Cities
Culture
Creativity

Learning from the **Republic of Korea**'s Experience

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KRIHS
Korea Research Institute for Human Settlements

Published in 2022 by the Korean Research Institute for Human Settlements,
5 Gukchaegyeonguwon-ro, Sejong-si, 30147, Korea

and

The World Bank, 1818 H Street, NW Washington, DC, 20433, United States of America

Cover photos: ASIA CULTURE CENTER

Graphic design and layout: WeAreZephyr.com

Editing: Mike Fisher

Printed by: The World Bank

Printed in: Washington DC

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Acknowledgements

This report is the result of a collaboration between the World Bank and the Korea Research Institute for Human Settlements (KRIHS), under the guidance of Maitreyi B. Das and Se Hoon Park, and a team comprised of Ahmed Eiweida, Youn Hee Jeong, Yuna Chun, Eun Ji Ju, and Guido Licciardi. Background case studies contributed greatly to this report and were developed by Se Hoon Park, Youn Hee Jeong, Yumin Joo, and HaeRan Shin. The global framework context in Chapter 1 was contributed by Ahmed Eiweida and Yuna Chun.

This report and associated technical deep dive were enriched by the contributions from staff from the World Bank, UNESCO, and Tokyo Development and Learning Center (TDLC). We thank Victor Mulas, Ayah Mahgoub, Reiko Yoshida, and Dmitry Sivaev for their support and contributions.

Finally, this paper could not have been completed without generous support from the Government of the Republic of Korea, through KRIHS and its staff.

Foreword

We are delighted to present this report as a joint work of the Korea Research Institute for Human Settlements (KRIHS) and the World Bank. We are pleased to notice how Korea, an aid recipient less than two decades ago, has become an aid donor, with an increasingly coherent and coordinated strategy that leverages its expertise, making it available to developing countries worldwide to help them advance along their respective development paths.

This report describes examples demonstrating this leading role that Korea can play globally and provides practical insights on the importance of cultural and creative industries (CCIs) for economic development. As the report points out, CCIs represent about 3% of the world's total GDP. They comprise a fast-developing segment of the global economy and provide transformative and high-value added jobs for urban populations, especially women, youth, and other marginalized groups. The CCI sector is largely composed of micro, small, and medium sized enterprises (MSMEs) and auto-entrepreneurs, with few larger global players. The nature of the industry generates a strong demand for better and more reliable data, at national and subnational level, on the performance of these enterprises, as well as on ways to adapt policy and business support to their specific needs. This is the gap this report intends to fill.

The report begins by outlining a global framework, anchored by the work the World Bank successfully accomplished with UNESCO, which culminated with the initial report in the series, *Cities, Culture, Creativity: Leveraging Culture & Creativity for Sustainable Urban Development & Inclusive Growth*. The global framework is then tailored to the specific context of Korea, expanding on the deep linkages between many Korean cities and CCIs. The report also presents the targeted and deliberate policies deployed by the Korean government and private sector in support of CCIs. Among all the successful policies and practices that Korea can offer other countries, the report focuses on those targeted to both Busan, which has pursued a film identity and has emerged as a creative city thanks to media and the movie industry, and Gwangju, a city that has championed significant economic and social outcomes thanks to coherent support of CCIs.

The report is intended to inform policy makers in the developing world and encourage them to replicate the Korean success. With the practical examples presented here, policy makers can learn about new potential sources of revenue and new jobs for local communities that have helped Korea become an advanced and prosperous nation. They can find in this report evidence that cultural heritage and a vibrant creative economy can increase territorial attractiveness for talent and investment. Korea has shown the world the role of culture in spurring innovation as well as supporting well-being, health, life-long learning, and the creation of social capital. It is our hope that with this report, Korea's great success can inspire similar experiences in developing countries for the benefit of humankind.

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Abbreviations

Abbreviation	*Definition*
ACC	Asia Culture Center
ACH	Asia Culture Hub
AFA	Asian Film Academy
AFiS	Busan Asian Film School
AI	Artificial Intelligence
APEGA	Peruvian Association of Gastronomy
APM	Asian Project Market
BEXCO	Busan Exhibition and Convention Center
BCCC	Busan Cultural Content Complex
BFC	Busan Film Commission
BIFA	Busan Independent Film Association
BIFF	Busan International Film Festival
BMDB	Busan Movie Database
BMG	Busan Metropolitan Government
CCC	Cities, Culture, and Creativity
CCIs	Cultural and Creative Industries
CHA	Cultural Heritage Administration
CIPC	Contents Industry Promotion Committee
DMC	Seoul Digital Media City
FLY	ASEAN-ROK Film Leaders Incubator
GDP	Gross Domestic Product
GRDP	Gross Regional Domestic Product
ICH	Intangible Cultural Heritage
KAFA	Korean Academy of Film Arts
KCCA	Korea Creative Contents Agency
KNCU	Korean National Commission for UNESCO
KOFICE	Korea Foundation for International Cultural Exchange
KRIHS	Korea Research Institute for Human Settlements
KTX	Korea Train Express
LED	Light-emitting diode
LCPA	Local Culture Promotion Act
MACC	Media Art Creative City
MCST	The Ministry of Culture, Sports, and Tourism
MLIT	The Ministry of Land, Infrastructure and Transport
MSMEs	Micro, small, and medium sized enterprises
PPAC	Preservation and Promotion of Ancient Capital
PPPs	Preservation and Promotion Plans
R&D	Research & Development
SMA	Seoul Metropolitan Area
SOC	Social Overhead Capital
UCCN	UNESCO Creative Cities Network
UNESCO	The United Nations Educational, Scientific and Cultural Organization
VFX	Visual Effects
WB	The World Bank

Photo by ASIA CULTURECENTER, Unsplash.com

CHAPTER 1

Global CCC Framework

Ahmed Eiweida and Yuna Chun

WORLD BANK

Global context

The World Bank and UNESCO have partnered to enable CCIs in cities as part of their recovery and development during and after the COVID-19 pandemic. In their position paper published in May 2021, UNESCO and the World Bank unveiled the Cities, Culture, and Creativity (CCC) Framework for action—for cities to be more creative by enabling sustainable ecosystems in which CCIs can attain their full potential so that they contribute to the city's economic growth, urban vibrancy, social inclusion, and innovation.

The creative economy is one of the fastest-growing sectors of the world economy. It generates income, creates jobs, and brings in export revenue. CCIs contribute annual global revenues of US$2,250 billion and exports of over US$250 billion (2013), and they provide nearly 30 million jobs worldwide and employ more people aged 15–29 than any other sector. At a time when the culture sector has been devastated globally by the COVID-19 crisis, CCIs have untapped potential to help the world's cities recover and gain resilience.

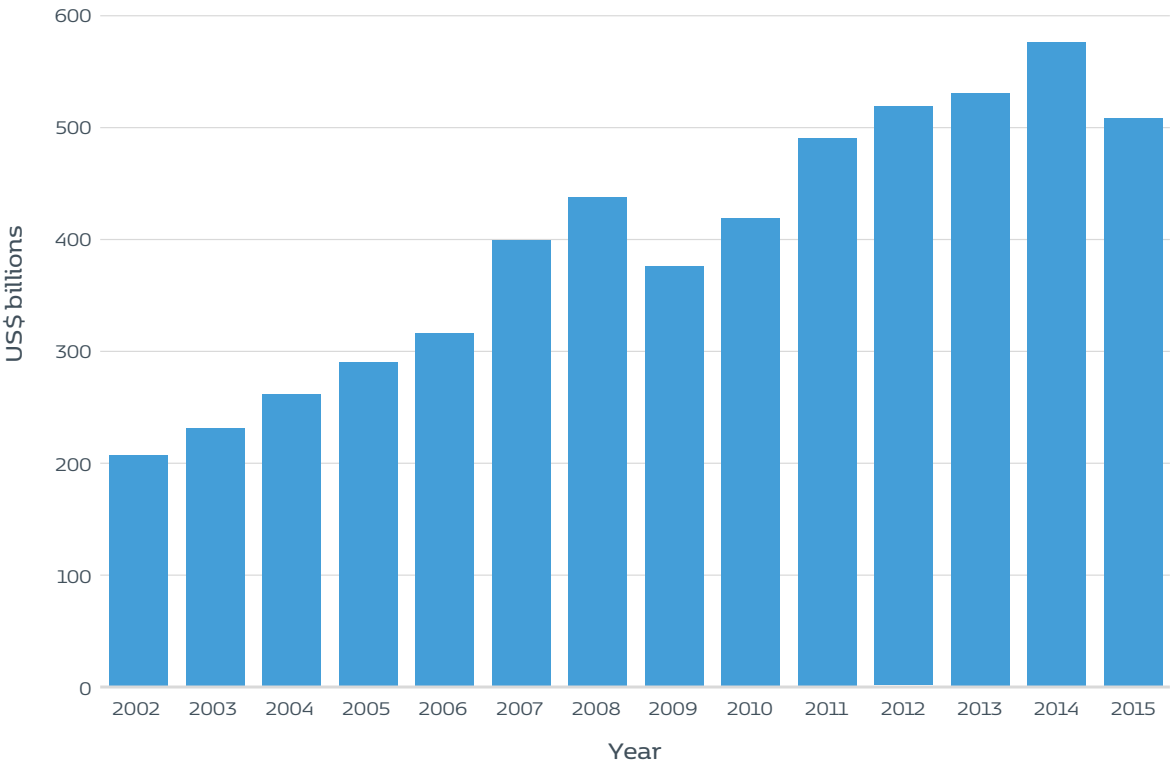
The CCC Framework draws on global studies and lessons learnt. Experiences and cases were collected from nine different cities in all regions of the world, from Brazzaville to Madaba to Seoul, which have collaborated with the World Bank and UNESCO, and have harnessed their creativity, achieving positive socio-economic outcomes. These cases have been distilled into a framework that highlights integrated policies and interventions in six areas that can enable the emergence of creative cities: urban infrastructure and livability, skills and innovation, networks and financial support, inclusive institutions and regulations, and uniqueness and the digital environment (Figure 1.3).

Guiding principles and recommendations are provided, offering concrete examples of short- and long-term policies, programs, and investments that cities can put in place to help them recover from the ongoing pandemic and its toll on economies by creating a lasting, enabling environment where CCIs can thrive.

This ongoing CCC series provides guiding principles and a framework for cities to better leverage their CCIs for sustainable urban development, city competitiveness, and social inclusion. Many policy makers recognize the contributions that creativity can make to their economies and the quality of life of their citizens—and they seek tools to help them create an enabling environment to develop CCIs and better leverage them to achieve desired objectives. But what does it mean to be a "creative city"? What conditions enable CCIs to develop? What conditions allow cities to leverage their cultural and creative capital to distinguish themselves from peers, spur local economic activity, transform their urban fabric, and enable a better quality of life for all, including poor and marginalized groups? How can they support their creative local economies during crises such as the COVID-19 pandemic and leverage them during recovery? How can they learn from the experiences of other cities around the world, including member cities of UNESCO's Creative City Network (UCCN)?

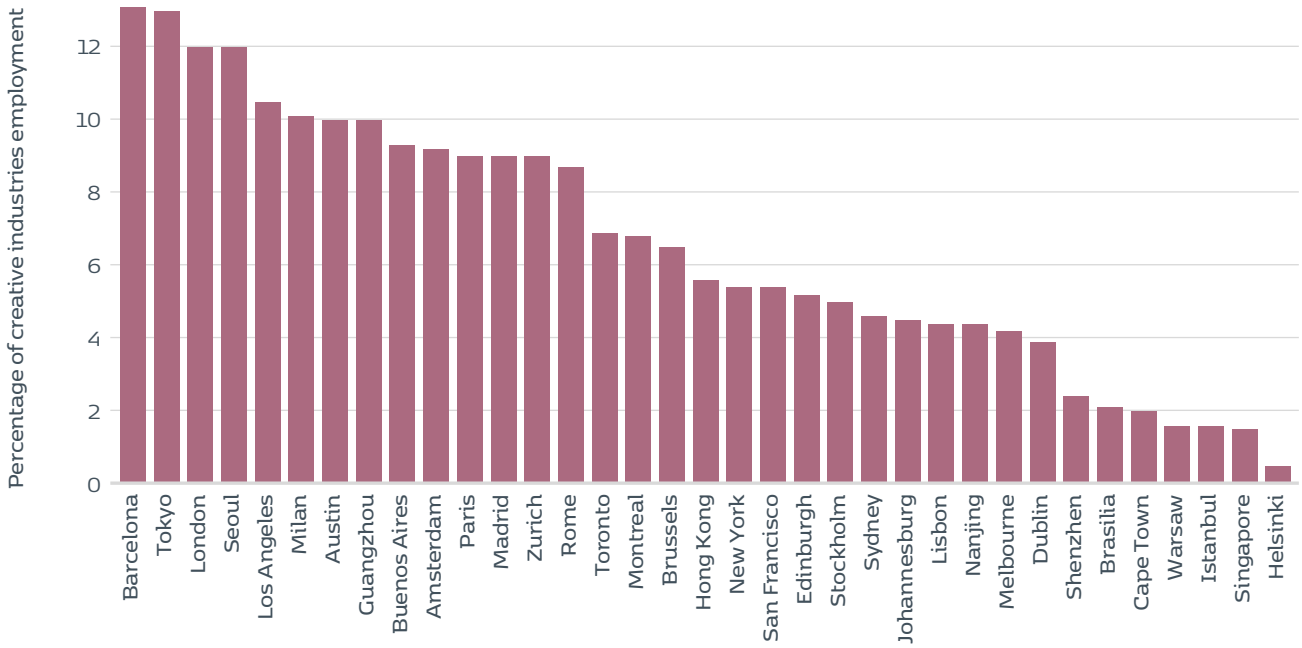
Culture and creativity are tremendous assets for local communities. They feed the creative economy, which is one of the fastest-growing sectors of the world economy with respect to income generation, job creation, and export earnings. In fact, global exports of creative goods grew from approximately US$200 billion to US$500 billion between 2002-2015 (Figure 1.1). In 2013, CCIs contributed approximately US$2.25 trillion in revenues (3% of global GDP). CCIs can have a unique and transformative impact on cities. How? Through their ability to improve quality of life and amenities; the jobs they generate for urban populations including women, youth, and other marginalized groups; and their impact in terms of spatial integration and social inclusion. While national policy interventions to enable culture and creativity often get much of the attention, the transformative impact of CCIs will not be fully realized without policies and enabling environments at the local level, complemented by partnerships across levels of government and a range of stakeholders—including the private sector, civil society, and local communities.

Figure 1.1 Global Exports of Creative Goods on the Rise, 2000-2015



Source: *UNCTAD Creative Economy Outlook*.
Note: In this figure, "creative goods" are goods and services produced in the following industries: art crafts, audiovisuals, design, new media, performing arts, publishing, and visual arts.

Figure 1.2 Barcelona Leads Share of CCI Jobs, Selected Cities, 2008-2019



Source: World Cities Culture Forum.
Note: Data ranges from 2008-2019, depending on country availability. Definition of "creative industries" may vary depending on country reporting frameworks.

Several cases described in the CCC series illustrate how the introduction of an enabling city ecosystem has transformed CCIs and the cities in which they flourish. For example, as noted in the previous paper in this series, Lima, Peru has had a long tradition of gastronomic excellence—in terms of its variety of cuisine and influences, fresh and varied ingredients, and traditions around transmission of recipes and methods across generations, among other factors. Yet its gastronomic industry grew tremendously, contributing greatly to national GDP, global prominence, and local identity once creative chefs and restauranteurs, and local and national governments coordinated efforts to improve Lima's ecosystem for gastronomy and agribusiness. They offered formal and informal institutions for training, learning, and innovation; developed markets; and launched marketing and promotion campaigns showcasing the uniqueness of Peruvian cuisine and agricultural produce. These types of interventions represent some of the main enablers of CCI ecosystems observed across many creative cities and are representative of the six enabling environment categories in the Cities Culture and Creativity Framework for action presented in this paper. This framework reflects learnings from cross-city research as well as the nine creative city case studies developed for the previous paper in the series.

Figure 1.3 Cities, Culture, and Creativity Framework

Source: World Bank, 2021.

The six categories of creative city enablers that have proven critical to translating culture and creativity into spatial, economic, and social benefits are:

1

Physical and spatial environment: *urban infrastructure and livability.*

Creatives need affordable and often adaptable workspaces that offer proximity to a broader creative ecosystem as well as their homes. They often drive or contribute to urban regeneration of neighborhoods with abandoned or underused spaces. They also seek environments that offer high quality of life, including the provision of basic infrastructure, services, and amenities.

2

Human capital: *skills and innovation.*

Creatives and others working in creative ecosystems need opportunities to grow and evolve their skills. They frequently require a combination of formal learning opportunities, as well as informal opportunities to learn and contribute to intangible cultural heritage.

3

Networks and support infrastructure: *social networks, catalyzers, support, and finance.*

Important network effects within and between CCIs in creative cities enhance relationships among creatives and CCI participants and contribute to innovation and growth of the intangible economy. Creative individuals seek inspiration from one another and jump from one creative occupation to another, encouraging growth and development in CCIs. Catalyzers make connections between creatives and other partners. Creatives need business development services and access to finance tailored to the risks associated with their work.

4

Institutional and regulatory environment: *inclusive institutions, regulations, and partnerships.*

Creatives need institutions and regulations conducive to safeguarding their practices and their ability to live and produce in creative cities, such as those protecting intellectual property, promoting diversity and tolerance, and enabling their access to affordable housing. The types of interventions needed for a CCI-conducive environment typically require partnerships between a range of public and private actors.

5

Uniqueness.

A city's unique combination of intrinsic and related features allows it to generate value and attract and cultivate creative talent and the audiences that will consume what they produce.

6

Digital environment.

Digitalization contributes to the development of methods and tools that can increase the efficiency of the entire value chain of some CCIs.

Case studies illustrate the importance of this combination of enablers. For example, as discussed in the previous paper of the series, although Kyoto has a tradition of attracting creative talent, thanks in part to its uniqueness and history as Japan's ancient capital, both the city and the national governments intervened across the set of key enablers to make the city conducive for CCIs to continue to flourish. The national government moved Japan's Agency for Cultural Affairs to Kyoto in 2017. To signal the priority it placed on CCIs, safeguard intangible cultural heritage, and outline enabling interventions, the local government introduced the Kyoto Culture Art City Creation Plan and the third Kyoto City Traditional Industry Revitalization Promotion Plan. Further, the local government recently facilitated neighborhood regeneration in several neighborhoods, including around Kyoto Station, after observing the grassroots regeneration that was driven in the East Kyoto Station neighborhood by creative talent. By enhancing the enabling environment in Kyoto, local and national governments have contributed to an environment in which approximately 16%-18% of all private enterprise is in CCIs, hiring 10%-12% of all employees in Kyoto.

Culture and creativity contribute to spatial, economic, and social outcomes in creative cities. When they drive regeneration or are leveraged to make cities more attractive and entertaining places to live, they demonstrate an amenity effect—attracting people and sometimes companies to relocate. In fact, high-amenity cities have been observed to grow faster than low amenity cities. According to a recent study, in the United States the role of amenities in attracting new residents into cities has increased over time and is a good predictor of urban revival by young populations. And according to a global survey covering Sub-Saharan Africa, Asia, and Latin America, local amenities, public services, and safety are important determinants for migration.

When CCIs create jobs—often jobs highly accessible to marginalized and vulnerable communities—and help generate income, they contribute economically to city and national coffers. Large shares of women and youth are employed in the culture sector, and in CCIs in particular. Globally, approximately 20% of employed people ages 15-29 work in CCIs, which is the largest sector employer of youth. CCIs also generate a large number of non-creative jobs. A rough calculation using UNESCO data suggests that, overall, for every creative job in a CCI, 1.7 non-creative jobs are created. These jobs often do not require specific qualifications, and therefore provide significant employment opportunities (though a large share of these jobs may not be of high quality).

By offering individuals and societies ways to express themselves and make connections, CCIs contribute to social capital and network formation, which can enhance innovation and growth. Furthermore, several cases have shown that efforts to rebuild cities leveraging local CCIs in a participatory manner can contribute to greater social cohesion and greater tolerance across different ethnic groups.

Cities seeking to enhance the resilience of their CCIs in the short run and their impact on their neighborhoods, communities, and city competitiveness in the long run can rely on the CCC framework to:

a. Map their cultural resources and CCIs measuring the size, range, locations, actors, and impacts of these activities, which is key for short- to long-run actions.

b. Identify key constraints to the growth and structural change of CCIs—such as absence of affordable production spaces and/or limited knowledge to scale-up production—and to their ability to offer spatial and social spillover benefits.

c. Prioritize interventions to tackle key constraints impacting the development of CCIs in consultation with key stakeholders as well as a sequencing for implementation CCIs.

d. Build and empower an effective coalition of policy makers at local and national levels, artists and representatives of cultural institutions, as well as CCIs across public, private, and local community stakeholders within cities, to help better target and amplify the impact of government policy interventions.

The table below outlines how these steps were undertaken in the case study cities included in the CCC series to date:

Table 1.1 Critical Phases of Creative City Development Policy, Case Study Examples

Guiding principles	Examples from case studies
Map cultural resources and CCIs	Local policy efforts are more likely to succeed when they aim to build on existing cultural and creative assets. Thus, the first step for city officials is to understand what they are. In some cases, creative assets of cities are known and well understood, which was the case of Brazzaville, Madaba, and Angoulême, established cultural centers known for unique art forms. Other cities need to identify creative assets in the local social and cultural fabric. Knowledge of local creative assets is often held by local communities; thus, local governments should seek out such local and indigenous knowledge to inform policy making. There is a spectrum of approaches that can be taken including: – Exercises do not need to be very structured and run in a top-down manner. Experiences of Kyoto and Kobe show that one successful strategy has been to focus on creating an enabling environment for creative communities and initiatives to emerge—then design targeted interventions to support them. In general, support for creativity sometimes entails simply identifying a source and letting it thrive until a specific need for support emerges. – The case of Seoul demonstrates an opposite approach. The Seoul Metropolitan Government undertook a detailed analysis of the market potential of local cultural assets and adopted a government-led approach to develop them. At the national level, the growth of Korean cultural exports was recognized as a development opportunity, and informed policies aimed at improving the ecosystem for culture as an industry. In Seoul, the creative city strategy began with identifying specific CCIs that already exist in the city and that can grow further (broadcasting, game, film/animation, music, and digital education).
Identify key constraints	To maximize the impact of scarce resources, an accurate understanding of constraints on CCIs is critical. The city cases outlined in this paper show a variety of approaches: – Seoul is an example of a top-down approach to identifying constraints. After the vision of creating a new creative industry hub was formulated by the city, the Digital Media City planning committee was set up by bringing together policy makers, CCI experts, scholars, and international practitioners. Under the supervision of the planning committee, detailed analysis of market opportunities and growth constraints for each of the key CCIs in Seoul was conducted and results informed the design of the new neighborhood. – Kyoto took a mixed approach that combined learning from bottom-up initiatives with top-down policy action. The city let private-sector initiative drive the development of the East Kyoto Station neighborhood but used the lessons from how the community evolved to better understand the needs of CCIs in a government-driven approach to regenerating the West Kyoto Station neighborhood. – Lima represents a situation where the city and national government enabled the scale-up of a bottom-up culinary revolution. Opportunities and constraints were identified in close collaboration with culinary cluster leaders—chefs and restauranteurs. This led the metropolitan government to launch projects to renovate food markets and establish “Cocina de Ideas”, an incubator and accelerator of new businesses and innovations in gastronomy, which serve as enablers for the industry’s growth.

Guiding principles	Examples from case studies
Prioritize interventions that enhance the resilience of long-term contributions of CCIs	Building resilience of creative communities and CCIs starts with empowering organic creative communities and strengthening institutions and skills that are central to their make-up. These policies help rebuild and develop the core creative and cultural assets that are always the foundation of successful CCIs, and their rebuilding after any shock. Examples from city cases in this series include: – Madaba's first steps towards being recognized as a "City of Mosaics" were related to the establishment of the Madaba Institute for Mosaic Art and Restoration that focused on ensuring the survival and transmission of artisanal skills. – Brazzaville first focused on supporting musicians by creating a residency program that allowed musicians access to facilities, instruments, and technologies needed to enhance their creative process. The city also ran support programs for musicians who had fallen into hardship. – Kobe's ongoing efforts are driven in part by a creative industry chief manager whose functions include maintaining and building the network of creative professionals and ensuring they get contracts and employment opportunities in the local area.
Build and empower an effective coalition	Public-private coalitions are critical for enabling local economic development, and no less relevant when it comes to CCIs. Coalitions can function as formal institutions or as informal consultative networks. They should be inclusive and give participants a real chance to influence policy decisions. Examples from case studies include: – The Seoul Digital Media City (DMC) planning committee is a formally organized coalition body Seoul established to have a platform through which various stakeholders can come together and shape policy. – Lima's APEGA association of gastronomic professionals, organized by industry leaders themselves, was already established and proven to be extremely efficient at identifying and addressing industry needs. The city saw APEGA as its main partner in advancing and scaling the opportunities of creative city development. – Kobe's local government supports and finances several CCI organizations and employs professionals whose job is focused on maintaining links with the creative community. As a result, interactions between city hall and CCIs goes through multiple formal and informal channels.

