From this process emerged about 30 major conglomerate groups (chaebols) of varying size, including Samsung, Hyundai, LG, Daewoo, and SK. The five largest chaebols, each of which commanded 40 to 60 separate businesses, managed to obtain economies of scale, as well as economies of scope, the former mostly in manufacturing and the latter in the service and financial sectors. Coupled with an information advantage achieved while breaking into foreign markets, this also gave the conglomerates a competitive edge.

**The Chaebols in Crisis**

The financial crisis that hit the Korean economy in 1997 dealt a shocking blow to the chaebols. They had crushing debt ratios averaging 350 percent, owing to their overdependence on external capital, such as overseas loans. The excess was driven by the chaebols’ simultaneous chase after growth in company size and company number.

In the wake of the financial crisis, foreign creditors grew apprehensive about the future of the Korean economy and rushed to withdraw their capital, which in turn brought on a “corporate crisis,” with many of the conglomerates becoming insolvent and forced to declare bankruptcy.

As countless corporations continued to succumb to the corporate crisis, the Korean economy as a whole fell into an economic crisis, as well. Against this backdrop, 19 out of the top 30 conglomerates, many of whom were run by founding family members, either went bust or had to force family members to resign from management.

The companies that took over the bankrupt manufacturing chaebols embarked on a restructuring program according to the so-called global
standard, as was prescribed by the International Monetary Fund (IMF) in exchange for bailout rescue loans. The measures, which were geared toward a strategy of selective concentration, involved eliminating unnecessary assets and nonperforming businesses and slashing the workforce.

Thanks to this process, many of these businesses obtained first-rate competencies in product development, production, and marketing, so that it was no longer possible to differentiate between them solely on the merits of cost and quality.

This was the beginning of the rise of Korea’s specialized design firms, which put design at the core of competitiveness and aimed at producing emotionally appealing products, as opposed to cheap but well-made ones.

**The Growth, Upgrade, and Expansion of the Korean Design Industry: From the Perspective of Design as an Ideal Society-Creating Industry**

World-class companies, such as Samsung Electronics, LG Electronics, Hyundai Motors, POSCO, and Hyundai Heavy Industries, are needless to say, all specialized firms—one clue that design helped lead the Korean economy.

Today, moving onward into the twenty-first century, Korean society faces yet another whirlwind. With the entrance of the Roh Moo-hyun administration, the growth-centered economic thinking that dominated the country for the past 40 years has been irrefutably replaced once and for all by a theory that centers on distribution. The collusion between politicians and businesses and the irregularities and corruption that were once viewed as business as usual are finally taken for what they really are: a shortcut to self-ruin and humiliation.

The market is witnessing a new breed of consumers making informed choices in companies and products that actually contribute to society as a means of self-realization. I will henceforth call this the post-design society. If they are to thrive in such a society, Korean companies must build a “brand” for themselves through business ethics and corporate image.

As mentioned earlier, in the wake of the 1997 financial crisis, Korea saw a significant decline in labor-intensive industries, such as footwear and garments, and in capital-intensive industries, such as paper and petrochemicals, while technology-intensive industries, such as semiconductors and LCDs, as well as advanced design service industries like wireless telecommunications (mobile phones) and automobiles enjoyed explosive growth.

In response, large companies in advanced design service industries, such as Samsung Electronics, LG Electronics, and Hyundai Motors, reinforced their design departments, and now design is emerging as one of the most popular disciplines in university education, competing with law, business administration, and medicine.

The design industry, which is quickly establishing itself as a core sector within Korean society, manifests itself in the following three forms: quantitative growth of the Korean design industry, the upgrade in standards for design, and domain expansion in the design industry.

**Quantitative Growth of the Design Industry**

In light of the tremendous growth in Korea’s advanced design service industries, companies have set out to recruit more designers into their organizations. In stride with this increase in demand, Korea now produces 36,000 skilled designers a year, second only to the US, which yields 38,000 annually. In contrast, the UK and Italy produce about 20,000 designers annually, and Japan turns out around 28,000.

