

The *Creative Economy Action Plan* and Start-up Sustainability:
How Government Strategies Influence South Korea's Entrepreneurial Ecosystem



Roza de Jong
S1636952
MA International Relations: Global Political Economy
MA Thesis
Dr. Black
3 July 2020
Wordcount: 12572

Abstract

Scholarly literature on entrepreneurship and policymaking is primarily focused on policy strategy proposals for entrepreneurial success, failing to include the actual impact of these policy initiatives on start-up ecosystems. In essence, research on the topic of policy implementation and entrepreneurship lacks insight into whether national governments are able to effectively intervene in the entrepreneurial ecosystem and foster the conditions for a sustainable start-up environment (Mason and Brown 2014, 27). Taking this under-explored research area into consideration, it is relevant to investigate the relation between government policies and the survival of entrepreneurial businesses. In the light of start-up economies, South Korea is presented as a forerunner in economic growth and innovation, as well as one of the main hubs for entrepreneurship in Asia (Millard 2014). However, only 39.9% of South Korean start-up companies manages to survive beyond five years (KOSIS 2018). This is in contrast to start-up survival rate in the Singapore where 52.7% of all start-ups manage to pass the crucial five-year mark (Kam, Ping, and Crystal 2017, 27). In order to provide an insight into the failure of the South Korean start-up ecosystem to secure entrepreneurial sustainability, this thesis will address the following research question: To what extent do the government policies promoted in the *Creative Economy Action Plan* target the conditions for entrepreneurial success, in order to effectively ensure a sustainable start-up economy in the Seoul Capital Area? With the aim of providing a comprehensible insight to this research question, this thesis conducts a three-part analysis on the *Creative Economy Action Plan* published by the Park administration in 2013, the opinions of 300 South Korean entrepreneurs regarding start-up survival in 2018, and the process of success or failure of three distinct technology start-ups in the Seoul Capital Area. This thesis argues that, although the government policies promoted in the *Creative Economy Action Plan* explicitly targeted three distinct factors for start-up success, the entrepreneurial ecosystem in the Seoul Capital Area remains problematic regarding the success factors of monetary funding, market accessibility, and conducive entrepreneurial culture.

Keywords: Creative Economy Action Plan, Entrepreneurship, Start-up Ecosystems, Start-up sustainability, Seoul Capital Area

Contents

1. Introduction.....	1
2. Literature Review.....	3
2.1. <i>Start-up Sustainability: South Korea and Singapore</i>.....	3
2.2. <i>South Korea's Political Economy</i>.....	8
2.3. <i>The Creative Economy Action Plan</i>.....	10
3. Methodology	14
3.1. <i>Research Design</i>	15
3.2. <i>Data Selection</i>.....	16
4. The <i>Creative Economy Action Plan</i> and Start-up Sustainability.....	18
4.1. <i>The Objectives of the Creative Economy Action Plan</i>	18
4.2. <i>The Presence of Entrepreneurial Success Factors</i>	24
4.3. <i>The Process of Start-Up Success or Failure</i>	29
5. Conclusion	35
References	38

1. Introduction

In early 2016, foreign and national investors were in animated debate about the Korean start-up Yello Mobile, a fast-growing ‘unicorn’ in the field of media technology. Although the start-up experienced rapid growth and was valued at USD 4 billion in 2015, the profits needed to sustain the business were absent (Park and Kim 2016). In 2019, the Herald Corporation spoke of the ‘imminent fall’ of the once so successful Korean start-up firm (Kim and Son 2019). In the light of start-up economies, South Korea is presented as one of the main hubs for entrepreneurship in Asia (Millard 2014). However, only 30.9% of South Korean start-up companies manage to survive beyond five years of firm age (KOSIS 2018). This is in contrast to the start-up survival rate in the Singapore, where 52.7% of all start-ups manage to pass the crucial five-year mark (Kam, Ping and Crystal 2017, 27). It is noticeable that the start-up survival rate in Singapore is significantly higher than in South Korea, despite the comparable developmental state background and the neoliberal order that prevails in both countries.

Although the impacts and sources of entrepreneurship are widely investigated, current research on start-ups in urban areas has not identified the principal socio-political and economic inputs that create an optimal environment for entrepreneurial pursuit (Glaeser, Rosenthal, and Strange 2010, 9). In addition, research on the topic of policy implementation and entrepreneurship lacks insight into whether national governments are able to effectively intervene in the entrepreneurial ecosystem and foster the conditions for a sustainable start-up environment (Mason and Brown 2014, 27). Taking this under-explored research area into consideration, it is relevant to investigate the impact of government policies on the survival of entrepreneurial businesses. In order to provide an insight into the failure of the South Korean start-up ecosystem to secure entrepreneurial sustainability, this thesis will address the following research question: To what extent do the government policies promoted in the *Creative Economy Action Plan* target the conditions for entrepreneurial success, in order to effectively ensure a sustainable start-up economy in the Seoul Capital Area? With the aim of providing a comprehensible insight to this research question, this thesis will conduct an analysis of the *Creative Economy Action Plan*. This is a policy strategy published by the Park Geun-hye administration in 2013, oriented at fostering the creative economy in the Seoul Capital Area.

First, this thesis will explore the relevant scholarly literature on start-up ecosystems and policymaking, South Korea's political economy, and the *Creative Economy Action Plan*. The literature review will incorporate a comparison between South Korea's start-up ecosystem and the entrepreneurial environment in Singapore, in order to identify the main conditions for entrepreneurial success and the possible causes for entrepreneurial failure. In the subsequent methodology section, this thesis will elaborate on the methods of analysis and the selected data used to provide an answer to the research question. Finally, the objectives of the government policies presented in the *Creative Economy Action Plan* will be analyzed, in order to indicate whether these government policies explicitly address the factors that determine start-up success in the Seoul Capital Area. With the intention of investigating whether the government policies proposed in the *Creative Economy Action Plan* have effectively improved South Korea's start-up ecosystem, this thesis will investigate the presence of entrepreneurial success factors in South Korea's start-up ecosystem in the year 2018. Finally, a concise analysis of the relevance of proposed government policies for the survival of three start-ups in the Seoul Capital Area will allow for a more nuanced interpretation of the influence of the *Creative Economy Action Plan*. Overall, this thesis argues that, although the government policies promoted in the *Creative Economy Action Plan* explicitly targeted three distinct factors that determine start-up success, the entrepreneurial ecosystem in the Seoul Capital Area remains problematic regarding the success factors of monetary funding, market accessibility, and conducive entrepreneurial culture.

2. Literature Review

In essence, a start-up could be defined as an unconventional and innovative organization with high potential that needs financial and institutional support (Seo and Lee 2019, 2). This literature review will identify the scholarly debates regarding the creation of a start-up ecosystem that ensures the long-term survival of start-up firms. First, the relevant literature on entrepreneurial success factors will be discussed, including a concise comparative example on South Korea's start-up survival rate and Singapore's entrepreneurial ecosystem. Subsequently, this literature review will examine South Korea's political economy, in relation to the foundations of the current entrepreneurial environment. The final subsection will explore the relevant scholarly literature on the *Creative Economy Action Plan*, with respect to the influence of government policies on improving the national start-up environment.

2.1. Start-up Sustainability: South Korea and Singapore

In various aspects, South Korea and Singapore share similarities: both countries have a Confucian Heritage, a history as a developmental state with strong governmental influence in their economies, and the governments of both countries functioned as regional investors (Tsui-Auch & Lee 2015, 508; Liow 2012, 246). Similar to South Korea, Singapore initially evolved as a developmental state after the year 1965 (Liow 2012, 246). With regard to the start-up ecosystem in Singapore, it is indicated that 52.7% of all start-up firms survive over five years (Kam, Ping, and Crystal 2017, 27). This stands in contrast to the 30.9% five-year survival rate among South Korean start-ups in the year 2012 (KOSIS 2018). Since Singapore produces a higher start-up survival rate, it is relevant to establish the main factors that determine start-up success and explore South Korea's start-up survival rate in comparison to the entrepreneurial ecosystem conditions in Singapore.

Although the impacts and sources of entrepreneurship are widely investigated, current research on start-ups in urban areas has not identified the principal socio-political and economic inputs that create an optimal environment for entrepreneurial pursuit (Glaeser, Rosenthal, and Strange 2010, 9). Nevertheless, there are various scholars that have elaborated on the factors that create an adequate start-up ecosystem. In their comparative study on the start-up ecosystems of the United States and Germany, Geibel and Manickam defined 25 factors for entrepreneurial success, which

were divided into three categories: internal factors, external factors, and support from incubators or accelerators (2016, 66). According to the authors, the internal factors include variables that can be controlled from within the start-up, such as work culture, organization structure, exit strategies (Geibel and Manickam 2016, 66-7). Alternatively, external factors determining start-up success are distinctive features of the surrounding economic environment, including government policies, access to talent, and access to new and existing markets (Geibel and Manickam 2016, 66-7). Ultimately, the factors originating from incubators or accelerators are the support institutions that start-ups can utilize, such as workshops, network connections, and financial funding (Geibel and Manickam 2016, 66-7). Here, it is indicated that the authors provide a comprehensive insight into the principal conditions for an ideal start-up environment, dividing the conditions into three distinct categories with equal influence on start-up survival.

The importance of internal factors is emphasized by Giardino, Wang, and Abrahamson, who suggest that start-up survival principally depends on the internal management of critical issues and the implementation of company strategies founded on customer responses (2014, 39). Here, the internal environment of a start-up firm is perceived to be a crucial cause for entrepreneurial success or failure. This is in accordance with a comparative study conducted by Kang and Wang on entrepreneurship in South Korea and China (2017). In their study, the relevance of various internal components for start-up survival is highlighted. The authors indicate that start-ups need to engage in risk-taking in order to generate high profit (Kang and Wang 2017, 929-30). Additionally, Wang and Kang encourage start-up firms to actively seek innovation through technology enhancement and product development (2017, 929-30). It is evident that several scholars regard internal, or managerial, factors to be the principal cause for start-up success and failure, whereas others perceive internal, external and support factors to be of equal influence on entrepreneurial sustainability.

Since this thesis focuses on the influence of the distinctive characteristics of the surrounding start-up ecosystem on the survival of entrepreneurial firms, this thesis will refer to the twelve external and support conditions for entrepreneurial success provided by Subrahmanya (2017). In their study, Subrahmanya compares the entrepreneurial ecosystems for technology start-ups in India. The author identifies twelve external and support components that determine the

effectiveness of the surrounding entrepreneurial environment (Subrahmanya 2017, 49-50). Below, the twelve conditions are demonstrated.