Source: World Bank, 2021.

Way forward

Determine which policies, programs, and investments could contribute to helping cities nurture CCIs to enable long-term vibrancy and urban and socioeconomic regeneration. The needs of each city vary but—based on the conclusions and recommendations in the previous sections—cities with a range of characteristics may find the policy interventions and reforms outlined in Table 1.2 helpful in recovering from the COVID-19 pandemic and resulting economic crisis—and creating a CCI enabling environment to thrive in the long run.

Table 1.2 CCI Policy Interventions for a Way Forward

CCC Framework component	Short-run interventions	Long-run interventions
1 *Livability, infrastructure, and public spaces*	– Reconfigure public spaces to enable safe face-to-face interaction through collaborations with local creatives – Offer access to appropriate un-utilized or under-utilized public buildings to artists and creatives for their artistic creation, housing, and/or modular/pop-up markets – Sponsor public CCI events to allow residents to safely congregate and experience a creative release	– Improve basic services, infrastructure, and access to affordable housing and workplaces throughout creative cities – Better leverage CCIs in urban development and placemaking efforts, introducing the type of infrastructure that enables them to produce and thrive within cities – Facilitate the use of abandoned and underused spaces that would be ideal for creatives and for markets that allow for pop-ups and other modular types of creative activities and sales
2 *Skills, talent, and innovation*	– Facilitate continued learning and experimentation for local artists and creatives – Integrate culture and creativity in educational processes and school curricula	– Enable skill development and talent attraction, with a particular focus on catalyzers within the local creative community (for example, creator residency programs) – Create or reinforce arts education in school curricula and support other forms of knowledge and skill transfer, such as apprenticeship programs
3 *Social networks, technical and financial support*	– Finance public arts initiatives to support city residents' socio-emotionally, seed innovation, and expand audiences – Offer technical support to artists, creatives, and CCI enterprises navigating this difficult period and adapting their offerings – Offer direct and/or indirect financial support (direct grants, subsidized loans, and tax deferments) to CCIs of importance to the city in a transparent, fair, and efficient manner	– Catalyze networking assets and fund mechanisms (for example, competitions, grants, private-sector funds) – Reform art and culture taxes to incentivize innovation and support a greater diversity of artists and creators – Enable marketing campaigns that expand markets for local CCIs and help brand cities

Source: World Bank.

4 *Institutions, regulations, and partnerships*	– For cities with significant participation in the CCI sector, designate an accountable institution or team within city government to facilitate and coordinate cross-institutional recovery efforts – Launch and/or leverage a coalition adapted to the needs and capacities of the city – Work with CCI representatives to identify regulatory measures—temporary and permanent—that would enable CCIs to continue operating in the crisis period and beyond	– Launch and/or leverage a coalition or partnership to enhance the creative city – Introduce a platform that allows for evidence-based decision-making when it comes to enabling and leveraging CCIs – When expanding digital access, ensure issues of equity of coverage – Introduce regulations to safeguard against gentrification in neighborhoods undergoing creative revitalization – Ensure legislative frameworks guaranteeing freedom of expression and artistic freedom – Support online platforms that would guarantee fair remuneration to artists and diversity of cultural contents – Improve advocacy and policy making for creative ecosystems, facilitate market access and expansion, address sustainability and monetization challenges associated with evolving business models and regulatory regimes, improve creator conditions and worker protections in the sector, and address issues of fragmentation—for efficiency and better offer – Join international city networks, programs, and/or collaboration mechanisms, such as the UCCN, that leverage the power of culture and creativity
5 *Uniqueness*	– Conduct a mapping and review of the urban cultural ecosystem to gain a full understanding of the city's cultural resources, including challenges and opportunities related to their safeguarding and promotion – Implement measures to protect the diversity of cultural expressions, including their contents	– Elaborate local strategies and programs for the promotion and development of CCIs that support their uniqueness and business development – Ensure participatory processes, collaborating closely with communities and individual creatives to avoid "over-commercialization" and "commercial misappropriation" of Intangible Cultural Heritage (ICH)
6 *Digital environment*	– Proactively propose training on digital transition and digital skills development to artists and creatives	– Enhance digital connectivity, including infrastructure and access regulations, and tackle digital culture/identity issues – Support efforts to improve monetization for creatives shifting to digital mediums – Improve regulations regarding digital royalty and compensation mechanisms to address issues of fair remuneration for artists and creatives

Some of these interventions fall under the remit of local governments; others, under regional or national government; and still others require the participation of the private sector and philanthropy and community stakeholders. For the most part, these interventions will be hybrid in nature or implemented through inter-city, inter-stakeholder collaboration.

Ultimately, CCIs can play a critical role in city revitalization and growth. Yet a city's ability to create a CCI enabling environment depends on the responsiveness of local governments and their creative coalitions. Since they offer positive spillovers to city competitiveness, urban development, and social inclusion, CCIs are critical for inclusion in short-term development or recovery plans and long-term development strategies. The framework and case studies presented in this paper offer tools and lessons learned from the real-world examples of Busan and Gwangju to support decision-makers in recovering from the current COVID-19 crisis, to enhance their cities' resilience to future crises, and to leverage their creative cities to their full potential.

Photo by ASIA CULTURECENTER, Unsplash.com

CHAPTER 2

Making Creative Cities in Korea

The Role of the National Government

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Introduction

This chapter sheds light on the national context in creative city-making in the Republic of Korea (hereafter " Korea") and provides background information for case studies in subsequent chapters. Here, "national context" means, primarily, the role of the national government as a rule setter and policy provider. The national government has played a central role in shaping and developing cultural policies in Korea since the 1960s. The national government has also formulated a creative city-making policy structure by providing laws, institutions, and plans. As part of structure, local governments and private cultural actors are invited to participate.

In the past two decades, Korea has emerged as a global cultural powerhouse, with the successful penetration of its cultural products into the global market. The popularity of Korean cultural products—from K-pop music to film and online games—is felt across the world and has been dubbed the Hallyu, or Korean Wave. According to the Ministry of Culture, Sports, and Tourism (MCST), the CCIs in Korea generated 642,086 jobs, with export sales reaching US$11.9 billion and total sales reaching US$107 billion (6.5% of GDP) in 2020 alone. Sector growth is also impressive, as the number of CCI employees increased 21% and export sales surged 288% from 2010-2020.[1] It's clear, then, that CCIs have emerged as a new economic engine of Korea.

Recognizing the benefit and opportunity CCIs bring to the national economy, the national government quickly adopted strategies to boost CCIs as a priority policy agenda. For example, in 2004, the MCST released Creative Korea: New Cultural Vision for the 21st Century—using Creative Britain (1998) and Creative America (2000) as a benchmark—which presented the visions and strategies to make Korea a creative nation.[2] Beginning in the 2010s, the government stepped up its efforts by establishing legal and institutional grounds and offering financial and administrative support to related private businesses. The previous presidential administration (2017-2022) also prioritized the development of the cultural sector under the slogan of a *Culture Nation with Freedom and Creativity*.[3]

Cities are also willing to harness the opportunities that CCIs can bring to the urban economy. Most provincial cities in Korea, particularly ones troubled with depopulation and deindustrialization, are now seeking an alternative development strategy, one that differs from previous strategies that mostly focused on promoting manufacturing industries and infrastructure development. A booming cultural economy is now considered a "way out" from decade-long distressed urban economies. Some cities have been very successful in leveraging the opportunities of the emerging cultural economy, particularly through tourism, and many others are attempting to bring similar opportunities to their areas.

The chapter elaborates on the definitions of CCI-related concepts and discusses the role of the national government in making creative cities in terms of laws, plans, and government-initiated programs. First, it defines the notions of contents industries, cultural industries, and creative cities. Second, it discusses the national government's efforts to promote CCIs and creative cities, with a focus on laws, institutions, and plans. Third, it reviews the five major national policy initiatives shaping the current landscape of creative city-making in Korea. Finally, the chapter presents challenges and opportunities that Korean cities are facing in their pursuit of enabling creative cities.

Definitions of CCIs and creative cities in Korea

There are several terms used to define CCIs in Korea. First, "content industries" are defined as industries associated with the production, circulation, and use of "content": specifically, the 11 industries of publishing, broadcasting, advertising, music, film, knowledge and information, cartoons, animation, characters, games, and content solutions. "Cultural industries" has a broader scope and includes all

industries involved in the production, circulation, and use of cultural goods and services encompassing the activities associated with festivals, museums/exhibitions, and heritage. Both terms are used in the administrative and legal sense for policymaking in Korea, and statistics are provided only for content industries. Note that the term "creative industries" does not have an official definition in Korea, although it is used in academic circles and journalism.

Content industries and cultural industries are slightly different from CCIs as defined by UNESCO and the World Bank (2021). CCIs are composed of seven subfields: audiovisual and interactive media, performing arts, intangible cultural heritage, literature and press, visual arts and crafts, design and creative services, and heritage and tourism activities.[4] CCIs include heritage and tourism activities that content industries do not include, and exclude advertising and design industries, which are considered content industries and cultural industries in Korea. Table 2.1 compares the concept of content and cultural industries in Korea with that of CCIs as defined by UNESCO and the World Bank.

Table 2.1 Comparison of CCI-Related Concepts as Applied in Korea

Concept	Definition	Statistics	Source
Content industries	Publishing, broadcasting, advertising, music, film, knowledge and information, cartoons, animations, characters, games, and content solutions	Available	Content Industry Promotion Act (2017)
Cultural industries	All content industries and heritage, museum and tourism activities	Not available	Framework Act on the Promotion of Cultural Industry
Culture and Creative Industries (CCIs)	Audiovisual and interactive media, performing arts, intangible cultural heritage, literature and press, visual arts and crafts, design and creative services, heritage and tourism activities	Not available	UNESCO and The World Bank, *Cities, Culture, Creativity: Leveraging Culture and Creativity for Sustainable Urban Development and Inclusive Growth*, 2021

Source: World Bank.

In Korea," creative city" is even broader in scope than content and cultural industries. The term encompasses all the elements of economic, social, and urban development based on cultural and creative activities. The notion of "creative" goes beyond the economic aspect to include social and cultural dimensions of development such as social cohesion and cultural flourishment. The national government of Korea has launched various policy programs to promote creative cities.

This chapter uses content industries instead of cultural industries and CCIs to avoid confusion. Content industries represent CCIs here due to the inaccessibility of statistics related to CCIs in Korean. With respect to culture-based city-making efforts, a "cultural city" is a more widely used term than "creative city" when referring to the various government policies that promote culture-based urban development. However, "creative city" is used here to be consistent with the terms used in UNESCO and World Bank initiatives, except when referring to the title of specific policies and laws. Creative city here refers to the cities supported by the national and local government programs to harness CCIs for a city's economic, social, and physical development.

Promoting content industries

Recently, the content industries in Korea have demonstrated a dramatic increase in sales and exports and are regarded as a driving force for the nation's economic growth. The content industries involve 99,551 businesses with employment of 642,086 in 2020. Total sales revenue of the content industries has soared to US$106.9 billion in 2020, up 76.9% from 2010, and total export value has reached US$11.9 billion in 2020, up 288% from 2010. Particularly, the game industry is strongly competitive in the global market, occupying 68.7% of total exports in the content industries in Korea. In terms of employment, publishing (185,444, 28.9%), knowledge and information (93,182, 14.5%) and games (83,303, 13%) are the top three categories with the largest number of jobs. Advertising, broadcasting, character licensing and content solutions are some of the fastest growing subsectors with an average job increase rate exceeding 4% during the past five years.[5]

Table 2.2 Key Statistics of Content Industries in Korea, 2010 vs. 2020

Industry	2010			2020		
	Sales (US$)	Exports (US$)	Employees (Number)	Sales (US$)	Exports (US$)	Employees (Number)
Total	60,448,053	3,074,340	532,445	106,905,863	11,924,284	642,086
Publishing	16,790,804	258,498	204,432	18,040,708	345,960	185,444
Cartoons	591,659	7,754	11,068	1,278,703	62,715	11,230
Music	2,524,088	80,971	77,756	5,053,957	679,633	65,464
Games	6,544,561	1,598,228	48,834	15,737,903	8,193,562	83,303
Film	2,779,233	15,478	29,118	2,489,229	54,157	10,497
Animation	406,981	92,719	4,262	461,075	134,532	5,472
Broadcasting	10,571,584	196,710	34,192	18,303,935	692,790	50,239
Advertising	7,265,158	93,151	33,205	14,518,125	119,935	68,888
Characters	4,816,158	251,610	23,080	10,181,730	715,816	36,505
Knowledge and information	5,819,693	356,087	47,626	16,144,473	691,987	93,182
Content solutions	2,338,134	123,134	18,872	4,696,025	233,196	31,863

Sources: MCST, 2011, 2021a.
Note: Actual amounts may differ due to round-off and weighted average errors.

The recent global success of Korea's content industries is attributable not only to government policies, but even more to private businesses, particularly in the game, film, and music industries. Small companies and venture start-ups have dominated the process of innovation, development, and commodification.[6] In fact, the national government came recognized the impact of Korean content industries late, after private businesses in the cultural sector had made major achievements in the global market, around 2000. Hence, most policies promoting content industries have focused on the private sector, providing legal, administrative, and financial aid.[7]

National government recognition of the importance of content industries began in 1994, with the establishment of the Department of Cultural Industries within the Ministry of Culture (MCST). With the successful penetration of Korean cultural products in the global market, successive government administrations have enhanced promotion measures of content industries, which have been emphasized in national policy agendas as drivers for elevating national and regional economic performance. The MCST's budget for content industries has continued to increase in both absolute terms as well as in the portion of the total MCST budget, reflecting their growing importance in the ministry's policies. Its 2020 budget for content industries is US$630 million, 21.2% of the total ministry budget in 2020, surging from US$118 million and 7.8% in 2006.[8]

The Framework Act on the Promotion of Cultural Industries in 1999 and the Contents Industry Promotion Act in 2010 were enacted as the combined comprehensive legal framework for promoting cultural industries. These two laws have codified the legal definition of content industries, established the role of both the national and local governments, and provide supporting measures for the industries' development. With the enactment of these laws, the national government also established in 2014 The Content Industry Promotion Plan, which offered the vision, strategies, and financial aid for promoting the content industries.

In addition, national government institutions, established in line with the government's strategies, play a central role in planning and implementing the policies. Korea Creative Contents Agency (KCCA) was established in 2008 as an implementation tool of the government's cultural industry policy, and the Contents Industry Promotion Committee (CIPC) was installed in the Prime Minister's Office in 2011 for decision-making and policy coordination among different ministries involved in cultural industry policy.[9] As part of the Korean Wave policy, the Korea Foundation for International Cultural Exchange (KOFICE) was established in 2013 to facilitate international cultural exchange—and, more precisely, to support the Korean Wave-related businesses and activities. In 2020, the Korean Wave Cooperation Committee was launched to facilitate the planning and coordination of the "Korean Wave policy" among the ministries and the private sector.[10]

Policies for promoting content industries are now firmly established as a major branch of cultural policy in Korea. The Contents Industry Promotion Plan, jointly established by ministries in 2014, epitomizes the government's approach to content industries. It confirmed that cultural industries are "powerful tools for job creation and the alternative for sustainable economic development of the nation" and presented five strategies and 17 tasks for continuing development and systematic promotion of content industries.[11] Strategies were centered on providing the legal, institutional, and financial support through: (1) expanding financial aid for cultural industry promotion, (2) supporting start-ups and training talent, (3) promoting the export of goods and services in the global market, (4) building an ecosystem for all participants in the market, (5) and enhancing competitiveness and building a cooperation system.[12]

Table 2.3 Wide Variety of Laws, Plans, and Institutions Promoting Content Industries in Korea

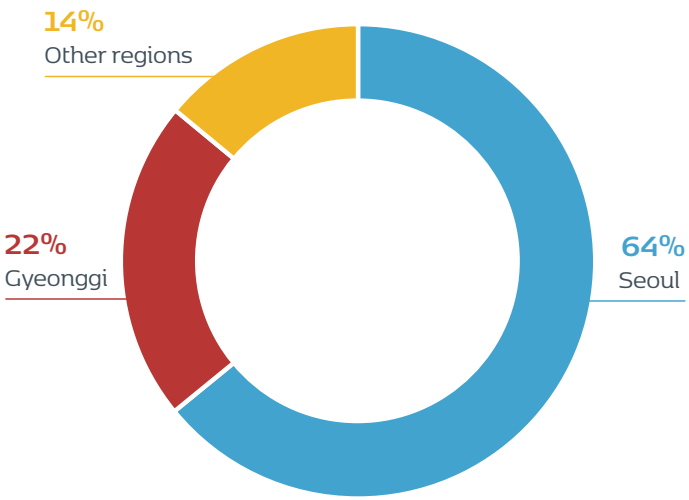
Category	Promotional tool
Laws	Framework Act on Culture (2013) Framework Act on the Promotion of Cultural Industries (1999) Contents Industry Promotion Act (2010)
Plans	Declaration of Creative Cultural Welfare State (1998) Contents Industry Promotion Plan (2014)
Institutions	Korea Creative Contents Agency (2008) Contents Industry Promotion Committee (2011) Korea Foundation for International Cultural Exchange (2013)

Source: World Bank.

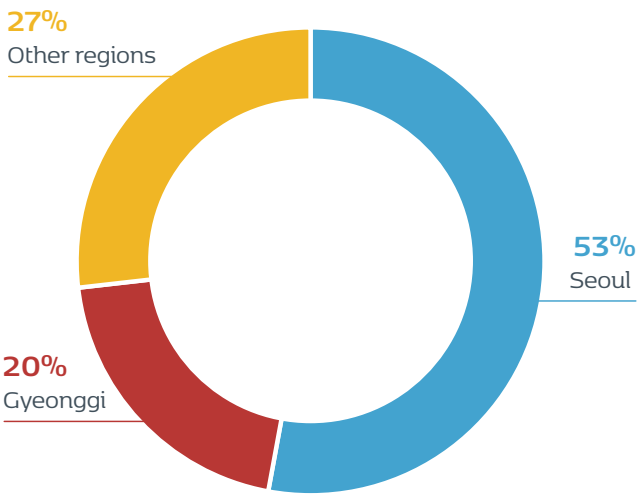
Content industry promotion policies are hindered by lack of regional distribution of content industries throughout Korea. Regional disparities have been seen in almost every sector in Korea, but this is particularly distinctive among content industries due to their heavy reliance on a skilled workforce and related infrastructure concentrated in the Seoul Metropolitan Area (which includes SMA, Seoul, Gyeonggi, and Incheon). As shown in Figure 2.1, Seoul generates over 53% of total jobs and 64.1% of total sales revenue, followed by Gyeonggi Province, a part of the SMA, with 20.3% and 21.9% of total jobs and sales revenue, respectively. This disparity clearly indicates that the SMA region occupies an overwhelming proportion of both jobs (76.1%) and sales revenue (87.4%) in Korea.[13]

Figure 2.1 2021 Regional Distribution of Content Industries, by Sales and Employment, Dominated by Seoul

2.1a By sales



2.1b By employment



Source: MCST, 2021a.
Note: Figure 2.1a shows regional shares of sales;
Figure 2.1b shows regional shares of employment.

With content industries highly concentrated in the SMA, cities have a specific comparative advantage according to their geographical location. Cities in the SMA gain tremendous benefits from the area's growing market of content industries. Most provincial cities in Korea have already been adversely affected by deindustrialization and depopulation since late 1990 and are currently being left behind in the competition to utilize content industries. This chapter later broadens its scope to discuss "cultural industries" such as tourism, festivals, and other related activities, and notes that provincial cities have been enjoying a booming cultural economy in recent years. At the same time, however, it is clear that content industries, more narrowly defined, have only a limited positive impact on provincial cities.

Regional disparities affect the policy structure of creative city-making in Korea. The national government is initiating various policies and programs to promote content industries, but these measures would contribute only to the expansion of economies in SMA. Hence, the national government has recently introduced a set of "creative city" policies to support provincial cities—separate and apart from policies promoting content industries. These creative city policies focus on tourism promotion, infrastructure development, urban regeneration, etc. Local governments are also concentrating on similar policy areas, rather than on the promotion of content industries, to take advantage of the opportunities that the cultural economy can offer.

Nurturing creative cities

The socioeconomic conditions of provincial cities, and the associated constraints in policymaking practices, have a significant impact on the development of creative city polices in Korea. There are two elements: (1) the deepening regional disparity in terms of population and business activities, and (2) the booming cultural economy, particularly tourism, of provincial cities amid declining manufacturing industries after around 2000.

Regional disparities between the SMA and the rest of the nation has expanded since the 1960s and were exacerbated by the increasing dominance of knowledge-based industries in the nation's economy.[14] The population ratio of the SMA to total national population has increased steadily, from 39% in 1985 to 50.0% in 2019. The GRDP ratio of the SMA also surged from 45.4% in 1985 to 52.2% in 2019.[15] According to a 2013 national survey, two-thirds of municipalities are suffering a "multifold decline" in terms of population, business, and infrastructure.[16] Under these circumstances, the national cultural policy, in tandem with other policy areas, has been harnessed as a tool for allocating financial and human resources into these economically lagging regions. For example, The Hub City for Asian Culture, launched in 2004, is a national governmental initiative designed to support Gwangju City, the least developed metropolitan city in Korea.[17]

Another factor behind the national government's creative city policy is the booming cultural economy, including tourism, festivals, and other cultural activities. The number of international tourists in Korea has increased more than 10% every year since 2000, and the number of domestic tourists is also rising rapidly.[18] Major tourist destinations are large cities and traditional tourist spots like Seoul, Busan, and Jeju, but local cities have also benefited a great deal from the increasing number of tourists. This is particularly encouraging for small and medium-sized cities, which tend to have a weak industrial base and not many options to stimulate their economies. Taking advantage of the ongoing tourism boom, provincial cities are now focusing on "placemaking", reinventing the places with cultural character to enhance the city's attractiveness for international and domestic tourists.[19]

Jeonju typifies the timely and successful utilization of booming tourism industries through placemaking. Located in the southwestern part of the peninsula with a population of 650,000, Jeonju has long been known for Korean traditional culture and sophisticated gastronomy. However, what has attracted tourists most recently is the Hanok

Village, a district with more than 700 traditional Korean-style houses. Since the 1980s, the city government worked to preserve Hanok with planning regulation. While the government initially faced opposition from landowners fearing the loss of their property value, their efforts paid off after the 2000s with the renewed recognition of the value of the Hanok Village, which provides a unique atmosphere of an historic Korean town. Currently, the Hanok Village attracts more than 10 million tourists every year and has become a cornerstone of Jeonju's vision as a cultural and creative city. Jeonju's success has resonated across the nation as it demonstrated that cultural assets can be directly translated into economic benefits.[20]

Photo 2.1 Jeonju's Hanok Village Draws 10 Million Tourists Annually

Source: Jeonju Hanok Village (www.hanok.jeonju.go.kr).
*Further permission required for reuse.

Against this backdrop, the national government began focusing on policy measures to enhance cultural assets and facilities in cities under the name of" local culture". To encourage local culture and locally-based cultural development, the national government enacted the Framework Act on Culture in 2013 and the Local Culture Promotion Act (LCPA) in 2014. The LCPA is a milestone in the history of urban cultural policies in Korea in that it first introduced the concept of "local culture" as government policy terrain. Further, it clarifies that the national and local governments have a responsibility to promote local culture. The act also provided the foundation for various policies measures promoting local culture, such as making a promotional plan and establishing agencies for local culture promotion.

In 2015, the MCST established the first Local Culture Promotion Plan as a comprehensive tool for promoting local culture.[21] The plan presented the vision, goals, and key tasks for promoting local culture for the subsequent five years. Under the vision, "creating happy regions with culture", the plan outlined three policy goals: (1) building a base for sustainable local culture, (2) promoting regional balanced development in local culture, and (3) creating local value with culture. Local Culture Promotion Plans have provided the background for many city-focused cultural policies currently implemented across the nation, such as the designation of Cities of Culture and the development of Local Cultural Brands.[22]

Table 2.4 Laws, Plans, and Institutions Supporting Creative Cities in Korea

Category	Contents
Laws	Local Culture Promotion Act (2014) Special Law for Building the Hub City of Asian Culture (2006) Special Law for Preservation and Promotion of Ancient Cities (2004)
Plans	Local Culture Promotion Plan (2015) Basic Plans for the Preservation and Promotion of Ancient Cities
Institutions	National Intangible Heritage Center (2013) Asia Culture Center (2015)

Source: World Bank.