In 2003, the Institute for Industrial Policy Studies (IPS) was commissioned by the Korean

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**Figure 1. Comparison of the economic values of design industries in the UK and in Korea.**

(Unit: 100 mil Won)

<table>
<thead>
<tr>
<th>Economic Values of Design Industries</th>
<th>Comparison of the economic values of the UK and Korean design industries</th>
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<tr>
<td>UK</td>
<td>Korea</td>
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<tr>
<td>216,000</td>
<td>265,338</td>
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government to estimate the size of the design industry. This study was part of the government’s effort to determine whether the increase in the design workforce would be advisable, and to choose the areas of the fledgling industry for government budget allocation. The economic valuation of design was estimated at 26.5 trillion Won (approximately $22.9 billion), which represented roughly 4.7 percent of Korea’s 545 trillion Won (approximately $471.9 billion) in GDP for 2001.

Although the contribution of the design industry to the Korean economy was smaller than that of financial institutions, the insurance, real estate, renting and leasing, and business activities industries (which made up about 8.4 percent), as well as the wholesale and retail trade and the hotel and restaurant industries (5.4 percent), it still outweighed all other industries. In manufacturing, design was outweighed only by the electronic parts, film and video, and sound and telecommunications equipment (nearly 7 percent, in aggregate). However, design was bigger than all other manufacturing industries, including compound and chemical product manufacturing and automobile and trailer manufacturing.

Meanwhile, Korea’s top five export items—semiconductors (10.2 percent), automobiles (9.1 percent), wireless telecommunications devices (8.4 percent), computers (8.0 percent), and ships (6.7 percent)—can all be described as advanced design service industries. So, if one takes out the design contents from these industries, one may find no manufacturing industry that contributes more to exportation than design. It can therefore be said that the design industry’s contribution to the Korean economy matches or even exceeds that of the biggest export items.

Let’s compare the size of the Korean design industry with the economic value of the UK’s design industry, as put forth in a 1996 study by the UK Design Council. As you can see in figures 1 and 2, the economic value of the UK’s design industry was £12 billion (approximately $18.7 billion), or about 2.0 percent of the UK’s GDP. When compared with the figures in the IPS study, Korea out-valued the UK by 23 percent in absolute terms and 2.4 percent in terms of contribution to GDP.

That said, the sheer fact that the products of Korea’s advanced design service—products such as wireless telecommunications equipment and automobiles—are enjoying high market shares on the global markets confirms that the contribution of Korea’s design industry is indeed reflected in the gap between Korea and the UK in design value.

The high economic value of the Korean design industry is another indication that designers create superior value added when compared with other jobs. Assuming Korea’s design workforce as 360,000, which is in fact 10 times the number of new designers coming on line every year, the economic value created by one designer comes out to 73.7 million Won (approximately $6.4 million). This per-capita economic value of designers is 3.1 times the average economic value of 23.9 million Won (approximately $2.1 million) created by the average worker in the population, as of the end of 2002.

If this kind of measurement were to be carried out each year, we could observe growth trends in the design industry’s economic value, and reckon the economic impact of the nation’s costs committed to grooming competent designers. This will provide a foundation for the government in determining the feasibility of funds directed toward education of designers, as measured in both absolute and relative terms vis-à-vis other funding budgets. The government will of course be able to apply this data in other impact analyses of various investments and funding. These analy-
ses will allow the government to determine the feasibility of various policies and help rearrange its priorities.

**Upgrade of Design Standards**

Korean design standards have gone up tremendously in the past seven years. First off, products from Korean companies and Korean designers are winning more and more awards in prestigious international design competitions. It must be noted, however, that these awards tend to go to a handful of designers, with prizes for the most part split between Samsung Electronics Co. and LG Electronics. The challenge remains to expand the base of high-standard designs in Korea.

Although there are no quantitative studies to back this up, an even more important measure than prizes is the response of the market toward Korean-designed products. However, Figure 3 shows that the number of Korea’s leading products in worldwide sales is in decline. This downward trend is an indirect indication of just how fiercely other countries are competing for the number-one position.

**Domain Expansion in the Design Industry**

Currently, the design industry is expanding and evolving into a progressively diversified concept. These rapid and innovative changes in the design industry may be understood as a four-stage revolution, as shown in Figure 4.

The first stage of the design revolution, which begins with Design Connection, involves the integration of traditional and analog means of design, such as sketchbooks and triangle rulers, into a digital device like the computer. This stage involves taking design disciplines that were once separate—industrial design, visual communication design, craft, interior design, architecture, fashion design, and Web design—and merging them into one.

