

## CHARTS

1. Global Tech Index – p. 139 (ranking based on R&D as a % of GDP and also patent applications per million population)
2. Global Creativity Index – p. 156 (composite measure of national competitiveness based on Richard Florida’s “3Ts”: Technology, Talent and Tolerance. Each “T” was equally weighted. The GCI (page 274) “is intended to capture the ability of a country to harness and mobilize creative talent for innovation, entrepreneurship, industry formation and long-run prosperity.” )
3. % Workforce Employed in Creative-Sector Jobs – p. 136 (based on International Labor Organization statistics)

FROM: *The Flight of the Creative Class: The New Global Competition for Talent* by Richard Florida (New York: HarperBusiness, 2005)

South Korea: Moving into the Creative Age  
By Richard Florida

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**S**outh Korea has clawed its way out of poverty by becoming a manufacturing powerhouse. But to stay a world-class economy will require the country to draw on a different set of skills. In the future, it will be the ability to create—as distinct from the ability to produce—that will foster innovation, and with it, sustainable economic growth. Whether it is new ideas, new business models, new cultural forms, new technologies, or new industries, it is creative capital that will drive the world economy. The ability to harness creativity will be the biggest challenge, as well as the biggest opportunity, for South Korea.

Our analysis of data from 45 countries shows that four key factors—the “4Ts”—drive economic growth and prosperity: Technology, Talent, Tolerance, and Territory Assets. All four are critical in generating the social and cultural conditions that form the ecosystem of an enduringly successful creative economy. They are the touchstone for the growth of the “creative class” of knowledge workers and entrepreneurs who are crucial to economic growth, now and in the future.

**Technology:** Technology and innovation are critical components in driving economic growth. To be successful, communities and organizations must have the avenues for transferring research, ideas, and innovation into marketable and sustainable products. Universities are paramount to this, and provide a key hub institution of the creative age.

The Technology part of this equation is largely settled in South Korea’s favor, with its ubiquitous broadband access and excellent technical education. Plans to aggressively expand and update

nation-wide fiber-optic broadband network are impressive. It is also important to continue investment in R&D and to recruit foreign technology companies.

**Talent:** The driving force behind any effective economic strategy is talented people. We live in a more mobile age than ever before. People, especially top creative talent, move around. A community's ability to attract and retain top talent is the defining issue of the creative age

In terms of Talent, South Korea is reasonably well placed, ranking 6th on the R&D Index a measure of research and development expenditures; 10th on the Human Capital index, which measures the percentage of people with college degrees; and 13th on the Scientific Talent Index, which examines the number of researchers per capita. On the other hand, South Korea has only about 4 million creative class workers—or 20% of the workforce, compared to 30% for the U.S. or 39% for Ireland, which ranks first. The implication is that outside science and technology, South Korea's creative class could be further developed.

**Tolerance:** Economic prosperity relies on cultural, entrepreneurial, civic, scientific, and artistic creativity. Creative workers with these talents need communities, organizations, and peers that are open to new ideas and different people. Places receptive to immigration, alternative lifestyles, and new views on social status and power structures will benefit significantly in the creative age. On the Values Index, which measures the degree to which a country espouses traditional values instead of more modern, secular values, South Korea, with its strong sense of family and tradition, ranked 9<sup>th</sup> out of forty-five countries. (Japan ranked first.) This high ranking no doubt has played a role in creating South Korea's tight-knit, proud and orderly society. But it might also account for the country's much-lower position on the inverse measure, the Self-Expression Index. This measures people's attitudes regarding the right to publicly espouse alternatives and individual choices that run against the grain or prevailing opinion; South Korea ranks 34th out of forty-five countries (Sweden is first).

What this means is that South Korea may face challenges in activating the kind of self-expression required to spur across-the-board entrepreneurship. The low ranking also suggests that it may have difficulties when it comes to drawing expatriate workers from countries more accepting of different ways of life. South Korea therefore may have hit its limit in the ability to attract creative people. If the global creative class doesn't see the country as a hospitable place for their professional and personal aspirations—and in a 2008 survey, 42% of South Korean respondents claimed they had never had a conversation with a foreigner—they will seek their fortunes elsewhere.

In fact, that is exactly what they have been doing. Beijing, which has three English-language weekly entertainment guides and an increasingly visible English-speaking expatriate community, has a livelier international scene than Seoul. Not unrelated, if young, creative South Koreans studying abroad don't feel their native country offers them at least an approximation of the freedom of self-expression they've come to enjoy in, say, New York or London, the chance that they will move themselves and their entrepreneurial energies back to the land of their birth is diminished.

One could argue that South Korea, which is relatively small in size (48 million people) and ethnically homogenous, cannot emulate the heterogeneity of, say, the U.S. or Europe, and perhaps shouldn't even try. After all, homogeneity does have its benefits—greater social cohesion, for one. But these advantages are small in comparison to the economic potential of heterogeneity. Diversity does not necessarily require lots of new immigrants; but it does require that people on the edges of South Korean society—for example, artists, bohemians, and gays—have the space and tolerance to fulfill their potential. It requires openness to new and ways of doing things.

The creation of the "Incheon Free English Zone" program, which is trying to make that city, South Korea's third largest, comfortable with English (official slogan: "Smile with English") will certainly help in this regard. English is the *lingua franca* of global business. To compete against other mega-regions like Hong Kong, Singapore, and even Beijing, South Korea will need to find ways to make residents not fluent in Korean feel more comfortable. Forward-thinking initiatives should extend to the easing of entry and job regulations for foreign students.

**Territory Assets:** The final magnetic factor when it comes to drawing the global creative class is Territory Assets, the fourth T. More than ever before, place matters. Territory assets are the natural, built, and psychological settings of the community. It is the distinct "vibe" that makes communities unique from one another. Competitive cities and nations in the 21st century will be those that are open, dynamic, and aesthetically inspiring. Talented, mobile workers are attracted by the opportunity to be around other highly engaged and intelligent talent in arenas that are beautiful and authentically lively. They like densely populated cities where they can meet organically through street scenes filled with cafes, restaurants, bookstores, music clubs, and other unique social and commercial spaces.

So smart urban development is essential; it is also difficult to do. One needs to thread a fine line between encouraging entrepreneurs to grow such places and yet not succumb to the temptation to create artificial environments. The connectivity between Incheon and Seoul suggests that the infrastructure is in place for developing Territory Assets. The fast train between these two cities is a positive, growth-sustaining step; globally competitive commercial centers are fueled by good public transportation.

**A**fter considering macroeconomic stability; political maturity; trade and investment policies, and educational attainment, in 2005, Goldman Sachs declared South Korea one of its Next Eleven—the countries with the greatest potential for growth. In 2007, the Economist Intelligence Unit ranked it third in the world in IT competitiveness. South Korea also scored relatively well in e-readiness (19<sup>th</sup> in 2009, according to the EIU), defined as the ability to harness information and communications technology. In many ways, then, South Korea is poised for continued success. But it is only by harnessing the creativity of its people that it can turn these strengths into greatness.

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