Partnerships between the national government and local governments continue to emerge regarding the implementation of creative city policies. Most national government initiatives for making creative cities, which are more influential than cities' initiatives in terms of the budget and administrative support, are planned and implemented on a competitive basis. In this framework, eligible local governments compete to win the national government's endorsement. For example, since 2016 the MCSTs City of Culture policy has illustrated the typical framework of creative city-making in Korea. The MSCT provides national guidelines for the policy, selects and designates several cities every year through evaluation and screening procedures, and finances the selected cities along with the monitoring measures. The concerned city governments are required to propose a plan and implement policy in line with the national guidelines. Often, the national government emphasizes that policies are based on local needs and participation. Yet, it is evident that this policy is guided by the national government and implemented in cooperation with local governments.

National government programs for making creative cities

This section discusses selected creative city policies of the national government, including one international initiative, with a particular focus on policy goals and implementation structure. Five policies are selected in consideration of their importance in terms of budget and influence. All initiatives were launched after 2000 and are now under implementation.

Regional Cultural Hub City policy

The Regional Cultural Hub City policy (Table 2.4) was launched in 2003 to address culture-based regional development and Korea's regional balanced development. It is the national government's first cultural policy that embodied the concept of a "cultural city". In 2004, the initiative announced its first designation, to make Gwangju a hub city of Asian culture. Subsequent designations were Busan, for film; Gyeongju, for history and culture; Jeonju, for traditional culture; and Gongju/Buyeo, for history and culture.[23]

Table 2.5 Regional Cultural Hub City Policy

Policy description	Gwangju Hub City of Asian Culture	Busan Hub City of International Film	Gyeongju Hub City of History and Culture	Jeonju Hub City of Traditional Culture	Gongju/Buyeo Hub City of History and Culture
Policy goals	– Making a hub of Asian culture – Balanced regional development	– Making a hub of international film – Balanced regional development	– Urban development by preserving and utilizing historical assets	– Promoting traditional culture – Strengthening competitiveness of cultural industries	– Urban development based on historic assets – Restoration and promotion of historic towns
Period	2004-2023	2004-2011	2006-2035	2007~2026	2009~2030
Investment (US$)	4.62 billion	605 million	2.96 billion	1.48 billion	1.13 billion
Key projects	– Building Asia Culture Center (ACC) – Development of 7 cultural zones – Providing world-class cultural environment	– Building Busan Film Center – Supporting post-production activities – Relocating filmmaking institutes from Seoul	– Making cultural center, ancient tomb park, tour routes – Improving urban landscape	– National Intangible Heritage Center – Improving urban environment	– Preservation and restoration of historical sites and roads – Supporting research and human capacity

Source: Modified from Lee and Jang, 2012.

Regional Cultural Hub City policy projects are heavily funded by the national government. The Gwangju Hub City of Asian Culture project alone was allocated a budget of KRW5.3 trillion. This amount consisted of KRW1.9 trillion for construction and operation of the Asia Culture Center; KRW2.1 trillion for establishing culture-oriented urban environment; KRW0.8 trillion for fostering arts, culture and tourism; and KRW0.5 trillion for enhancing cities' cultural exchange capacity.[24] Note that a significant portion of the national fund is allocated for infrastructure development such as building cultural facilities, creating tourist routes and improving the urban environment (see Table 2.5 for details).

While the policy achieved much in promoting regional culture, particularly in terms of infrastructure development, there are roadblocks to further development. A critical issue is the top-down planning and implementation structure, which doesn't take into account adequate participation of local cultural actors and communities. As a result, in 2010 the responsibility for policy implementation was transferred from the national government to local governments to better reflect local needs and aspirations. In addition, many felt the policy focused too heavily on the provision of physical facilities and infrastructure, without considering how the city could actually utilize the facilities for the benefit of its people. In this regard, the policy offered a lesson for subsequent policies on the importance of the "soft" aspects of creative city-making—such as creating contents, nurturing human resources, and building partnerships among players.

Preservation and Promotion of Ancient Capital (PPAC)

This Cultural Heritage Administration (CHA) policy targets the capital cities of the ancient kingdoms in Korea to preserve their cultural heritage and promote urban development based on their cultural assets. Since the Heritage Preservation of 1962, heritage management in Korea has long focused on the preservation and regulation of so-called "heritage" sites. This rigid approach has imposed obstacles for the population living in heritage-designated zones to take advantage of the opportunities that cultural assets could bring for the urban development, and has created controversy over violation of property rights. In 2004, the Special Law for Preservation of Ancient Capital was enacted, signaling a new chapter of heritage management in Korea. The new law emphasizes the utilization of heritage for sustainable urban development based on pre-arranged plans coordinated by both the national and local governments.

The PPAC policy signaled a major policy shift in heritage management of historic cities, from point-centered management to an area management approach. The key element of the PPAC policy is the designation of "preservation zones" and "promotion zones" with different management principles. Preservation zones are areas that require strong regulatory measures to preserve heritage and cultural assets in the zones, and thus do not allow any modification or development. On the other hand, promotion zones are part of the residential and commercial space in the city, and thus require support for development and improvement. In addition, the participation and capacity-building of residents and merchants in the designated cities are taken into account in that people are considered the most precious assets in creative city making.[25]

PPAC policy is implemented through coordination between the national and local governments. The national government has provided general guidelines for policy and financial assistance, according to the Preservation and Promotion Plans (PPPs) that to date have been established by local governments and approved by the CHA. Currently, Buyeo, Gongju, Iksan, and Gyeongju have been designated and subsidized by the national and local governments under the PPAC policy framework. Each city PPP has suggested policy strategies and key projects for the preservation and promotion and features a wide range of citizen participation. Each of the PPPs for the four cities was approved in 2012 for a 10-year term, and each has entered their second term with revised plans. Approximately US$650 million of the national and local government budget has been injected into the four cities during 2012-2021.[26]

City of Culture policy

Launched in 2016, this national and local governments' joint program aims to strengthen sustainable urban development based on culture and creativity, ultimately contributing to national competitiveness and balanced regional development. The objective of the policy, grounded in the LCPA, is to encourage the designated city to establish its own cultural strategies for sustainable urban development by utilizing local cultural resources and citizens' cultural activities. A particular emphasis is placed on nurturing human capital in the city's cultural sector. The policy emphasizes the participation of the local community and the importance of good governance in planning and implementing projects, while the national government provides financial support. Designated cities can access a budget of as much as KRW20 billion from the national and local governments over five years.[27]

The designation process illustrates a core feature of the policy: building of partnerships between the national and local governments. First, a local government applies for designation; once selected by the review committee of the national government, it gains the status of a "preliminary" City of Culture. After implementing preliminary projects with the support of the national government for one year, a city receives forma designation and receives additional funding. The policy framework is thus based on competition among local governments to win the national government's financial and administrative support, while the national government has enhanced consultation procedures with local actors.

Through this process, 16 cities are now designated Cities of Culture across the nation.[28] The MCST announced its plan to receive applications from the first group of cities in May 2018, and ultimately designated 10 preliminary cultural cities in October of the same year—Daegu, Bucheon, Wonju, Cheongju, Cheonan, Namwon, Pohang, Gimhae, Seogwipo, and Yongdo District (Busan)—approving their project plans. Per the policy process, the 10 cities then implemented preliminary cultural city projects for one year, after which the Cultural City Review Committee formally selected seven cultural cities in December 2019. An additional five cities out of 10 candidates selected in 2020 received designation in the second round of review in January 2021: Bupyeong District (Incheon), Gangneung, Chuncheon, Wanju-gun, and Gimhae.

Tourism Hub City project

The Tourism Hub City project is a collaboration between the national and local government designed to transform selected cities into world-class tourist destinations. In 2019, the MCST announced a plan to promote Tourism Hub Cities to address the regional disparity in tourism between the nation's two key destinations of Seoul and Jeju, and the other regions. In order to redirect inbound tourists across the regions, the plan provides comprehensive support across the tourism industry, including infrastructure, content, and marketing services. Presented with the opportunity of broad-based, large-scale national government support, many local governments expressed interest in the first designation process, which began in 2019. In 2020, Busan was selected as an international tourism hub, and Mokpo, Jeonju, Gangneung, and Andong as regional tourism hubs.[29]

Selected cities, with the support of the national government which provides guiding policies, are required to submit a master plan presenting their vision and goals as a tourism hub city as well as strategies for partnering and collaborating among different players. This plan should include an overall direction the city will pursue to transform itself into a tourism hub, as well as the means—such as the core project, strategic projects, and associated projects—through which it would achieve that goal. Once the master plans are approved, the five-year budget and the project details are confirmed accordingly. The MCST invested KRW15.9 billion in 2020 to support the establishment of the master plans of the selected cities.[30]

UNESCO Creative Cities Network (UCCN)

The UCCN was launched in 2004 to promote global cultural diversity by facilitating cooperation among cities that employ creativity as one of the strategic elements of sustainable urban development. UNESCO Creative Cities are organized into seven categories: literature, film, music, crafts and folk arts, design, media arts, and gastronomy. To date, 11 Korean cities have joined the UCCN, beginning with Seoul in design and Icheon in traditional arts and crafts in 2010 (Table 2.6). Notably, there is no budget earmarked for this program from either the national government or UNESCO. Instead, UNESCO urges city governments to allocate funding from their own budgets to transform the city into one that is creative and sustainable. Additionally, the Korean National Commission for UNESCO (KNCU) and the MCST provide Korean member cities with administrative support regarding UCCN activities. Many Korean cities have expressed interest in joining the Network, due to the numerous promotional benefits a UCCN designation offers.

Table 2.6 Eleven Korean Cities Designated UCCN Cities to Date

Category	City	Year of designation
Crafts and folk arts	Icheon, Gyeonggi-do	2010
	Jinju, Gyeongsangnam-do	2019
	Gimhae, Gyeongsangsam-do	2021
Design	Seoul	2010
Film	Busan	2014
Gastronomy	Jeonju, Jeonlabuk-do	2016
Literature	Bucheon, Gyeonggi-do	2017
	Wonju, Kangwon-do	2019
Media art	Gwangju	2014
Music	Tongyoung, Gyeongsangnam-do	2015
	Daegu	2017

Source: KNCU, 2020.

UCCN member cities are entitled to use the official name and logo of UNESCO, as well as the right to conduct promotional activities via the official UNESCO website. They are given various opportunities to showcase themselves on the global stage. Moreover, they can carry out exchanges with other cities to share information and knowledge and to explore cooperation through platforms such as the annual conference for the Creative City Network.[31] The Korean member cities have focused on implementing their own plan for creative city-making and building partnerships with both domestic and international cities for sharing best practices and developing joint programs.

Table 2.7 summarizes the four national and international initiatives for making creative cities in Korea that were discussed in this section.

Table 2.7 Major National and International Initiatives for Creative City-Making in Korea

Designation	Policy goals	Period	Designated cities	Government budget
Regional Cultural Hub City	– Culture driven regional development based on local character – Balanced national development	– From 2004, varies depending on city	– Five cities (Gwangju, Busan, Jeonju, Gongju, and Gyeongju/Buyeo)	– Vary depending on city (KRW5.3 trillion for Gwangju for instance)
Preservation and Promotion of Ancient Capital	– Preservation and promotion of historic and cultural environment	– First plan 2012-2021	– Four cities (Buyeo, Gongju, Iksan, and Gyeongju)	– KRW750 billion for cities for the first 10 years
City of Culture	– Promoting local culture and supporting local community – Sustainable urban development based on culture and creativity	– 5 years for a designated city	– 12 designated cities and 16 preliminary cities	– KRW20 billion for each selected city for 5 years
Tourism Hub City	– Fostering a world-class tourism hub – Balanced national development	– 5 years for a designated city	– Busan for an international tourism hub city – Mokpo, Jeonju, Gangneung, and Andong for regional tourism hub cities	– KRW15.9 billion for all selected cities in 2020
UNESCO Creative City Network	– Sustainable urban development based on culture and creativity – Cooperation among creative cities	– Infinite after designation	– 10 Korean cities and 246 cities globally	– No financial support from national and international agencies, but cities allocate their own budget

Sources: MCST, 2008; CHA, 2013; MCST, 2020; KNCU, 2020; and MCST, 2021b.

Conclusion

1

" Creative city" has become a buzzword among policy makers in local governments in Korea. The rise of the cultural economy in the domestic and global market—in particular, the tourism industry in many provincial cities—has opened up opportunities for culture-based urban development in many cities. These opportunities are especially important and urgent for cities with weak infrastructure for "content industries" and/or struggling with depopulation and deindustrialization. The national and local governments have been actively involved in creative city policymaking, and civil society has generally agreed with this move.

2

The Korean national government is the dominant player in the landscape of creative city-making. The national government has not only provided institutional grounds through promotional efforts, laws, and institutions; it has also mobilized financial and administrative resources to support selected local governments. As mentioned earlier, the national government's support towards local governments has been largely motivated by the ideal of balance among regional governments, which is itself a long-lasting policy agenda item of Korea. Making creative cities in Korea has now become a key tool for redirecting national budget allocation in an environment where "content industries" are heavily concentrated in the SMA.[32]

3

Local governments have also increased their influence on creative city-making, and on cultural policies in general. In most cases, they are collaborating with the national government. The emergence of a partnership between the national and local governments in terms of planning and implementing creative city policies is evident. For most national government policies discussed in this chapter, local governments are participating as co-planners and implementers of the policies. Local governments have also increasingly developed their own cultural and creative city policies, although they continue to rely on the national government's policy guidance and financial resources.

4

The role of civil society has not been decisive compared to that of government. The voices of local civil society and civil cultural actors have increased since the nation's democratization in the early 1990s. Local artists and cultural players became active in many regions, creating unique cultural products and reshaping the local cultural landscape that had long been dominated by government. Generally speaking, however, the role of local civil society has not been decisive in producing and implementing creative city policies.

5

Apart from the government and civil society, market forces are another important element in the development of creative city policy in Korea. With neoliberal economic reform and globalization intensifying since the 1990s, city governments are increasingly under pressure to realign policies in response to the neoliberal economic environment. As the entrepreneurial role of the city government became more and more emphasized, art and culture were re-interpreted and mobilized as instruments for attracting businesses in cities. With the rise of cultural economy, creative city policies are becoming a core component of cities' overall development strategies—beyond a limited role in promoting art and culture. The integration of culture and economy, and the incorporation of culture into cities' development strategies, have propelled city governments to narrowly focus on the marketable items of culture, particularly tourism, rather than participation-based and community-initiated cultural development.

6

The current environment for creative city policies has presented unique opportunities for Korean cities. It is clear that the current policy emphasis on culture and creativity, and the related national government's financial support to creative city-making, have provided new opportunities for cities to improve their brand and stimulate their economies. Recent successes of several cities in the midst of significant culture-based development have demonstrated that cultural resources, even if they are reinvented by policy efforts, can create huge social and economic benefits for cities. Culture and creativity have gained recognition beyond their traditional terrain of promoting art and culture. They have become the mainstream of the city's development vision and strategies.

7

However, these opportunities have not come without challenges. The dominance of the government in creative city-making has crowded out local initiation and participation, which is, arguably, the real incubator of a creative city. For most cities, issues in policy discussion have been dominated by how to attract the national government's financial and administrative support. To nurture a sustainable creative city, however, there should be more emphasis on how to encourage local-based creative actors, promote community participation in creative activities, and build a horizontal partnership among local players such as artists, residents, and local governments. At the same time, the market-oriented interpretation and economic instrumentalization of culture is something to be wary of when it comes to making sustainable and inclusive creative cities. This current policy focusemphasizes the marketable items of cultural resources, particularly tourism development. This narrow economism has erased any movement for discussion on the social role of culture in cities and communities, and how they might provide a long-term basis for creative city development. And it deters consensus-building among local actors with respect to what kind of creative city they are envisioning and how they would achieve it.

Photo by Minku Kang on Unsplash

CHAPTER 3

Busan

From Deindustrializing Port City to Creative City of Film

Yu-Min Joo

KDI SCHOOL OF PUBLIC POLICY AND MANAGEMENT

Executive summary

CCIs have emerged globally as a sought-after and strategic local development. In Korea, local interest in CCIs is rising because of the significant gap in economic development between the capital region—Seoul and its surrounding areas—and the rest of the country. As companies and talent become lopsidedly concentrated in the capital region, many other cities face difficulties in attracting high-quality jobs when competing against the core region. CCIs receive attention because they tend to thrive on a locality's uniqueness by providing opportunities for cities to develop their economies based on distinctive local assets and potential.

This chapter discusses how Busan—the second-largest metropolitan city in Korea—transformed from a deindustrializing port city into a creative city of film. Busan, located on the southeastern coast, received many refugees during the Korean War, which led to the rapid growth of labor-intensive industries. Yet, by the 1990s, its local economy was losing competitiveness and the local government was searching for a new and more productive economic engine. To do so, it leveraged the successful launch of the Busan International Film Festival (BIFF) in 1996. The power of the BIFF has placed Busan on the map, helping to create its new identity as a city of film. The BIFF's success has relied on local experts' carefully strategized plan to find a unique niche market to complement rather than compete with much more established international film events. The plan focused on promoting Asian films and young film directors. And with the government giving film and cultural experts the independence to plan and manage event details, the BIFF has grown to become one of Asia's most important film festivals.

With the BIFF as a stepping-stone, efforts were made to develop three key areas: film culture, film education, and the film industry. Local and national governments endeavored to create Korea's leading film industry cluster in Busan. Various initiatives, including those with a social outlook, sought to nurture a film culture in the broader local society and to enhance Busan's film identity both locally and internationally. Efforts were also made to develop Busan into the central education hub of the film industry, within Korea and throughout Asia. Strategies of promoting an international outlook, collaboration, and fostering a community-based film culture could help Busan gain a distinct advantage over Seoul. Yet, while Busan has successfully developed its cultural identity as a city of film, with significant social and spatial outcomes, its drive to become a thriving film industry cluster has not yet come to fruition. This reflects the ongoing difficulty of competing with Seoul, which continues to maintain an overwhelming concentration of Korean film talent and capital.

Introduction

Busan is a noteworthy case of positioning itself both locally and internationally as a city of film, revitalizing its society and discovering a new economic engine. By leveraging the success of the BIFF, which began in 1996, Busan has steadily and strategically built its identity as a city of film, joining the UCCN as a Creative City of Film in 2014. Busan's transformation into a cultural and creative city was based on promoting the film industry, film culture, and film education. However, as is the case with other CCIs in Korea, the film industry is concentrated in Seoul. In addition, Busan initially lacked assets that could be deployed to spark a film culture and attract film companies and aspiring talent to the city. Further, hosting a cultural event does not automatically transform a city into a cultural and creative city. How Busan has managed to leverage the BIFF as a stepping-stone to fulfill its aspiration to become a film city deserves examination.

Busan translated its assets into spatial, economic, and social outcomes as a city of film. What key enablers played a role in the process and what were the main strategies? Despite the overpowering presence of Seoul, how did Busan attract local and global attention as the city of film

in Korea? A closer look at the making of Busan as a cultural and creative city reveals critical insights and points worth pondering for many cities facing similar challenges that are considering CCIs for their development.

City context and challenges

Key statistics about Busan

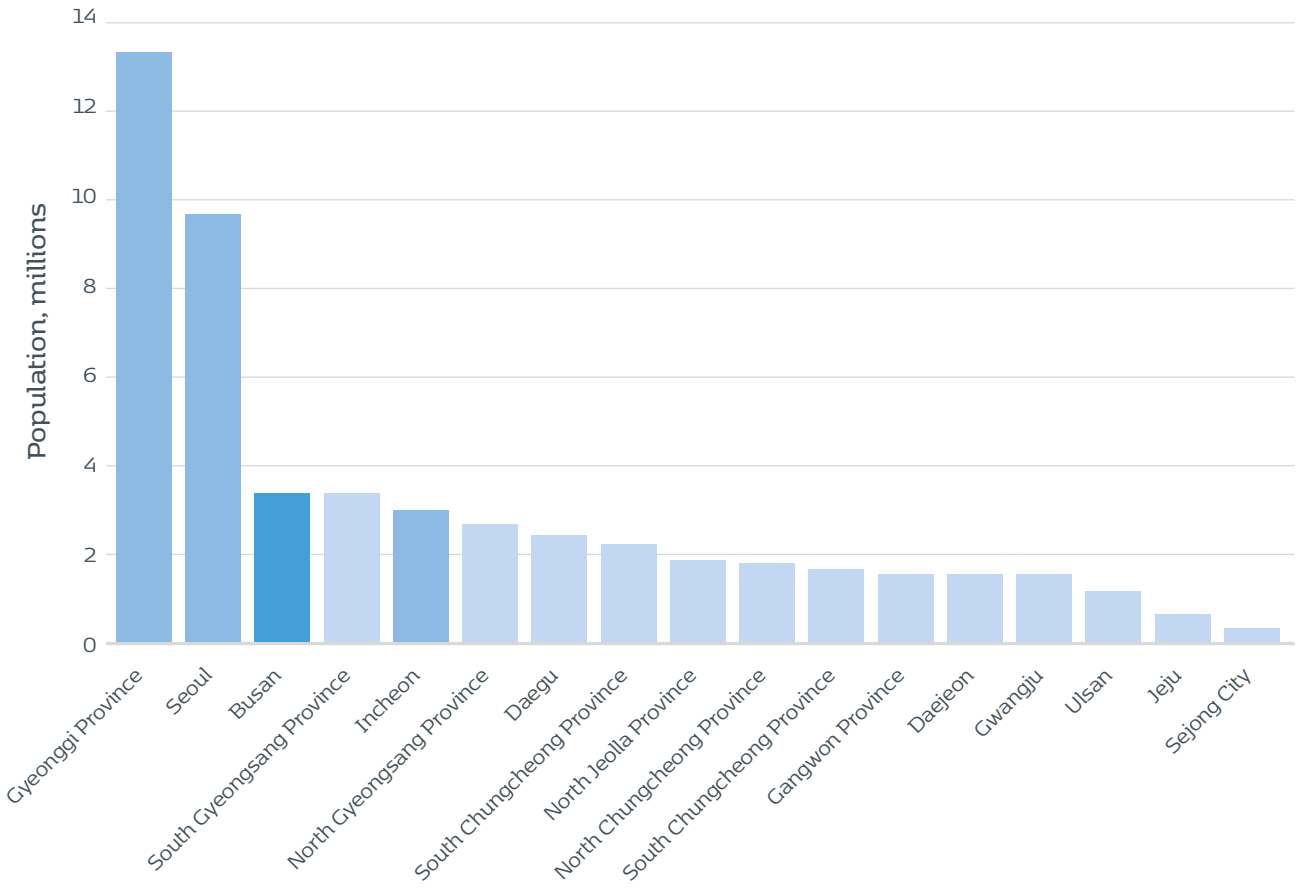
Busan is a well-connected city located at the tip of the southeastern coast, with an international airport and the largest seaport in Korea. With a population of 3.4 million, Busan is the second-largest metropolitan city in the country. Its total area of 769.89 km^2 is organized into one county and 15 districts. Its passenger seaport provides services to some port cities in Japan and China, and its cargo port is connected worldwide. Busan currently ranks as the seventh-busiest container port in the world, after five major ports in China and Singapore. In addition to its deep harbor, Busan has sandy beaches, such as Haeundae, Songjeong, and Gwangalli, visited by many tourists, especially during the summer.

Map 3.1 Busan is Home to the Largest Seaport in Korea

Source: Yu-Min Joo and World Bank.
[8]Further permission required for reuse.