The second stage of the revolution, the Design Expansion stage, will come as a natural extension of the first as the desire arises for newer and more innovative design creations. While prior designs were confined only to visual objects that could be recognized by sight, this stage of design will be expanded to encom-

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**Figure 3. Trends of Korea’s leading products in worldwide sales (1998-2002).**

**Figure 4. Four stages of the Design Revolution.**

<table>
<thead>
<tr>
<th>Revolution 1</th>
<th>Revolution 2</th>
<th>Revolution 3</th>
<th>Revolution 4</th>
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<tr>
<td>Design Connection</td>
<td>Design Expansion</td>
<td>Design Application</td>
<td>Design Integration</td>
</tr>
<tr>
<td>Connection Among Conventional Design Industries</td>
<td>Expansion of Design Domain</td>
<td>Application of Design Principles of New Fields</td>
<td>Integration of Multiple Design Ideas</td>
</tr>
<tr>
<td>Industrial design</td>
<td>Design through sight</td>
<td>Application in neighboring fields</td>
<td>Integration of 1st &amp; 2nd phases of Design Revolution</td>
</tr>
<tr>
<td>Visual design</td>
<td>Design through hearing</td>
<td>Application in politics</td>
<td>Integration of 1st &amp; 3rd phases</td>
</tr>
<tr>
<td>Craft works</td>
<td>Design through taste</td>
<td>Application in economics</td>
<td>Integration of 2nd &amp; 3rd phases</td>
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<tr>
<td>Interior/architecture</td>
<td>Design through smell</td>
<td>Application in social system</td>
<td>Integration of 1st, 2nd &amp; 3rd phases</td>
</tr>
<tr>
<td>Fashion design</td>
<td>Design through touch</td>
<td>Application in value</td>
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pass music design (composition) through the sense of hearing, perfume design through the sense of smell, material design through the sense of touch, culinary design through the sense of taste, and various other designs through different senses and sensibilities. With this, the current barriers in design, as we know them, will be taken down.

This revolution will be prompted by an economic shift from a supply-side to a consumer-driven market. In parallel, the visually skilled designer, who had previously dominated the design industry, will be replaced by the design consumer, who will demand designs of all objects that any or all of his five senses or sensibilities alights upon. This is what will spur on the revolution.

As design activities broaden to include diverse “objects,” there will be a process of generalization, wherein the particular principles of harmony, balance, emphasis, and symmetry are applied to general circumstances.

The design theories created at this point through scientific means will not only be applied to concrete objects of design but also to social systems, such as government, military, enterprise, religious organizations, even families, and serve as a catalyst for the third revolution.

The fourth revolution in design will be all about integrating the results of the first, second, and third revolutions. It will herald the age of Design Integration, in which a society or an organization is designed according to one design theory.

The prime driver toward this final revolution will be the common people, who are designers of their own lives. They will know how to design their own society and implement what they will have designed, and at the same time, they will be the eventual consumers of the designed products in the form of harmonious societal and natural environment.

Currently, Korea’s design industry is moving through these stages of revolution in continuum and achieving change and progress while doing so.

Korea, as the world’s foremost digital powerhouse, has all the markings of the first Design Connection revolution. Animation designers are making movies; visual communication designers are designing buildings; illustrators are doing fashion shows. Korean designers are no longer pigeonholed into the old categories. Moreover, there is an active integration of
design processes currently underway in Korea, with corporate identity work shared with Web site designers, poster work done alongside stage designs, and so on.

The second Design Expansion revolution has also been changing the face of many traditional industries. Hyundai Motors, for instance, is using “hearing/acoustic designers” and “touch designers” to work toward integrated design. Samsung Electronic and LG Electronics have both already tried out designs in their product lines that mobilize all five senses. Also, CJ Systems, a food company, has added “touch, hearing, and sensibility” design to its traditional “taste, smell, and sight” designs for new product development.

The third Design Application revolution has not yet occurred inside the design industry. Attempts, however, can be observed every now and then, in the marketplace, in the business circle, and in the political arena. It has even become commonplace for lawmakers to tote business cards that say, for instance, “John Doe, Political Designer.” Some companies, skeptical about the traditional corporate objective of maximizing profits, choose to focus on ethical business management, religion-centered management, and environmental protection as their central goals. Even though profits then become a mere means to an end, companies like Yuhan Kimberly and E-land nevertheless do extremely well in terms of the bottom line, even better than their profit-driven rivals. We will do well to keep an interested eye on these social designers, to see how much their innovative thinking can change our society in the future.