“1. Entrepreneurship; 2. markets; 3. finance; 4. human resources (labor force); 5. education and research; 6. government (policies and regulatory framework); 7. large companies (multinational corporations); 8. mentors and advisors; 9. support institutions; 10. cultural support; 11. media; 12. immigration of talent” (Subrahmanya 2017, 49)

In combination with the entrepreneurial success factors provided by Subrahmanya (2017), a concise comparative example between Singapore and South Korea allows for an indication which success factors are essential for the creation of an entrepreneurial ecosystem that ensures start-up survival. According to Kam, Ping, and Crystal, 64.2% of all Singaporean start-ups have participated in a government support scheme, since these government grants provide essential financing for emerging start-ups (2017, 12 & 41). In Singapore, there are more than seven government bodies available for start-up support, providing advantageous labor-conditions, a convenient tax-environment, and suitable subsidies for emerging start-up firms (PwC Strategy 2015, 10). In their study, the authors also highlight that the predominant factors correlating with the growth performance of Singaporean start-ups are related to innovation, R&D spending, venture capital funding, and a strategic focus on emerging markets (Kam, Ping, and Crystal 2017, 11). With regard to education and research, a multitude of institutes are dedicated to innovation, such as NUS Overseas and SP, which aim to educate young professionals on entrepreneurship (PwC Strategy 2015, 10). In the field of venture capital, a variety of national funds provide the preconditions, including monetary funds and experience, for Singapore’s sustainable start-up environment (PwC Strategy 2015, 10). Besides this, a multitude of national support institutions, i.e. incubators and accelerators, actively encourage the development of Singapore’s start-up culture (PwC Strategy 2015, 10). In addition, Singapore has a favorable entrepreneurial culture, with regard to media support and technical advisors, with companies such as TechnAsia providing a secure foundation for the ecosystem (PwC Strategy 2015, 10). Overall, it is evident that a significant number of factors of Singapore’s start-up environment coincide with the conditions for entrepreneurial success mentioned by Subrahmanya (2017).

Considering the predominant conditions of Singapore's start-up market, as well as the discussed comparative studies on start-up survival, this thesis will refer to a revised version of the success factors provided by Subrahmanya (2017). Below, the five main factors that generate a sustainable entrepreneurial ecosystem are indicated.

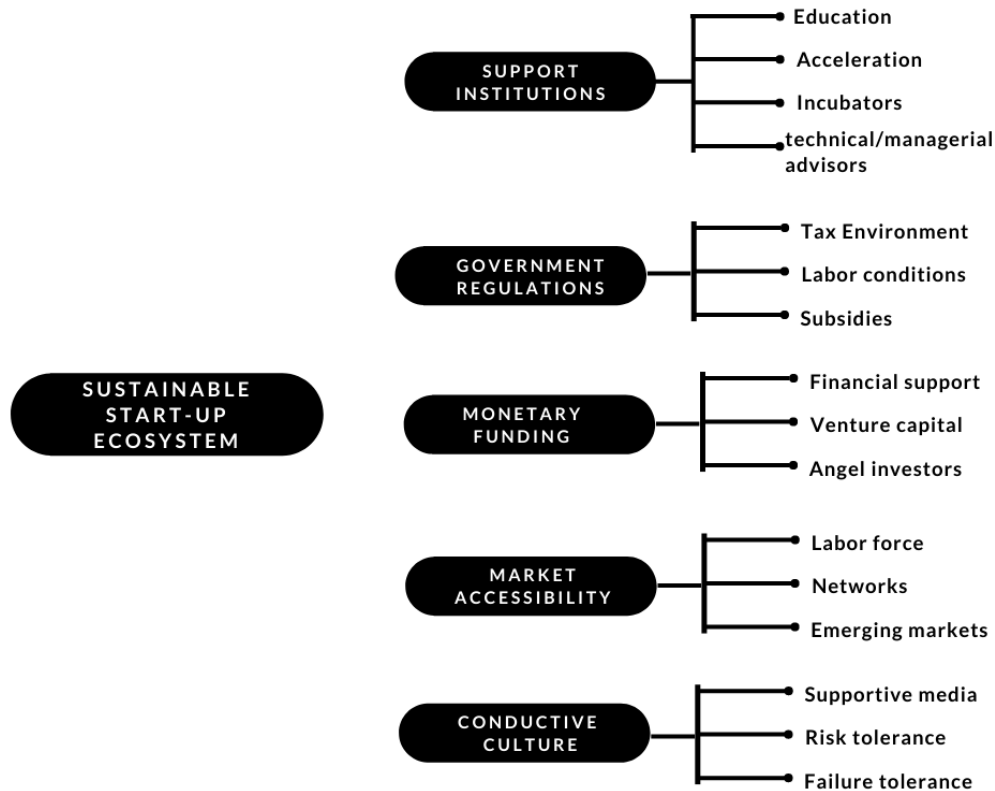


Fig. 1: Main conditions that generate a sustainable start-up ecosystem, revised (Subrahmanya 2017).

In figure one, the factors that are essential for long-term start-up survival are demonstrated. As the example of Singapore has shown, support institutions are important for the creation of a sustainable start-up environment. As visible in figure one, the factor of support institutions includes technical and managerial advisors for start-up formation, as well as advisors for successful exits (Subrahmanya 2017, 49). In addition, support institutions incorporate the fostering of start-up firms through accelerators, the availability of education and research, and technology business incubators (Subrahmanya 2017, 49). In this thesis, the factor of support institutions will also include support programs in which start-ups can participate, such as conferences and competitions (Born2Global 2019, 122). Furthermore, government regulations are also identified

as a factor that determines start-up sustainability is. According to Hart, successful entrepreneurship is fostered by adequate governance (2003, 227). Essentially, this factor includes the national regulatory framework and policies, tax incentives, as well as favorable labor conditions (Subrahmanya 2017, 49).

Another factor that contributes to a sustainable start-up environment is the availability of monetary funding. This entrepreneurial condition includes angel investors, private equity firms, and venture capitalists (Subrahmanya 2017, 49). It is argued that start-ups require adequate corporate finance and venture capital, in order to survive the initial stage of entrepreneurship (Salamzadeh and Kawamorita 2015, 6). Besides this, the availability of monetary funding, through angel investors, is essential for an effective start-up ecosystem (Mason and Brown 2014, 11). Here, angel investors indicate informal private equity investors, who invest in the early stages of technology-based start-ups (OECD 2003, 24 & 99). Another factor that generates entrepreneurial sustainability shown in figure one is market accessibility. This specific factor includes the availability of human resources, the presence of a labor force, as well as a focus on emerging markets and innovation (Subrahmanya 2017, 49). The final factor that is demonstrated in figure one refers to the presence of a conducive entrepreneurial culture. This condition incorporates the tolerance of risk and failure, support for creativity, and media support within a start-up ecosystem (Subrahmanya 2017, 49). It is indicated that an entrepreneurial culture in which knowledge is distributed and failure is tolerated highly benefits the start-up ecosystems and improves the sustainability of start-up firms (Mason and Brown 2014, 11).

As South Korea's entrepreneurial ecosystem demonstrates lower survival rates for its start-up market than Singapore, it allows for the hypothesis that the revised conditions introduced by Subrahmanya (2017) are needed for the establishment of a sustainable entrepreneurial ecosystem. Whereas the aforementioned essential factors of support institutions, effective government regulations, monetary funding, market accessibility, and conducive culture are present in the start-up environment in Singapore, it is possible that they are absent in South Korea's current entrepreneurial ecosystem. Since the discussed comparative studies on entrepreneurial success and failure do not indicate whether the key factors of start-up sustainability are present in South Korea, this thesis will determine if the entrepreneurial conditions are indeed insufficient in South Korea

and whether the government-initiated policies have effectively targeted the conditions that determine start-up success, in order to ensure the long-term survival of start-ups in the Seoul Capital Area.

2.2. South Korea's Political Economy

Besides similarities, there are also several differences between the economic ecosystems of Singapore and South Korea. According to Tsui-Auch and Lee, the Singaporean state deviated from the Korean state in organizational imitation (2015, 517). Namely, it is argued that Korean corporations copied the Japanese corporate network, whereas Singaporean companies predominantly focused on American businesses (Tsui-Auch and Lee 2015, 517-523). Despite the similarities in state authority, these differences have resulted in contrasting economic models and different state-capital relations (Tsui-Auch and Lee 2015, 517-523). Essentially, these differences between Singapore and South Korea could provide an insight into why the Singaporean start-up ecosystem ensures long-term start-up survival, something which the South Korean start-up environment fails to achieve.

From the 1960s onward, South Korea experienced rapid economic growth as a Developmental State, prioritizing state intervention in selecting profitable export sectors and industrial policies (Thurbon and Weiss 2016, 639-649; Amsden 1994, 631). As suggested by Klingler-Vidra and Pacheco Pardo, the former Developmental States in East Asia have incorporated characteristics of the Developmental State into their current economic policy-structure (2019a, 328). The authors argue that these former Developmental States have adjusted their economic policies to the contemporary (inter-)national environment while preserving the fundamental characteristics of the Developmental State system (Klingler-Vidra and Pacheco Pardo 2019a, 328). Although it is implied that fundamental elements of the Developmental State influence the current economic environment, the authors do not elaborate on the exact conditions of South Korea's entrepreneurial ecosystem that originate from the fundamental characteristics of the Developmental State system.

In recent years, the Singaporean economy has been subjected to a variety of structural changes, with regard to neoliberal policy implementations of deregulation and privatization (Liow 2012, 241). Between 1980 and 1992, South Korea's government also actively engaged in neoliberal

policy adjustment, in order to improve the functioning of the existing regulatory system (Pirie 2007, 77). In their article, Pirie argues that the policies of increased marketization implemented from 1993 and 1997 could be regarded as the indicators of a neoliberal regime shift, in which the South Korean state aimed to restructure its mode of economic regulation within a neoliberal framework (2007, 77). In accordance with Klingler-Vidra and Pacheco Pardo, Pirie argues that throughout this process of liberalization, the essential economic characteristics of the previous developmental regime were retained (2007, 77). Although Pirie acknowledges that the legacies of the Developmental State persisted through a process of liberalization in South Korea, it is not evident how these legacies influence the current dynamics of the entrepreneurial ecosystem and impact the survival of start-ups.

From the Developmental State onwards, both Singapore and South Korea strongly valued allegiance to the family and the government (Tsui-Auch and Lee 2015, 523). Through social and political connections, both states allowed for the establishment of major corporations: state-owned enterprises in Singapore and family-owned Chaebol in South Korea (Tsui-Auch and Lee 2015, 523). Here, a significant difference between the political-economic climate in both states is demonstrated. Namely, whereas large business groups in Singapore are owned by the state, the Chaebol corporate groups are family-owned in South Korea (Maman 2002, 755; Tsui-Auch and Lee 2015, 523). According to Maman, the insufficiencies of South Korea's current economic ecosystem are determined by market conditions from the Developmental State period, with regard to the embedded rivalry between Chaebol firms and the threat of business group alliances to state authority (2002, 755). In accordance, Klingler-Vidra and Pacheco Pardo argue that government policies only promote small and medium-sized enterprises (SMEs) in order to augment the innovation capacity of the Chaebol (2019b, 652). This implies that South Korea's national entrepreneurial policy is essentially directed at sustaining the embedded economic structure in which Chaebol are the principal actors. It could be argued that the Chaebol firms are ensured of a position of market dominance, possibly hindering the development towards a national sustainable start-up ecosystem. As Klingler-Vidra and Pacheco Pardo elaborate, state-funded start-ups enable the central role of Chaebol as job creators and innovation hubs in the continuation of the South Korean Developmental State (2019b, 652). It is suggested that sustained the embedded Chaebol

dominance within the national economic environment is likely to prevent start-ups from achieving sustainable growth in the Seoul Capital Area.