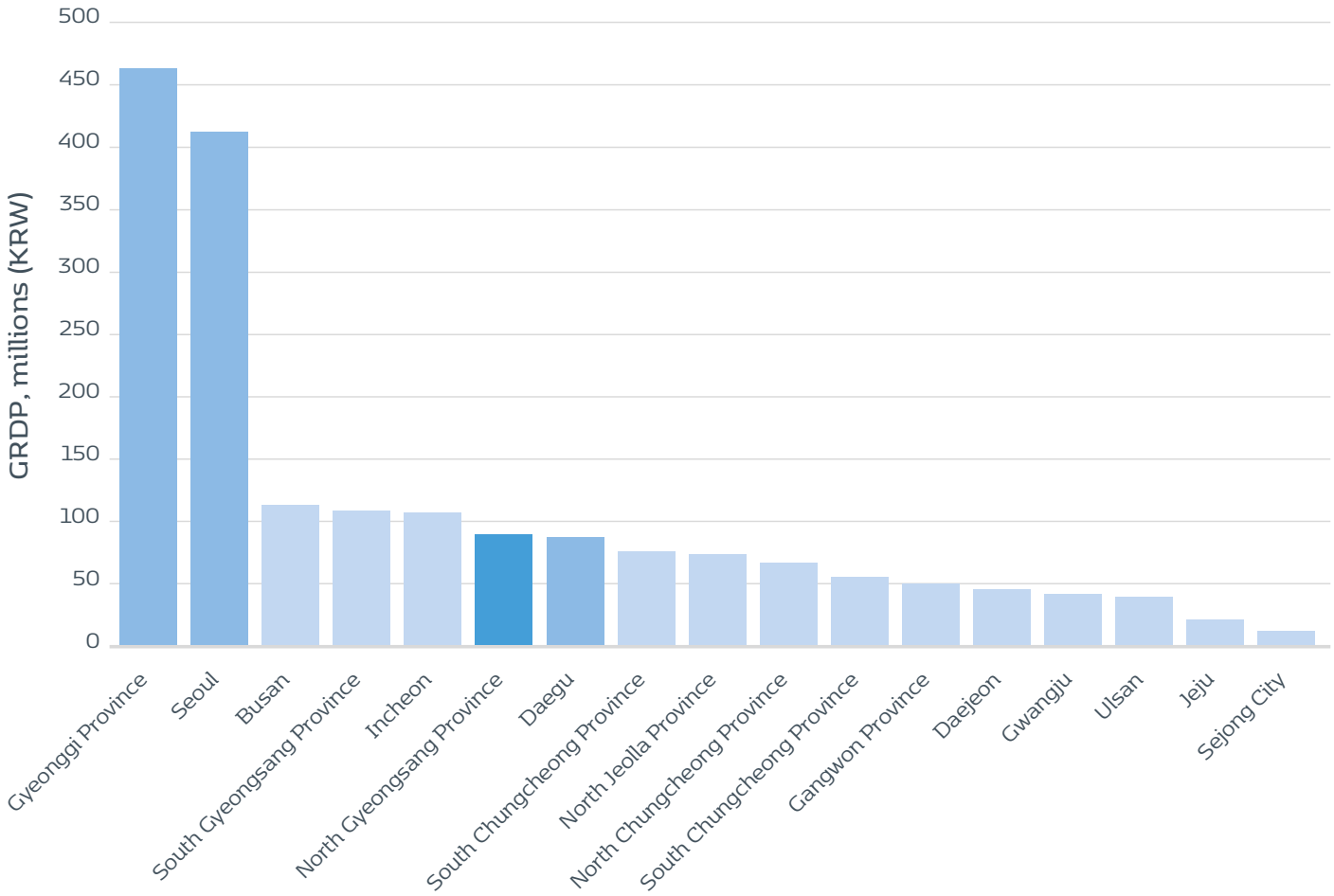
As a major port and the country's second city Busan has played a critical role in Korea's contemporary history. Korea's first international port opened in Busan in 1876. During Japanese colonization (1910–1945), Busan acted as the colonizer's main gateway to the mainland. Busan has also served as the temporary capital city of South Korea (1950, 1951–1953) and accommodated war refugees from all over the country during the Korean War (1950–1953). Busan's population of 0.4 million before the war jumped to 0.84 million in just one year (1951), reaching over one million in 1955.[33] After the Korean War, the abundance of low-cost labor and Busan's role as the main port through which international aid flowed led to its economy expanding rapidly. Labor-intensive export industries—textiles, footwear, leather, and processed food—multiplied at the time. In 1970, the opening of the Gyeongbu expressway linking Busan to Seoul further boosted the city's development. By 1980, its population had risen to over three million. While geography has served Busan well in the past, the city's location is beginning to be considered a disadvantage, overshadowed by the Seoul Metropolitan Area (SMA). Today, Seoul and its surrounding region—comprising Gyeonggi Province and Incheon—house half of the national population and produce half of the GDP, creating a dominant mega-urban region unmatched by other cities. The gap between Korea's Busan and the capital city is significant: Busan's population is about 35% of Seoul's and its gross regional domestic product (GRDP) is about 21%. Located far outside the SMA, Busan faces challenges despite its status as the second most important and second-largest city in Korea.

Figure 3.1 Population of Metropolitan Cities and Provinces, 2019, Skewed Heavily Towards Seoul



Source: Korean Statistical Information Service (https://kosis.kr), year 2019 data (accessed July 2021).

Figure 3.2 GRDP of Metropolitan Cities and Provinces, 2019, Unbalanced



Source: Korean Statistical Information Service (https://kosis.kr), year 2019 data (accessed July 2021).

Main challenges: from deindustrialization to a postindustrial city

One of Busan's most crucial policy concerns has long been to find a new economic drive to combat deindustrialization. Busan's economy, which is based on light industries, had begun to face challenges as early as the 1990s. Domestically, Busan did not embrace a significant role in Korea's industrial restructuring toward capital-intensive industrialization. Throughout the 1970s, the Korean government designated and built industrial estates in other cities in the southeastern region outside Busan to promote capital-intensive industries such as automobiles, electronics, shipbuilding, steel, petrochemicals, and machinery. By contrast, despite being situated at the center of the Southeast Industrial Belt, Busan remained focused on labor-intensive light industries and some ship-repairing industries (Table 3.1). Consequently, Busan's local economic base became increasingly vulnerable as Korea's formerly suppressed labor wages began to rise rapidly after democratization in 1989.

Table 3.1 Top Five Location Quotients for Manufacturing Employment in Busan, 1995 and 2000

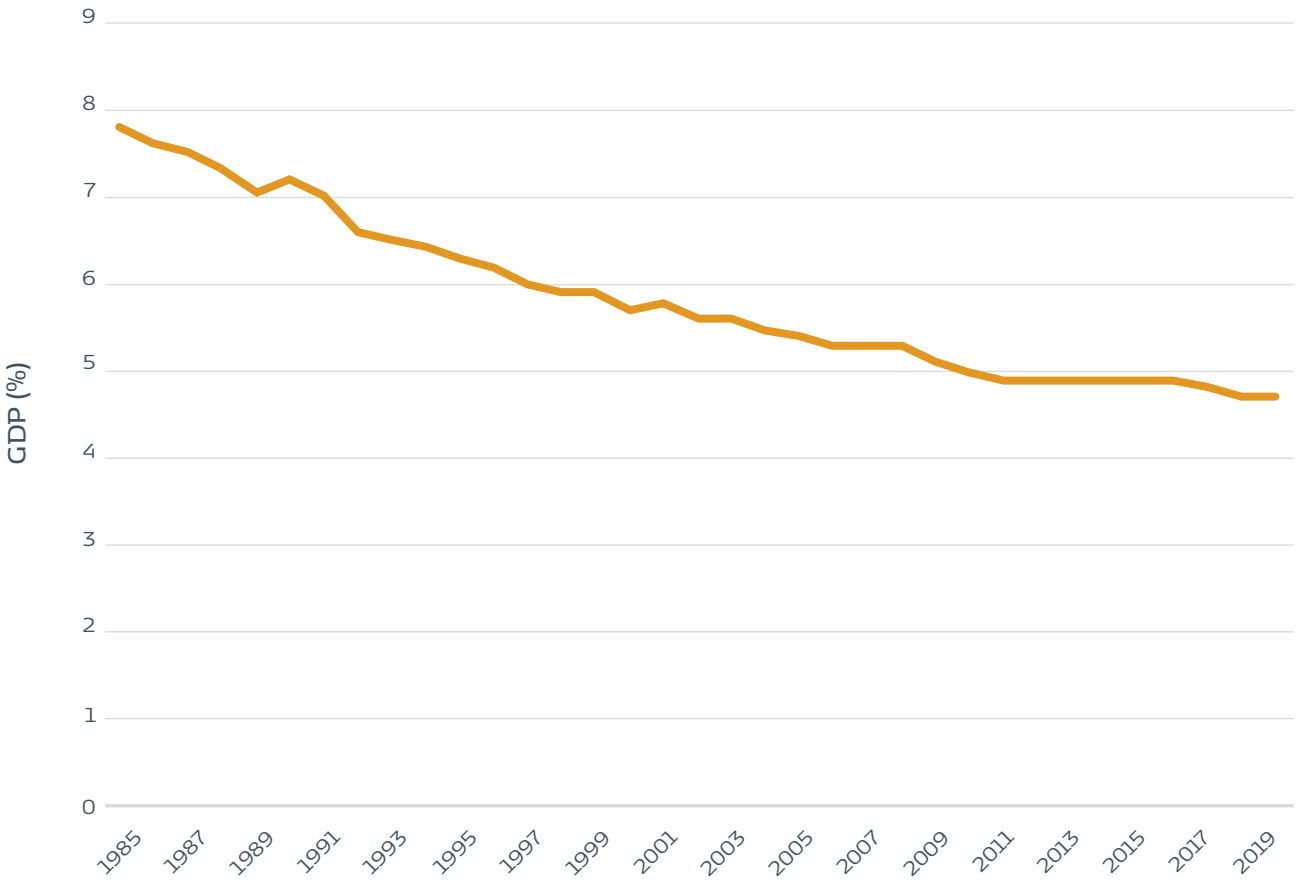
Industry	1995	2000
Clothing and fur products	1.6 (2)	2.15 (2)
Leather, shoes, bags, and saddlery	5.42 (1)	5.75 (1)
Wood products	1.40 (4)	1.33 (5)
Metal manufacturing	1.31 (5)	1.44 (3)
Metal assembly products	1.43 (3)	1.33 (4)

Source: Modified from Ryu, 2003.[34]

Internationally, labor-intensive sectors of Busan faced steep competition with the rise of China. From 1992, China no longer required foreign companies to form joint ventures with Chinese state-owned companies, and throughout the 1990s, foreign domestic investment skyrocketed in China.[35] This meant that Busan no longer had a competitive advantage amid its own rising labor and land costs, and companies started to move overseas to China and other developing countries. In 1985, 38.2% of Busan's workers were in manufacturing and 57.7% in service and social overhead capital (SOC) industries. Twenty years later, only 18.7% were in manufacturing and 79.8% in service and SOC industries.[36]

Deindustrialization may be averted if Busan can discover new growth engines in a post-industrializing economy. Knowledge-intensive sectors and advanced producer services in Korea are primarily concentrated and thriving in the SMA. According to 2015 data, 49.1% of the country's knowledge-intensive service jobs are located in Seoul (and 71.6% in the SMA), while Busan has only 4%.[37] Busan's share of GDP has constantly declined over the years as a result of losing out to competition from the SMA in the post-industrialist economy. In per-capita GRDP, Busan ranked second-to-last among Korea's seven metropolitan cities and nine provinces in 2000 (Figure 3.3).[38] At the time, Busan's GRDP per capita was around KRW9.554 million, while that of Seoul was KRW15.849 million, and the national average was KRW13.573 million.

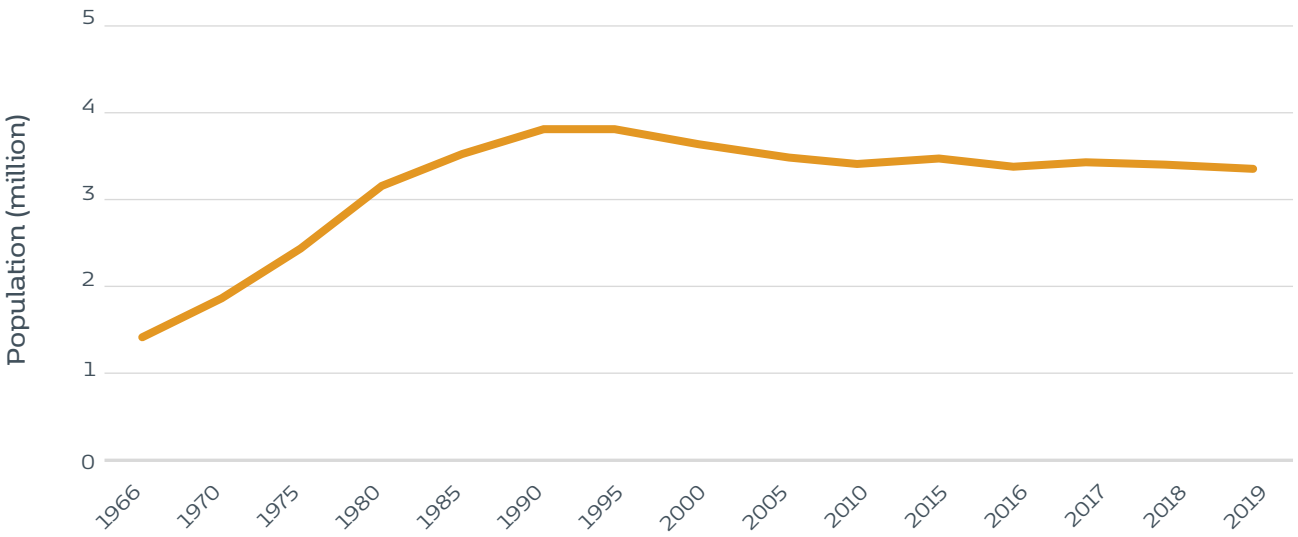
Figure 3.3 GRDP of Busan/GDP (%), Decreasing as % of National GDP, 1985–2019



Source: Korean Statistical Information Service (https://kosis.kr), year 2019 data (accessed July 2021).

Without a new growth engine, Busan's population has slowly declined since the early 1990s. More importantly, many young people from Busan have moved to the SMA or other nearby industrial cities of the Southeast Industrial Belt due to the lack of job opportunities in the city.[39] And with younger age groups moving out of the city, Busan's population is rapidly aging. In 2020, those aged 65 years or more comprised 18.7% of the city residents.[40] Given its rapidly aging society and low birth rate, some expected Busan to be the first Korean metropolitan city to disappear. Similar to many other cities in Korea and abroad facing the struggles of deindustrialization and stagnating population growth, Busan began to show an interest in promoting CCIs. This coincided with the Korean government's increasing awareness of CCIs at the time. The city's expectation was that CCIs would help create new income generators, including a diverse population with varying skills and ages, and by making urban places attractive to tourists and residents.

Figure 3.4 Evolution of Busan's Population, 1966-2019



Source: Korean Statistical Information Service (KOSIS, https://kosis.kr), year 2019 data (accessed July 2021).

By the late 1990s, Busan was considered a declining port city with a minimal presence of cultural industries in its local economy. In 1999, a mere 2.7% of the companies in the film animation, game development, broadcasting, and music sectors were located in Busan, while the majority were in Seoul. While Busan's road to becoming a cultural and creative city was indeed challenging, the city did possess particular local assets and resources that could be utilized to pursue its new development goal.

Table 3.2. Regional Share (% national total) of Firms in Cultural Industries, 1999, Again Dominated by Seoul

	Film	Animation	Game	Broadcasting	Music	Total
Busan	2.3	0.9	2.6	5.3	1.2	2.7
Seoul	81.6	94.5	84.9	54.9	59.4	77.4
SMA	86.6	96.3	94.1	63.6	69.8	84.9

Source: Modified from Koo, 2002.[41]
Note: SMA = Seoul Metropolitan Area (including Seoul, Gyeonggi Province, and Incheon).

Assets and resources

Busan's optimal geographic location, modern history, and unique urban places

One of Busan's main strengths is its position as Korea's leading maritime city, physically well connected, internationally and domestically. In addition to being the seventh-busiest container port in the world, Busan also has the Busan Port International Passenger Terminal, which provides passenger services to several Japanese port cities as well as the Gimhae International Airport, which has been operating since 1976. The city is also the final point on the Gyeongbu Expressway—Korea's most important highway—connecting major cities throughout the country, including Seoul. Likewise, it is the terminus of the Korea Train Express (KTX). Busan is thus a major transportation hub, where major transportation arteries end and international connections begin via both sea and air. Its location at the tip of the Korean peninsula has also endowed Busan with seven beautiful beaches and mountainous landscapes. Throughout the country, Busan is known as the city where the mountain meets the sea. With urban developments extending up along the hillsides and popular beaches serving as vacation hotspots, Busan boasts unique and attractive landscapes.

Equally important, modern history has provided Busan with memorable and unique urban places. For example, the 40-step stairway in the old downtown is where Korean War refugees congregated to look for families and friends separated during their escape to Busan, and only limited means of communication were available during the war. One of Busan's touristic local marketplaces—the Gukje Market—is also embedded in the city's history. The market started after the Japanese left at the end of the colonization in 1945, and the goods they left behind began to be sold. The Gukje Market grew more popular after the Korean War when refugees set up stalls to make a living by selling various goods. Gamcheon Village is another product of the city's vibrant modern history, showcasing Busan's eventful past with a unique landscape. Densely packed dwellings on the hillsides of Busan developed rapidly to house war refugees in the mid-1950s and, with the help of local artists, have been transformed into a touristic cultural village. These places and many others rooted in the modern history of the city attract tourists and have been featured in major films.

Photo 3.1 Four Unique Busan Places Used in Major Films

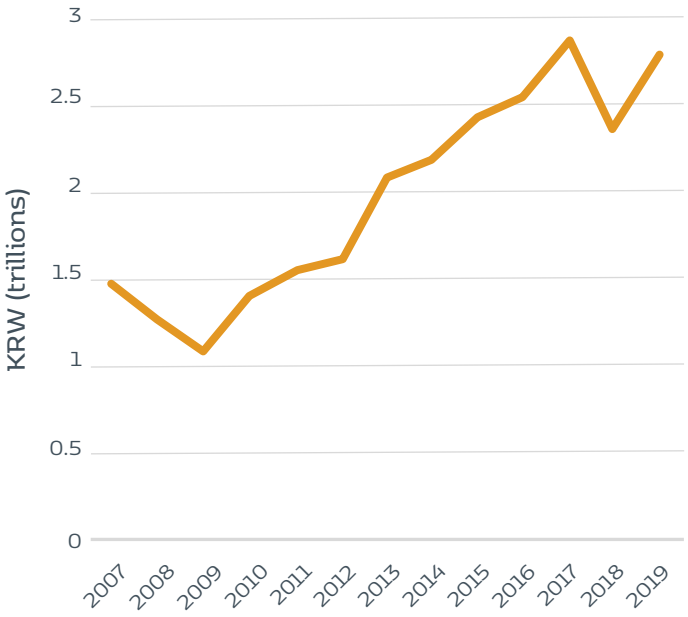
Sources: From left to right: ©Filmlove CC BY-SA 3.0; ©Christophe95 CC BY-SA 4.0; ©Ken Eckert/CC BY-SA 4.0; Richard Irwin/ Public domain. All photographs used with the permission of the photographers. *Further permission required for reuse.
Note: From left to right: 40-step stairway, Gukje Market, Gamcheon Cultural Village, and Gwangalli Beach.

Mapping of CCIs

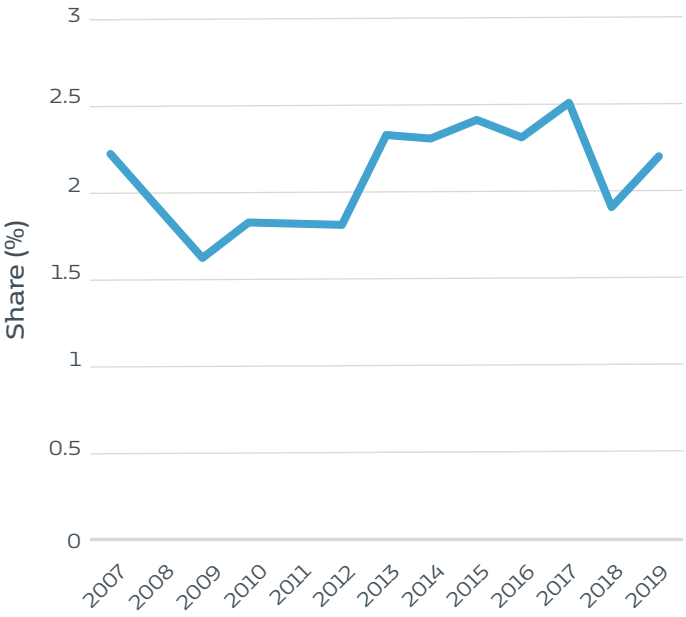
As a metropolitan city of 3.4 million people, Busan has the potential to nurture diverse cultural economic sectors and activities. Despite Busan's economic challenges, various CCIs form a meaningful and influential part of its economy. While their percentage share of the local economy is low, the CCIs in Busan represent all sectors that the Korean government maps under the "content industry": publishing, music, film, animation, comics, games, character licensing, broadcasting, advertising, knowledge and information, and content solutions. Figures 3.5-3.7 indicate changes in total sales, employment, and the number of CCI firms in Busan from 2007 to 2019.

Figure 3.5 Total Sales (KRW) of CCIs in Busan and Their Share (%) of National Sales, 2007-2019

3.5a Total sales



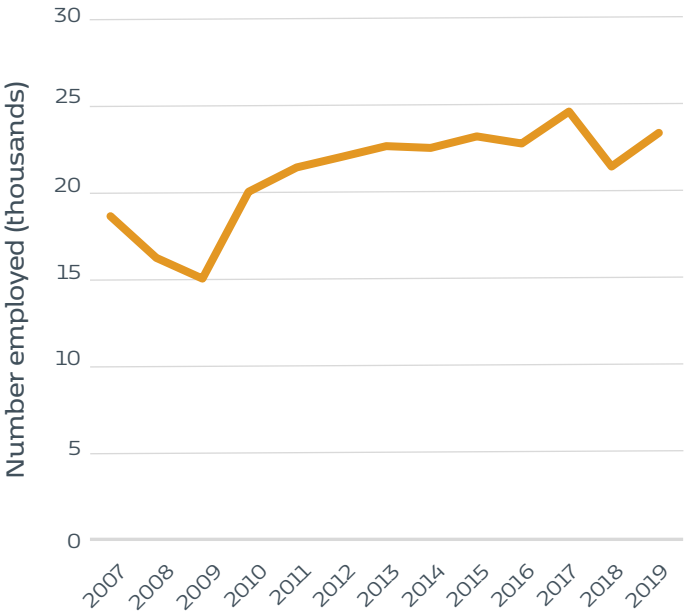
3.5b Share of national sales



Sources: Data for Figures 3.5, 3.6, and 3.7 are from the Content Industry Statistics, Korea Creative Content Agency.

Figure 3.6 Total Employment of CCIs in Busan and Their Share (%) of National CCI Employment, 2007-2019

3.6a Total CCI employment



3.6b Share of national CCI employment

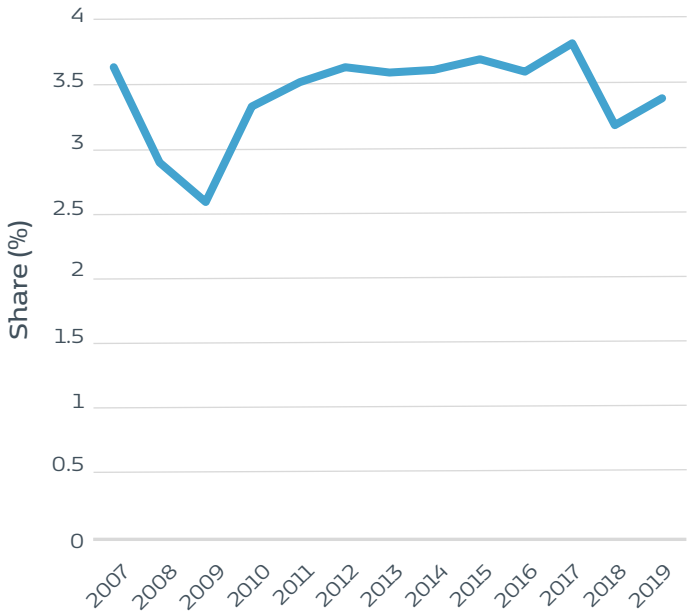
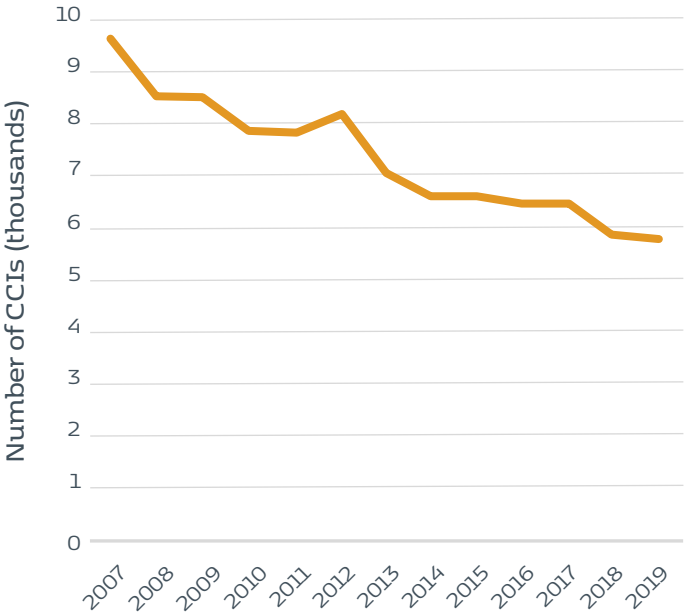
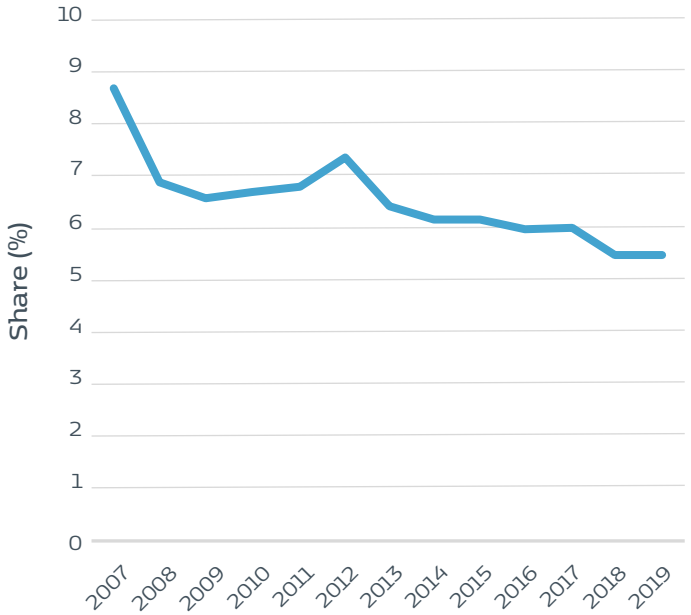


Figure 3.7 Total Number of CCIs in Busan and Their Share (%) of National CCI Firms, 2007-2019

3.7a Total number of CCIs



3.7b Share of national CCI firms



Sources: Data for Figures 3.5, 3.6, and 3.7 are from the Content Industry Statistics, Korea Creative Content Agency.