The fourth and final stage of design revolution is Design Integration. The twentieth century saw the emergence of management as a central force to integrate diverse markets scattered in different parts of the world into one single entity, mainly through the development of the theory of management over the past 100 years and the conversion of common people to managers through widespread management education such as the MBA. Likewise, the twenty-first
century will bring to us an entirely new and fully integrated world, which will be based on two conditions: generalization of design practices into the theory of design, and transformation of common people to designers through widespread design education.

In this context, the Korean design industry is guiding us toward an ideal society through quantitative growth, quality upgrade, and external expansion.

A New Framework for the National Design Policy of Korea: From the Perspective of Design as a Global Market-Integrating Industry

Industry can be broadly divided into “global” industries and “multi-domestic” industries (or local industries). A global industry is defined when the centrifugal force of national borders between countries is outweighed by the centripetal force of economical efficiency, and a company that belongs to this industry becomes competitive when it approaches the international market as a single integrated global market. In contrast, a multi-domestic (local) industry is defined when the centrifugal force outweighs the centripetal force. A company in this industry becomes competitive when it approaches different national markets as individual markets and plans and implements separate strategies for each market.

The design industry shares the characteristics of both types of industry. Because the aesthetic sensibilities of different countries are built over a long time within the unique context of each country’s history and traditions, a national design industry does not lend itself to easy adoption by other countries. On the other hand, aesthetic appreciation of design is universal, and the value of utility imbedded in design is a function of the product-related technology that is basically ubiquitous. The recent advances in telecommunication technologies accelerate the trend toward integrating the global market, resulting in consumption patterns that are similar the world over.

In the wake of advances in broadcasting and telecommunications technologies, numerous industries originally classified as mostly multi-domestic are now showing global traits. The design industry is no exception. A design that is accepted in one region is easily accepted in other national markets, in an ongoing phenomenon described as “design culture synchronization.”

Even as recently as the mid 1990s, the Korean government was either incapable of fully grasping design’s transformation into a global industry or felt that Korea’s design industry wasn’t mature enough in quality to be presented to the global market. This is why jurisdiction over design was sadly bumped around from department to department no less than 11 times in the 13 years from 1981 to 1994. Design was considered a place for window-watchers. Such was the complete absence of design policy that the government did not produce a single report in its name.

Only after Korea joined the World Trade Organization in 1995 and the Organization for Economic Cooperation and Development (OECD) in 1996 did the government slowly realize the weight of the design industry amid the currents of globalization. Finally, the Korean Design and Packaging Center, which had traditionally been part of a “spoils system” job for recently retired military generals, was renamed the Korean Institute of Design Promotion (KIDP). With a government official appointed the CEO, as well as a hefty increase in government budget allocation, the KIDP was able to establish itself as an anchor institution in the promotion of the design industry.

Former president Kim Dae-Jung, who was in office from 1998 to 2003, had a great interest in the knowledge industry and an appreciative eye for the arts, including design. Consequently, beginning in 1999, the government launched a comprehensive policy for design promotion, based on an appreciation for design as a classical knowledge-based industry. The following is a breakdown of the policy based on a mechanism-based view (MBV), which explains all existing phenomena as a result of S (subject) within an E (environment) that uses R (resources) to make a P (process). The MBV focuses on the mechanism behind the dynamic combination of subject, environment, resource, which causes the process to occur repeatedly, in order to determine causality between objects.

Subject (S). The government premised the development of talent as the centerpiece of design promotion, and introduced many policies to foster international design professionals by nurturing next-generation design leaders and adopting an in-house chief design officer (CDO) system and active outbound CDO lecture programs. Also, the government hosted the Industrial Design Promotion Competition every October, in which medals and rewards were pre-
sented by the president to prizewinning CDOs, making the government’s support for an in-house CDO system very clear.

Environment (E). Working under the slogan “Spreading a design culture in people’s day-to-day lives,” the government built a Living Design Center and promulgated a nationwide Design Week, during which it hosted the North East Asian Forum and Design Korea Convention in 2005. At the same time, the government expanded customized design training programs, enhanced the efficiency of its design promotion policies, and committed to supporting the overseas advance of specialized design firms. The government also put in place a system for protecting the intellectual property rights of designs.