After the financial crisis of 1997, the Singaporean state was able to reconstruct the financial sector through single party sovereignty and media control, and actively avert family-owned business groups (Tsui-Auch and Lee 2015, 525). In contrast, South Korea was unable to control the privately-owned Chaebol firms (Tsui-Auch and Lee 2015, 526). Since the Chaebol groups are not state-owned, these major corporations were able to discredit any government policies (Chang 2003, 62). Overall, the literature on South Korea's contemporary political economy has referred to sustained Chaebol dominance within the national economic environment as an obstruction for start-ups to achieving sustainable growth. However, it is not explicitly indicated to what extent the remaining structure of the Developmental State prevents the South Korean government from fostering a sustainable start-up ecosystem in the Seoul Capital Area.

2.3. The Creative Economy Action Plan

In recent decades, forces of globalization have transformed factor-driven economies into knowledge and creative economies, which depend on innovation and technology (UNCTAD 2017, 6). By the year 2010, international market competition, among other things, caused the efficiency of South Korea's export economy to decrease, resulting in the national government to explore different possibilities for economic growth (Jones and Kim 2014, 5). In order to maintain the Republic of Korea's (ROK) global position as a high-income country, the South Korean government emphasized the need for an increase in production capacity through the substantial improvement of national creativity and innovation (Jones and Kim 2014, 6). In South Korea, various ministries and government agencies are dedicated to achieving this increase in productivity through creativity and innovation, such as the Ministry of Science, ICT and Future Planning, focusing on science, technology and ICT, and the Ministry of Strategy and Finance, focusing on which oversees the budget and the long-term national strategy (UNCTAD 2017, 6). Here, it is evident that the South Korean government intends to foster a creative and innovative economy by establishing government agencies and devising policy strategies aimed at restructuring the nation's economic system. It is suggested that the success of innovative entrepreneurial activity is considerably relevant for mature economies, since newly established firms frequently have a

relative benefit over existing firms regarding the commercialization of innovations and the engendering of employment opportunities (Jones and Kim 2014, 17).

Since 2009, there have been discussions in the ROK on the enlargement of the creative economy concept, in which government-initiated policies should foster effective collaboration between technology, manufacturing and culture sectors (Cha 2015, 36). After the inauguration of Park Geun-hye as president of South Korea, the national focus on innovation was formalized through the adoption of the “creative economy” concept in the ROK’s official economic policy agenda (Connell 2014, 12). This realization of the creative economy concept would be achieved in three principal policy actions: the formation of the Ministry of Science, ICT and Future Planning (MSIP), the promotion of the *Creative Economy Action Plan*, and operative public outreach by government agencies to advocate for the newly introduced creative economy agenda (Connell 2014, 12-3). It is suggested that the South Korean government aims to foster a creative and innovative economy by implementing policy strategies that effectively facilitate sustainable entrepreneurship. Inherently, the MSIP’s policy scheme incorporates the *Creative Economy Action Plan*, presented by the Park administration in June 2013 (Connell 2014, 12). In essence, the *Creative Economy Action Plan* aims to facilitate employment opportunities and industries founded on creativity and innovation, reinforce South Korea’s global position as an innovative economy, and strengthen the conducive entrepreneurial culture on a national level (Connell 2014, 12). Although these three main goals of the *Creative Economy Action Plan* show the role of the ROK government in restructuring South Korea’s start-up economy, the proposed objectives are relatively ambiguous. Therefore, in order to achieve the optimization of South Korea’s creative economy, the *Creative Economy Action Plan* includes six strategies: establishing an ecosystem that promotes the creation of startups; strengthening the role of startups and SMEs within South Korea’s economy and enhancing their ability to enter global markets; generating new industries as growth engines; fostering world-class creative talent; strengthening South Korea’s science, technology, and ICT to increase innovation capabilities; and promoting creative economic culture within South Korean society (Connell 2014, 12; UNCTAD 2017, 7; Jones and Kim 2014, 7-8). Although the proposed three goals and six strategies indicate the aim of the South Korean government to foster innovation and creativity in the national economic ecosystem, there has been

limited research on the effect of the *Creative Economy Action Plan* on South Korea's start-up environment.

In addition, there are several complications regarding the efficiency and realization of the *Creative Economy Action Plan*. According to Cha, the concept of the creative economy has been received as relatively ambiguous by national institutions, media and citizens, since the concept shows similarities with the notion of the 'creative industry' (2015, 39-40). Whereas the former is a state policy plan aiming to foster innovation and creativity in South Korea's national economy, the latter is related to fostering cultural and societal development (Cha 2015, 39-40). It could be argued that the ambiguity surrounding the creative economy concept undermines the objectives of the proposed *Creative Economy Action Plan*. Another implication of the *Creative Economy Action Plan* is related to the implications of measuring the actual impact of creative economy policies, since the policy plan of the Park administration has not targeted specific technological or industrial sectors (Cha 2015, 40-1). This relates to Mason and Brown, who argue that research on the topic of policy implementation and entrepreneurship lacks insight into whether national governments are able to effectively intervene in the entrepreneurial ecosystem and foster the conditions for a sustainable start-up environment (2014, 27). Here, it is indicated that it is complicated to precisely determine the effectiveness of government policy schemes promoting start-up sustainability. Overall, it is evident that the impact of the proposed policy implementations by the Park administration on the sustainability of South Korea's entrepreneurial environment has not been explored to a large extent in the scholarly literature on the *Creative Economy Action Plan*.

In sum, although various scholars regard internal, or managerial, conditions to be the principal cause for start-up success and failure, this thesis will explore the impact of government policies targeting the external start-up ecosystem on the survival of start-ups. Considering the conditions of Singapore's start-up ecosystem, as well as the comparative studies that discuss start-up survival, this thesis will refer to the revised success factors provided by Subrahmanya (2017), including support institutions, effective government regulations, monetary funding, market accessibility, and conducive culture. In relation to South Korea's failure to ensure start-up sustainability in comparison to Singapore, it is important to mention that the scholarly literature fails to identify which success factors are absent in South Korea's entrepreneurial ecosystem. From the literature

on South Korea's contemporary political economy, it was indicated that Chaebol dominance within the national economic environment could be perceived as an obstruction for start-ups to achieving sustainable growth. Nevertheless, it is not indicated to what extent the developmental state legacies prevent the South Korean government from fostering a sustainable start-up ecosystem in the Seoul Capital Area. With regard to the *Creative Economy Action Plan*, it was indicated that there has been limited research on the effect of this government scheme on South Korea's start-up ecosystem. Essentially, scholarly literature on entrepreneurship and policymaking fails to include the actual impact of policy strategies on start-up ecosystems. With the aim to add to the scholarly debate, this thesis will provide insight into the main question: To what extent do the government policies promoted in the *Creative Economy Action Plan* target the conditions for entrepreneurial success, in order to effectively ensure a sustainable start-up economy in the Seoul Capital Area?

3. Methodology

In order to provide insight into the main question of this research and add to the scholarly literature on entrepreneurship and policymaking, this thesis will conduct a comprehensive three-part analysis on the government policies presented in the *Creative Economy Action Plan*, the actual experiences of entrepreneurs regarding start-up survival, and the process of success or failure of three distinct technology start-ups in the Seoul Capital Area. In this thesis, the Seoul Capital Area includes the city of Seoul and Gyeonggi Province, which are the main districts with concentrations of start-ups (Born2Global 2019, 71). Considering the availability of quantitative and qualitative data-sets, the timeframe of this study covers the years 2013 to 2018. This timeframe includes a five-year period of start-up development after the implementation of the *Creative Economy Action Plan* by the Park Geun-hye administration in 2013. Due to the fact that the majority of available data on entrepreneurship in South Korea focuses on technology start-ups, the analysis will examine start-ups in the technology and science sectors.

This research, which is positivist in its essence, focuses on primary data analysis and employs triangulation. As discussed by Klotz and Lynch, the process of data triangulation helps to achieve a more precise conclusion (2007, 20). In essence, triangulation implies the process of collecting a variety of primary data, with the aim of determining the accuracy of each source material (Klotz and Lynch 2007, 20). In order to ensure that the case-study analyses are not sabotaged by empirical inconsistencies, the primary data for this thesis is selected through methodological triangulation. This entails that a combination of data-sets is consulted to attain a comprehensive insight into the predominant causes of start-up failure in South Korea's entrepreneurial ecosystem. In this thesis, the policy strategies presented in the *Creative Economy Action Plan* will be analyzed, with the aim of indicating what the government proposal sought to attain and whether the initiated policies explicitly addressed the factors that determine start-up success in the Seoul Capital Area. These findings will be triangulated with the opinions of 300 start-up CEOs on the negative factors in South Korea's start-up ecosystem. Ultimately, through three concise case-study analyses, this thesis will indicate the relevance of the proposed policies for the survival or failure of three technology start-ups in the Seoul Capital Area.¹

¹ For the illustration of the findings, statistics will be included in tables throughout the analysis chapter.

3.1. Research Design

With regard to the data analysis, the first section of the analysis chapter is dedicated to a case study on whether the government policies presented in the *Creative Economy Action Plan* have targeted the essential factors determining start-up sustainability. Considering the characteristics of Singapore's entrepreneurial environment, as well as the comparative studies that discuss start-up survival, this thesis refers to the revised success factors provided by Subrahmanya (2017). These revised success factors include support institutions, effective government regulations, monetary funding, market accessibility, and conducive culture. Through a concise study of the six strategies and their related tasks presented in the *Creative Economy Action Plan*, this analysis section will identify to what extent the proposed government strategies explicitly target these factors that determine start-up success, providing an insight into the first part of the main research question.

In the second section of the analysis chapter, the opinions of 300 start-up CEOs on the negative factors in South Korea's start-up ecosystem obtained from the *Korea Startup Index 2018* (Born2Global 2019) will be analyzed. Essentially, this analysis will provide an insight into the contemporary insufficiencies of South Korea's start-up environment, indicating whether the essential conditions of entrepreneurial success are lacking in the Seoul Capital Area. These findings will be triangulated with the government strategies presented in the *Creative Economy Action Plan*, allowing for an indication of whether the government policies targeting the success factors for start-up survival have improved South Korea's entrepreneurial ecosystem. This data set includes interviews with 300 entrepreneurs conducted in the year 2018, marking a five-year time-period subsequent to the government policies implemented in 2013. The predominant aim of this second analysis section is to explore whether the ROK government has effectively ensured start-up sustainability in the Seoul Capital Area by improving the success factors that were targeted five years prior to the *Creative Economy Action Plan*. Essentially, this second analysis section allows for an understanding of the second part of the main research question.

Finally, the process of success or failure of the three technology start-ups Neofect, Kmong and Yello Mobile in the Seoul Capital Area will be analyzed, with the aim of evaluating the actual relevance of the policy strategies presented in the *Creative Economy Action Plan* for the long-term survival of start-ups. In essence, this section will provide nuanced insight into the critical moments

of entrepreneurial success or failure between 2013 and 2018. Through the analysis of several media-outlets on the development of the three tech start-ups and various interviews with the CEOs of these start-up companies, as well as data on the achievements of the separate start-ups, this thesis will be able to track the process of entrepreneurship and establish the factors that caused the success or failure of these entrepreneurial firms. Together, the three separate analysis sections allow for a nuanced insight into whether the ROK government has targeted the essential success factors for start-up survival and positively influenced start-up sustainability in the Seoul Capital Area through the *Creative Economy Action Plan*.