Total sales of CCIs in Busan have increased in recent years, in line with the growth of CCIs at the national level. The share of Busan's CCIs in the sector in Korea has remained roughly the same (Figure 3.7). And it is a positive sign that Busan's share of national CCIs has not declined, unlike its share of national GRDP. However, while Busan's GRDP share is around 5%, its share of CCIs' total sales is below 2.5%, indicating that Busan's CCIs continue to be somewhat underrepresented nationally. Note that the number of CCI firms has declined over the years (Figure 3.7), while total employment has shown a slight increase (Figure 3.6), indicating a move toward larger firms in the sector. In addition, the percentage of CCI firms in Korea that are located in Busan has been generally much higher than both the percentage of CCI employment and the city's share of national CCI sales, indicating that CCIs in Busan include a much higher proportion of SMEs than in other cities.

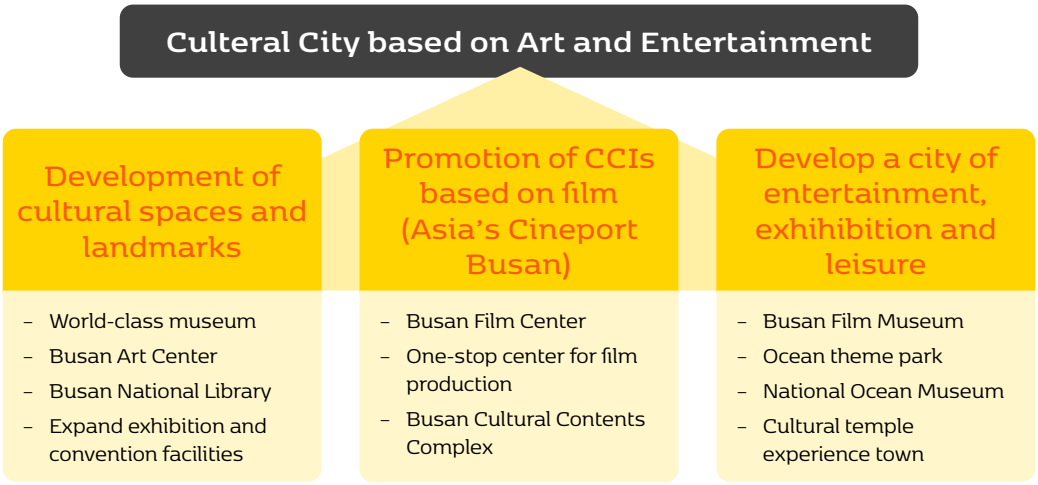
Changes in CCIs in recent years signal that there is much room for growth. The preponderance of SMEs and diversity of CCIs in Busan can be viewed as the resources with a great potential for creating synergies among different CCIs and nurturing the creativity of smaller firms. Policy vision and support are critical, and the Busan Metropolitan Government (BMG) has identified and fostered CCIs as its new economic engine.

Busan's CCI vision and strategies

Struggling with weakening labor-intensive industries, in the early 2000s Busan targeted four core strategic industries: (1) film and information technology, (2) tourism and conventions, (3) port logistics, and (4) manufacture of mechanical parts and materials. These industries coincided with the overall vision of Busan's Ocean Capital master plan (launched in 2001) and the Dynamic Busan 2020 Road Map (launched in 2005). The goal was to move beyond a container port city to become the world's Ocean Capital of the 21st century. The two initiatives reflect Busan's efforts to strengthen its nonmanufacturing sectors, such as leisure, tourism, and services, in addition to enhancing port-related infrastructure and industries.

Alongside the Dynamic Busan 2020 Road Map, the 2020 Cultural City Project promotes cultural industries as a new development drive for the knowledge-based economy. The project aims to build an image of Busan as a cultural city, focusing primarily on developing landmarks and cultural facilities relating to film, culture and arts, tourism, and conventions.[42]

Figure 3.8 Key Agenda of the 2020 Cultural City Project



Source: Dynamic Busan 2020 Road Map IV: Cultural City Project, 2020.

The 2020 Cultural City Project illustrates how film is at the center of promoting CCIs in Busan and its plans to expand beyond film into cultural-content industries. The project's specific strategies of promoting the film industry by investing in its facilities have been influenced by the national government's designation of Busan as the Cine Culture City in 2004. Busan has also announced its vision to become the hub of the film industry in Asia (i.e. Asia's Cineport Busan). However, these ambitious landmark projects and facilities have been criticized for driving attention away from smaller-scale projects catering to local communities.[43]

Discussions on the need to turn toward software-driven development in Busan emerged in the late 2000s. In 2012, the BMG launched its Soft Power City vision, with a new development paradigm based on the three C's: creativity, coexistence, and cross-border. The idea was to nurture the cultural and civic assets of the city, in addition to investing in hardware. Under Soft Power City, the government turned its attention to both postindustrial and livability goals. The initiative aims to promote talent and the content industry and improve local communities' living conditions and environments, including their welfare, cultural experiences, and education.[44]

Emphasis on culture and citizens has continued to play a part in Busan's subsequent development visions. The Busan 2030 Vision: Smart Busan, launched in 2015, puts people, technology, and culture at the center. The Busan Cultural Vision 2030, published in 2019, announced four concrete goals: to build (1) a maritime cultural city, (2) an inclusive and diverse cultural city, (3) an integrated creative city with a CCI ecosystem, and (4) a cultural city governed by citizens. It's clear that culture is at the core of Busan's development strategies to overcome the decline in its labor-intensive, manufacturing-based economy. The city's move toward software-focused pursuits focuses on CCI development not only for the local economy but also to encourage more socially oriented cultural projects for local communities.

Enablers behind Busan, the creative city of film

Six key enablers have allowed Busan to translate its assets and resources into capital for developing a creative city of film. Enablers have ushered in a new keyword—film—into any discussion of Busan, resulting in a paradigm shift from an industrial port city to a cultural and creative city. As noted above, Busan's enablers focus on three main areas: film culture, film education, and the film industry. While Busan has made significant strides in the first two segments, growth of the film industry remains stagnant, due in large part to the unmatched competition from Seoul. Nevertheless, Busan is firmly establishing itself as a city of film and developing its identity as a cultural and creative city.

1

Uniqueness

The BIFF has put Busan on the map, both internationally and domestically, by linking the city to cinema and culture. Launched in 1996, the BIFF was a major stepping-stone towards the emergence of Busan as a city of film. Its success has made Busan an annual congregating point for leading and emerging filmmakers, actors, critics, and others involved in the film industry, especially in Asia. The power of the event has been significant, and the Korean government and citizens have begun to see Busan as a mecca for film culture, which as laid the foundation for it to develop into a city of film.

The BIFF was a newcomer to the international film festival circuit, and its success stems from a carefully strategized effort to cultivate a niche identity. Three keywords—Asia, young, and non-competition—provide a competitive.[45] In the 1990s, Busan was known more as a declining industrial port city rather than a location with strong ties to film. Korea, let alone Busan, did not have any experience in hosting international film festivals, and the support of the national government was initially lacking. Initially, the BIFF was strictly a non-competition film festival, although it later partially adding a competition section. And rather than compete directly with long-established international film festivals with high profiles, the BIFF strove to find a unique audience. Since its inception, the BIFF has focused on promoting Asian films and young film directors. And it continues to build on its image as a youthful and energetic festival attracting many young viewers and participants.

A unique partnership between the local government (BMG) and film experts has led to the BIFF carefully strategized vision and identity development. The BMG was deeply committed to the successful launch of the BIFF to find a new economic engine amid deindustrialization. And while it has provided financial and administrative support, initially the BMG was not a major investor. This allowed film and cultural experts to run the BIFF. For the inaugural festival, less than 20% of the budget came from the BMG while the majority came from private sponsorship. There are two BIFF committees: the executive committee in charge of developing the festival identity and programs, and the organizing committee responsible for financial affairs. The former comprises local and national experts in film and culture, while the latter consists of the BMG and local business representatives. The executive committee maintains a high degree of independence and is free to plan the BIFF according to their expertise without the BMG's interference. This independence has been crucial to the growth of the BIFF as an international film festival.[46]

Busan's unique physical assets—numerous beaches and mountainous landscapes—have also had a positive impact. The BIFF is modeled on the Cannes Film Festival's Macé beach, proactively leveraging Busan's unique natural scenic asset—its ocean and beautiful beaches.[47] In addition, the city's unique urban and natural landscapes have provided vibrant and picaresque locations for film shooting.

2

Institutions and partnerships

A successful international event is a powerful enabler but scaling up is critical to developing a cultural and creative city. The BIFF has shown how a successful event can bring people together to build the cultural identity of a city and put it on the global map. Yet, it is important to note that Busan did not stop at merely hosting the BIFF. With the success of the BIFF as a a critical catalyst, the BMG set up the influential Busan Film Commission (BFC) in 1999 and began partnering with the national government to nurture Korea's film industry cluster in the city.

The BFC, the first local-level film commission in Korea, was initially set up to make Busan ideal for film shooting by leveraging its scenic urban and natural landscapes. The commission provides extensive services, such as identifying appropriate film locations and facilitating the required administrative work for location shooting. It also maintains a database of local actors in Busan, issues parking permits on filming locations, and lends out walkie-talkies and other necessary safety tools for location shooting. As of 2021, the BFC has supported 580 movies, 215 short films, 214 web dramas, and 511 other visual productions.[48] After establishing a strength in location filming, the BFC then moved on to the longer-term goal of creating a film industry ecosystem in Busan. To provide integrated services to the film industry for film preproduction, production, and postproduction, the BFC manages and operates key centers devoted to film and media in the Cineport district in Centum City.

Through the Busan Cinema Venture Center, which opened in 2002, the BFC brings together local companies and cultivates local professionals in film. The goal is to physically cluster or facilitate links and connections between small local companies specializing in editing, recording, makeup, production design, and other areas in filmmaking to promote synergistic effects. The center also provides filming equipment rental services at bargain rates and production office space to assist local filmmakers.

The BFC's Busan Post Lab and the Busan Visual Industry Center are key facilities for developing Korea's leading film industry cluster. Launched in 2009, the Busan Post Lab is Korea's first one-stop postproduction services organization. The Busan Visual Industry Center opened in 2013 with the goal of attracting talent and companies in preproduction, production, postproduction, and distribution. The center provides both work and office space at heavily subsidized rents to film companies. Importantly, it also offers incentives for firms relocating from the SMA.[49]

Photo 3.2 Busan Cinema Center, Symbol of City as Center of Korean Film Industry

Source: © Yu-Min Joo / World Bank.
*Further permission required for reuse.

These two initiatives are an outcome of the national government's Cine Culture City project. The national government took note of Busan's burgeoning new identity in film, designating the city as the Cine Culture City (2004–2011) and providing a critical financial partnership for the BMG. The Cine Culture City was a KRW160 billion project, with the national government and the BMG each investing KRW55 billion, with the remaining KRW50 billion funded by the private sector. This significant investment has helped propel necessary industry developments and further cemented Busan's position as Korea's city of film.

The Cine Culture City had a comprehensive vision to develop Busan into Korea's leading city in the film industry and sought to develop an industry cluster in Centum City. Important buildings were constructed under this project. The Busan Cinema Center, which opened in 2011, is the "center stage" of the BIFF and has become the symbol and landmark of the city of film. It is managed by a public foundation launched in 2012 by the BMG. Other key physical infrastructure was built to attract film companies and develop a film production ecosystem of in Centum City. A notable example is the Busan Cultural Content Complex (BCCC), which promotes the cultural content industry—including digital image content, animation, and games—and is managed by the Busan IT Industry Promotion Agency, a public entity founded by the local government in 2002 to promote information and cultural industries. The BCCC epitomizes Busan's strategy of leveraging its film identity to develop a much broader and more comprehensive content industry. Just as importantly, the national government relocated film-related public agencies and institutions out of the SMA to Centum City to further stimulate the local development of the cluster. In addition, the Korean Film Council, the Korea Media Rating Board, and the Game Rating and Administration Committee were all relocated to Centum City.

3

Social networks, support, and finance

Scaling up to create a city of film goes beyond encouraging a film industry to encompass nurturing a film culture and identity in Busan's broader community. Promotion of a film culture and identity requires more diverse "software-driven" enablers (people and content) in contrast to the BMG and the Korean government's previously explained focus on more "hardware-driven" (bricks-and-mortar infrastructure) support to Busan's film industry. For example, the support for independent films in Busan has been fostered from the bottom up by local filmmakers and enthusiasts building on local social networks. As previously mentioned, the BIFF deliberately focused on independent films. Similarly, Busan has found a niche in independent films within Korea's film culture, while Seoul dominates commercial cinema.[50]

The Busan Independent Film Association (BIFA) supports independent films that reflect Busan and its character and provides information on independent films to the public. BIFA, a grassroots collaboration of young local filmmakers, film directors, and film critics in Busan, has been hosting the Independent Film Festival MADE IN BUSAN since 1999 to support and showcase local film directors' work and invigorate the independent film production ecosystem.[51] The event is hosted at the Busan Cinema Center, and the BMG is one of its main financial supporters. In 2019, the BIFA launched INDEPENDENCIA—an independent film screening platform—to bring together the makers and viewers of independent films in Busan.

Busan also supports film production in Asia through its Asian Project Market (APM), which helps develop and enhance Busan's identity as the hub of Asian films. The APM is Asia's first and largest market for film investment and coproduction. Held in Busan since 1998, APM was originally set up during the BIFF because the new international film event was struggling to showcase world premieres of Asian films. The APM brought together networks of overseas investors and filmmakers from Asia. International buyers and investors were informed about and encouraged to finance new film projects and network with Asia's new and upcoming filmmakers. Many notable Asian film projects have been selected and funded through the APM and have premiered at the BIFF. Over 23 years, the APM has selected 619 projects, and 256 were completed and premiered.[52] The APM has been integral to the success of the BIFF, as it allowed the festival to secure world premieres of numerous Asian films. More importantly, APM developed the network of Asia's film directors and the film production market in Busan, solidifying Busan's identity in film.

The BMG has directly engaged in film production investments, collaborating with the private sector. Together with Lotte Entertainment, one of Korea's major conglomerates, the BMG created in 2016 the Busan-Lotte Creative Cinema Fund, which invests in films produced in Busan or by Busan-based companies and focuses on low-budget films for inclusion. Launched in 2016, the fund started with KRW21 billion—KRW10 billion from Lotte Entertainment and KRW6 billion provided by the BMG.

Buttressed by its rising identity in film and the noteworthy success of the BIFF, Busan joined the UCCN as a Creative City of Film in 2014. Busan was the first city in Asia to become a UCCN City of Film. Busan's vision as a UCCN City of Film is Cinema for All, which is an inclusive endeavor that seeks to provide opportunities to anyone interested in making, consuming, or enjoying film.

Under the banner of Cinema for All, inclusive projects have sought to bring film to local neighborhoods and the everyday life of citizens, thereby supporting communities and spreading film culture. Since 2018, for example, Community BIFF—which empowers audiences, including local citizens and communities, to lead and plan the festival—has been running in Busan's old downtown, Nampo-dong. BIFF in the Neighborhood, an offshoot of Community BIFF, started in 2021. The initiative screened featured BIFF films in 14 selected neighborhoods in Busan, bringing the festival directly to local neighborhoods. Outside the BIFF, the Outreaching Screening Service provides free film screenings to low-income neighborhoods 10-13 times per year. The Sanbokdoro Rooftop Moonlight Theater (Oksang Dalbit) screens films on outdoor rooftops of low-income neighborhoods on the hillsides of Busan, bringing film culture as well as visitors to the area. Finally, Our Neighborhood Cinema provides financial support to communities seeking to screen films or develop film-related community activities. All these activities are managed and run by the Busan Cinema Center foundation, with financial support from the BMG.

UCCN membership also provides Busan with vital international networks. Partnering with other Creative Cities of Film, Busan hosts the Film Production Residency program, which invites filmmakers of other member cities to co-produce short films with young filmmakers in Busan. Furthermore, since 2017, the Busan Inter-City Film Festival has been showcasing local films produced by the Creative Cities of Film of the UCCN, as well as by cities that have been collaborating and partnering with the BIFA. Through these international exchanges, Busan enables local actors to further flourish and cultivate a local culture of film. In addition, such inter-city collaborations help reinforce Busan's identity as a city of film to international audiences. In 2021, Busan was designated a deputy coordinator of the UNESCO Creative City of Film.

4

Skills and innovation

Busan's international aspiration to become a central education hub of the film industry in Korea and beyond Asia is supported by solid international networks developed with the BIFF. Educating and creating a pool of talent is another important feature of the city of film. Since 2005, Busan has been hosting the Asian Film Academy (AFA) as part of the BIFF. Selected AFA fellows attend an 18-day workshop taught by experts in the filmmaking industry who offer lectures and hands-on training. The goal is to nurture young filmmakers in Asia and promote their networks. By 2019, 338 young aspiring filmmakers from 32 countries in Asia had attended the AFA.[53]

Capitalizing on the success of the AFA, the local government of Busan founded the Busan Asian Film School (AFiS) in 2016. The AFiS operates three main programs: the International Film Business Academy to educate and cultivate professionals in the international film business; the Asian Filmmaking Workshop, which currently runs the AFA as well as the ASEAN-ROK Film Leaders Incubator (FLY); and the Busan Film Academy to educate and spread knowledge about films to the local citizens of Busan.[54] Further adding to the growing image of Busan as the film education hub in Asia, the Korean Academy of Film Arts (KAFA), established in 1984, relocated from Seoul to Busan in 2018. Local universities also started opening film-related departments and schools, resulting in seven universities currently offering degrees in filmmaking and related industries.

Cultivating talent in a film education hub does not equate to retaining film talent. Busan continues to be severely outcompeted by Seoul in attracting film companies and talent.[55] Nevertheless, long term, Busan's status as the hub of film education has important implications for developing expansive social networks among local actors and film industry experts, both within Korea and internationally. These networks could then enable Busan to make close economic ties with film industries in other Korean and overseas cities, leading to new economic opportunities for the city.

5

Urban infrastructure and livability

Busan excels at providing urban spaces and infrastructure that make the city a convenient place for filmmakers. As previously mentioned, Centum City, which houses the Busan Cinema Studios managed by the BFC, provides numerous facilities and centers to support the film industry. Busan also used to provide low-rate accommodation for filmmakers at the Cinema House Hotel before it closed down in 2021 due to the COVID-19 pandemic.

A city of film is not only about promoting industry but also about making film activities available to the broader public. The Busan Cinema Center provides public spaces where citizens can view and read about films. It houses Cinematheque Busan, established in 1999, which offers a collection of over 4,000 videos, 3000 scenarios, and books on film to the public for free.[56] Various education programs on film are open to both professionals and the general public. The Busan Museum of Movies, where citizens can experience and enjoy filmmaking, opened in 2017. The museum was built under a Build-Transfer-Lease contract, which stipulated that the private sector taken on KRW39 billion in construction costs, and the BMG is expected to pay KRW58 billion in rent for the first 20 years.

Photo 3.3 Interactive Public Spaces in the Busan Cinema Center Promoting Film and Filmmaking

Source: © Yu-Min Joo /World Bank.
*Further permission required for reuse.

Local neighborhoods, with their rich history, are a big part of Busan's efforts to create a city of film. In addition to serving as a rich source of film shooting locations to attract filmmakers, the cinematic streets of Nampo-Dong, where old theaters are clustered along small alleys, have contributed to the earlier success of the BIFF. Famous local markets are clustered around Nampo-dong, and the location was already a popular destination for many in Busan. The BIFF was initially launched in this area, and local citizens naturally participated in festival activities on their outings, which helped to further create local buzz.[57] The appearance of actors visiting their city garnered instant support for the BIFF in its early stages.

6

Digital environment

Collecting and providing data on filmmaking and promoting local films have been facilitated by technology. The Busan Movie Database (BMDB) is an online platform that offers helpful information for filmmaking in Busan and includes helpful, detailed information on local actors, writers, and creators. BMDB CINEMA also offers an online screening service for independent films, web dramas, and web movies produced in Busan.

Box 3.1 The impacts of COVID 19 pandemic

As expected, the global pandemic had an immediate and direct impact on the BIFF. During its 25th festival in 2020, the BIFF cancelled its opening and closing ceremonies as well as other offline events. BIFF allowed just 25% of the seats to be occupied during film screenings. Compared to the 299 films featured during the 24th BIFF, only 192 films were screened, drastically reducing the scale of the event. Furthermore, Community BIFF—centered on engaging audiences—was also directly affected. Offline programs were reduced or were conducted at smaller scales, or if possible, moved online.

The 26th festival, held in 2021 was the first international event to have more than 1,000 audience members in Korea during the pandemic. The festival screened 223 films and, operating at 50% seat capacity, attracted 76,072 visitors. Unlike the previous year, the opening and closing ceremonies were held outdoors and previously cancelled events, such as Guest Visit, returned. The APM was opened in both online and offline formats. Careful monitoring of visitors and staff helped the large-scale event to be successfully carried out during the COVID-19 pandemic.

While the BIFF was resilient, movie theaters were not. The pandemic led to the indefinite closure of one-half of the theaters in Nampo-dong. In addition, many stores in the area have been shuttered due to significantly reduced visitor numbers. As the area was once a popular destination for many foreign tourists, the impact of COVID-19 has been significant.

Spatial, economic, and social outcomes

Spatial outcomes

New physical developments and changing urban landscapes are the most visible and immediate outcomes. Likewise, the making of the city of film involved bringing spatial changes to both old and new parts of Busan.

Hosting the BIFF has brought significant spatial outcomes: the development of the BIFF square in the old downtown and the acknowledgement of the Busan Cinema Center as a landmark of the city. The BIFF Square, a touristic cultural attraction located in Nampo-dong, was refurbished to host the first BIFF in 1996. It comprises Star Street and Festival Street and attracts numerous tourists—particularly foreign and young visitors—with its unique identity, movie theaters, and shops. Although the BIFF relocated to the Haeundae area from 10th festival onward, the BIFF Square has continued to be associated with the festival. Today, as the main venue for Community BIFF, it continues to be linked with the BIFF. In 2011, Busan's landmark—Busan Cinema Center—opened as the central venue as well as a symbol of the BIFF. Opening and closing ceremonies take place here, and it is located in Centum City, where the film industry cluster has been designated.

Film industry promotion has contributed to the development of Centum City's new upscale mega-project in the Haeundae area. Originally the location of Suyeong Airport, which later relocated to become the Gimhae Airport, Centum City began construction in 2000. Today, it houses Busan's key landmarks, major commercial buildings, high-rise apartments, parks, and other urban amenities. In addition to the Busan Cinema Center, it is also home to the BEXCO, Korea's second-largest exhibition and convention center; Shinsegae, the world's largest department store; and, more importantly, a designated Cineport district to develop Korea's largest film industry cluster, which is expected to host all the major film-related facilities and public institutions as well as companies in the country. The government's promotion of the film industry has enabled large investments in physical developments throughout the 2000s, contributing to efficient development of the new Centum City.