Resource (R). Government support regarding resources is composed mainly of capital and human resources. The government provided capital support for R&D projects in design-related technologies, and directed the National Procurement Service to give preferential treatment to specialized design firms with outstanding performance. The government and private sector invested 25 billion (approximately $21.7 million) and 75 billion Won (approximately $65.2 million), respectively, in creating a design venture fund on a scale of 100 billion Won (approximately $87.0 million). The government and private sector also committed 200 billion (approximately $173.9 million) and 300 billion Won (approximately $260.9 million) each to cover technology development and prototype manufacturing costs, with the goal of promoting innovation in the design of promising export items.

On the human resource side, the government offered special military service exemptions to persons holding a master’s degree in industrial design, and allowed outstanding design departments to either split off into independent specialized universities in their own right, or change their department affiliation to engineering.

Process (P). The government built design innovation centers with cutting-edge equipment in 10 locations across the country, with the aim of first enhancing Korea’s competitiveness in the North East Asian market, and ultimately achieving world-class competitiveness in design technologies on the global market, with priority given to the digital design sector. These centers were tasked with building special brands unique to each region, and with providing support for local companies as they worked to establish their own design management systems. The centers also created a design bank of exceptional designs to closely monitor imitations and protect design rights. They offered tax benefits to design firms that were designated as venture companies.

Such design policies of the Kim Dae-Jung administration put in place the underlying mechanisms for future growth of the design industry, starting off with its talent development policies to promote the “subject” or principles of design, the designers and CDOs; its policies to improve the design industry’s environment; its capital investments for the promotion of the industry; and its creation of an organization with exclusive jurisdiction over the upgrade of the quality of Korean design.

The Kim Dae-Jung administration’s design policies, however, fell short of presenting a vision for the future course of change in the Korean design industry. It also failed to provide goals, both qualitative and quantitative, as well as evaluation standards for its individual design policies. As a result, it proved impossible to measure the impact of the various government policies, reducing them to the status of “good if you do, but of no consequence if you don’t.” That said, however, the fledgling Korean design industry was nonetheless ushered into a period of growth by the first aggressive government design promotion policies and measures in history, and “professional designer” became a very popular occupation.

The Roh Moo-Hyun administration, which kicked off in 2004, carried on or strengthened most of the design policies of the previous administration, and is in the process of steadily implementing them. Most notably, the government has created a vision for the Korean design industry as a market-integrating global industry, and speaks of transforming Korea into the world’s seventh-strongest design power by 2008. The government is currently creating and implementing more sophisticated design policies to achieve this goal.

More specifically, the government is pursuing the following five projects with the objective of strengthening the competitiveness of the design industry, as well as spreading the application of design throughout all industries.
• Expansion of demand for design and job creation within the design industry. Create new jobs through a design-driven strategy that focuses primarily on core backbone industries. Link backbone industries, such as home electronics, automobiles, and shipping, with design to promote their transformation into high value-added industries. Benchmark successful case studies, such as the Korean MP3 business, which has the world’s biggest market share and is a world leader in technological trends, thanks to a design-driven strategy. Support design technology development in conjunction with marketing for maximal impact. Conduct training in new technologies, such as 3D Web, e-businesses, and VR-based games, which are high-demand areas in terms of human resources, as well as internship programs, to create new jobs. Form “home doctor” teams from retired and unemployed designers to provide design support for small-to-mid-size companies.

• Expansion of customized design training programs and the development of global design leaders. Combine business administration, engineering, art, and new technologies and develop a multidisciplinary design-training program, to boost creativity and relevance in design education. Foster the next generation of design leaders by designating outstanding designers as “pioneer” designers and next-generation designers as “promising” designers. Enhance the effectiveness of cooperation between industry and academia by supporting outbound lectures by company CDOs at training institutions. Give third- and fourth-year university students credit points for on-the-job fieldwork. Foster human resources required by the industry by creating a matching fund system that supports project costs.

• Promotion of the design industry’s advance into the global market. Build a support network for advance into the North East Asian market; promote a culture of design that is close to people’s day-to-day lives.