3.2. Data Selection

This thesis will conduct a three-fold analysis of technology-based start-ups and government policies in the Seoul Capital Area, incorporating three data-sets. The data-sets that will be used in the subsequent analyses include the *Creative Economy Action Plan* instigated by the ROK government in 2013, quantitative data on the opinions of 300 South Korean entrepreneurs, and qualitative data on the actual process of success or failure of three technology start-ups in the Seoul Capital Area.

The first data-set includes the *Creative Economy Action Plan* published by the Korean Ministry of Science, ICT and Future Planning (MSIP) and the Ministry of Strategy and Finance (MOSF) in 2013. Since the press releases related to the *Creative Economy Action Plan* are mainly published in Korean, this thesis will refer to the translations and interpretations of the *Creative Economy Action Plan* by Jones and Kim (2014, 7-8) and the United Nations Conference on Trade and Development, or UNCTAD (2017, 7-8). This particular data-set is relevant, since it provides an insight into the agenda of South Korea's government regarding the creation of a national start-up environment. Essentially, it allows for an understanding of how the ROK government aims to improve the entrepreneurial environment in the Seoul Capital Area, and whether the government has addressed the principal conditions of start-up success.

The second data-set consists of the factors that obstruct start-up growth and vitalization, obtained from the *Korea Startup Index 2018* (Born2Global 2019). This data-set is relevant, since it provides a quantitative insight into the chief factors that hinder start-up growth, defined by 300

technology-related entrepreneurs in the Seoul Capital Area in the year 2018. This is particularly important, since it allows for an understanding of the contemporary economic inputs that create complications for entrepreneurial growth and start-up survival.

The final data-set includes South Korean media sources on the development of technology start-ups Neofect, Kmong and Yello Mobile, in order to provide a comprehensive insight into the factors that cause entrepreneurial success or failure. The medical and rehabilitation tech start-up Neofect (네오팩트) was established in 2010 and exemplifies an entrepreneurial success story in the Seoul Capital Area. Secondly, the start-up firm Kmong 2012 (크몽) was established in 2012 as an online talent market for the trade of entertainment and media services and is characterized by initial struggles and eventual entrepreneurial success. The third tech start-up that will be analyzed is Yello Mobile (옐로모바일), which is a mobile software company established in 2012, representing a start-up that started out successful but failed to sustain. The three selected start-up firms have all encountered a critical moment of success or failure between 2013 and 2018, marking the five years after the instigation of the *Creative Economy Action Plan*. The media sources on the development of these aforementioned start-ups included in this data-set are obtained from Korea JoongAng Daily (Park and Kim 2016; Park 2018), Herald Corporation (Kim and Son 2019) and Forbes (Ramirez 2016). In addition, this data-set also incorporates interviews with the CEOs of these start-up companies, obtained from the ‘start-up story platform’ Platum (Park 2014a), MoneyToday (Park 2014b), the Ministry of Culture, Sports and Tourism (Park 2016), Small Device Trend Magazine (Ban 2016), and Born2Global (2019). Ultimately, NICE Information Service (2020a; 2020b; 2020c), Grand View Research (2016), and Neofect (2020) will be consulted for data on the factual achievements of the separate start-ups. This concise analysis of media sources and interviews on the success or failure of these three tech start-ups between 2013 and 2018 will allow for an interpretation of the impact of the proposed government policies on start-up sustainability.

4. The *Creative Economy Action Plan* and Start-up Sustainability

In this section, the government policies presented in the *Creative Economy Action Plan* will be explored, with the aim of indicating what the government scheme aimed to attain and whether the initiated strategies explicitly targeted the factors that determine start-up success in the Seoul Capital Area. These findings will be triangulated with the opinions of 300 South Korean entrepreneurs on the factors that obstruct start-up survival. Ultimately, through three concise case-study analyses, this thesis will determine the relevance of the presented government policies for the survival or failure of three technology start-ups Neofect, Kmong and Yello Mobile in the Seoul Capital Area.

4.1. The Objectives of the *Creative Economy Action Plan*

Here, the measures to enhance start-up growth emphasized by the South Korean government in the *Creative Economy Action Plan* will be compared to the entrepreneurial success factors of support institutions, effective government regulations, monetary funding, market accessibility and conducive culture. Through a concise analysis of the contents of the policy scheme, this research will be able to identify whether the government-initiated policies address the factors that determine start-up success in the South Korean entrepreneurial ecosystem.

First, it is important to examine the *Creative Economy Action Plan* and establish what the South Korean government proposes, with regard to the creation of a sustainable start-up ecosystem. In June 2013, a blueprint was adopted by the South Korean government to promote the development of the nation's creative economy, proposing three main goals, as well as six strategies and related tasks (Jones and Kim 2014, 7-8; UNCTAD 2017, 7-8). These goals consist of i) creating new jobs and markets through creativity and innovation; ii) strengthening South Korea's global leadership through a creative economy; iii) creating a society where creativity is respected and manifested (Connell 2014, 12). According to Connell, the scheme presented in the *Creative Economy Action Plan* is directed at creating a sustainable venture ecosystem, comparable to Silicon Valley, through the improvement of financial support and the availability in investment capital for start-up companies (2014, 12). The action plan consists of six strategies to achieve the aforementioned goals, which are presented in the column below.

The Six Strategies of the *Creative Economy Action Plan*

1) *Properly compensate for creativity and create an ecosystem that promotes the creation of startups:*

- Create the conditions to easily start new businesses through investment, rather than bank financing.
- Patent creative ideas.

2) *Strengthen the role of venture businesses and SMEs in the creative economy and their ability to enter global markets:*

- The government and public institutions will become the largest customer to support the pioneering of new markets.
- Ease regulations and increase government support to stimulate investment.
- Achieve the goal of growth for start-ups by accessing global markets.
- Create an ecosystem that encourages co-operation and win-win relations between SMEs and large corporations.
- Construct a system that connects demand, education and recruitment to resolve human resource shortages.

3) *Create growth engines to pioneer new markets and new industries:*

- Combine science, technology and ICT to energize existing industries.
- Develop new industries based on software and the Internet.
- Create new markets through human-oriented technology innovation.
- Pioneer new markets by discovering and fostering new promising industries for the future.
- Promote market creation and industry convergence through rationalization of regulation.

4) *Foster global creative talent that has the spirit to rise to challenges and pursue dreams:*

- Strengthen the development of creative convergence talent.
- Invigorate a challenging entrepreneurial spirit.
- Stimulate the overseas advancement and domestic inflow of creative talent.

5) *Strengthen the innovation capacity of science, technology and ICT, which form the foundation for the creative economy:*

- Create an autonomous and challenging research environment and support the commercialization of research outcomes.
- Pioneer next-generation markets by strengthening ICT innovation capacity.
- Stimulate the regional economy and strengthen the commercialization function and regional innovation of universities.
- Solve international social problems through Korean science, technology and ICT in order to raise Korea's status.

6) *Promote a creative economic culture together with the Korean people:*

- Develop a creative culture that realizes creativity and imagination.
- Fuse Korean ideas with public resources through government 3.0.
- Innovate government working methods in order to realize a creative economy.
- Centre the creative economy on the private sector, not the government.

Fig. 2: The six strategies and related tasks of the Creative Economy Action Plan (Jones and Kim 2014, 7-8; UNCTAD 2017, 7-8; MSIP 2013; MOSF 2013)

The six strategies presented in the *Creative Economy Action Plan* are essentially aimed at increasing employment opportunities and industries that are founded on creativity and innovation

(Connell 2014, 12). In addition, the six strategies and their related tasks were created with the intention to reinforce South Korea's international position as an innovative power, while simultaneously ensuring a domestic society where innovative ideas are stimulated (Connell 2014, 12). Considering these main objectives of the *Creative Economy Action Plan*, it is relevant to explore whether these six strategies that the government proposes relate to the absent conditions of monetary funding, market accessibility, and conducive culture that obstruct start-up growth in the Seoul Capital Area.

As visible in figure two, strategy one mainly focuses on generating compensation for creativity and creating an ecosystem that promotes the creation of startups, with an emphasis on ensuring favorable conditions to easily start new businesses through capital investment, rather than bank financing. Although this strategy is relatively broad, it essentially indicates that a substantial start-up ecosystem should be achieved through the structural improvement of the current capital investment system. Through strategy one, the *Creative Economy Action Plan* aims to construct an ecosystem that supports the creation and sustainability of start-ups by encouraging angel investments, institutionalizing crowdfunding, and augmenting the venture capital infrastructure (UNCTAD 2017, 39). Since this first strategy of the *Creative Economy Action Plan* includes the task of improving the feasibility of (re-)starting a business through capital investment, it is implied that the South Korean government has identified the need for the improvement of monetary funding, in respect of the stimulation of capital investments in start-up creation.

Subsequently, it is evident from figure two that strategy two of the *Creative Economy Action Plan* aims to improve the contribution of venture businesses and SMEs in the creative economy. Principally, the tasks related to strategy two focus on the improvement of government support, in order to reinforce capital investments, as well as the creation of start-up growth through international market access. Considering the intention of stimulating investment activities, it is evident that the ROK government identifies the need for an augmentation of monetary funding. Additionally, this strategy point indicates the need for the government sectors and public institutions to strengthen the development of new markets. Here, it could be argued that the South Korean government focuses on optimizing government regulations and support institutions for start-ups in the Seoul Capital Area, with the aim of stimulating market innovation. Then, the need

for the government and public institutions to reinforce market development testifies that the ROK government identifies the need for a focus on new markets, in order to improve start-up sustainability. Another important aim of this strategy, with regard to start-up support, is the construction of an ecosystem that resolves shortages in human resources. It could be argued that the South Korean government perceives the entrepreneurial environment in the Seoul Capital Area to lack an adequate labor force or efficient market networks that create access to personnel for start-up companies. When examining strategy two of the *Creative Economy Action Plan*, it is suggested that the South Korean government intends to construct a system that connects demand, education and recruitment to resolve human resources shortages. Hence, it is evident that the factor for start-up success of market accessibility, with regard to market networks, innovation and workforce, is addressed by the South Korean government in the *Creative Economy Action Plan*.

As demonstrated in figure two, the third strategy emphasizes the need to stimulate business growth, with the aim of developing innovative markets and industries. Here, the government stresses the importance of merging science, technology and ICT, in order to give vitality to traditional industries. Predominantly, the ROK government aims to improve the added value and productivity of lagging industries (UNCTAD 2017, 40). This could indicate that the national government emphasizes the need for a focus on emerging markets among entrepreneurs. In order to improve the current ecosystem in the Seoul Capital Area, with regard to social demands for services and markets, the South Korean government intends to promote R&D (UNCTAD 2017, 41). In essence, these tasks presented in the *Creative Economy Action Plan* emphasize the need for South Korea to transform its national start-up environment into an adequate ecosystem that effectively fosters new internet-related and content industries (UNCTAD 2017, 40). It is implied that this strategy point is focused on developing new markets and promoting innovation, as well as fostering new promising industries for the future. Essentially, strategy three indicates a focus on the creation of new software-based industries, as well as new markets, through human-oriented technological innovation. Additionally, this specific strategy point also includes the ROK government's aim to develop new markets by cultivating emerging industries and sectors. In order to achieve this, the government will actively stimulate the creation of new markets and the development of the sectors with potential, which are frequently related to the environment and technology (UNCTAD 2017, 41). Again, this demonstrates that the ROK government has

addressed the need for a focus on emerging economies and market innovation. Then, through the *Creative Economy Action Plan*, South Korea aims to target the success factor of market accessibility and, consequently, create a sustainable start-up ecosystem in the Seoul Capital Area.