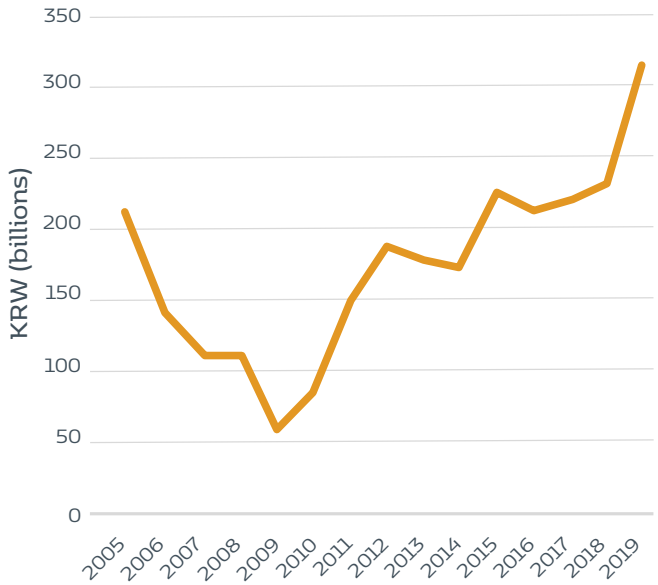
Equally important are hints of urban regeneration possibilities in some of the strategies related to developing a film culture throughout the local society. Busan is increasingly focusing on strategies with a social outlook. Those that are seeking to spread and spark a film culture in low-income neighborhoods suggest the potential to spill over into urban regeneration effects.

Economic outcomes

Economic motivations to attract CCIs underpin the local and national governments' efforts to develop Busan as a city of film. Yet, despite heavy investment, Busan's share (sales) of the film industry hovers around 4% (see Figure 3.9). This percentage is higher than that of the overall CCIs (1.5–2.5%), but it is still quite minimal considering the strategies to promote Busan as the representative city of film in Korea. The expectation was that Busan would develop a successful film industry cluster, jump-starting a new economic engine for the deindustrializing city. Yet, since the majority of the key investments in the film industry cluster were made in the early to mid-2000s, the fact that the data from 2007 to 2019 do not show a rising trend in Busan's share in the film industry indicates poor outcomes in attracting firms to Busan.

Figure 3.9 Total Sales (KRW) in Film Industry in Busan and Their Share (%) of National Sales, 2005-2019

3.9a Total sales (KRW)



3.9b Share of national sales

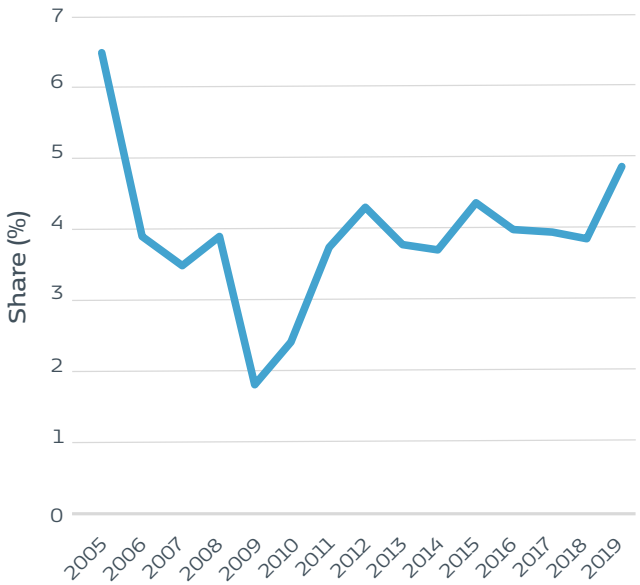
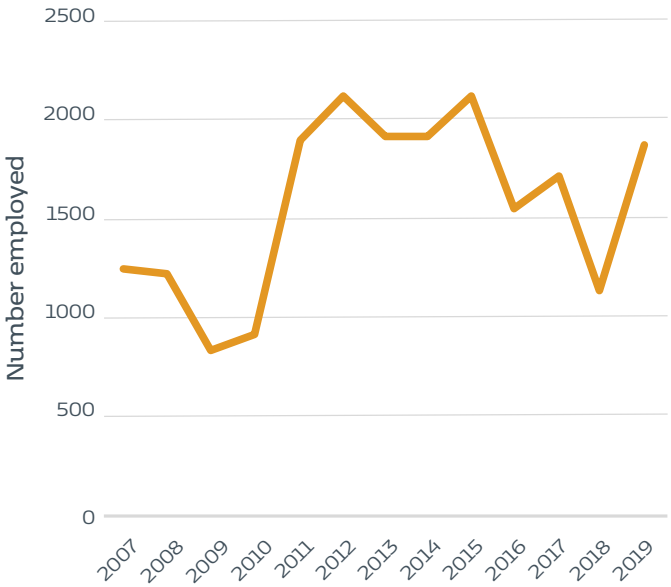


Figure 3.10 Total Employment in Busan Film Industry and City's Share (%) of National Film Industry Employment, 2007-2019

3.10a Total film industry employment



3.10b Share of national film industry employment

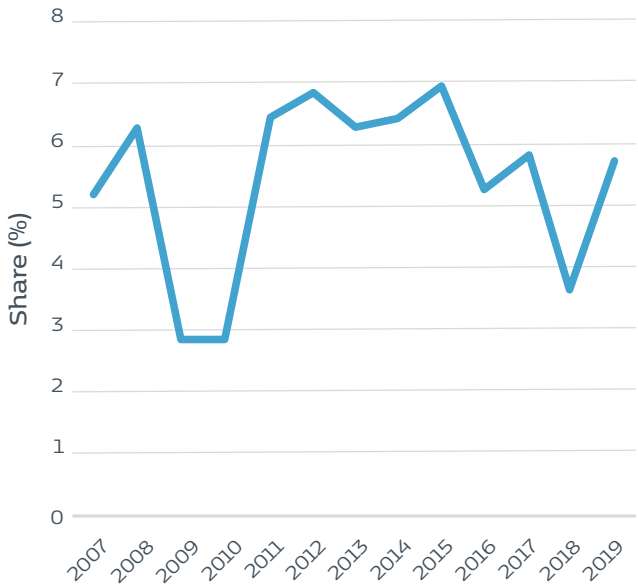
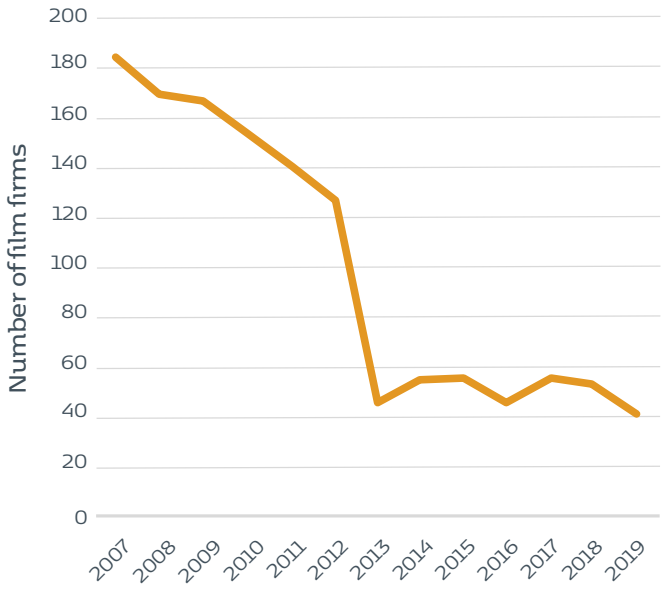
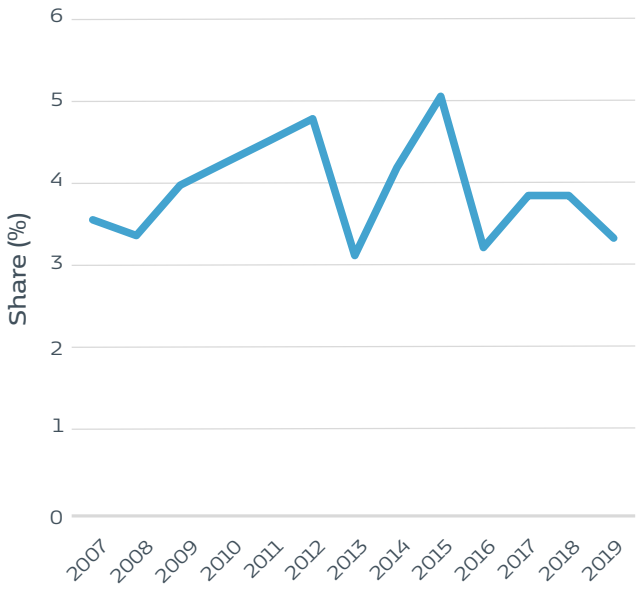


Figure 3.11 Total Number of Firms in Busan Film Industry and City's Share of National Firms, 2007-2019

3.11a Total number of film firms



3.11b Share of national film firms



Source: Data for Figures 3.9, 3.10, and 3.11 are from various years of the Content Industry Statistics published by the Korea Creative Content Agency. Note: Data for 2010 and 2011 in Figures 3.11a and 3.11b are unavailable.

The number of firms dropped sharply from 2007 to 2013, a result of the overall increasing presence of large firms in the film sector. Despite the decline in the number of film companies, their percentage share in the country did not show a similar drop (Figure 3.11). This indicates that Busan's strategy to nurture small local film companies has not delivered the expected outcomes. Note, too, that fluctuation in employment numbers in Busan's film industry might imply a high volume of temporary workers (Figure 3.10). Busan's film industry employees as a share of national film industry employees is also variable, suggesting that this fluctuation is a phenomenon unique to Busan's film workers. This pattern may be due to Busan's film industry relying more on vulnerable, low-quality jobs, with people being easily hired and fired, with high-quality jobs concentrated in the SMA. The lackluster growth of Busan's film industry can certainly be attributed to the lopsided concentration of talent and capital in the SMA and the difficulty of competing with this established power center.[58] Incentives and state-of-the-art facilities have failed to attract firms that require skilled workers in the industry. Nor have they led to the hoped-for spillover effects of firms establishing in proximity to other enterprises within the film production network.

The tourism sector has enjoyed a more immediate economic outcome, as Busan's identity as a city of film attracts overseas and Korean tourists. Having supported many film shootings in the city, several local places have emerged as tourist attractions for film lovers. In 2017, the BFC published a tour guidebook, *Busan Cine*, highlighting outdoor filming locations of famous movies shot in Busan. According to a survey by Busan Tourism Organization in 2021, visiting film sites comprised 13% of the tour activities among Korean tourists in Busan. Among foreign visitors, nearly half of them answered that they first came to know Busan through films, TV shows, and radio.[59]

Social outcomes

One of Busan's biggest successes as a city of film has been its renewed brand identity, in which local citizens take immense pride. Locally, nationally, and internationally, Busan is now seen as a city of film. Prior to the establishment of the BIFF, the keywords associated with the city were the maritime port and labor-intensive manufacturing. Today, "film" is acknowledged as one of the main keywords associated with Busan.[60] In a survey carried out in 2016, the Busan Tourism Organization asked residents of Busan (28%) and other major cities in Korea (72%) to name an image associated with Busan. The survey revealed "film" as the most popular image, followed by "food" and "ocean.[61] The fact that Busan was designated as the first UCCN City of Film in Asia also indicates how the city is received internationally as a leading film hub in Asia.

Promotion of local film culture contributes to social cohesion. Under the banner of Cinema for All, local cities and communities are coming together to appreciate film and take part in various film-related activities in their everyday life. The film culture scene in Busan is becoming more widely accessible to local communities, including low-income neighborhoods. Overall, the development of the city of film has been about rekindling vitality and optimism within Busan. Although Busan may not yet have succeeded in attracting creative capital and talent away from Seoul, the experience of pursuing the development as a city of film is seeding confidence, pride, and new energy in a city that continues to struggle with deindustrialization. Challenges persist, but the city is learning to find new opportunities as a cultural and creative city.

Conclusion and recommendations

Conclusion

Despite its status as the second city of Korea, Busan was struggling to find a new local development path in the 1990s. The city's labor-intensive, light-manufacturing-based local economy was losing competitiveness, while knowledge-intensive and service-based industries were becoming heavily concentrated in the SMA. However, as a coastal city Busan had significant assets and advantages to foment greater economic development: popular beaches, mountainous landscapes and its status as a major international and domestic transportation hub. In addition, Korea's modern history had left the city with a number of unique urban places that could be reinvented using creative strategies. As the second-largest metropolitan city in Korea, Busan also had the potential to develop CCIs.

Busan's case illustrates how a metropolitan city without globally renowned traditional cultural and heritage assets can nevertheless pursue and develop a new cultural and creative identity. For Busan, redeveloping its identity as a city of film was not easy, with Seoul dominating in CCIs, including film. Busan aimed to develop nearly from scratch not only a film industry, but also film culture and film education—an integral part of making a city of film—as reflected in its carefully designed strategies and critical enablers. In examining Busan's CCI enablers, it is apparent how efforts to scale up from hosting the inaugural BIFF to becoming a city of film has been critical. Local stakeholders adopted and extended strategies from the power of this successful event to pursue various key areas in the film industry

(for example, APM), film culture (for example, Cinema for All and BIFA), and film education (AFA to AFiS). They began by supporting location filming—in which they could leverage their local strengths—before moving on to target film production industries. The national government's Cine Culture City further cemented Busan's position as Korea's city of film. Notably, both local and international strategies have shaped Busan's new cultural and creative city identity. Contemporaneously with efforts to develop a leading film industry cluster in the country, international perspectives and collaborations helped develop a film education hub and a cultural identity grounded on film in Busan. Strategies that involve building overseas intercity ties and international positioning may be viable solutions to overcome the firmly established dominance of Seoul as the core of film culture in Korea.

Ultimately, Busan has successfully established a solid cultural identity as a city of film—locally and internationally—while economic outcomes of the development of its film industry cluster remain to be seen. Busan's new cultural identity has generated a dynamism to help overcome its previous image as a deindustrializing port city. The strategies involved in transforming Busan into a cultural and creative city have also left notable spatial development outcomes. However, by focusing on hardware-driven solutions, the local and national governments' efforts to drive growth in the film industry in Busan have thus far been somewhat disappointing. As a way forward, Busan needs to create its own niche market in film to have a distinct comparative advantage over Seoul and prevent further attraction of related CCIs to the ever-growing mega-urban region. Perhaps, Busan can learn from its successful launch of the BIFF to create a unique niche market to complement rather than compete with more established international events. Busan's increasing efforts to grow a local film culture within the local community from the bottom up, as well as some of its strategies for international collaboration, suggest that the process may already be in motion.

Recommendations

The following are recommendations for other cities interested in pursuing a cultural and creative city, derived from the enablers described in the previous section.

1

Uniqueness

- ***Uniqueness can be created anew with carefully planned strategies.*** Cities striving to become cultural and creative tend to rely on existing historical and cultural assets to promote their uniqueness. While existing local attributes are indeed important, the case of Busan illustrates how a critical asset for a cultural and creative city can also be developed from scratch by successfully launching and sustaining an international event, which requires strategic planning.
- ***A successful international event can be a powerful tool to develop a cultural and creative city. That's why a newcomer with unique identity and niche market is critical.*** To create its niche market in the already well-established international film festival scene, the BIFF strategically built its identity around the three keywords—Asia, young, and independent films.

- ***Allowing dedicated experts and local artists to lead and organize projects with government support can produce positive results in promoting uniqueness.*** Creative artists and experts in the field, rather than government actors mired in bureaucracy, may better evaluate a city's weaknesses and potential opportunities in the projects, which are essential for strategic planning. Local governments need to consider how they can best work with non-government actors and give them the necessary independence to effectively carry out their work.

2

Institutions and partnerships

- ***National–local partnerships can provide a great boost to a cultural and creative city in the making.*** Where the national government is strong, as in the case of Korea, its financial support can help propel investments, particularly in new infrastructure or other necessary but expensive hardware projects. Earning the national government's acknowledgment as a city with the potential to be a cultural and creative center can further boost and support the necessary efforts of the local government.
- ***It is advantageous to develop a local institution dedicated to promoting and managing a specific cultural and creative industry targeted by the city.*** Such an institution not only helps to signal the local government's dedication to promoting the cultural and creative industry, but also facilitates more sustained efforts for coherent and strategized management.

3

Social networks, support, and finance

- ***An inclusive cultural governance actively can engage businesses and the local community to participate.*** When it comes to developing the "software" aspect of a cultural and creative city, support from diverse actors can be particularly crucial. Local artists and citizens can initiate cultural activities a government fails to recognize. Private businesses can bring their expertise and make investments. Their participation can diversify and enrich cultural and creative city development efforts.
- ***Building international networks and support is a potential solution to overcome local limitations.*** Rather than competing for limited resources and policy attention with other cities in the country, collaborating with international actors can offer new and more exciting opportunities.

4

Skills and innovation

- ***Investment in education is an essential strategy for creating a pool of talent for developing an innovative cultural and creative city.*** Initially, cities without strong job opportunities, such as Busan, might find it difficult to retain talent who have been educated in the city. Nevertheless, becoming an education hub has crucial implications for enhancing a city's image and standing as a cultural and creative city. Long-term, cultivating future talent could also attract creative industries and bolster talent retention.

- **Lifetime education for local citizens**, **not only professional schools and degrees, can be beneficial.** Citizens are a source of creative energy that sustains the city's cultural and creative efforts. And in today's rapidly changing society, lifetime learning is becoming a new trend.

5

Urban infrastructure and livability

- ***Urban spaces and infrastructure should service creative industries and local citizens.*** While it is easy to focus on infrastructure and development projects that cater to the creative industries, local governments should not forget about providing public spaces and cultural services for local residents. What sustains a cultural and creative city in the long term is likely to be a livable environment that genuinely fosters culture and creativity at large, together with citizens.

Photo by ASIA CULTURECENTER, Unsplash.com

CHAPTER 4

Gwangju

A Creative City through the Interplay between External and Internal Drivers

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Executive summary

This chapter outlines the cultural strategies, enablers, outcomes, and assets that have incorporated Gwangju's reputation for controversial political activism in its reformation as a creative city as a model for other cities seeking similar transformations. Prior to 1980, Gwangju was known for its rich tradition of art and theater as the peaceable capital of South Jeolla in South Korea. Following the May 18 Democratic Uprising in 1980, however, the city's name came to be associated with the violence of this popular revolt.

Key historical sites that were witness to political unrest (May 18) have become major components of and assets to Gwangju's culture and creativity. The city's urban elites' pursuit of cultural strategies to address the lack of urban industry in the early 1990s coincided with the election of a national government invested in fostering urban growth in underdeveloped cities. Gwangju was one of several cities earmarked by the national government for investment, and an interplay between external and internal drivers influenced the cultural strategies implemented there.

Gwangju's cultural strategies manifested in the three successive stages of the Gwangju Biennale, the Asian Culture Hub (ACH), and Media Art Creative City are examples for cities in a similar position. Through the Gwangju Biennale, the national government's financial and institutional support, and the city government's proactive preparations, a public-driven initiative was created that laid the groundwork for the subsequent two stages. Following the Biennale, the national government designated Gwangju as the ACH, which came with significant funding. Finally, the city government's promotion of media art in the Biennale and the Media Art festival positioned Gwangju as a candidate for and eventual recognition as a Media Art Creative City.

Government initiatives and funding supported physical events dedicated to the May 18 memory, yet the city's civil society and progressive artists incorporated the spirit of the cultural and creative strategies. Local players and the national and city governments worked together, and though the degree of their involvement might have varied, their intentionsaligned. Civil society members and progressive artists sought to preserve the city's political spirit, the city government planned to stimulate urban regeneration through cultural strategies, and the national government wished to acknowledge a painful time in the country's recent history.

Without partnerships with Seoul staff, urban bureaucrats, local civil society, artists, and businesses, Gwangju could not have attained cultural and creative city status. While collaboration and communication were challenging, as this case demonstrates, governance evolves through conflicts and renegotiations. What is essential to cultural governance is that the negotiation platform is one all players can trust.

COVID-19 caused temporary closures or postponement of cultural events, but the city pursued online exhibitions and virtual performances that offered alternative opportunities to explore contemporary and media arts. The 13th Gwangju Biennale was postponed to 2021, when it combined a truncated offline exhibition with an online one. Attendance of the online exhibit was twice that of the offline one, and the positive response raised expectations that virtual methods based on technology will be incorporated in future exhibitions.

Introduction

Gwangju attracted CCIs necessary for the spatial, economic, and social outcomes the city has achieved since the 1990s through government collaboration. Local players concerned by the city's economic stagnation submitted a request to host the Biennale, which the national government granted and then funded. The city's cultural strategies that created opportunities for developing the subsequent strategy would have been difficult to accomplish independently without this financial support. From this collaboration, the relationship between Gwangju and the national government has evolved in circular and interactive ways.

Gwangju's transformation into a cultural and creative city has depended on the interplay between external (national government) and internal (local government and civil society) drivers. Gwangju's cultural strategy consisted of three stages, the cooperation between these drivers have directly shaped the process. The first strategy was the Gwangju Biennale, an international contemporary art exhibition, held continuously from 1995 to the present. External drivers include being award the event itself and the national government's funding and staff. The internal drivers include the city government's petition to host the event and subsequent preparation, as well as segments of Gwangju civil society protesting the biennale, aspects of which were later adopted by the official biennale. Second-stage strategies focused on the ACH (2004-2031). Here, external drivers included the national government's designation of Gwangju as an ACH, funding of US$5.29 billion, legislation, and staff.[62] Internal drivers included local players' expanded participation, the integration of May 18 memories, and spatial outcomes in terms of urban regeneration. The third stage involved the promotion of a local media art industry through the Media Art Creative City (MACC, 2014-present) project. External drivers were acceptance by UNESCO to the UCCN and the Korean national government's contribution of 50% of the cost of MACC events. Internal drivers were local players' application and creation of various cultural activities during and after the application process.

In the evolving process of Gwangju's cultural strategies, opportunities become obstacles, weaknesses become advantages, and liabilities become assets. For example, the national government's decision to award Gwangju the Biennale and name it the ACH was the type of opportunity city elites discussed when exploring cultural strategies. However, dependence on the national government's financial investment has become one of the greatest obstacles to self-governing. Conversely, perceived weaknesses such as the city's lack of heavy industry became a distinct advantage that allowed the city government and local elites to focus on advanced technology instead. Similarly, the associations with the May 18 uprising were considered by some to be a liability to the city's fortunes, and, as such, the city's elites omitted references to May 18 in the first official Biennale. In response, artists and local players staged an unofficial alternative Biennale commemorating May 18 that, by its popularity, proved the uprising was an asset to the creative and cultural industries in Gwangju. Even COVID-19 could not stop the event; it only delayed this tribute to the uprising as virtual technology was mobilized so that the exhibition could go on as scheduled.

Political history and challenges of an urban economy

Political history of May 18, 1980

Gwangju is one of six metropolitan cities located in Korea's southwest. It covers an area of 501 km²—comparable in size to Ottawa, Turin, and New Orleans—and has approximately 1.5 million inhabitants. Per capita GRDP for 2019 was US$23,178 (KRW27.8 million), the fourth-highest of the seven major cities in South Korea.[63]

Map 4.1 Map of South Korea and Gwangju, with Location of Gwangju Marked

Source: https://mikkismon.wordpress.com/2012/10/28/the-city-of-gwangju-and-the-asian-culture-complex/.

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Gwangju, located in the agricultural province of Jeolla, was primarily agrarian like much of Korea, before 1961. After the Korean War, the country underwent a period of rapid industrialization primarily concentrated in the Kyung Sang regions, while development in other regions like Jeolla lagged. According to some, preference was given to Kyung Sang because many of the members of the post-war national government originated there. The regionalism in how Korea's ruling party regarded the Kyung Sang and Jeolla regions has been attributed to this long-standing rivalry between the two provinces. Others argue that the ruling party had a bias against Gwangju and the Jeolla Province predating the now well-known uprising in 1980.

On May 18, 1980, 200 students staged a peaceful protest to demand democratic elections. Students were soon joined by other citizens, and as the protest grew troops were dispatched to suppress the demonstration and block all routes in and out of the city to contain the events. Gwangju's citizens armed themselves and organized a citizens' army, holding off the military forces for nine days. On May 27, the last day of the resistance, citizens assembled in front of South Jeolla Provincial Hall (Photo 4.1). When the army entered with tanks and superior weaponry, an estimated 300 to 2,000 people (depending on the source) were killed. The military buried their dead, while the fallen protesters' families and friends were directed to dig graves in Mangwol-dong Cemetery where they would be interred.

