The Relationship Between National Policy and Industrial Development in the UK and South Korea, 1940s – 2000s

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Introduction

As design has increasingly become regarded as a strategic tool that makes a critical contribution to enhancing competitiveness and economic success,[1] a growing number of businesses now consider the use of design as a means of achieving their business goals. Governments, too, have embraced policies that encourage businesses to develop and implement new products and services through the use of design.[2] Yet, despite the efforts of companies to expand their business into overseas markets with government support, achieving their goals in the rapidly changing competitive environment of the global marketplace and economy is becoming increasingly difficult.[3] Researchers have proposed that the purpose of a national design policy is to ensure that the appropriate design support is provided for businesses to become globally competitive.[4] Such research has analyzed the influence of design on global competitiveness;[5] however, few researchers have addressed the influence of national design policy on global competitiveness either longitudinally or in relation to indigenous industry.

In this paper we examine in two different countries (i.e., the U.K. and South Korea) the relationship between national design policies and industrial development, as evidenced through a government-supported design center's strategy, activities, and industrial support. We also compare the two cases to understand national design policy and how it influences indigenous industry. These two countries have been selected because of the difference in the level of maturity in their "design" support (i.e., United Kingdom has a very mature Design Council, while the Korea Institute of Design Promotion (KIDP), in South Korea, is relatively new); yet similar in their design and innovation index ranking in the Global Competitiveness Report.[6] Both countries also have been described as having a clear and effective design policy[7] and have applied government design policy and design promotion programs that have intensified the role of design in international competition.[8] It has also been suggested that the United Kingdom has a strong

1 J.H. Hertenstein, M.B. Platt, and D.R. Brown, "Valuing Design: Enhancing Corporate Performance Through Design Effectiveness," *Design Management Journal* 12:3 (2001); NAEH, "The Economic Effects of Design," (Denmark: National Agency for Enterprise and Housing, 2003); BEDA, "Design Issues in Europe Today," (Barcelona: The Bureau of European Design Associations, 2004); Bruce Tether, "The Role of Design in Business Performance," (Manchester: CRIC, University of Manchester, 2005); Anna Valtonen, *Redefining Industrial Design: Changes in the Design Practice in Finland* (Helsinki: University of Art and Design Helsinki, 2007).

2 Valtonen, *Redefining Industrial Design: Changes in the Design Practice in Finland*; DTI, "Competing in the Global Economy: The Innovation Challenge," (Department of Trade and Industry, 2003).

3 Peter L. Phillips, *Creating the Perfect Design Brief* (New York: Allworth Press, 2004).

4 Valtonen, *Redefining Industrial Design: Changes in the Design Practice in Finland*; DTI, "Innovation Report"; Jaana Hytönen and Hanna Heikkien, "Design Policy and Promotion Programmes in Selected Countries and Regions," (Helsinki: The New Centre of Innovation in Design in the University of Art and Design in Helsinki, 2003); DTI, "DTI Economics paper No.15: Creativity, Design, and Business Performance," (Department of Trade and Industry, 2005).

5 NZIER, "Building a case for added value through design," (NZ INSTITUTE OF ECONOMIC RESEARCH (INC.), 2003); Y. Choi, R. Cooper, D. Hands, and S. Lim, "The Influence of Design on Global Competitiveness" (paper presented at the EURAM (EURopean Academy of Management) 6th Annual Conference, Oslo Norway, May 16-20, 2006); Katja Sorvali, Jaana Hytönen, and Eija Nieminen, "GLOBAL DESIGN WATCH," in *DESIGNIUM WORLD DESIGN SERIES*, ed. DESIGNIUM (Helsinki: New Centre of Innovation in Design, at the University of Art and Design in Helsinki (UIAH), 2006).

6 WEF, "Global Competitiveness Report 2001-2002," (World Economic Forum, 2001); Michael E. Porter and Klaus Schwab, "Global Competitiveness Report 2005-2006," ed. Augusto Lopez-Claros (World Economic Forum, 2005).

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government-supported design export program;[9] that as the largest design industry in Europe, its annual turnover exceeds £11.6bn;[10] and that it is a key knowledge hub in the global economy.[11] In South Korea the government has invested in infrastructure for design promotion, has increased the quality and quantity of design education, and has extended the use of design in industry,[12] gaining recognition through its ambitious design policy framework and its design program.[13] To understand and compare the two nations' approaches to policy, we undertook a detailed desk research and examined documentary evidence related to the activities of each council. In the U.K., this analysis included using Design Council archives at Brighton University to study every annual report and accounts and strategy document since 1940. In South Korea, records at KDIP were used, along with other literature on its policy. This paper presents the findings for both countries during the period from 1940 to the present. For convenience and clarity, they are described in decades, and we present the activities and policies of each council in the context of the prevailing economic and industry performance for each period. The paper concludes with a short comparison of the councils and their national policies and the conclusions that can be drawn from such a review.

Design Policy and Industrial Development in the UK

Post-war, design policy in the United Kingdom has had one clear manifestation: the Council of Industrial Design (CoID)—later called the Design Council. In the 1940s, when the CoID was first established, a design policy was introduced to support post-war industry.[14] With massive nationalization,[15] British businesses had started to suffer from poor global competitiveness,[16] and the government realized that design would be vital in stimulating national and international sales after World War II. Thus, the CoID established a design policy with one main focus: to promote improvement in the design of UK products.[17] Because textiles were still a major export in the 1940s,[18] the CoID collaborated with the Working Parties on cotton, clothing, carpets, and wool, for example, and worked in close collaboration and consultation with the Rayon Industry Design Centre.[19]

Moving into the 1950s, there was a rapid increase in British industrial exports of metal and engineering goods and chemicals; these became the major exports of this decade.[20] The CoID[21] suggested that British manufacturers start to consider design policy as the responsibility of high-level management, while many industrialists discussed the basic principles of design policy for the first time. In response to this perceived increase in interest in design from industry, the CoID extended the idea of design into industry and promoted design awareness through national and international events, including the Festival of Britain[22] in 1951, the Design Congress[23] in 1956, and the Design Index.[24] Despite a major shift in exports during the 1950s from textiles and coal to metal and

7 William J. Hannon, "Should Government Promote Design? A Design Initiative for Economic Growth," *Design Management Journal* 4:3 (1993); Thomas Walton, "Options Regarding a U.S. Design Policy," *Design Management Journal* 4:3 (1993); NZIER, "Building a Case for Added Value Through Design"; Thomas Walton, "Design as Economic Strategy," *Design Management Review* 15:4 (2004).