Essentially, strategy four of the *Creative Economy Action Plan* is focused on generating global creative talent that is capable of managing challenges. This is predominantly related to the task of fostering talent and stimulating young entrepreneurs to pursue business-creation. Here, the government aims to promote creativity capacity progress among youth (UNCTAD 2017, 42). Inherently, this task would relate to the accessibility of education, within the success factor of support institutions. This implies that the ROK government stimulates education by improving the support institutions for youth entrepreneurs. As demonstrated in figure two, strategy four strongly emphasizes the aim of fostering the entrepreneurial spirit among youth in South Korea. This particularly comprises the provision of entrepreneurial experience to university students with start-up ambitions (UNCTAD 2017, 42). As suggested in the literature review, a sustainable entrepreneurial environment should provide a conducive culture that ensures tolerance for risk and failure, as well as media support, for start-up companies. By means of strengthening the creativity and versatility of future entrepreneurs, it is implied that the South Korean government aims to improve the conducive culture of its national start-up ecosystem. Then, it is indicated that strategy four of the *Creative Economy Action Plan* targets the success factor of social encouragement in South Korea's start-up ecosystem, indicating that the South Korean government aims to improve the support provided by South Korea's entrepreneurial culture.

Similar to the third strategy, strategy five focuses on strengthening the innovation capacity of science, technology and ICT, and creating the basis for South Korea's creative economy. This strategy is mainly related to commercializing research outcomes and improving the innovation capacity of ICT institutions and universities, in order to create new markets. Here, the *Creative Economy Action Plan* emphasizes the need to develop markets and establish South Korea's position as a global tech-innovative actor (UNCTAD 2017, 42). Predominantly, the South Korean Government intends to partake in R&D investment, including research expenditure, urging researchers to remain profit-oriented regarding the management of their research outcomes (UNCTAD 2017, 42). According to Cha, strategy five is aimed at improving the R&D system to

expand commercialization, as well as reinforcing the cooperation of industry, research, and local governments in order to create jobs (2015, 38). This focus on creating new job opportunities presented in strategy five inherently relates to the success factor of entrepreneurial success of market accessibility. Besides this, it is indicated that, through the *Creative Economy Action Plan*, the ROK government intends to foster technological innovations (UNCTAD 2017, 43). In strategy five of the *Creative Economy Action Plan*, it is again indicated that the national government addresses the success factor of market accessibility, with the aim of improving the process for start-up companies to access the market and achieve a sustainable market performance.

Finally, strategy six of the *Creative Economy Action Plan* aims to encourage the creation of a creative economic culture within South Korean society. Here, the presented government policies are related to creating a conducive culture that stimulates entrepreneurial creativity and innovation. The presented tasks primarily relate to the success factor of a conducive entrepreneurial culture in the Seoul Capital Area. As shown in figure two, strategy six aims to combine innovative concepts devised by Korean entrepreneurs with public resources. In this sixth strategy of the *Creative Economy Action Plan*, it is evident that social encouragement is actively promoted, and thus recognized as a target point by South Korean policy-makers. Essentially, the ROK government aims to initiate a creative and accepting start-up culture, in which Korean entrepreneurs will be enabled to receive support and exposure, channeling economic success (UNCTAD 2017, 43). Here, it is suggested that strategy six of the *Creative Economy Action Plan* proposed by the ROK government aims to improve South Korea's entrepreneurial culture by targeting the availability media support, as well as the tolerance for risk and failure for start-up businesses.

In sum, it is demonstrated that the six strategies and their related tasks presented in the *Creative Economy Action Plan* are aimed at adequately improving South Korea's creative culture and start-up ecosystem. Essentially, the government policies presented in the *Creative Economy Action Plan* targeted the essential conditions for start-up survival of monetary funding, market accessibility, support institutions, and conducive culture. Since the government-initiated policies have explicitly addressed four of the main conditions for entrepreneurial success, it is relevant to further explore the impact of these strategies proposed in the *Creative Economy Action Plan* on the

development of start-ups in the Seoul Capital Area, with regard to the creation of a sustainable start-up ecosystem.

4.2. The Presence of Entrepreneurial Success Factors

In the preceding comparative analysis between the start-up ecosystems in Singapore and South Korea, it was established that essential factors of support institutions, effective government regulations, monetary funding, market accessibility, and conducive culture are present in the entrepreneurial environment in Singapore. Based on that finding and the fact that South Korea's entrepreneurial ecosystem demonstrates lower survival rates for its start-up market than Singapore, it could be argued that these aforementioned conditions for start-up sustainability are currently absent in South Korea's entrepreneurial ecosystem. In order to indicate whether these important factors are in fact absent, this section will examine the quantitative data on South Korea's start-up ecosystem obtained from the *Korea Startup Index 2018* (Born2Global 2019) in relation to the factors of start-up success of support institutions, effective government regulations, monetary funding, market accessibility, and conducive culture.

In the *Korea Startup Index 2018* (Born2Global 2019), a total of 300 entrepreneurs in the Seoul Capital Area have respectively defined the three main factors that obstruct the growth and vitalization of their start-up companies. The predominant conditions that hinder the sustainability of start-ups in South Korea, as indicated by the interviewed entrepreneurs, are demonstrated below.

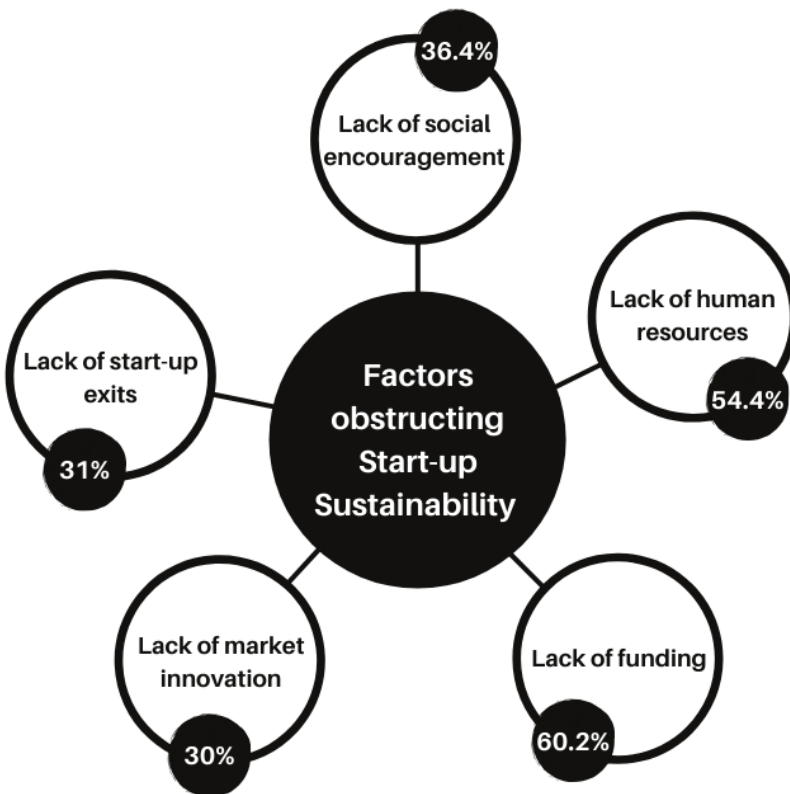


Fig. 3: Main factors that hinder start-up sustainability in South Korea defined by 294 entrepreneurs in the SCA in percentages (Born2Global 2019, 122).

In figure three, it is visible that there are five main factors that hinder start-up sustainability in the Seoul Capital Area, as defined by 300 entrepreneurs in the *Korea Startup Index 2018* (Born2Global 2019). These obstructing factors include: i) a lack of funding from investors; ii) a lack of human resources for startups; iii) a lack of social encouragement and tolerance for failure; iv) a lack of successful exits and opportunities to recover investments v) a lack of market innovation among startups. It is relevant to further explore these insufficient conditions of South Korea's start-up ecosystem, in relation to the previously established entrepreneurial success factors of support, effective government regulations, monetary funding, market accessibility, and conducive culture.

As demonstrated in figure three, one of the principal insufficiencies of South Korea's entrepreneurial ecosystem reported by the entrepreneurs involves the difficulty of obtaining

monetary funding. With 60.2%, the lack of access to funding from investors, such as venture capital and angel investors, is regarded as a major obstacle for the sustainability of start-up companies in the Seoul Capital Area. In relation to the factors that generate start-up sustainability, this lack of funding accessibility suggests that South Korea's entrepreneurial ecosystem is insufficient with regard to monetary funding. Secondly, difficulties in finding human resources are also indicated as predominant obstructions to sustainable growth for startups in South Korea. With 54.4%, the lack of human resources is listed as a chief obstruction of start-up vitalization. This implies that the start-up ecosystem in the Seoul Capital Area is unable to ensure a sufficient labor force or efficient market networks that create access to personnel for start-up companies. Here, it is evident that the essential factor of market accessibility, with regard to market networks and workforce, is absent in South Korea. Thus, monetary funding and market accessibility are two conditions for a sustainable start-up environment that are lacking in South Korea's entrepreneurial ecosystem.

As shown in figure three, with 36.4%, the interviewed entrepreneurs also regard the lack of social encouragement for startups and intolerance of failure as a cause for start-up instability. When comparing this survey outcome to the revised factors of start-up success, it can be argued that the absence of social encouragement in South Korea's start-up ecosystem indicates that the entrepreneurial culture provides insufficient support. As suggested in the literature review, a sustainable entrepreneurial environment provides a conducive culture that ensures tolerance for risk and failure, as well as media support, for start-up companies. Then, it is evident that the Seoul Capital Area lacks this conducive culture that should construct a favorable environment for entrepreneurial sustainability. This absence of an adequate conducive start-up culture relates to another factor obstructing sustainable entrepreneurship highlighted by the interviewed entrepreneurs. With 31%, the entrepreneurs define the lack of successful exits and tribulations in recovering investments as another principal obstacle for sustainable start-up growth in the Seoul Capital Area. This implies that the start-up ecosystem does not allow for angel investors to recover or reinvest their initially invested capital (Born2Global 2019, 59). In addition, it suggests that South Korea's start-up environment is unable to provide the available financial resources, such as venture capital investments, with an appropriate exit (Born2Global 2019, 59). Again, this indicates the notion that that South Korea's start-up ecosystem is insufficient in respect of monetary funding.

Finally, with 30%, the entrepreneurs in the Seoul Capital Area indicate that there is too much focus on particular areas, such as mobile environment and products, among start-up companies. This implies that start-up companies predominantly operate within specific product sectors, allowing for little focus on emerging markets. When a majority of start-ups are concentrated in a particular market sector, without employing innovative strategies to create revenue, the competition between start-ups within the ecosystem will be likely to increase. This lack of market innovation in the start-up ecosystem of South Korea could gradually complicate the process for start-up companies to access the market and achieve a sustainable market performance. Again, this relates to an absence in market accessibility, with regard to effective market innovation in the Seoul Capital Area.

