

Innovation Policies for Inclusiveness – Policy Cases

Centres for Creative Economy and Innovation

Country: Korea

1. Short Description

The Centre for Creative Economy & Innovation (CCEI) manages institutional programmes designed to establish the global presence and growth of SMEs in locally selected special strategic areas, and narrow gaps across regions and businesses. These centres are established in 17 cities and provinces across South Korea to serve as platforms for the promotion and advancement of local economies and new business.

This policy profile is part of a [policy toolkit on innovation policies for inclusiveness](#). It is relevant for territorial and industrial inclusiveness.

2. Policy Characteristics

Basic Information

Country and implementing institution(s):	Timeline:
Republic of Korea The Centre for Creative Economy & Innovation (CCEI) managed at the central government level by the South Korean Ministry of Science, ICT and Future Planning (MSIP).	2014 to the present (as of November 2016)
Target group	Size and budget:
SMEs, start-ups and regions	Approx. KRW 2.75 billion (as of 2015) (USD 3.1 million, PPP) KRW 1.72 billion (central government expenditure) (USD 1.9 million, PPP) KRW 1.03 billion (local government expenditure) (USD 1.2 million, PPP)
Type of policy instrument(s)	Inclusiveness focus
Financial support: grants, venture capital, etc. Non-financial support: counselling and training/outreach/etc. Investment in public research Infrastructure	Territorial and industrial inclusiveness



Policy objectives

CCEIs are non-profit foundations established to promote business start-ups and innovation by small and medium-sized companies. One of the priorities of CCEIs is to build conditions for innovation and create hubs for business start-ups in different cities and provinces across the country, so as to address the excessive concentration of business in the capital city area.

Rationale

There is an excessive concentration of business infrastructure in the capital city area. CCEIs were created to develop policies and help create healthier local environments for business across other regions in the country.

Policy target recipient and selection mechanism

The policy targets large corporations, small and medium-sized enterprises, and potential start-ups.

Policy instrument(s)

CCEIs are established in 17 cities and provinces across South Korea, where they:

- **Connect cities and provinces across the country with corporations offering distinct expertise.** This network encourages localities and regions to devise ideas that correspond with the scope of expertise of the matching corporation, while such corporations further utilise and develop these ideas.
- **Provide customised consultations for business start-ups** and offer integrated services to companies with outstanding technology to help them find office space, secure investors and enter the global market.
- Provide open job centres that link employers and job seekers, in order to help young people find employment.
- Provide R&D and marketing assistance for SMEs to achieve innovation.
- **Serve as epicentres of regional innovation by working closely alongside innovation-driven institutions in the region.** CCEIs engage in various projects and assemble the capital required for associated activities, allowing them to serve as magnets to attract skills, technologies and resources (e.g. Fab lab, Contents Lab, IoT DIY, etc.).
- **Build networks with innovative regional organisations** via relationships with local technoparks, design centres, industrial complexes, universities, etc.

Policy challenges

- CCEI-supported projects have not had an immediate practical impact or demonstrated a high level of efficiency. The different channels of support are scattered in nature, and are therefore resulting in confusion among start-up entrepreneurs.
- Government-led start-up funds have been allocated to only a limited number of companies to ensure a higher chance of success and to avoid risks and possible losses.



- While collaborations with regional technoparks play an important role, it is crucial that their roles are clearly distinguished. CCEIs are designed to incubate new companies, whereas technoparks work to retain and reinforce competitiveness for existing industries and foster businesses in Hidden Champion technologies. Technoparks operate in connection with existing industrial complexes, located on the outskirts of cities and rural areas, and support growth and competitiveness for existing SMEs. Recently, fast-tracked projects have been promoted jointly with CCEIs to promote the commercialisation of business ideas. The primary role of CCEIs needs to be re-defined, in order to transform them into hubs of regional innovation enabled by a multifunctional platform and collaborative relationships with local academia, industries and research organisations.

Actions undertaken to address challenges

Discussions on regional R&D governance have begun to resolve the issues of duplication and secure sustainability.

Evaluation and outcomes of the scheme

CCEIs have provided 13 615 cases of mentoring and consultation, while assisting with the production of about 5 307 prototypes. They have also nurtured 899 venture firms, helping to secure investors on 1 965 occasions. CCEIs have provided 701 cases of technology assistance to small and medium-sized enterprises, helped pioneer markets on 219 occasions and attracted investments totalling KRW 31.3 billion (USD 35 million, PPP). The funds that CCEIs have helped to create amount to KRW 691.4 billion (USD 781 million, PPP).

Sources

CCEI (2016), Centre for Creative Economy & Innovation, website, <https://ccei.creativekorea.or.kr>.

Background

*This document is part of a repository of examples of **innovation policies that have for explicit aim to contribute to territorial, industrial and social inclusiveness**. The repository is part of an innovation policy toolkit developed for the **Innovation for Inclusive Growth** project and gathers national innovation policy programmes that:*

- Explicitly target **lagging and less innovative regions** (outside of regions that are highly innovative) or by design are more likely to support these lagging / less innovative regions.*
- Explicitly aim to include in innovation activities **individuals and groups that are not usually participating** in those activities and in support of broadening the group of innovators.*
- Explicitly aim to foster innovation activities in non-innovative firms, in particular by targeting **non-innovative sectors and non-innovative Small and Medium-sized Enterprises (SMEs)**.*

Policies are searchable by inclusiveness type, objective and implementation challenge on: <https://innovationpolicyplatform.org/inclusivetoolkit>