8 Hytönen and Heikkien, "Design Policy and Promotion Programmes in Selected Countries and Regions."

9 CPPBB, *Promoting Prosperity: A Business Agenda for Britain* (London: The Commission on Public Policy and British Business, 1997).

10 DC, "High-Level Skills for Higher Value: U.K. Design Industry Skills Development Plan," ed. Design Council (London: Design Council and Creative & Cultural Skills, 2007).

11 DTI, "Innovation Report."

12 CPPBB, *Promoting Prosperity: A Business Agenda for Britain.*

13 NZIER, "Building a Case for Added Value Through Design."

14 CoID and SCC, *Design Policy in Industry*, First Edition (London: F. Mildner & Sons, 1952).

15 David Parker, "Privatisation Ten Years On: A Critical Analysis of Its Rationale and Results," in *Britain's Economic Miracle: Myth or Reality?* , ed. Nigel M. Healey (London & New York: Routledge, 1993).

16 M. G. Blackford, *The Rise of Modern Business in Great Britain, the United States, and Japan*, 2nd ed. (North Carolina: The University of North Carolina Press, 1998).

17 CoID, "First Annual Report 1945-1946," (London: Council of Industrial Design, 1946); R Stewart, *Design and British Industry* (London: John Murray, 1987).

18 G. C. Allen, *British Industry and Economic Policy* (London and Basingstoke: The Macmillan Press Ltd, 1979).

19 CoID, "First Annual Report 1945-1946."

20 Allen, *British Industry and Economic Policy.*

21 CoID and SCC, *Design Policy in Industry*; CoID, "Seventh Annual Report 1951-1952," (London: Council of Industrial Design, 1952).

22 Stewart, *Design and British Industry.*

23 CoID, "Tenth Annual Report 1954-1955," (London: Council of Industrial Design, 1955).

engineering goods and chemicals, reports illustrate that the CoID continued to support the textile and furniture industries into the 1960s,[25] in an effort to save the declining industries.

Indeed, in the 1960s various industries (including textiles, iron, steel, machinery, automobile, aircraft, and shipbuilding) declined as a symptom of de-industrialization.[26] Moreover, the manufacturing industry, as a whole, was declining relatively, leading to massive job losses, and alternative employment was not being created in other sectors.[27] Consequently, the government intervened heavily in private industries and restructured existing nationalized industries.[28] The CoID promoted design awareness through its exhibitions and awards, including its CoID Design Awards[29] (their support included the declining stainless steel, aluminum, and pottery industries); however, the CoID's support were neither appropriate nor effective enough to reduce the effect of de-industrialization.

In the 1970s the United Kingdom suffered hugely from the economic crisis[30] because of the slowing growth of the world economy and increasing unemployment in industry;[31] eventually, in some cases, the country faced absolute industrial decline,[32] particularly of the manufacturing industries. As Blackford suggests, decentralized management meant large companies had poor global competitiveness, and small and medium enterprises (SMEs) had to survive the significant and inevitable decline because most of the government policies had focused on mergers and rationalisation on increasing production efficiency.[33] However, the Design Council's Annual Report suggested the demand for qualified designers and technicians, particularly in the field of engineering design, rapidly increased.[34] To fulfil the needs of industry, the CoID reorganized, took the name the Design Council, and proactively introduced design education programs, including a secondary education scheme and tertiary education projects.[35] It also continued to support the automobile industry by establishing links with the Society of Motor Manufacturers and Traders.[36] However, the automobile industry dramatically declined during the 1960s and 1970s, despite the industrial mergers with foreign companies achieved through government intervention. Therefore yet again, while the 1970s saw industrial decline, with almost no rising industries, the design policy focussed on declining industries and it was not the most effective way to increase global competitiveness.

In the 1980s, under the leadership of Prime Minister Thatcher, the government sold off many of the nationalized industries,[37] implementing microeconomic measures for the remaining nationalized industries to reinvigorate the economy.[38] During this period, the United Kingdom's labor productivity and manufacturing output increased significantly in accord with three factors: (1) the change of industry policies,[39] (2) encouraging the growth of high-technology sectors,[40] and (3) applying neo-Fordism.[41] To boost the resurgence of Britain's industries, the Design Council stated

24 ———, "fifteenth Annual Report 1959-1960," (London: Council of Industrial Design, 1960).

25 ———, "Twentieth Annual Report 1964-1965," (London: Council of Industrial Design, 1965).

26 John Chaffey, "De-industrialisation," in *A New View of Britain* (Oxfordshire: The bath Press, 1994).

27 Peter.R Mounfield, "This Changing World: Industrial UK Up-To-Date - The deindustrialisation and reindustrialisation of the UK," *The Geographical Association* 69:2 (1984).

28 P. Mottershead, "Industrial Policy," in *British Economic Policy 1960-74*, ed. F.T. Blackaby (Cambridge: The Cambridge University Press, 1978).

29 CoID, "23rd Annual Report 1967-1968," (London: Council of Industrial Design, 1968).

30 Blackford, *The Rise of Modern Business in Great Britain, the United States, and Japan*.

31 Chaffey, "De-industrialisation."

32 Mounfield, "This Changing World: Industrial UK Up-To-Date - The deindustrialisation and reindustrialisation of the UK."

33 Blackford, *The rise of modern business in Great Britain, The United States, and Japan*.

34 DC, "Annual Report 1977-1978," (London: Design Council, 1978).

35 ———, "Annual Report for the year ended 31 March 1980," (London: Design Council, 1980).

36 ———, "28th Annual Report 1972-1973," (London: Design Council, 1973).

37 Simon Lee, "Sectors of Policy: Manufacturing," in *Industrial Policy in Britain*, ed. David Coates (London: Macmillan Press Ltd., 1996); P. A. Hall, *Governing the Economy* (Cambridge: Policy Press, 1986).

38 Hall, *Governing the Economy*.

39 N. M. Healey, "From Keynesian Demand Management to Thatcherism," in *Britain's Economic Miracle: Myth or Reality?*, ed. Nigel M. Healey (London & New York: Routledge, 1993).