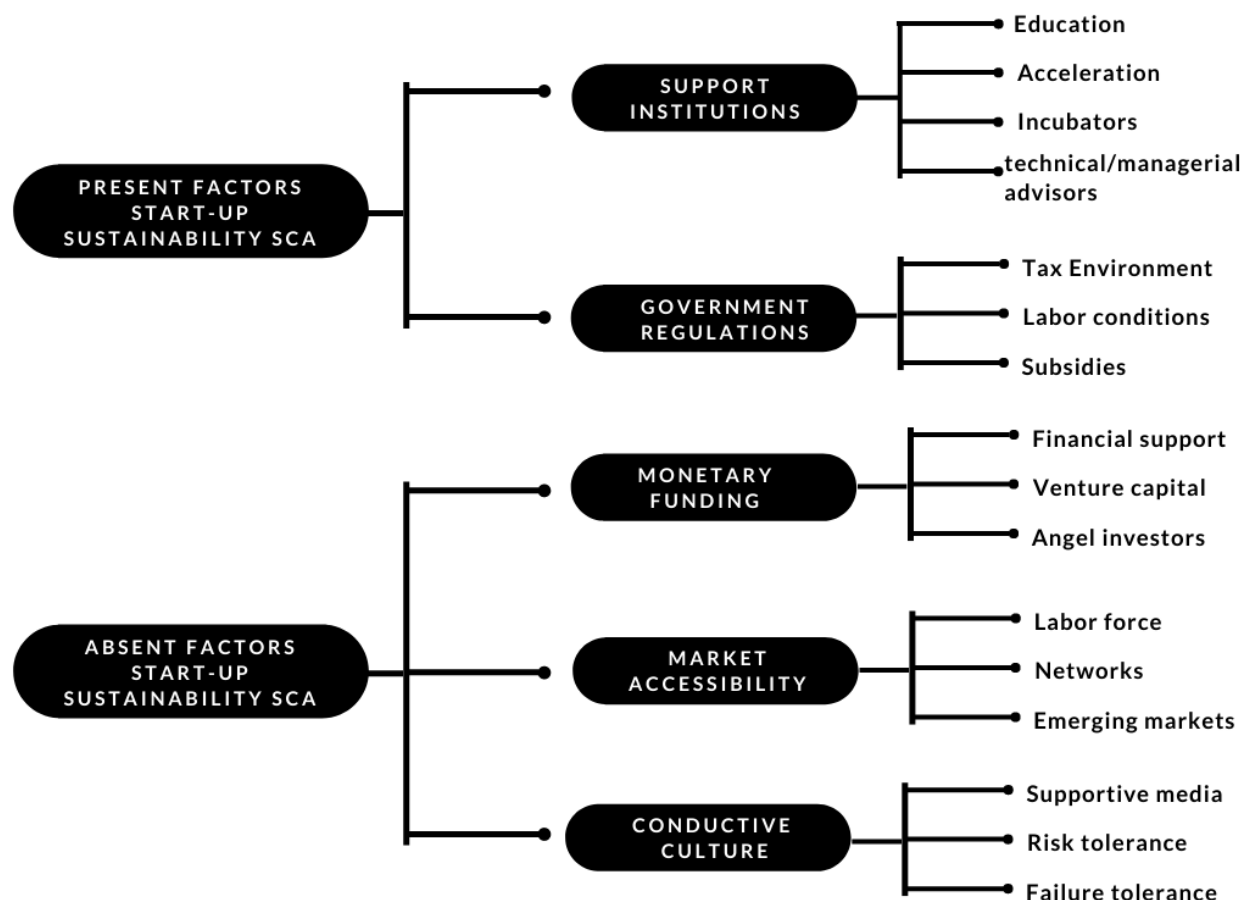


Fig. 4: Present and absent factors for a sustainable start-up ecosystem according to 300 entrepreneurs in the Seoul Capital Area (Born2Global 2019; Subrahmanya 2017)

In sum, the analysis has indicated an absence in funding from investors, human resources, social encouragement and tolerance for failure, successful exits and opportunities to recover investments, and market innovation among startups. It is evident that the success factors for start-up sustainability of monetary funding, market accessibility, and conducive start-up culture are insufficiently present in South Korea's entrepreneurial environment, obstructing the creation of a sustainable start-up ecosystem. However, these insufficient conditions were the exact target points presented by the ROK government in the *Creative Economy Action Plan* in 2013.

When examining the first strategy of the *Creative Economy Action Plan*, which included the task of improving the feasibility of (re-)starting a business through capital investment, it was indicated that the South Korean government identified the need for the improvement of monetary funding, in respect of the stimulation of capital investments in start-up creation. With regard to market accessibility, strategy two of the *Creative Economy Action Plan* showed that the South Korean government intended to construct a system that connects demand, education and recruitment to resolve human resources shortages. It is evident that the absent factor of market accessibility, with regard to market networks and workforce, was targeted by the South Korean government. With strategy three and five of the *Creative Economy Action Plan*, the national government recognized the absence of a focus on emerging economies and market innovation as an obstructing factor for start-up sustainability and aimed to strengthen the innovation capacity of science, technology and ICT. In relation to the presence of a conducive entrepreneurial culture, it was indicated that both strategy four and six of the *Creative Economy Action Plan* targeted the failure of South Korea's entrepreneurial culture in providing insufficient media support, as well as tolerance for risk and failure, for start-up firms. This demonstrates that the South Korean government identified the insufficient support for start-up businesses provided by South Korea's entrepreneurial culture. With strategy 4, it was implied that the ROK government stimulated education by improving the support institutions for youth entrepreneurs, a factor for start-up sustainability that was not identified as lacking in the Seoul Capital Area by the interviewed entrepreneurs. Overall, it is evident that the insufficient conditions of monetary funding, market accessibility, and conducive start-up culture were identified and targeted by the ROK government in the *Creative Economy Action Plan*.

Whereas the aforementioned essential factors of monetary funding, market accessibility and conducive culture are present in the start-up environment in Singapore, it is demonstrated that they are absent in South Korea's current entrepreneurial ecosystem. The analysis of the insufficiencies of South Korea's start-up environment incorporated the years 2013 to 2018, marking a five-year time-period subsequent to the implementation of the government policies presented in the *Creative Economy Action Plan* in 2013. Although the interviews with the 300 entrepreneurs in 2018 indicated that the government strategies addressed the insufficient conditions of South Korea's start-up ecosystem, it is evident that the government's strategies failed to improve these insufficient factors of monetary funding, market accessibility, and conducive entrepreneurial culture. Therefore, it is suggested that either the *Creative Economy Action Plan* had a positive influence on South Korea's start-up ecosystem, but the entrepreneurial situation remains problematic, or that the proposed government policies failed to have a positive influence on start-up survival in the Seoul Capital Area.

4.3. The Process of Start-Up Success or Failure

Expanding on the previous two analysis sections, this last subsection will track the actual development of the technology start-ups Neofect, Kmong, Yello Mobile, in order to define the factors that resulted in success or failure and capture the nuances regarding the influence of the government policies presented in the *Creative Economy Action Plan* on start-up sustainability in the Seoul Capital Area.

Neofect (네오팩트) – An Entrepreneurial Success Story

Neofect is a start-up firm established in 2010, specialized in the manufacturing of medical equipment, with around 50 employees (NICE Information Service 2020a; Born2global 2019, 129). The main office of Neofect is located in Yongin, a large city in Gyeonggi Province (Born2global 2019, 129). The start-up's CEO Ban Ho-young launched several other start-ups in different fields, which were all deemed unsuccessful, before commencing with Neofect (Born2Global 2019, 130). In both 2013 and 2014, Neofect was awarded the Minister Prize from the Ministry of Science, ICT and Future Planning (Neofect 2020). The Ministry of Science, ICT and Future Planning incorporated the goals of the *Creative Economy Action Plan* in its policy scheme (Connell 2014,

12). Hence, the reception of an award presented by a newly established ministry that reflects the *Creative Economy Action Plan* could indicate that the start-up firm was positively influenced by the promoted government policies from an initial stage.

After expanding globally and setting up an office in San Francisco, United States, the start-up firm was selected as K-ICT start-up 300 in 2015 (Neofect 2020). Here, it is shown that Neofect expanded overseas five years after its establishment, surpassing the crucial period of start-up survival. In 2015, the global rehabilitation devices market for neurological disorders was valued at USD 915,1 million, and the market is estimated to increase to approximately USD 3,2 billion by the year 2024 (Park 2018; Grand View Research 2016). This indicates that Neofect entered an innovative and rapidly growing market. In the year 2016, Neofect opened an office in Germany, expanding to the European market (Neofect 2020). It was during this period that the smart rehabilitation technology created by Neofect was fully acknowledged by the hard-to-enter European market (Ban 2016). In both 2017 and 2018, the start-up firm received an Innovation Award at the CES, the largest consumer technology show on a global level, due to their achievements in research publications and innovative rehabilitation technology (Born2Global 2019, 131). It is indicated that Neofect achieved success due to an active focus on entering a rapidly growing and emerging market and expanding overseas.

In essence, Neofect's key strength is its focus on technology development (Ban 2016). After being listed at the Korea Exchange Bourse (KOSDAQ), Ban Ho-young has indicated that all proceeds will be used to develop the firm's business strategy and pursue further global expansion (Park 2018). It was mentioned that Neofect's listing at the KOSDAQ will stimulate the start-up's management to actively invest in product development and operations globally (Park 2018). Here, it is evident that Neofect predominantly emphasized the need for technological innovation and product development, allowing for the start-up to achieve sustainable growth.

From this analysis, it is demonstrated that the causes for Neofect's success include the advantages of winning awards in an early start-up stage by the MSIP, a ministry that incorporates the *Creative Economy Action Plan* in its policy scheme. Other reasons for success include the start-up firm's focus on a rapidly growing and emerging market, an emphasis on technological

innovation, as well as an active pursuit of overseas expansion. With strategy three and five of the *Creative Economy Action Plan*, the South Korean government emphasized the need for a focus on emerging economies and market innovation, with the aim of fostering the innovation capacity of science, technology and ICT. Although a lack of market innovation among startups was mentioned by the surveyed entrepreneurs in 2018 as an obstructing factor for start-up sustainability in the Seoul Capital Area, Neofect seems to have benefitted from the *Creative Economy Action Plan* by successfully achieving start-up sustainability through innovation and expansion.

Kmong (크몽) – Initial Difficulties and Eventual Success

With the aim of entering a niche market and still compete in larger markets, CEO Park Hyeon-ho launched Kmong, a start-up focused on media service, in October 2012 (NICE Information Service 2020b; Park 2014b; Park 2014a). Prior to launching Kmong, Park had failed multiple times in successfully maintaining a start-up (Park 2014b). At an early stage, Kmong encountered various difficulties regarding start-up survival. Firstly, the start-up firm had no capital at its disposal in its initial stage and had never received any investments (Park 2014a). Nevertheless, Kmong did receive a prize of almost USD 25 million at the Youth Entrepreneurship Competition in 2013 (Park 2014a). In October 2013, Kmong surpassed USD 83 million in monthly sales, settling all debts (Park 2014b). With strategy 4, the South Korean government aimed improve the support institutions for youth entrepreneurs, a factor for start-up sustainability that was not identified as lacking in the Seoul Capital Area by the interviewed entrepreneurs in 2018. It is suggested that the promoted success factor of support institutions, including support programs in which start-ups can participate, has positively influenced Kmong in overcoming financial struggles in its initial stage.

