Plugging into Asian Innovation Networks: the case of Korean ICT

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“tiger technology”
Korea’s:
global ICT reach
globalized firms
globalization policy
ICT production: US$390 billion
ICT exports: US$172 billion
balance (exports/imports): +US$78 billion
year-on-year growth: 1.6%
challenges

declining sales
concentration of risk
sectoral imbalance
<table>
<thead>
<tr>
<th>(2015)</th>
<th>In KRW trillions</th>
<th>% of total</th>
<th>% of firms (in FKII)</th>
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</thead>
<tbody>
<tr>
<td>Total ICT</td>
<td>444.6</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>production</td>
<td></td>
<td></td>
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<tr>
<td>Services</td>
<td>72.4</td>
<td>16</td>
<td>55</td>
</tr>
<tr>
<td>(communication)</td>
<td></td>
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<tr>
<td>ICT hardware</td>
<td>333.5</td>
<td>75</td>
<td>5</td>
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<tr>
<td>ICT software</td>
<td>38.6</td>
<td>9</td>
<td>40</td>
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What is good for Samsung has long ceased to be good for Korea.

--Korea Times, 2016
paradigm shift

hardware → software
chaebol → SMEs and start-ups
local → global
government policy: the creative economy
chaebol reform: Samsung “morph into a software company”
start-up ecosystem: Korea’s “Silicon Valley”
global opportunities

joint venture – Nortel
market – Opentext
acquisition – artificial intelligence
chaebol dominance
chaebol rigidity
corporate culture
weak SME sector
policy capture
It’s just not in our DNA.
challenges for Canada

few firms
tightly integrated networks
stay-at-home SMEs
differentiated technologies
specific niches
awareness of Korea’s ICT structure