40 John Chaffey, "The Advent of High-Technology Industry," in *A new view of Britain* (Oxfordshire: The bath Press, 1994).

broad design policy objectives: (1) increase design awareness in industry, (2) encourage greater consciousness of good design, and (3) reinforce the importance of design education and training at all levels;[42] the first and third objectives were seen as key issues.[43] The Design Council claimed that Britain gradually was becoming more design-conscious,[44] with industrial designers now considered an important part of the design industry.[45] The Council also claimed itself to be the ideal organization to explore the development of a Design Advisory Service (DAS) to support industrial development.[46] This perspective led the Design Council to announce the Funded Consultancy Scheme (FCS) run by the DAS.[47] In 1984 automobile and innovative knitwear were selected by the Design Council as new product categories for Design Centre Selection; but as noted previously, the textile and automobile industries had declined since the 1950s and 1960s, respectively. Moreover, the United Kingdom at this time owned only one automobile producer, Austin-Rover, which lost a significant proportion of its market share in 1987,[48] and the textile industry continued to decline, despite the high-tech R&D support. Thus, it would appear that the Design Council's efforts in this respect were unable to prevent the steep decline of both industries.

In the 1990s, although high-tech developments significantly affected industry, de-industrialization continued with massive job losses, particularly in manufacturing.[49] The employment gap between the manufacturing and service industries continued to widen, as the new industrial policy moved toward[50] *public services* in the 1990s.[51] Privatization and deregulation were still seen as crucial to Britain's industrial policy, however, even after Thatcher's resignation. To support industrial regeneration, the Design Council strengthened regional links by setting up six semi-autonomous regional organizations,[52] introduced support for public sector companies through the "Future Plan," devised with the Public Sector Advisory Group in 1996,[53] and continued to improve design education support through activities such as the redesign of the national curriculum, working with the qualifications and curriculum authority.[54] However, in 1994, the Design Council was downsized and reorganized as a smaller, leaner organization aimed at influencing the nation's policymakers in government, business, and other organizations; with an objective of developing and disseminating new knowledge, but it withdrew from all commercial publishing, running a bookshop, or organizing conferences and seminars for others. After the restructuring, the Design Council established "Future Plans"[55] and "Millennium Products,"[56] stating these programs were to inspire the best in U.K. design, to improve prosperity, and to identify and promote forward-thinking products and services created in the United Kingdom;[57] it also introduced a program of investment in design research, in collaboration with universities.[58] As Chaffey notes, at the time high-tech R&D started to affect working practices

41 H. Douglas Watts, "This Changing World: Manufacturing, the Corporate Sector, and Locational Change," *The Geographical Association* 75:4 (1990).
42 DC, "Policies and Priorities for Design," (London: The Design Council, 1984).
43 ———, "Annual Report and Accounts 1984-1985," (London: Design Council, 1985).
44 ———, "Policies and Priorities for Design."
45 ———, "Our History," Design Council, HYPERLINK "http://www.designcouncil.org/en/Design-Council/1/Our-history/" http://www.designcouncil.org/en/Design-Council/1/Our-history/ (accessed 11.15.2010)
46 ———, "Annual Report for the year ended 31 March 1979," (London: Design Council, 1979).
47 ———, "Annual Report and Accounts 1984-1985."
48 David Clutterbuck and Stuart Crainer, *The Decline and Rise of British Industry* (Kent: WH Allen & Co. Plc, 1988).
49 Chaffey, "De-industrialisation."
50 Peter A. Wood, "This Changing World: The Service Sector," *The Geographical Association* 75:4 (1990); Neill Marshall, "Sectors of Policy: Services," in *Industrial Policy in Britain*, ed. David Coates (London: Macmillan Press Ltd., 1996).
51 Lee, "Sectors of Policy: Manufacturing."
52 DC, "Annual Review1992-93," (London: Design Council, 1993).
53 ———, "Annual Review1997," (London: Design Council, 1997).
54 ———, "Annual Review1999," (London: Design Council, 1999).
55 DC, "Design Council Future Plans 1996-1999," (London: Design Council, 1996).
56 ———, "Annual Review 2000," (London: Design Council, 2001).
57 ———, "Millennium Products: Questions and Answers About the Initiative Descriptions of Potential Millennium Products," (London: Design Council, 1997).
58 ———, "Annual Report 1996," (London: Design Council, 1996).
59 John Chaffey, "Industrial Britain," in *A New View of Britain* (Oxfordshire: The Bath Press, 1994).

throughout industry and to reinforce global competitiveness,[59] the Design Council campaigned in three selected industrial sectors: clothing and textiles, furniture, and medical equipment. In fact, it is now evident that only the medical equipment industry really benefitted directly from high-tech R&D, while the other two sectors proved to be not strong enough to compete globally.

At the beginning of the twenty-first century, when the U.K. was ranked the world's twenty-seventh most economically globalized country and seventh most globalized country—note that 'Globalisation' index consists of economic, social and political globalisation indices,[60] it faces both competitive threats and opportunities from developing countries.[61] Although in 2006 manufacturing industries accounted for more than half of U.K. exports[62] and around 20% of national output,[63] the number of manufacturing enterprises and employees was declining, and the service sector had become the dominant industry in the U.K. economy.[64] To meet the needs of the new policy emphasizing the importance of "horizontal" measures to support business,[65] and to maintain the global competitiveness of U.K. industries,[66] the Design Council focused on supporting and strengthening the U.K. economy and society in accordance with the Cox Review recommendations,[67] and on pioneering new ideas about design-led solutions to social and economic problems.[68] The Cox Review, commissioned by the Chancellor of the Exchequer and produced by Sir George Cox, Design Council Chairman, made five key recommendations focusing on the need to improve the business community's design awareness and prepare the next generation by bringing business and design education together, especially for SMEs. According to the Design Council, the U.K. design policy has produced some highly effective outcomes. First, around 80% of companies using the design innovation service to technology have modified their mindset, strategic direction, culture, and vision, developing a focus on customers rather than on technology with the design for business program.[69] Second, the U.K. design education system has gone global. Third, the design industry, which employs more than 185,000 designers, is performing extremely well in many areas.[70] Finally, there is an increasing recognition by business and government that design can enhance competitiveness, innovation performance, and economy.[71] However, while U.K. industries are more focused on promoting science and innovation and the main emphasis of the industrial policy is to support high-tech businesses, the Design Council has offered only limited support to the high-tech sector. There is also still no designated support for the private service industries, even though service industry employment levels overtook those of manufacturing industries in the 1950s, and it is currently the economy's dominant industry.

More recently, the U.K. Design Council has invested in its own R&D; for example, the RED team, DOTT07, and DOTT Cornwall have started to address wider design initiatives, such as social change and environmental sustainability, encouraging the use of design in the

60 KOF. 2008. KOF Index of Globalization (Online). Zurich: KOF. Available: http://globalisation.kof.ethz.ch/ (Accessed 20 March 2008).