Secondly, a lack of workforce was a major implication for the start-up firm (Park 2016). Although the majority of Kmong's employees were situated in Seoul, the head office was located in Jinju, a town in the southern region of South Korea (Park 2014a). According to CEO Park, it was particularly inconvenient to have an office located outside of the Seoul Capital Area, since there is an absence in human resources and it generates difficulties in affiliate marketing (Park 2014a). After Kmong relocated to Seoul, approximately two years after its establishment, the start-

up firm was enabled to expand its business, due to the improved infrastructure and the presence of a larger workforce (Park 2014a). It was indicated that strategy two of the *Creative Economy Action Plan* targeted the success factor of market accessibility, with regard to market networks and workforce. Although the condition of market accessibility was still deemed lacking by the interviewed entrepreneurs, it is evident that Kmong experienced a turning point with regard to start-up success after its relocation to Seoul. Here, it is suggested that the start-up ecosystem in the Seoul Capital Area was more favorable than in the southern provinces, with regard to the success factor of market accessibility.

Another turning point that Kmong encountered in its first stage is related to the intended service of the start-up. Although Kmong was initially established as an online platform focused on entertainment, the users utilized the platform to trade business-related talents (Park 2014a). Instead of reinforcing the entertainment focus on its users, CEO Park consulted Kmong's users about their preferences and rebranded the start-up form to fit the customer demands, resulting in a rapidly increasing growth rate (Park 2016; Park 2014a). As mentioned by Giardino, Wang, and Abrahamson, start-up survival depends on the implementation of company strategies founded on customer responses (2014, 39). It is suggested that Kmong benefitted from rebranding the start-up firm to fit the customer's demands, adapting its internal management to the market desires. Although the growth curve of Kmong is still increasing slowly, CEO Park indicates that it is more beneficial to grow steadily, than experience rapid economic growth when the company structure is unprepared (Park 2014a). According to CEO Park, the Korean start-up industry has experienced an overall 'increase in awareness and reliability' (Park 2014a). This could imply that the entrepreneurial culture in South Korea's start-up ecosystem has improved after the implementation of the *Creative Economy Action Plan* in 2013.

It is evident that Kmong was characterized by initial struggles due to a lack of finances, an absence of human resources, and a focus on an undesired service. These problems were solved after Kmong received financial assistance from a support program, related to the success factor of support institutions targeted in the *Creative Economy Action Plan*. Additionally, Kmong' success after its relocation to Seoul indicates that the entrepreneurial environment in the Seoul Capital Area is beneficial for start-up survival, with regard to the factor of market accessibility promoted

by the Korean government. In addition, Kmong's survival was stimulated when the start-up adapted its service to the contemporary market demands, indicating that internal, or managerial, conditions influence the start-up's success. Ultimately, the firm's CEO testified of potential improvement of South Korea's conducive entrepreneurial culture. Although the start-up seems to have benefitted from improvements in market accessibility, support institutions, conducive culture, it remains difficult to pinpoint the exact effect of the *Creative Economy Action Plan* on Kmong's start-up survival.

Yello Mobile (옐로모바일) – Initial Success and Eventual Fall

Finally, the initial rise and eventual fall of Yello Mobile, a media advertising start-up agency established in 2012, will be discussed (NICE Information Service 2020c). Yello Mobile is located in the city of Seongnam, Gyeonggi Province (NICE Information Service 2020c). Regarded as a start-up unicorn, Yello Mobile received four consecutive investments in 2016 alone (Ramirez 2016). It was stated that the investments would be used to develop platforms, to strengthen the start-up's operations, and to proceed with overseas expansions (Ramirez 2016). Despite Yello Mobile's initial success, the profits rapidly decreased from 2015 to 2016, since the start-up firm spent much on marketing and advertising expenses for the app developments (Ramirez 2016; Park and Kim 2016). Whereas Yello Mobile received the financial means to achieve start-up sustainability, the rapidly growing entrepreneurial firm lacked adequate internal management to prevent problematic investments.

In response to complaints from affiliate partners on financial management and information transparency, Yello Mobile enhanced its organizational structure by creating a "Future Strategy Team" and "Business Innovation Team" (Park and Kim 2016). However, foreign investors found that Yello Mobile's business model lacks the reliability required for investment (Park and Kim 2016). In addition, various investors and partners were deprived of confidence in Yello Mobile, due to failed transactions to accelerators and venture capital firms (Kim and Son 2019). Essentially, it is suggested Yello Mobile failed because of questionable transactions and an insufficient business model. These reasons are principally connected to shortcomings in the internal management of the start-up firm. The importance of internal factors has been mentioned by

Giardino, Wang, and Abrahamson, who suggested that start-up survival predominantly depends on the internal management of critical issues (2014, 39). According to Kang and Wang, start-ups need to engage in risk-taking in order to generate high profit (2017, 929-30). Through the case of Yello Mobile, it is indicated that internal, or managerial, factors could be perceived as principal causes for start-up failure. Additionally, the growth experienced by Yello Mobile was too rapid and possibly resulted in an overconfident investment plan. This could indicate that there is an insufficient support system by the South Korean government for rapidly growing start-up 'unicorns', in order to prevent those start-ups from engaging in problematic investments.

Although the *Creative Economy Action Plan* targeted the entrepreneurial success factors of monetary funding, market accessibility, and conducive start-up culture, the 300 interviewed entrepreneurs indicated that the government's strategies failed to significantly improve these factors. However, Neofect seems to have benefitted from the *Creative Economy Action Plan* by successfully achieving start-up sustainability through receiving awards presented by the MSIP, as well as focusing on the promoted success factor of market accessibility. In addition, the case of Kmong suggests that the start-up environment in the Seoul Capital Area increasingly ensures start-ups of sustainable growth, with regard to the success factors of market accessibility and conducive culture promoted in the *Creative Economy Action Plan*. Although this thesis investigated the influence of government policies targeting the external start-up ecosystem on the survival of start-ups, it was evident from the cases of Kmong and Yello Mobile that internal, or managerial, conditions also function as principal causes for start-up success and failure. In sum, the cases of Neofect and Kmong indicate that the government policies presented in the *Creative Economy Action Plan* are likely to only have had a modest positive influence on South Korea's start-up ecosystem, allowing for the entrepreneurial situation to remain problematic regarding monetary funding, market accessibility, and conducive entrepreneurial culture.

5. Conclusion

The aim of this thesis was to provide an insight into the extent to which the government policies promoted in the *Creative Economy Action Plan* targeted the factors for entrepreneurial success, in order to effectively ensure a sustainable start-up economy in the Seoul Capital Area. It was established that scholarly literature on entrepreneurship and policymaking is primarily focused on policy proposals for start-up success, failing to include the actual impact of these policies on start-up environments. With the aim of adding to the scholarly literature, this thesis has researched the effect of the government policies presented in the *Creative Economy Action Plan* on South Korea's entrepreneurial ecosystem, by conducting three concise analyses. Current research on entrepreneurial firms in urban areas has not identified the main socio-political and economic inputs that create an ideal start-up ecosystem (Glaeser, Rosenthal, and Strange 2010, 9). Therefore, in reference to Subrahmanya (2017), this thesis established five main factors that determine start-up survival: support institutions, effective government regulations, monetary funding, market accessibility, and the presence of a conducive entrepreneurial culture.

Through an analysis of the *Creative Economy Action Plan*, this thesis demonstrated the extent to which the promoted government policies targeted the factors for entrepreneurial success in the Seoul Capital Area. Essentially, the thesis indicated that the six strategies and their related tasks presented in the *Creative Economy Action Plan* were aimed at adequately improving South Korea's creative culture and start-up ecosystem. Essentially, the government policies presented in the *Creative Economy Action Plan* targeted four of the main conditions that determine start-up success, including monetary funding, market accessibility, support institutions, and conducive culture.

These findings were triangulated with the opinions of 300 start-up CEOs on the negative factors in South Korea's start-up ecosystem, in order to determine whether the government strategies presented in the *Creative Economy Action Plan* effectively improved the conditions for entrepreneurial success in the Seoul Capital Area. Although the scholarly literature failed to mention which success factors are absent in South Korea's entrepreneurial ecosystem, this thesis indicated that the essential factors of monetary funding, market accessibility, and conducive culture, which are present in the start-up environment in Singapore, are absent in South Korea's

current entrepreneurial ecosystem. Considering the success factors targeted by the ROK government in the *Creative Economy Action Plan* in the year 2013, the interviews with the 300 start-up CEOs in 2018 indicated that government's strategies failed to improve the entrepreneurial conditions of monetary funding, market accessibility, and conducive start-up culture. With the aim of adding to the limited research on the effect of the *Creative Economy Action Plan* on South Korea's start-up environment, this thesis has shown that the ROK government has not effectively ensured start-up sustainability in the Seoul Capital Area, failing to improve the success factors targeted five years prior in the *Creative Economy Action Plan*.

Whereas scholarly literature on entrepreneurship and policymaking failed to include the actual impact of these policy strategies on start-up ecosystems, this thesis has indicated the relevance of the proposed policies for the survival or failure of three technology start-ups in the Seoul Capital Area. Although this thesis investigated the influence of government policies targeting the external start-up ecosystem on the survival of start-ups, it was evident from the cases of Kmong and Yello Mobile that internal, or managerial, conditions also function as principal causes for start-up success and failure. Despite the fact that sustained Chaebol dominance within the national economic environment was mentioned by scholars as an obstruction for start-up growth, the analysis did not identify a negative impact of Developmental State legacies on the survival of start-ups in the Seoul Capital Area. Overall, the case-analyses of the two technology start-ups Neofect and Kmong implied that the government strategies promoted in the *Creative Economy Action Plan* are likely to only have had a modest positive influence on South Korea's start-up ecosystem. Therefore, this thesis concludes that, although the government policies promoted in the *Creative Economy Action Plan* explicitly targeted three factors for start-up success, the entrepreneurial situation in the Seoul Capital Area remains problematic regarding the success factors of monetary funding, market accessibility, and conducive entrepreneurial culture.

Although this thesis has aimed to provide nuanced insight into the influence of the *Creative Economy Action Plan* on start-up sustainability in the Seoul Capital Area, there are several limitations to this thesis that need to be discussed. Firstly, due to a lack of access to the data on the development process of the technology start-ups Neofect, Kmong and Yello Mobile, this thesis was unable to provide a detailed insight into the exact causes for start-up success or failure. It is

suggested that future studies incorporate various financial and business reports of start-ups in the Seoul Capital Area, in order provide a more accurate insight into the external and internal factors that resulted in the success or failure of the analyzed start-ups. Secondly, this thesis has referred to Jones and Kim (2014), as well as UNCTAD (2017), for the translated and interpreted transcripts of the *Creative Economy Action Plan*. It is suggested for future research to analyze the original Korean policy documents and press releases, since that would allow for a more accurate and insightful interpretation of the specified policy strategies. Finally, it should be mentioned that it is difficult to exactly measure the influence of the discussed creative economy policy implementations, since the *Creative Economy Action Plan* has not targeted specific technological or industrial sectors (Cha 2015, 40-1). Therefore, further research must be conducted in order to provide a more comprehensive insight into the impact of the *Creative Economy Action Plan* on South Korea's entrepreneurial environment.