Despite its proud history of democratization, the uprising has negatively impacted city's image. The military government withheld facts and spread misinformation that the uprising was an extreme left, pro–North Korea event instigated by North Korean spies and agitators. Succeeding military regimes through the 1980s continued to withhold the truth regarding the events in Gwangju in 1980, perpetuating the regionalism that was negatively impacting the standing of both Gwangju and the Jeolla region through sanctions and misrepresentation.

The May 18 Democratic Uprising was a momentous political event in Korea's modern history and contributed significantly to its democratization. Following the election of South Korea's first civilian president in 1992, Gwangju's elites organized the 21st Century Citizens' Talk for Exploration of the Future of Gwangju and Junnam [South Jeolla] in 1995. They discussed the result of a survey[64] conducted by Chonnam National University, Seoul National University, and Pusan National University that proved the disinformation surrounding the events of May 18 still formed people's views of Gwangju. Many outsiders still identified Gwangju as the City of Blood, and though some had come to associate Gwangju with the May 18 Democratic Uprising and Kim Dae-jung, a hero politician, they were far fewer. Gwangju residents, however, saw their city as a City of Democratization or City of Art. Of Gwangju respondents, however, 86.6% believed that sustained regionalism and isolation from central political power for 30 years due to the uprising caused the underdevelopment of their city's economy.

Photo 4.1 Hundreds Gathered in Front of the South Jeolla Provincial Hall, Last Day of May 18 Democratic Uprising Before Army Stopped Further Protests

Source: ©The May 18 Memorial Foundation provision.
*Further permission required for reuse.

Regionalism was having a negative impact on Gwangju's economy long before the democratic uprising. As seen in Table 4.1, while the city's GRDP doubled between 1991 and 1997, it remained low compared to the other cities. In fact, throughout the 1990s, Gwangju had the lowest GRDP of Korea's six major cities.

Table 4.1 GRDP (KRW billions) of Six Metropolitan Areas, Increased Steadily, 1991-1997

City \Year	1991	1992	1993	1994	1995	1996	1997
Seoul	54,229	60,304	68,643	76,224	84,599	93,272	97,947
Pusan	16,341	17,181	18,962	21,338	24,135	26,883	27,760
Daegu	8,409	9,322	10,336	11,825	13,918	15,211	16,066
Incheon	11,195	12,313	13,439	15,074	18,007	19,721	21,149
Gwangju	4,904	5,605	6,328	7,319	8,522	9,295	9,986
Daejon	5,069	5,757	6,421	7,085	7,935	8,647	9,735

Source: Statistics Korea Government Official Work Conference. https://index.go.kr/unity/potal/main/EachDtlPageDetail.do?idx_cd=1008, accessed December 21, 2022.

After the uprising, Gwangju's weak industrial base and negative associations with the events of May 18 deterred companies from locating factories to the city. Recognizing the problem, local players resolved to do something to attract investors. South Korea's industrialization had left Gwangju behind, narrowing local elites' options for pursuing cultural strategies toward economic re-development. Discussions began on the local level on how to replace the city's reputation for civil unrest with a new identity, one related to art and culture.[65]

Local elites proposed a biennale that would feature contemporary arts and traditional art and culture. Their timing was fortuitous. The first non-military president to be democratically elected took office in 1992, shortly followed by the first local elections for South Korean city governments in 1995, which produced more entrepreneurial mayors than before. The interplay between the national government's drive to rectify years of economic sanctions and local players' petitions to host the biennale culminated in Gwangju winning the designation.[66] Since the first Gwangju Biennale was not only funded by the national government but planned by a committee of government employees, it was a polished and professional art-centered event. However, local artists and the city's populace demanded that the history of the May 18 Democratic Uprising in 1980 be acknowledged and included in the city's overall cultural strategies. Their requests went initially unheeded, but they eventually persuaded the government to recognizing the importance of the uprising to the Gwangju Biennale—which became the catalyst for the city's subsequent cultural strategies.

Cultural and creative industries

In the late 1990s, the Korean government began to recognize the importance of CCIs.[67] As Table 4.2 demonstrates, Seoul had the highest percentage of companies specializing in film, animation, game, broadcasting, and music in 1999. At the time, other cities, including Gwangju, had very few CCI businesses.

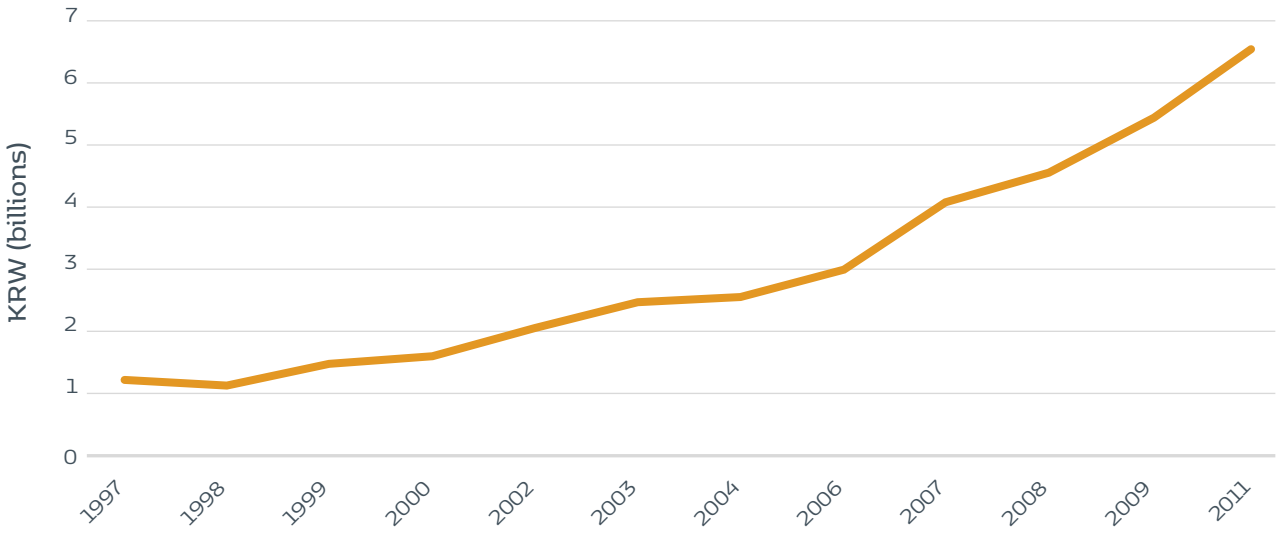
Table 4.2 Number of Cultural Industry Companies in Seven Major South Korean Cities in 1999

	Film	Animation	Game	Broadcasting	Music
Seoul	81.6	94.5	84.9	54.9	59.5
Incheon	0	0.9	4.5	2	0.4
Pusan	2.3	0.9	2.6	5.3	1.2
Ulsan	0.2	0	0	1.2	0
Taegu	3.1	0	0	5.3	0.8
Gwangju	1.3	0	0	3.3	0.4
Taejeon	1.6	0	1.3	2.9	0.4

Source: The Ministry of Culture and Tourism, 2000 Cultural Industry Statistics. http :/ / www.mct.go.kr/ index-ko.html., accessed December 21, 2022.

Gwangju's CCIs grew significantly during the 2000s. Since the concept of CCIs was only just introduced into Korea in the 1980s and did not grow into prominence until the 1990s, national CCI-related statistics do not go back far. Most Korean CCIs have been created since 2005, with CCI sales between 1997 and 2011 showing a dramatic, nearly six-fold increase. It's clear that CCI enterprises and sales have had an important economic outcome for the city.

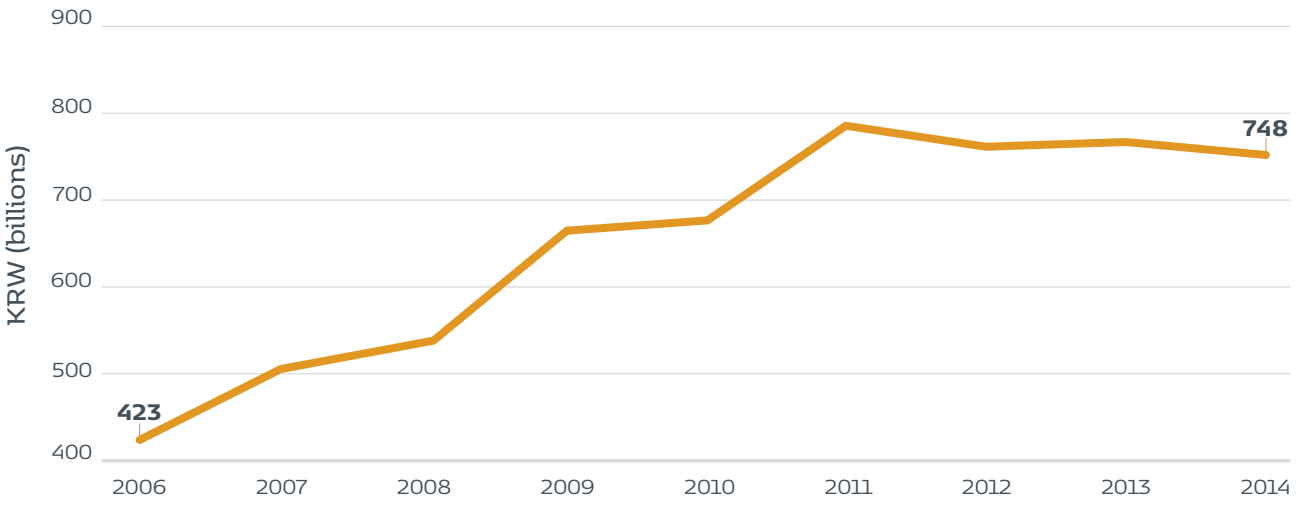
Figure 4.1 Gwangju CCI Sales (KRW billions), 1997-2011



Source: Choi, et al, 2013, Figure 3, p. 183[68]
Note: One billion KRW = One million USD.

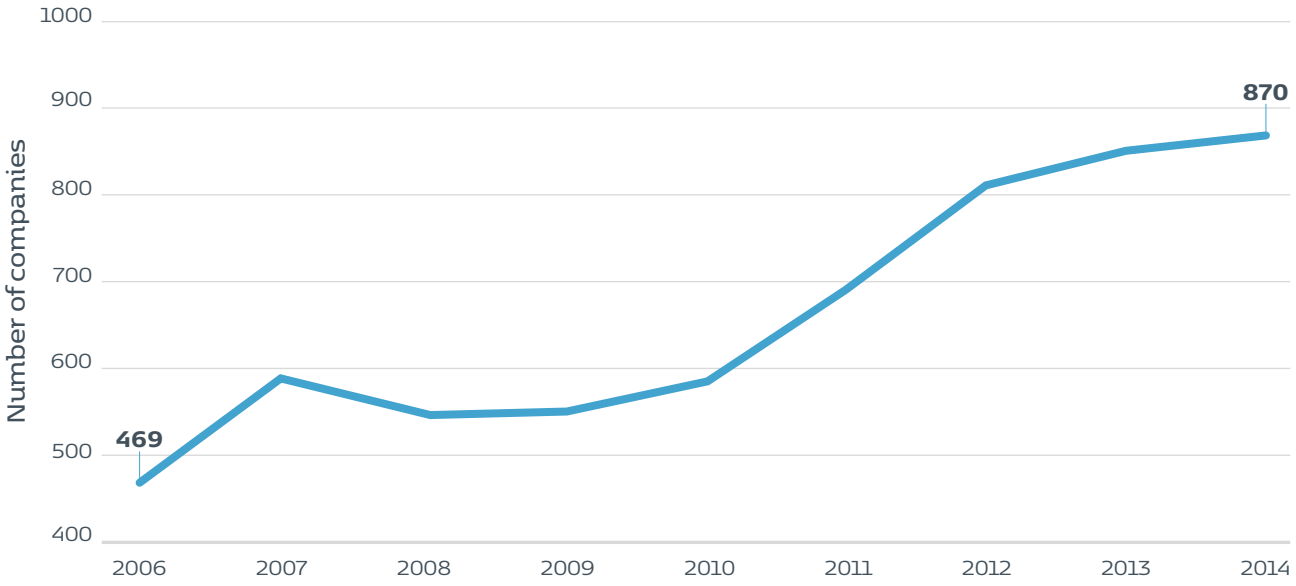
Gwangju's CCIs sales and number of CCI companies experienced reasonable growth between 2006 and 2014 (Figures 4.2 and 4.3).

Figure 4.2 Gwangju CCI Sales (KRW billions), 2006-2014



Source: Park, 2016, p.3.[69]
Note: One billion KRW = One million USD.

Figure 4.3 The Number of CCI Companies in Gwangju, 2006-2014



Source: Park, 2016, p. 3.[70]

CCIs companies in Gwangju increased 10.7% per year while the number of CCI employees grew by roughly 6,700 annually between 2006 and 2014 in Gwangju (Table 4.3). CCI growth during this period can also be measured by size of cultural industries and the number of culture companies. Table 4.3 illustrates the impact of CCIs on employment, as the number of jobs created rose by 6,7000 per year. However, Gwangju's growth was still lower than the national average and the average of six other metropolitan cities.

Table 4.3 Number of companies and the number of employees of CCIs in Gwangju and other Number of companies and the number of employees of CCIs in Gwangju and other metropolitan cities

		2006	2014	Increase per year (%)
Number of companies (thousands)	Gwangju	0.5	0.9	10.7
	6 metropolitan cities	3.1	6.2	12.7
	All of South Korea	18.1	42.7	17.0
Number of employees (thousands)	Gwangju	4.1	6.4	6.7
	6 metropolitan cities	32.3	51.3	7.3
	All of South Korea	290.5	511.5	9.5
Sales (KRW trillions)	Gwangju	0.4	0.7	9.6
	6 metropolitan cities	3.6	6.4	9.8
	All of South Korea	44.7	92.2	13.3

Source: Park, 2016, p. 5.
Note: One trillion KRW= One billion USD. Six metropolitan cities include Busan, Incheon, Daegu, Daejeon, Gwangju, and Ulsan. Seoul is also a metropolitan city, but its official status is Seoul Special City.

Assets and resources

Intangible cultural heritage

Gwangju is known throughout Korea for its rich traditions of art, culture, and theater such as pansori (Korean musical storytelling), earning the nickname" Art Village" (Ye Hyang). Gwangju translates to "Light Village", and the city's natural light was pivotal to attracting post-impressionist artists. Among them was Oh Ji Ho, famous for developing Korean-style modernism and impressionism that influenced a number of artists in Gwangju and the surrounding areas.[71] His impressionist methods and portrayal of light earned him the moniker the "Artist of Light".

Gwangju's rich cultural heritage of food, music, art, literature, and crafts provided an expedient starting point for implementing a cultural and creative city strategy. When the city government and local elites first considered creating the identity of a city of art, it seemed like a natural choice due to Gwangju's obvious aesthetic appeal. The city boasted a large pool of artists, as well as 926 state-approved cultural heritage sites and 652 cultural heritage sites designated by the city government.[72]

Despite this ready source of cultural attractions, some of the implemented cultural and creative city strategies diverged considerably from the city's traditions and heritage. Supporters of cultural and creative city strategies that focused instead on contemporary and media art also pursued less traditional art forms for the Gwangju Biennale. The InfoArt special session in the Venice Biennale featuring video artworks by Nam June Paik 1993 was developed into an InfoArt exhibition at the 1995 Gwangju Biennale, where contemporary art and media art were the main attractions. The Kim Yong Sam administration supported this contemporary art event, viewing it as an indication of the country's internationalization, a policy Kim unswervingly pursued.

Convincing traditional artists to accept alternative art forms as cultural and creative city strategies has been a challenging task. The city's present status as a cultural and creative city is a result of a combination of cultural strategies based on contemporary arts, human rights, education, media arts, traditional Korean arts, crafts and foods. However, there is lingering tension between traditional art and the kinds of art that cultural and creative city strategies have favored. The national government's support of contemporary art, including financial support, was viewed as a threat to the autonomy of the exhibits. Gwangju's arts community focused on the love of their art and not the financial reward, while the commercial art industry lacked vibrancy. Although art exhibitions were frequent in Gwangju, art dealers were few and the art scene was inactive. The majority of artists in Gwangju worked independently, with minimalconnection to other artists and collaboration to form an art scene that would invite outside interest. As close personal relations among artist and elites are important in the formation of cultural governance, the refusal of some artists to cooperate made negotiations difficult.

In such a closed-off atmosphere, introducing alternative art forms was challenging and it was not easy for culture and creative industries to gain a foothold in the city. Post-impressionist painting has continued dominate in Gwangju and in the city's art colleges. The cultural industry's promotion of interdisciplinary and post-modern art through art residency and collaboration with other artists and businesses has made inroads with the help of the private sector.

The introduction of media art as a cultural and creative city strategy was an eye-opening experience for young artists and students. Since art colleges continued to teach traditional painting techniques exclusively and courses for media art were not offered by any of the major universities in Gwangju, young artists had few opportunities to be educated in contemporary art. However, the Gwangju Biennale and MACC exposed them to and inclined them toward contemporary and media art. During the first Gwangju Biennale, Nam June Paik's exhibit titled InfoArt impressed young students with its new methods and dynamic content, and some of these so-called "Biennale kids" are now themselves preeminent artists in the media arts.

Community practices associated with the May 18 Democratic Uprising

Members of the city's civil society and popular artists disapproved of the first Gwangju Biennale, viewing it as an attempt at compensation that neglected to acknowledge the events of May 18, 1980. After the lessons of the first Biennale in 1995, the national and city governments granted Gwangju's civil society greater involvement. Gwangju's civil society has a reputation for its unwavering participation, and the local civic organizations have been considered among the most influential organizations, along with local media and political parties.

The Gwangju-South Jeolla Artists' Community played a variety of roles in helping shape the city's vision of itself. One role this organization took was as a defender of the May 18 Democratic Uprising memory, objecting to any omission of any reference to the city's political history. Another role the organization

adopted was the unofficial opposition to the Gwangju Biennale. Unsatisfied with the official direction, it launched an Anti-Biennale in direct competition. The Anti-Biennale proved to be very popular. Elements were integrated into the ensuing Gwangju Biennales and key personnel were invited to join, leaving other members no choice but to continue their opposition in other ways or quit entirely.

Once official and unofficial Biennales were combined, progressive and popular artist groups began challenging the lack of equal representation of art and culture in an art show about democracy and social justice. Since the 1990s, the Gwangju Biennale has expanded from traditional impressionist art and post-modernism to include participatory arts that jump-started young artists on a path to interdisciplinary arts. As an increasing number of Korean artists study abroad, they have returned to apply what they learned to the organization of the Gwangju art festival and create an inclusive atmosphere for successive biennales.

Once the ACH project was announced, some civil society members thought to expand their participation in their city's cultural and creative strategies while others, disillusioned with their Biennale experience, saw a new opportunity. Funding for the ACH project was substantial and contributed to the urban regeneration of Gwangju. However, it remained the national government's project and was unable to successfully connect with the citizens of Gwangju. Those members of the city's civil society who had connections to people within the national government attempted to involve local practices that linked art and cultural activities to urban regeneration.

Gwangju's CCI vision and strategies

Organized into three-stages

The first stage (1995-present) is represented by the Gwangju Biennale. The city's active cultural vision and strategies stem directly from the inaugural Gwangju Biennale. These strategies have undergone an evolution. The first Gwangju Biennale was an attempt by the city's elites to replace and even expunge the uprising from memory with an art-based identity as an alternative. However, this approach faced resistance and criticism from popular artists and local civil society members, and successive biennales would integrate the memory of May 18.

The second stage (2004-2031) is an ongoing culture-led urban regeneration through the Asian Culture Hub program. With funding of US$5.29 billion for the construction of the ACC, the national government designated Gwangju as the Asian Culture Hub and staffed it with national government personnel. The renovated Jeolla Provincial Hall that housed the ACC was a significant site to the May 18 Democratic Uprising as the location where protesters took their final stand and died. Conflict arose when the portion of the building where the last resisters were killed on May 27 was scheduled to be demolished for renovations. Through a repeated process of conflict and renegotiation, Gwangju's citizens have fought to preserve the vital political history of the building.

The third stage (2014-present) focused on Media Art Creative City. When UNESCO announced the UCCN program in 2004, Gwangju's government was determined to win the city of Media Art title, organizing a committee that included at least one media artist and an academic to advise local bureaucrats. During the four-year evaluation period, in 2007 the mayor of Gwangju announced the creation of a manufacturing cluster for LEDs, which are widely used in media art in the city. In applying to join other creative cities in the UNESCO network, the city's light industry and the experiences of contemporary art played a role identifying the city with media art.

Enablers for culture and creative endowments of a creative city

This section explains how Gwangju translated its assets and resources into spatial, economic, and social outcomes. It illustrates the factors that enabled Gwangju to become an example of a cultural and creative for other cities around the world that are considering the pursuit of creative city status. The following subsections explain the six different enablers and the role of the city's specific ecosystem in attracting CCIs, as well as the role of players including the central and local governments and the private sector. It should be pointed out that the city's assets and resources, external players, and outcomes have, over time, come to constitute a circular relationship. This means that, when local players discovered a lack of assets and resources, they convinced external players (the national government) to provide outside resources by to help produce outcomes, which then become assets for the subsequent stage.

1

Urban spaces and infrastructure in the making

From the Gwangju Biennale to MACC, urban spaces have been actively explored, their significance put on display, and their development has enabled the next stage. May 18–related places including the ACC (the former South Jeolla Provincial Hall) have played an especially important role in forming spatial benefits and spatial bases for Gwangju's cultural and creative city strategies. Sites that were once honored in secret for fear of retribution are now openly acknowledged for their importance as places for cultural meaning, memory, and tourism, and for their key roles in the cultural and creative city's cultural strategies.

Staging the Anti-Biennale in and around the Mangwol-dong Cemetery placed a spotlight on May 18. This choice of location drew attention to the 137 graves of the protesters who died during the 1980 uprising. It was also meant to remind people how in the 1980s and 1990s, Mangwol-dong became a symbol for the uprising and a pilgrim's journey for political activists, which, once discovered, the government tried to discourage.[73]

Having the cemetery adjacent to the exhibitions invited the graves to become a part, producing an atmosphere of reflection and symbolizing a combination of democracy and art. One exhibition displayed 1,200 works of art printed on textile on a line of a fluttering cloth (3.5m by 0.5m) that skirted the long road leading into Mangwol-dong as if ushering visitors to the cemetery.[74] Most of the artwork expressed a spirit critical of dictatorship and satire about social injustice, but also hope for Korean reunification.

The success of the Anti-Biennale's use of Mangwol-dong Cemetery encouraged the inclusion of other May 18 places of memory, such as the Jeolla Provincial Hall, in cultural and creative city strategies for exhibitions and tourism.[75] As the site of the protesters last stand in their campaign for democracy, the ceremony was a historically important building in Gwangju and its inclusion in the ACH project had significance beyond preservation. The renovations and additions to the hall to transform it into the ACC was the costliest task in the ACH project, but also the most controversial.

From the first moment the winning design was revealed, the construction of the ACC was delayed by disputes and conflicts. The proposed redesign was a low building with more floors underground than above so that the Moodeung Mountain, the genuine landmark according to the architect, would be the focal point. The business community and politicians in the area were concerned that the rather plain design would not draw the tourists needed to stimulate the economy. Despite

these concerns, representatives from the Hub City of Asian Culture Office in Seoul stood by the design.

Further conflict arose when it became clear that the part of the building where the last protesters died was slated for demolition. The demonstrations protesting the demolition attracted media attention, compelling several renegotiations that eventually secured the May 18 memory a place in the city's cultural and creative strategies. In the process, May 18 survivors and families emerged as players that would not be ignored. In fact, the current government has conceded to demands that the historical building be restored to its original specifications.

Though Gwangju had managed to utilize its historical sites, the city still lacked urban spaces and infrastructure. In the 1990s, the national government encouraged businesses to expand in less developed areas and provided the financial support for them to do so. Since Gwangju had little in the way of an industrial base, businesses availed themselves of the financial support offered by the government and build all new infrastructure, unlike in other cities where numerous businesses already existed. In 1998, the CEO of Moodeung accepted the government's financial incentive and opened an optical communication company in Gwangju, playing on the definition of the city's name as "the light village." The LED industry in Gwangju, combined with the contemporary art displayed at the biennales, inspired the media art angle pursued by locals to achieve MACC status.

During COVID-19, the infrastructure for the light festivals provided much-needed urban spaces for creativity that were especially suited to media art. As a genre at the intersection of art and technology, media art—current focus of the city government—is well provided for in the light village.