61 HMT, "Cox Review of Creativity in Business: Building on the UK's strengths," (London: HM Treasury, 2005).

62 DTI, "Review of the Government's Manufacturing Strategy," (London: DTI, 2004).

63 SBS, "SME Statistics 2006: Small and Medium Enterprise Statistics for the UK and Regions" in *SME Statistics*, ed. Small Business Service (London: Enterprise Directorate of the Department for Business, Enterprise & Regulatory Reform (Department for Business), 2006).

64 ONS, "First Release: Business Investment, Revised Results Q1 2005," (UK: National Statistics, 2005).

65 DC, "Annual Review 2005/6," (London: Design Council, 2006).

66 TUC, "An Industrial Strategy for the United Kingdom," (UK: Trade Union Congress Economic and Social Affairs Department, 2005).

67 HMT, "Cox Review of Creativity in Business: Building on the UK's Strengths."

68 DC, "Annual Review 2005/6."

69 HMT, "Cox Review of Creativity in Business: Building on the UK's Strengths."

70 DC, "Design a New Design Industry: Design Skills Consultation," ed. Design Council (London: Design Council and Creative & Cultural Skills, 2006).

71 ———, "High-Level Skills for Higher Value: UK Design Industry Skills Development Plan."

community and outside specific business support programs. The council has also further developed design in the public sector, such as design against crime and design for patient safety. The degree to which this role is sustainable in a more challenging fiscal environment remains to be seen.

Discussion

The factors analyzed over the lifetime of the Design Council since its inception in the 1940s (Figure 1) indicate several issues. First, the industry sectors supported by the Design Council have not always mirrored industrial trends, leading to anachronistic support of declining industries and lagging behind industrial trends, even though the Design Council's design policy was developed in close collaboration with emerging industrial policy and demands. Second, the Design Council might not always have been sufficiently rigorous in its research of changes in industrial developmental and therefore has been less effective in informing the development of policy. Although the Design Council frequently decided (on the basis of its research and with government backing) to support declining (or failed) industrial sectors, it is still questionable whether this approach could adjust the rapidly changing situation of global industry policy, simply through design intervention. In such cases, as cited in the Geddes Report,[72] it would perhaps be better to let the industry decline. Finally, the data suggest the Design Council has lagged in its proactive support for emerging industries (e.g., the private service sector and high-tech industry). While these results indicate that the Design Council acts as the implementer of national design policy, it has nevertheless tended to be a reactive follower rather than a proactive leader; this outcome might result from its dependency on government support, both financially and strategically.

The Relationship Between Design Policy and Industrial Development in South Korea

In the 1950s, the Korean War (just after the liberation from Japan) caused massive damage and social chaos. There was no proactive intervention policy to support industrial structures and development; meanwhile, private companies, including Gold Star (now known as LG), set up an industrial design team and started to develop their own design.[73] U.S. aid was an important factor in the rehabilitation of the ruined economy, and the establishment in 1958 of Korea Handicraft Demonstration Centre (KHDC) was a typical example of that aid.[74] Although it was believed that KHDC's performance had a positive effect,[75] its activities did not improve industrial design: It did not introduce new products or new design because it focused on promoting and improving handicrafts,[76] which were seen as more important to increasing exports in the weak industrial conditions after the Korean War.[77]

72 Mottershead, "Industrial policy."

73 KIDP, "Korea Design History," (Korea Institute of Design Promotion, 2005).

74 A. Park, "History of Korea Design Promotion for 30 Years," (Sungnam: Korea Institute of Design Promotion, 2002).

75 Ibid; J. Kim, "The Activities and Accomplishments of the KHDC from 1957 to 1959," *Korean Society of Design Science* 20:1 (2007).