References

- Amsden, Alice H.. 1994. "Why Isn't the Whole World Experimenting with the East Asian Model to Develop?: Review of The East Asian Miracle." *World Development* 22 (4): 627-33.
- Ban Ho-young. 2016. "By Applying the Theory of Gamification Ho-young Ban, CEO of NEOFECT Developed Rehabilitation Medical Equipment (게임화 (Gamification) 이론을 적용해서 재활훈련 의료기기를 개발한 NEOFECT 반호영 대표 작성자)." Interview by Small Device Trend. *Small Device Trend Magazine*. January 4, 2016. <https://blog.naver.com/mtmag/220587210898>
- Born2Global. 2019. *Korea Startup Index 2018*. Seongnam: Born2Global Centre.
- Cha, Doo-won. 2015. "The Creative Economy of the Park Geun-hye Administration." In *Korea's Economy Volume 30*, edited by Troy Stangarone, 35-46. Washington: Korea Economic Institute of America.
- Connell, Sean. 2014. "Building A Creative Economy in South Korea: Analyzing the Plans and Possibilities for New Economic Growth." In *On Korea 2014: Academic Paper Series Volume 7*, edited by Nicholas Hamisevicz, 3-22. Washington: Korea Economic Institute of America.
- Geibel, Richard C., and Meghana Manickam. 2016. "Comparison of Selected Startup Ecosystems in Germany and in the USA: Explorative Analysis of the Startup Environments." *GSTF Journal on Business Review (GBR)* 4 (3): 66-71.
- Giardino, Carmine, Xiaofeng Wang, and Pekka Abrahamsson. 2014. "Why Early-Stage Software Startups Fail: A Behavioral Framework." In *Software Business. Towards Continuous Value Delivery*, edited by Casper Lassenius and Kari Smolander, 27-41. Switzerland: Springer International Publishing.
- Glaeser, Edward, Stuart Rosenthal, and William Strange. 2010. "Urban Economics and Entrepreneurship." *Journal of Urban Economics* 67 (1): 1-14.
- Grand View Research. 2016. "Report Summary." Neurorehabilitation Devices Market, Industry Report, 2024. Last modified October 2016. <https://www.grandviewresearch.com/industry-analysis/neurorehabilitation-devices-market>

- Hart, David M. 2003. *The Emergence of Entrepreneurship Policy Governance, Start-up, and Growth in the U.S. Knowledge Economy*. New York: Cambridge University Press.
- Jones, Randall S., Kim Myungkyoo. 2014. *Fostering a Creative Economy to Drive Korean Growth*. Paris: Organisation for Economic Co-operation and Development.
- Kam, W. P., Ping, H. Y., & Crystal, N. S. J. 2017. *Growth Dynamics of High-Tech Start-ups in Singapore: A Longitudinal Study*. Singapore: NUS Entrepreneurship Centre.
- Kang, Heechan, and Lin Wang. 2017. "A Comparative Study on the Entrepreneurship of Korea and China" (한 중국 기업가정신 비교 분석). *Asia-pacific Journal of Multimedia Services Convergent with Art, Humanities, and Sociology* 7 (6): 927-35
- Kim, Young-won and Ji-hyung Son. 2019. "The Imminent Fall of Korea's First Unicorn Yello Mobile." *Herald Corporation (The Investor)*, February 28, 2019.
<http://www.theinvestor.co.kr/view.php?ud=20190227000714>
- Klingler-Vidra, Robyn, and Ramon Pacheco Pardo. 2019a. "The Entrepreneurial Developmental State: What Is the Perceived Impact of South Korea's Creative Economy Action Plan on Entrepreneurial Activity?" *Asian Studies Review* 43 (2): 313-31.
- Klingler-Vidra, Robyn, and Ramon Pacheco Pardo. 2019b. "Beyond the Chaebol? The Social Purpose of Entrepreneurship Promotion in South Korea." *Asian Studies Review* 43 (4): 637-56.
- Klotz, Audie, and Cecelia Lynch. 2007. *Strategies for Research in Constructivist International Relations*. New York: M.E. Sharpe.
- Korean Statistical Information Service (KOSIS). 2018. "Survival Rate of Startups by Industry." Last modified December 10, 2018.
http://kosis.kr/statHtml/statHtml.do?orgId=101&tblId=DT_2BD1003&conn_path=I2
- Liow, Eugene Dili. 2012. "The Neoliberal-Developmental State: Singapore As Case Study." *Critical Sociology* 38 (2): 241-64.
- Maman, Daniel. 2002. "The Emergence of Business Groups: Israel and South Korea Compared." *Organization Studies* 23 (5): 737-58.
- Mason, Colin, and Ross Brown. 2014. "Entrepreneurial Ecosystems and Growth-Oriented Entrepreneurship." *Final Report to OECD, Paris* 30 (1): 77-102.
- Millard, Nathan. 2014. "What You Might Not Know About South Korea, Asia's New Startup Hub." *Tech in Asia*, April 28, 2014.

<https://www.techinasia.com/south-korea-asias-startup-hub>

Ministry of Science, ICT and Future Planning (MSIP). 2013. *Action Plan for The Creative Economy: Creation Plan for Creative Economy Ecosystem*. Seoul: Ministry of Science, ICT and Future Planning.

Ministry of Strategy and Finance (MOSF). 2013. “The Park Geun-Hye Administration’s Creative Economy Blueprint, ‘Creative Economy Action Plan and Measures to Establish a Creative Economic Ecosystem’.” Press Release, June 5, 2013.

<http://english.mosf.go.kr/pre/view.do?bcd=N0001&seq=3289&bPage=6>

Neofect. 2020. “Our History.” Accessed June 24, 2020.

<https://www.neofect.com/us/history>

NICE Information Service. 2020a. “KISReport Neofect Co. Ltd.” Accessed June 20, 2020.

https://en.kisreport.com/p01/A0101M002.nice?business=1198629663&kiscode=H26242&companyname=neofect&fcd_ctn_yn=&pageCntCombo1=20

NICE Information Service. 2020b. “KISReport Kmong Co, Ltd.” Accessed June 20, 2020.

https://en.kisreport.com/p01/A0101M002.nice?business=6138165278&kiscode=H98331&companyname=%ED%81%AC%EB%AA%BD&fcd_ctn_yn=&pageCntCombo1=20#none

NICE Information Service. 2020c. “KISReport YelloMobile Inc.” Accessed June 20, 2020.

https://en.kisreport.com/p01/A0101M002.nice?business=1148703078&kiscode=J22729&companyname=%EC%98%90%EB%A1%9C%EB%AA%A8%EB%B0%94%EC%9D%BC&fcd_ctn_yn=&pageCntCombo1=20

Organisation for Economic Co-operation Development (OECD). 2003. *Entrepreneurship and Local Economic Development: Programme and Policy Recommendations*. Paris: OECD Publications Service.

Park, Hyeon-ho. 2014a. “[Startup's Story #126] What I Learned from Two Business Failures” (두 번의 사업 실패에서 내가 배운 것, 크몽 박현호 대표). Interview by Ga-eun Lee. *Platum*. May 6, 2014. <https://platum.kr/archives/21955>

Park Hyeon-ho. 2014b. “A Man in his 30s, Who Was Newly Denied Due to a Failure to Start his Own Business, After a Fall in Jirisan Mountain, ‘Monthly Sales of 100 Million’” (창업실패로 신불자된 30 대男, 지리산 낙향 뒤 ‘월매출 1 억’). Interview by Hae-jin Lee. *MoneyToday*. January 16, 2014.

<https://news.mt.co.kr/mtview.php?no=2014011511161030771&outlink=1&ref=https%3A%2F%2Fsearch.naver.com>

- Park, Hyeon-ho. 2016. “‘10th, 11th ... Even with Bad Credit, I didn't Lose my Big Dream’: [Rewriting Young Men's Re-Challenge Story] CEO Hyeon-ho Park” (10 전 11 기...신용불량자 일때도 큰 꿈을 잃지 않았다: [다시 쓰는 청년 재도전 스토리] 크몽 박현호 대표). Interview by Korea Policy Briefing. *Ministry of Culture, Sports and Tourism*. November 24, 2016.
- <http://www.korea.kr/news/interviewView.do?newsId=148825130>
- Park, Eun-Jee. 2018. “Neofect's Road to Public Listing Has Been Smooth Even Without Turning a Profit.” *Korea JoongAng Daily*, September 26, 2018.
- <https://koreajoongangdaily.joins.com/news/article/article.aspx?aid=3053579>
- Park, Su-ryon, and Jee-hee Kim. 2016. “Yello Mobile's Value Questioned.” *Korea JoongAng Daily*, May 6, 2016.
- <https://koreajoongangdaily.joins.com/news/article/article.aspx?aid=3018425>
- Pirie, Iain. 2007. *The Korean Developmental State from Dirigisme to Neo-liberalism*. New York: Routledge.
- PwC Strategy. 2015. *Singapore's Tech-Enabled Start-Up Ecosystem*. Singapore: PwC Consulting.
- Ramirez, Elaine. 2016. “Yello Mobile, South Korea's Second Biggest Startup, Gets Another Investor at Its Steady but Lofty \$4 Billion Valuation.” *Forbes*, November 11, 2016.
- <https://www.forbes.com/sites/elaineramirez/2016/11/11/yello-mobile-south-koreas-no-2-startup-grabs-fifth-funding-round-in-a-year/#7f7cc93a172f>
- Salamzadeh, Aidin, and Hiroko Kawamorita. 2015. “Startup Companies: Life Cycle and Challenges.” *Proceedings of the 4th International Conference on Employment, Education and Entrepreneurship (EEE)*: 1-11.
- Seo, Young Wook, and Yoo Hwan Lee. 2019. “Effects of Internal and External Factors on Business Performance of Start-ups in South Korea: The Engine of New Market Dynamics.” *International Journal of Engineering Business Management* 11: 1-12.
- Subrahmanya, Mungila H.B. 2017. “Comparing the Entrepreneurial Ecosystems for Technology Startups in Bangalore and Hyderabad, India.” *Technology Innovation Management Review* 7(7): 47-62.

- Thurbon, Elizabeth, and Linda Weiss. 2016. "The Developmental state in the late twentieth century." In *Handbook of Alternative Theories of Economic Development*, edited by Erik S. Reinert, Jayati Ghosh, Rainer Kattel, and Edward Elgar, 637-50. Cheltenham: Edward Elgar Publishing.
- Tsui-Auch, Lai Si, and Yong-Joo Lee. 2015. "The State Matters: Management Models of Singaporean Chinese and Korean Business Groups." *Organization Studies* 24(4): 507-34.
- United Nations Conference on Trade and Development (UNCTAD). 2017. *Strengthening the Creative Industries for Development in the Republic of Korea: Empowering Small and Medium-sized Enterprises, Jobs and Sustainable Development*. New York: United Nations.