Figure 5. The mechanism-based view (MBV) of Korea’s policy to promote the Design Revolution.
market by establishing design innovation centers in growth regions, such as India, Vietnam, and so on, hosting design road shows in Beijing, and organizing the North East Asia Design Forum. Promote Korea’s reputation as a design powerhouse by attracting world-class design training institutions and R&D centers to Korea, and by hosting the World’s Best Designs Exhibit and other international conferences, including Design Korea 2005, as a forum for exchange among the world’s first-rate design leaders.

- **Promotion of greater efficiency in the government’s support system.** Encourage the expansion of specialized design firms via mergers and acquisitions and collaborative arrangements with other design firms, and strengthen registration requirements. Direct the National Procurement Service to give preferential treatment to outstanding design firms, write up a road map for design technology, and introduce timely mid-to-long-term technological development projects so that the impact of technological development translates efficiently into industry. In particular, expand research support for basic shared technologies, such as material surface processing, trends, digital design-related contents, and ubiquitous technology. Foster regional design centers in three locations to serve as regional hubs for design and as a liaison between local industry and design. Focus on developing the substance of the 14 design innovation centers rather than on quantitative growth by supporting software programs through more efficient operations.

- **Spread of a design culture in people’s day-to-day lives.** Remodel the KDC (Korean Design Center) into an accessible “living design center” where people can come to learn and get a feel for design. Conduct projects to improve the urban environment for a better national image. For example, develop and publish a guidebook on the environmental color design schemes of key scenic locations such as harbors, roads, and so on, and conduct pilot projects at regions deemed to have a big influence on the improvement of urban environmental design. Run a living design center that will offer basic training and design activities for students, householders, and so on. Designate the first week of December Design Week and host various design activities to boost nationwide interest in design.

The various concrete policies listed here can be categorized into subject, environment, resources, and process, as seen in Figure 5. As indicated, the Roh Moo-Hyun administration has an impressive lineup of detailed and comprehensive industrial design policies that are reminiscent of the golden ages of intense development-driven industrial policies of the Korean government from 1961 to the 1990s.

Some of these policies have hidden agendas. For example, the “home doctor” policy is geared more toward job creation than toward the design industry. Some policies—attracting world-class R&D centers to Korea, for instance—are unilateral; others actually go against market principles, such as the policy of encouraging the expansion of design firms. On the whole, however, these policies are commendable in that they support developing the design industry by fostering design leaders, providing a design environment, providing design resource support, and creating a design promotion process. It remains to be seen, however, how comprehensively these policies will be implemented in the coming three years.

**Conclusion**

During the quantity-driven economic push of the 1980s, designs in Korea were perceived merely as a technical tool for packaging products. However, in the aftermath of the 1997 financial crisis, the Korean economy underwent a so-called paradigm shift away from quantitative expansion to a qualitative improvement in standards. As another byproduct of this shift, Korean society has come to fully recognize advances in design as a core element of national economic development. In this context has come a flurry of constant activities: aggressive policies by the government to promote design, inspired initiatives by companies to improve the standards of design on goods and services, and untiring efforts by designers for the globalization of Korean design.

All discussions up to this point, on the growth of the national economy, focused on such “hardware” elements as the GNP, export values, product output, and so on. Moving forward, however, “software” elements, such as history, culture, social transparency, emotional and
intellectual levels, and the like have a more important bearing on the economic growth of a nation, and on its upgrade into an advanced economy.

Korea is in a transitional place right now, as it makes efforts for a new leap forward toward being a developed nation. Korea is now laying the road for national development through design as a core competency.

Even if the standards in design on goods and services are improved, however, that does not automatically ensure that the Korean economy will be propelled into a higher status. Although better designs will help make Korean products and services more appealing to customers the world over, they won’t automatically transform the company into a top-notch leader unless it first takes steps to contribute to society in a genuine and transparent manner. Furthermore, in order for Korea to fulfill its role as a global citizen in the world economy, we must first find the maturity to promise to protect and support the underprivileged people of the world who are in material and environmental distress.

Commitment to uncompromising business ethics and a mind-set for social contribution, as well as transforming people into designers in their respective fields, represents a design-strategic challenge for all developed countries.

If Korea succeeds in mobilizing managers, companies, and its government under a common goal of becoming a first-rate developed nation with external growth, as well as internal maturity, Korea could very well become the flag bearer for the fourth design revolution, in which all societies and organizations will fall under the same principle of design. Korea would then be one of the first countries in the post-design era to complete the entire series of design revolutions. ■

Reprint #04154CHO10