76 KIDP, "Korea Design History."

77 Park, "History of Korea Design Promotion for 30 Years."

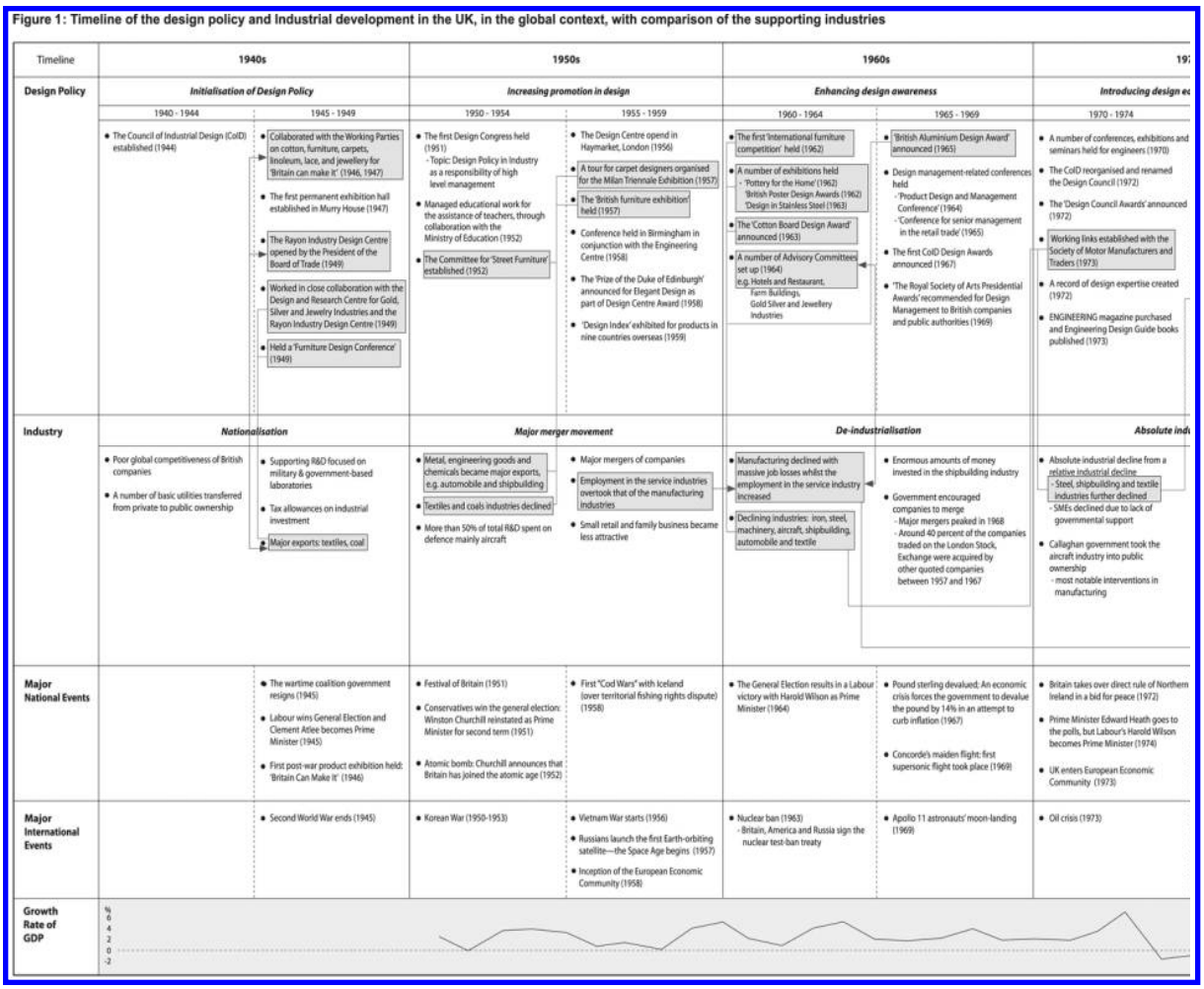


Figure 1
Timeline of the design policy and industrial development in the UK, in the global context, with comparison of the supporting industries.

In the 1960s, the Korean government devised the "Five-Year Economic Development Plan" to improve Korean industry, adopting the slogan "Export-led country."[78] The plan focused chiefly on light industry, which was recognized as being competitive in the global market.[79] At the same time the structure of industrial production changed to focus on consumer goods and mass-produced goods, and the need for competitive design was stressed as a means to maximize exports, even though the word "design" was not yet in general use.[80] The government began to consider design and packaging an important element for exports and for competing globally and, as a result, established the Korea Export Design Centre (KEDC) in 1969.[81] Through this effort, the government tried to develop and support design to increase exports and global competitiveness; however, design in this case was primarily focused on styling products and packaging,[82] rather than attending to deeper design considerations or researching consumer needs in overseas markets, so its efforts were criticized by industry players.

During the 1970s, the export-led industrial policy of the 1960s came to fruition and led to export expansion, with a strategy for

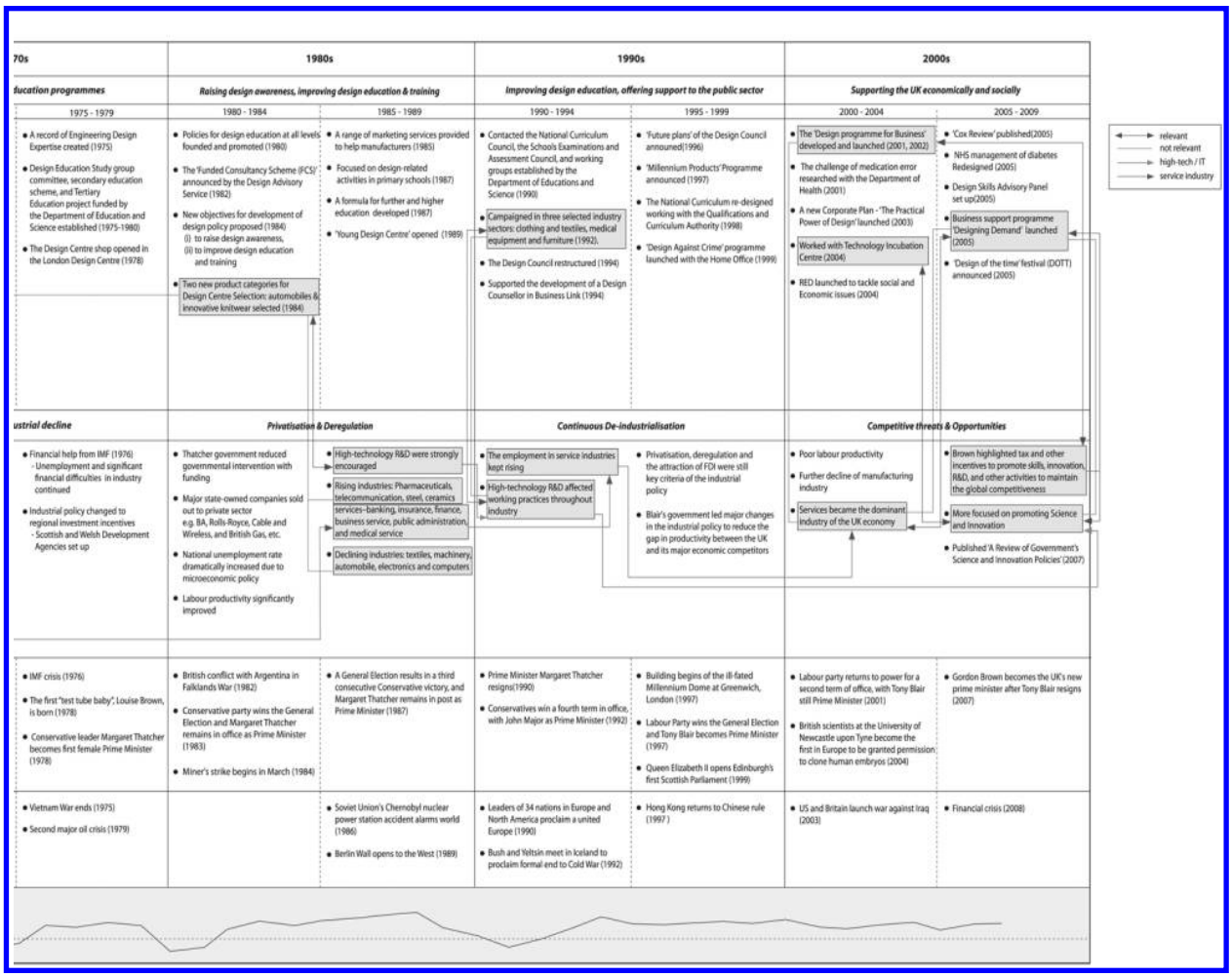
78 SERI, "Fifty years after national foundation – The history and challenge of the economy of South Korea," in *CEO Information* (Seoul: Samsung Economic Research Institute, 1998).

79 Park, "History of Korea Design Promotion for 30 Years."

80 KDPC, "History of Korea Design & Packaging Centre for 20 years," (Korea: Korea Design & Packaging Centre, 1990).

81 KIDP, "Korea Design History."

82 Park, "History of Korea Design Promotion for 30 Years."



industrialization at a global level. This policy expansion affected the entire industrial structure; consequently, the 1970s saw trade and economy enter a period of rapid growth.[83] The Park government particularly emphasized the export policy and encouraged exporters to develop design and packaging,[84] which had been considered Korea's major weakness; this led to the establishment of the Korea Design & Packaging Centre (KDPC).[85] The establishment of a number of domestic electronics companies made a significant contribution to domestic product design from the mid-1970s onward.[86]

Although the KDPC tried various approaches to developing design and packaging, it did not support any specific industry, and there were fundamental problems with how the organization was established. First, industrial design awareness at the government level still focused mainly on packaging and style in the attempt to increase global competitiveness.[87] Thus, the core strategy of industrial design in this decade was mimicry, and promotion and support were not yet integral to industrial policy. Second, the KDPC had to support two different areas, design (style) and packaging design,[88] and expected synergetic effects by unifying organizations;[89] meanwhile,

83 BOK, "The Korean Economy: Performance and Prospects," (Seoul: The Bank of Korea, 1977).

84 Jaeho Lee, Youngok Choi, Haewon Kim, and Mingu Hue, "Development of Portfolio for National Design Policy in South Korea," (Seoul: Intergen Consulting, KIDP, 2006).

85 Park, "History of Korea Design Promotion for 30 Years."

86 Ibid.

87 H. Kang, S. Kim, Y. Kim, and H. Park, *Design in Korea - Industry, Culture, History* (Seoul: Sizirak, 2005).

88 Park, "History of Korea Design Promotion for 30 Years."

those involved in the design and packaging industry opposed this idea.

The 1980s saw a proactive, export-led government policy that meant businesses emphasized cost-competitive products and quantity over quality, leading inevitably to poorly designed export goods.[90] This focus resulted in South Korea's acquiring a reputation for producing cheap, i.e., low-quality products. To dispel this perception and increase global competitiveness, the government gave more weight to the restructuring and rationalization of industrial structures;[91] the localization of components, materials, and machinery;[92] and the introduction of high-tech industries focusing on specific products,[93] including G7 products.[94] The KDPC, however, was still focused on improving the quality of packaging rather than design.[95] International events, including the 1986 Asian Games and the 1988 Seoul Olympics, positively influenced the design industry by dramatically raising awareness of the importance of design, and the KDPC became aware of the need to support both design and packaging. As a result, it ran training programs for designers and provided information about design[96] with the hope of increasing exports. The KDPC had not supported any specific industry in the 1970s, and it continued to pay little attention to the changing industrial structure; through the 1980s it thus failed to support rising industries, such as the high-tech industries.

In the 1990s, the world economy faced dramatic changes through the substitution of the World Trade Organization (WTO) for the General Agreement of Tariffs and Trade (GATT).[97] Domestic and global markets subsequently had to accept a fully open market structure,[98] and South Korea's economy struggled with the lack of global competitiveness among its domestic companies.[99] To revive the stagnating economy, the government developed a "five-year plan for a new economy" and implemented various policies to increase industrial competitiveness. It also set up three "five-year plans for industrial design promotion" as a part of the new wider economic plan.[100] In 1997 the KDPC changed its name to Korean Institute of Industrial Promotion (KIDP). Its role was changed to promote design exclusively, while packaging-related affairs were transferred to a private organization.[101] In addition, industry started to invest in design for manufacturing, while the KIDP and the Ministry of Commerce Industry & Energy (MOCIE) (now known as the Ministry of Knowledge Economy (MKE)), the primary industrial and design policy maker, held various events to raise industrial design awareness, enhance the position of designers, and unite the design industry.[102] This national design center still did not focus on any particular industry, while high-tech industries were in a hyper-growth stage.

By the twenty-first century, even though South Korea had faced the IMF economic crisis in 1997, most industries had achieved notable growth after the painful restructuring and rationalization

89 KIDP, "Korea Design History."

90 Park, "History of Korea Design Promotion for 30 Years."

91 Jihong Kim, "An Implementation Plan of Market Penetration and the Law of Industry Development," Korea Development Study 11:2 (1989).

92 Gyun KIm, "The Policy for Industrial Restructuring in the 1980s," in An Analysis of the Capitalism of Korea (Seoul: IL-Bit, 1991).

93 Kang, Kim, Kim, and Park, *Design in Korea - industry, Culture, History.*

94 KIST, "Science and Technology Annual Report," (Seoul: Korea Institute of Science and Technology, 1992).

95 KDPC, "History of Korea Design & Packaging Centre for 20 Years."

96 Ibid.

97 Park, "History of Korea Design Promotion for 30 Years."

98 BOK, "Economic Statistics Year Book," (Seoul: The Bank of Korea, 2006).

99 K. Kim, C. Kim, and J. Song, *Understanding Korean Industry*, 2nd ed. (UK: Korea National Open University, 2006).

100 KIDP, "Korea Design History."; Lee, Choi, Kim, and Hue, "Development of Portfolio for National Design Policy in South Korea."

101 KIDP, "Korea Design History."

102 ———, "Internal Manual of Current Supporting Programmes," (Seoul: Korea Institute of Design Promotion, 2006).

process.[103] The government considered improving the design industry further to increase exports for the recovering economy and therefore supported design for businesses at national level.[104] The heavy chemical industry (i.e., semiconductors, computers, new materials) and information technology are the primary industries for the twenty-first century.[105] The KIDP ran various design support programs for SMEs and has more recently emphasized support of high-tech–based products to enhance global competitiveness.[106] The MOCIE and KIDP claim that South Korea's design policy has subsequently achieved a number of notable outcomes. They cite evidence such as the design market's rapid growth,; more public and business awareness and use of design; more support for design education and training;[107] and various business support programs in design.[108] However, there is one major gap. The service industry has contributed greatly to South Korea's economy, employing around 70% of the total workforce, with turnover accounting for 51% of GDP.[109] The KIDP has recently started to provide funding support for the public service sector, but there is still no clear evidence that the government has seriously considered the importance of the service industry, and the KIDP still offers no design support to the private service industry.

Discussion

Looking at South Korea through the decades since the 1950s (Figure 2) raises the following issues. First, the national design center in its various forms supported industry under the control of the government department MOCIE and was thus unable to react independently and proactively to industrial changes and developments. The role of the national design center has undergone continuous change, including several changes of name, because of the initial perceived importance of packaging for exports, and its support for design generally (rather than packaging design) began only in 1997. Second, the industry sectors supported by the national design center have often been ill-matched to industrial trends and exports, although the design center was established expressly to support exports in an export-led industrial policy, and later the KIDP supported some declining industries. Third, the KIDP's main achievement since 2001 has been the establishment of infrastructure for design promotion, (e.g., the Korea Design Centre (KDC), the Regional Design Centre (RDC), and the Design Innovation Centre (DIC)). Almost half the KIDP's annual budget was invested in establishing the RDC and DIC, but so far no notable outcomes have been reported from that investment, according to interviewees at the KIDP, businesses, and design agencies in 2006. It is therefore debatable as to the value of infrastructure over support programs and campaigns. Finally, the KIDP has yet to adequately support emerging industries. Only in the past decade has the KIDP launched a support program for specific business sectors; meanwhile, the high-tech industry was supported by the government as early as

103 BOK, "Annual Report 2006," (Seoul: The Bank of Korea, 2007).

104 KIDP, "Korea Design History."; Lee, Choi, Kim, and Hue, "Development of Portfolio for National Design Policy in South Korea."

105 Kang, Kim, Kim, and Park, Design in Korea - Industry, Culture, History; Kim, Kim, and Song, Understanding Korean Industry.

106 MOCIE, "Guide for Development Programmes in Industrial Design in 2007: including design promotion and education," (Gwacheon: Ministry of Commerce Industry and Energy & Korean Institute of Design Promotion, Korean Institute of Design Promotion, 2007).

107 ———, "Plan for the Development Strategy of the Design Industry - for National Competitiveness and Quality of Life," (Gwacheon: Ministry of Commerce Industry and Energy & Korea Institute of Design Promotion 2007).

108 KIDP, "Internal Manual of Current Supporting Programmes."

109 SERI, "Trends of Service Industry and the Prospects for the Future - The Role of Service Industry for Economic Recovery," (Seoul: Samsung Economic Research Institute, 2001).

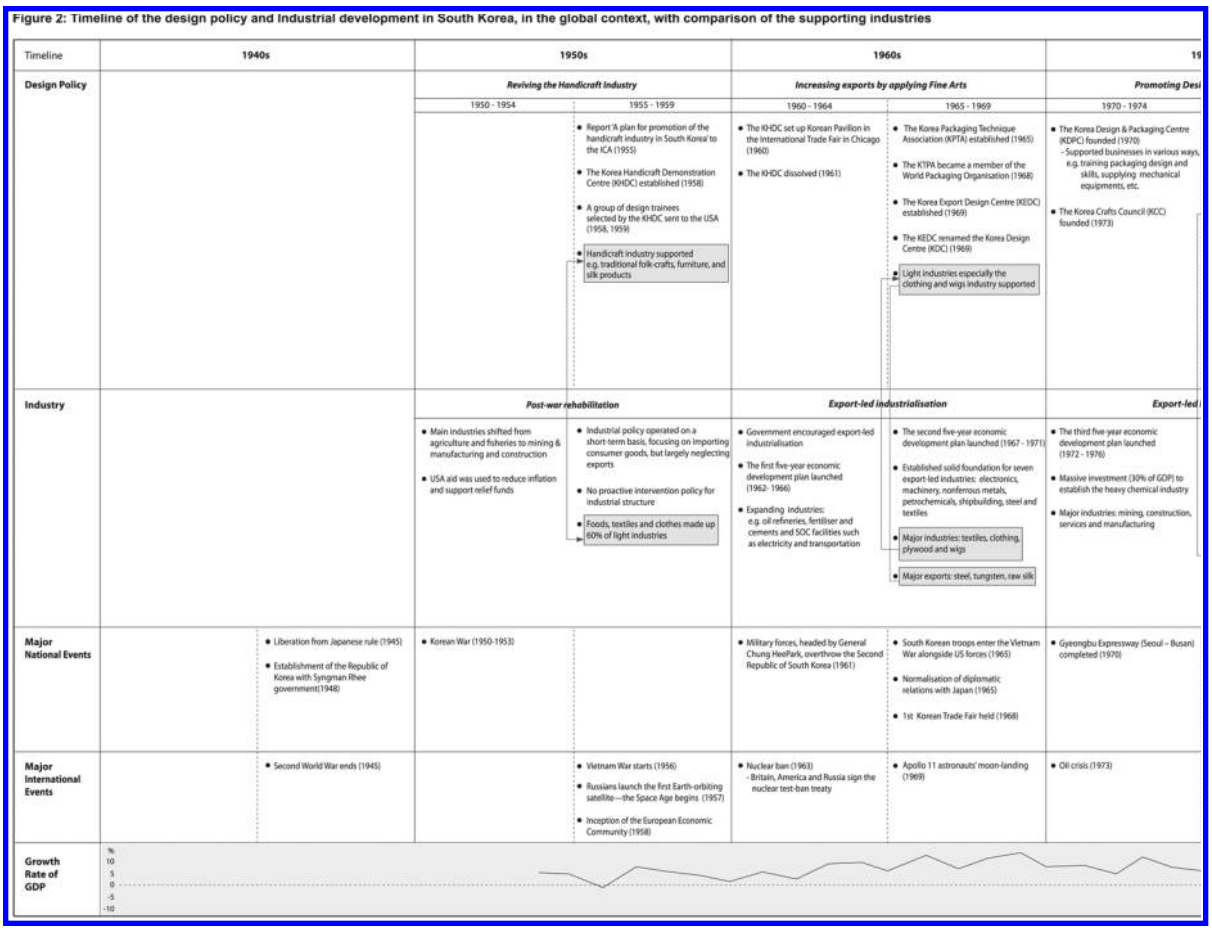
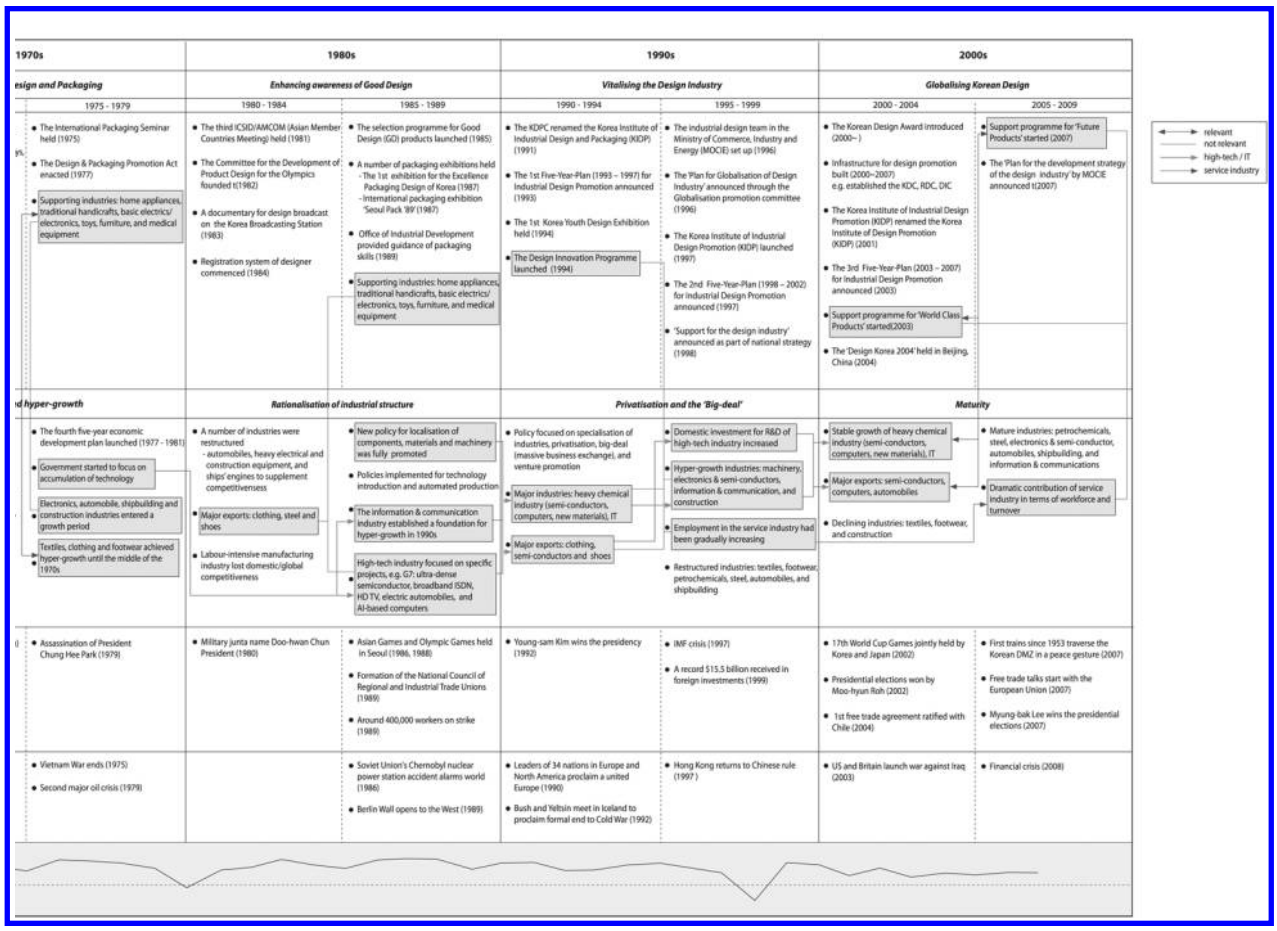


Figure 2
Timeline of the design policy and industrial development in South Korea, in the global context, with comparison of the supporting industries.

the 1980s. Moreover, while the service industry has grown continuously, contributing greatly to South Korea's economy, the KIDP has not provided the private service sector with any support. Indeed, this analysis reveals that the KIDP's role is restricted at present to that of delivering design policy but not developing design policy; all decisions about developing and implementing design policy are made by the government department MOCIE

A Comparison of the Relationships of Both Countries

If we look at the time lines of policy and economic and industrial development, there are some similarities in how both countries have developed and implemented design policy. Since both national design centers were established, the national design policy in both countries clearly has been intended to help industries improve, contribute to growing the economy, and increase global competitiveness through design. In both cases, it would appear that their work has undoubtedly had a positive influence on national awareness of design. However, this study indicates that both countries face critical issues with regard to the role of the national design center and its support for industry that need to be considered.



The United Kingdom and South Korea established their national design centers with the primary focus of improving product design to encourage competitiveness and improve the economy. However, the role of design has expanded to tackle economic, social, and cultural changes, and both design centers now need to support a wider range of sectors, including business and the public sectors, design education and knowledge application. They need to do so by developing an integrated approach, encompassing both the development and implementation of design policy. Although both national design centers have supported various sectors to improve prosperity and well-being, the results of this study indicate that a consequence of being directly responsible to government departments is that the national design centers' activities in both nations are open to criticism as they react to policy directions and changes, rather than proactively contributing to making or changing policy and driving change by implementing policy.

With regard to the national design centers' support for industry, the results of this research indicate that the Design Council's support has not been universally well matched with the industrial situation, leading to anachronistic support of declining industries and a lag behind global industrial trends. The 'Design Council' in

each case either did not conduct sufficiently rigorous research of the developments and changes of the industry, taking the findings into account when developing policy or, because of the politics of its dependence on government funding and support, followed the government's direction rather than making its own decisions.

The two design centers have yet to be recognized and resourced as an engine of change through design; nor have they found the most effective means of doing it. Recently, they have supported businesses across industries and responded to industrial trends by supporting dominant industries in line with industrial policy and demand (e.g., supporting high-tech industry). However, each respective national design center's design support for emerging industries could still be considered inadequate—in particular, for the private service sector in both countries. It should be noted, however, that both countries have in recent years focused on design. In the United Kingdom, we have London Design Week, while in South Korea there has been more activity and investment in Seoul design, including the Seoul Design Olympics, Seoul Design Festival, and the creation of a deputy mayor for Design. These interventions have been somewhat independent of the design centers.

The findings of this study indicate that both national design centers act as the implementer of national design policy, although each has tended to be a reactive follower rather than a proactive leader because of its dependency on government and/or government funding and a lack of full autonomy (moreso in the case of the KIDP in South Korea than with the Design Council in the United Kingdom). This field of research would benefit from further studies of national design policy, especially of the relationship between design policy and industrial development. There is a need to seek appropriate approaches for government to support design, with specific consideration of the critical issues in government intervention that have been identified. How can national design centers be proactive and innovative in enabling design to contribute to or drive emerging industrial activities and thus national competitiveness? How can design policy support and encourage a wider perspective on design in relation to the social and environmental responsibilities to be addressed by design and thus take on the role of promoting ethical stewardship through design?

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