2

Catalyzers and uniqueness

Gwangju successfully lobbied the national government to host the Biennale, then organized the event in just eight months. The city government provided staff to plan and coordinate the Biennale and actively encouraged students and other groups to attend the event to ensure its success. Tickets purchased by the city government contributed to 25% of the total budget of US$3.4 million, while another 50% came from the national government and 25% came from other sources.[76] As a result of these concentrated efforts, the first Gwangju Biennale attracted approximately 200,000 visitors over 25 days.

Efforts by leading local players, including the city government and academics, to have the first Biennale distance the city's image from the memory of May 18 became a catalyzer. While some people agreed that the city needed a new image, others hastened to act not only to preserve Gwangju's political history but position it squarely at the center of the city's cultural and creative strategies.[77] Local community groups and popular artists troubled by the omission of the city's history organized an alternative exhibition, "the Anti-Biennale" at Mangwol-dong cemetery that featured the memory of May 18. The success of this event proved that the city's history was an asset to the cultural and creative strategies and a prime example of "dark tourism", an increasingly popular mode of promoting landmarks associated with death and suffering.[78]

The official Biennale and Anti-Biennale have been integrated since 1995, pleasing some members, while angering those who believed Anti-Biennale organizers had capitulated too easily. However, the decision to adopt an integrative approach made it possible for May 18 history to become part of mainstream cultural strategies. Although external resources were initially negatively associated with the national government's attempts at compensation, local players soon proactively pursued national government support. Over time, through the Biennale, it has become increasingly accepted that May 18 was indeed about democracy; as such, the memory of the uprising has become an asset rather than a liability.

Gwangju's storied and lively political history contributes to the city's uniqueness. Despite the nature of Gwangju's history, this discussion on uniqueness provides a general lesson on cultural and creative city strategies. The distinguished history and culture of any city that has experienced notable events can act as either enablers or barriers, depending on how local and national authorities, a city's elite, and the public deal with memory.

How memory of unique historical events is represented or preserved can create divisions. In the case of Gwangju, local players were divided between those who wish to memorialize events as a tribute and those who seek to simply stimulate urban regeneration. Families and friends of the victims of the May 18 uprising tended to be in the first group. Civilian leaders realized that to create a memorial required concessions on their part in forming a cultural governance to accomplish some of their goals when external support was provided.[79] Though some criticized civilian leaders for compromising too quickly and easily, these negotiations afforded key learnings to prepare for subsequent rounds of negotiations for cultural strategies that would be employed. Through their interactions with the national government, local players learned how to apply for external opportunities and ensure some of their needs could be met.

Some local players' territorial attitudes to Gwangju's unique history have come to light through and resolved by the city's cultural and creative city strategies. Over the years, local players have territorialized memory, creating a clear division between themselves and other relevant players. Contemporary cultural and creative city strategies, however, have required them to allow others in and reterritorialize memory by demanding transparent communication and fair recruiting and evaluation.

Local bureaucrats tended to prioritize economic benefits over history. Where civilian leaders often struggled to balance memorialization while meeting conditions to maintain government funding, local bureaucrats' goals for integrating history into cultural and creative city strategies was simpler: realize spatial, economic, and social outcomes.

3

Support and finance from the national government

The national government's institutional and financial support enabled creative endowments to translate into spatial, economic, and social outcomes. The national government's financial support was one of Gwangju's greatest enablers, yet at the time also one its greatest barriers.[80] It financed the exhibitions and performances so vital to the success of spatial and cultural outcomes, without which the Gwangju Biennale and the culture-led urban regeneration would not have been possible. However, along with funding came bureaucratic and goal-oriented approaches that have conflicted with artists' and civil society members' approaches.

The national government has stimulated and supported urban initiatives in selected cities under specific brands. As a formerly "developmental state",[81] Korea implemented and accomplished urban development through directives and regulations.[82] Since the 1990s, however, the Korean government has adopted a less direct approach and selected a number of Korean cities to support indirectly through programs promoting cultural and creative cities as well as smart cities. Due to the significance of May 18, Gwangju was a leading candidate for support, beginning with the first civilian government and subsequent regimes that wished to demonstrate their affinity for democracy. What distinguished the three different stages of Gwangju's cultural and creative city strategies from previous endeavors was the national government's desire to repair its international reputation.

First, in the early 1990s, the national government attempted to achieve internationalization and democratization as the nation's first non-military government. As part of these efforts, the Ministry of Culture chose to inaugurate an international art exhibition modeled after the Nam June Paik exhibition in the Venice Biennale. After accepting Gwangju's proposal to be the site of the biennale, the national government provided 50% of the total funding and further supported the event by providing bureaucrats and hiring experts to support the city.

Second, by awarding Gwangju ACH designation in 2004, the national government reinforced its commitment to compensate the city for years of deprivation. A special law instituting financial support called the 'Special act on the development of Asian cultural hub city' was enacted, and between 2004 and 2021, a total of US$2 billion was spent in the construction of the Asia Culture Hall and the re-planning of the city to accommodate the new structure. US$3 billion more is planned to be invested for 2022-2028 (Ministry of Culture, Sports and Tourism of the Republic of Korea, 2022).[83] This project offers an opportunity for culture-led regeneration for the entire city.

The ACH project employs intermediaries, including architects and construction companies, and the government remains removed from disputes arising over content. At the same time, however, the members of the ACH office and taskforce teams were based in Seoul, which meant that local experts and architects were not involved in the planning and construction in Gwangju, although a few locals were part of the planning research team.

Third, though MACC designation was awarded by UNESCO, 50% of the funding for the AI Cluster Town, Light Expo, and AMT Center came from the national government. In fact, city governments in Korea have often pursued international acknowledgement to ultimately gain national government recognition and funding. For example, in 2010 a documentary of the May 18 uprising was submitted to the Human Rights Documentary Heritage 1980 Archives and accepted in 2011. Global recognition of the events in 1980 was significant for the city, and local players saw an opportunity to apply for additional designations and funding.

The city government invited an artist, an academic, and a member of Gwangju's civil society to collaborate on an application for UNESCO's Creative City Networks (UCCN) for media art. The decision to base the application on the city's importance to media art was partly because other brands such as traditional art and design had already been claimed by other Korean cities. Upon receiving conditional acceptance that would be confirmed once Gwangju merited the MACC label, those who worked on the application established a media art festival in 2011. Once the city was officially confirmed as a UCCN creative city in 2014, they learned that they would be reassessed every four years. With this in mind, they created Six Creative Belts, six areas in the city that articulate the creativeness of the city. The first belt is the site of AMT related to May 18, and the second is centered around the Gwangju Culture Foundation and MAC.

4

Inclusive institutions and partnerships

The most challenging learning experience for citizens of Gwangju in positioning their city as a cultural and creative city was partnering with outsiders. As local players had become used to working within the confines of their city, their interactions with others in different fields were limited. However, the city's rapid development of cultural and creative city strategies supported by external drivers required working across different sectors and fields with bureaucrats, artists/community members, academics, and others. The interdisciplinary collaborations and partnerships evolved through the three different stages of cultural and creative city strategies identified earlier in the chapter.

The collaboration to develop the Gwangju Biennale, the first stage, involves outsiders from Seoul and locals in Gwangju. At first, bureaucrats and artist/community members faced difficulties and conflicts, but eventually developed a collaborative working understanding. During the inaugural Gwangju Biennale, the directors were either from other countries or Seoul. Over time, however, event staff has increasingly consisted of one-half urban bureaucrats, and the other half artists and community members.

The ACH project, the second stage, is mostly a partnership between Seoul players who work in the ACH office and a few local players, including local bureaucrats and planning experts. Yet, during the renovations and even after the completion of the ACC, conflict and renegotiation around the demolition of certain sections of the Jeolla Provincial Hall involved Gwangju's civil society, academics, bureaucrats, artists, and May 18 organizations.

The application to UCCN as a MACC, stage three, required a necessary collaboration between artists and businesses due to the incorporation of technology and light industry materials in media arts. Some artists managed to collaborate with the light industries individually. As those industries were based in Gwangju, they were easily accessible and business owners saw benefit in assisting artists explore new technologies to use in their artworks. This stage also included the development of urban spaces such as the Six Belts, for which a collaboration with bureaucrats and planning experts as well as artists was arranged.

At each stage, the need for partnership has increased, and at each stage the learning process has been an uneasy one. There was certainly agreement on the need for cross-sector collaboration in principle. In practice, however, it required patience, using different approaches and continual communication. Yet as time went on, partnerships became the foundations for the next stage. For example, local actors had learned to cooperate with bureaucrats, artists, and academics for the Gwangju Biennale, so when the city government pursued urban regeneration in the second stage and MACC in the third stage, the call to collaborate was no longer unexpected. Partnership development is ongoing, and all players in other sectors know they will eventually have to learn to work together.

Various art and cultural institutions have been established since cultural and creative city strategies began in the 1990s. During the first stage of the Gwangju Biennale Foundation, Graduate School of Culture, Chonnam National University, Gwangju Culture & Arts Center, Gwangju Student Education & Culture Center, and Gwangju Cultural Foundation were established. With a focus on media art, the Gwangju Cultural Foundation was criticized for not providing support for all forms of culture in Gwangju. Gwangju also joined the International Biennial Association to ease access to an international partnership. During the second stage, the Hub City of Asian Culture established a committee and eventually formed the Asia Culture Institute. The third stage saw the establishment of the Gwangju Fine Arts Association and the Gwangju Art Association, and the city became a member of the UCCN, specifically for media arts.

Based on these experiences, forging partnerships for current cultural and creative city strategies has a stronger base than ever before. Since other Korean cities were already UCCN-designated for some potential content, Gwangju players chose media art because of involvement of LED industries with the Gwangju Biennale. Further, as Seoul was selected as a design creative city, Gwangju should pursue a category related to AI and advanced technologies. These intention does not necessarily indicate a strong base for media art in the city so much as there was potential for collaboration, and the players decided to focus on that. Though many initially disputed that media art was the city's strength, a media art festival was planned and other events and spaces were prepared once the category was chosen,. The art festival's focus on technology was considered not only an essential tool for media art but also a reflection of contemporary society's dependence on technology.

5

Skills, talent and innovation

In addition to cultural heritage, educational institutes for science and technology have enabled the relationship between art and technology. The Gwangju Institute of Science and Technology, an internationally established college, has provided a strong foundation for the AI industry. The light industry in Gwangju had received financial incentives to bring industry to deprived areas from the national government and the city government.[84] Eventually, Gwangju had a technopark with a technology-photonics industry and R&D district, high-tech hotspot for science technology research, a media-content industry, and an LED industry and design industry. The technologies used in the AI Cluster Town and CGI Center, including the Visual Effect (VFX) Production Studio, play an important role as the boundary between technology and art becomes increasingly unclear in contemporary and media art.

In media art, the merging of art and technology is critical. However, artists have struggled to gain the cooperation of the lighting manufacturers that provide the needed technology—primarily due to artists' requiring only small amounts of product while businesses prioritize project size and profit. If artists and the companies can come to an understanding, artists will be able to buy the technological materials for their media art at a more affordable price. On occasion, mediators are required to ease the connections between artists and lighting manufacturers.

Cultural and creative city strategies also resulted in innovations in urban landscape planning. The ACH project reinforced the connections of culture and history to urban spaces through the Asia Culture Forum as well as the ACC. MACC influenced urban planning through the Media Art Creative City master plan (2015), Media Art Creative Belts plan (2017), and bylaws in support of MACC (2017).

6

Digital environment

Korea's advanced IT and digital media culture has facilitated Gwangju's focus on media art and contemporary art. Korea's digital environment has been relatively advanced since the significant improvements to its digital infrastructure following the Asian economic crisis of the late 1990s. Intent on rapidly improving the digital environment, the national government legislated the first ever "E-government act" in the world. Efforts such as these also played a vital part in the government's pursuit of internationalization in the 1990s.

Korea's digital environment has led to the creation of smart factories, smart grids, smart healthcare, smart cities, and smart roads. The country's approach to smart healthcare is unmatched. As early as 2003, a significant number of hospitals had already gone paperless. And it was due to advanced digital tools that Korea could contain the COVID-19 pandemic and avoid the crippling shutdowns so many other countries faced. The biotechnology that afforded fast testing and the communication technology that offered tracing mechanisms constituted an efficient tracing capacity. Mobility data, mobile phone location data based on GPS, credit card transaction records, and transport passes were combined. AI-enabled rapid testing, and mobile apps provided real-time information on locations visited by those who tested positive. The recent New Digital Deal between the government and tech companies will strengthen data infrastructures, increase data collection and usage, expand 5G network infrastructure, and develop touchless technologies and AI.[85]

Despite advanced connectivity, internet speed, smartphone ownership, and social media usage, Korea's participation in the global digital environment continues to be low. As social media in Korea began as early as 1999, predating Facebook and Twitter, homegrown Korean social media platforms are still preferred.[86] And despite the country's well-established IT hardware industry, further development of software industries is needed. A shift from object-oriented art to art as software in interactive media art should be a good opportunity to promote the software industry as art becomes the construction of software.

In Gwangju, the role of the digital environment was evident during the period and is expected to play a stronger role in post-COVID 19 society. Familiarity with IT technology is common in the country and made national and local audiences feel comfortable with digital media art. During the COVID-19 pandemic, audiences naturally enjoyed interactive technologies that demonstrated art works as digital experiences. This provided those key actors in the creative city strategies a promising future in their projects.

Spatial, economic, and social outcomes

Spatial outcomes (vibrant neighborhoods)

Box 4.1 The impacts of COVID 19 and response

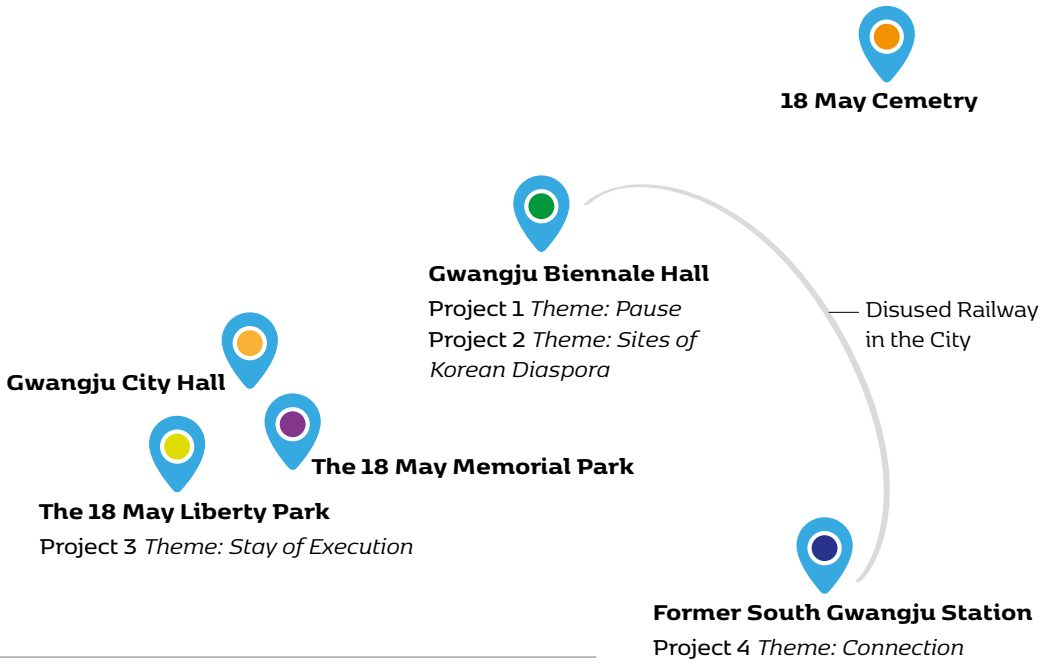
The COVID-19 pandemic has had a negative impact on cultural events and artists' strategies in Gwangju. Though Korea has managed to limit the spread of COVID-19 and a total lockdown of the country has not been necessary, performance places have been closed temporarily. The Gwangju city government and the Gwangju Culture Foundation provided 'Urgent aid for Culture and Art Institutions' (Gwangju Cultural Foundation, 2020[95]) to selected institutions, and the national government provided financial support not only for artists but also for ticket sales.

The 13th Gwangju Biennale that had been scheduled to take place in 2020 was postponed twice due to the pandemic and held instead 1 April – 9 May 2021 for a shortened period with limited capacity. Under the theme of 'Minds Rising, Spirits Tuning, ' the offline exhibition followed pandemic protocols including taking attendees' temperature and recording visitors through QR codes. The offline exhibition received 85,000 visitors, but the online exhibition posted on the Biennale homepage and YouTube received 165,000 visitors.

As Gwangju currently focuses on media art, which is based on technology and cyberculture, the virus' impact was not necessarily all negative. Local players said that the revisions they have had to make to their methods of performances and exhibitions to make them virtual would benefit their work in the long run because they would contribute to their growth in media art. In this sense, they found the impact of the pandemic rather positive.

The Gwangju Biennale, the Asia Culture Hub, and the UNESCO Media Art Creative City demonstrated the memory-development-art nexus of these spatial outcomes. One spatial outcome of note was the increased use of May 18 memorial places. At first, the Gwangju Biennale was concentrated in the Gwangju Biennale Hall. Since then, however, the exhibition has expanded to include other locations. Figure 4.4 shows the exhibition places in the 4th Gwangju Biennale in 2002.

Figure 4.4 Variety of Exhibition Locations in the 4th Gwangju Biennale, 2002



Source: Shin, 2020, p. 82.[87]

Other key locations at the 2002 Gwangju Biennale included the Memorial Park and the Memorial Liberty Park, as well as a railway that was abandoned after the uprising. This type of connection to cultural areas was further developed all over the city (Figure 4.6) in part due to the ACH.

Exploring May 18-related places has continued to this day. The special exhibition May Today was a cornerstone of the 2020 Gwangju Biennale, postponed to 2021, exhibiting artworks on May 18 and the Gwangju spirit. The formerly closed Armed Forces' Gwangju Hospital, where 300 citizens injured by torture and violence were treated in May 1980, was re-opened for the exhibitions.[88] Local artists played a central role in re-discovering these significant places of memory for the Gwangju Biennale, which also served to contribute to the city's urban regeneration by drawing attention to unused buildings. For instance, the former Armed Forces' Gwangju Hospital is scheduled to be renovated as a trauma center for victims of national violence.

The construction of the ACC was integral to the city's urban regeneration. The spatial outcomes translated into assets for urban regeneration, which then expanded on those outcomes by utilizing those assets. More support became available for content such as history, literature, archives, performances, and exhibitions. In the case of the ACC, the government invited architects to submit designs to a contest to renovate the South Jeolla Provincial Hall (Photo 4.2). The lot is 128,621m^2 in size, with a total floor space of 178,199m^2, and the sum of the project costs amounts to $680 million (KRW, 2008).

Photo 4.2 Renovation of the Former South Jeolla Provincial Hall as Part of ACC Construction

Source: World Bank photographs: ©HaeRan Shin/World Bank.
*Further permission required for reuse.

Exhibition places were developed into culture areas throughout Gwangju through the ACH (Figure 4.5).

Figure 4.5 Culture Areas in the Asia Culture Hub

1 Asia Culture Center · Cultural Exchange Zone
2 Fusion Cultural Science & Technology Zone
3 Asian Community Culture Zone
4 Future Edu-Culture Zone
5 Visual Media Culture Zone

Source: Hub City of Asian Culture, Gwangju.[Hub city of Asian Culture five culture Areas][89]
Note: There are five zones that include seven areas. The five zones include Asia Culture Center-Cultural Asia Culture Center·Cultural Exchange Zone, Fusion Cultural Science & Technology Zone, Asian Community Culture Zone, Future Edu-Culture Zone, and Visual Media Culture Zone.

To support the MACC project, six creative belts were developed, one of which was the AI Cluster Town Project, focused on AI R&D (46,200m², with an investment of US$ 347million). As of 2021, two out of the six belts have been completed (Photo 4.3).

Photo 4.3 Creative Belts Developed as Part of the Media Art Creative City (MACC) Program

Media Art Centre
(Art & Media Technology)

Creative Belt Area 1:
"Gwangju Spirit"

Creative Belt Area 2:
"Gwangju Heal"

Source: Moneytoday, 23 February 2021.[90]
*Further permission required for reuse.

Urban regeneration initiatives associated with MACC tended towards art studios and public spaces. A representative example of an integrative spatial outcome is the Lee Eee Nam artist studio. The city government commissioned the artist to renovate a vacant building once used to store medicine into a mixed-use development that would include space for his art studio, a coffee shop, and exhibition places. The artist and his staff remodeled the building and now, rather than an empty shell, there are welcoming public places exhibiting media art works and an art studio where the artist and his staff work. It is an essential part of the regeneration projects for that district and has proven to be a fashionable and attractive place to visitors. This studio-café-exhibition space is emblematic of urban regeneration integration.

CCI development has spilled over into spatial effects. An economic cluster has developed as a byproduct of this formation of CCIs in Gwangju. Other spatial benefits—such as attracting more and more residents and tourists, as well as businesses—have also emerged. The current mayor's focus on AI industry has led the Gwangju city government to launch an AI Cluster Town Project.

Economic outcomes (thriving local economy)

The growth of CCIs plays an important role in a local economy.[91] Economic outcomes are certainly the central focus of the national government and local players alike. And the economic outcomes of the initial cultural and creative city strategies in Gwangju came from both art tourism and dark tourism. As local demand for art and culture was as low as 0.82% of the national cultural industries sales in 2010 (Choi et, 2013), attracting outside tourists was important.

The Gwangju Biennale and ACC produced a clear economic impact on urban economy. The Gwangju Biennale garnered approximately US$ 11 million in 2000, and the ACC has attracted approximately 10.7 million visitors to date.[92] Between 2016 and 2018, production-inducement effect, direct and indirect effects of the demands created by ACC on the whole industry production, was US$ 73 million, and added-value effect, which is an increase in the valued of a resource, product, or service as the result of the construction of ACC, was estimated to be US$53 million, while the employment inducement effect stood at 10,629.[93] The Gwangju Design Biennale also generated revenue for the city. In 2009, its economic impact was an estimated US$19 million. According to figures compiled by the Korea Culture and Tourism Institute in 2019, ACC staged nearly 670 programs, including 200 performances that attracted 9.7 million audience members since its creation. The center brought in approximately KRW840 billion (US$707 million) and 16,000 in labor inducements. Though financial numbers may be accurate, evaluating the event as a success has raised objections because Gwangju received financial support from the national government, unlike the self-funding strategies of other cities.

As of 2019, key CCIs in Gwangju are in advanced imaging crafts and designing edutainment computer games in addition to the LED industry. However, these companies are rather small and tend to be subsidiaries of parent companies in Seoul. In Korea knowledge-based service industries are concentrated in Seoul and invest in the CGI (Computer-Generated Imaginary) industry, for example, in other cities. Table 4.4 lists the number of companies, number of employees, and sales figures for key CCIs in Gwangju.

When it comes to employment numbers more specifically, in 2019, 54.8% of men were employed in CCIs but only 32.9% of women. Permanent jobs were 86.7%. The most representative age group was the 30-39 cohort, at 26.7% of total employed, followed by 40-49, at 21.2%, and 50-59, at 16.4%. University graduates made up 63.7% of those employed in CCIs.

The Gwangju Job Project is a win-win employment model, drawing on the city's experiences of governance and urban regeneration. The Gwangju Job Project was modeled after the terms and conditions the city of Wolfsburg struck with Volkswagen to keep the factory open. The project was initiated by the city government in 2014 and supported by the national government and

launched in 2018. In 2019, Gwangju came to a similar agreement with Hyundai Motor Company whereby people would accept a lower salary but receive more welfare benefits subsidized by the national and the city government.

Table 4.4 Advanced Imaging Leads Gwangju CCIs in 2019

Industry	No. of companies	No. of employees	Sales (US$)
Advanced imaging (animation, movie, broadcasting, commercial)	229	1,493	303 million
Crafts/design	113	506	64 million
Edutainment	44	366	171 million
Computer game	36	317	14 million
LED	111	1,876	60 million

Source: GITCT, 2020.

Social outcomes (cohesive society)

Social outcomes of Gwangju's cultural strategies are not easily quantifiable, and the effects of the creative and cultural policies on society have been challenged. Financial and institutional support from the national government offered ample opportunities for local players to advance, but also caused conflicts. One positive social outcome was cultural governance at a local level, but the network of associations was a complicated by the national government's involvement. Here, local players' loyalty and community values were tested, sometimes strained, but in many cases strengthened during the process. The cultural strategies of Gwangju have contributed to the professional, civic, and personal connections that have bonded the city's economy, history and memory, civic city government and May 18 organizations, and citizen's daily lives.

Gwangju's attractiveness for CCIs has enabled people to remain in the city or surrounding smaller hometowns while being employed by these cultural industries. However, the majority of Gwangju's artists do struggle to survive since their art alone does not offer financial security. Although empty buildings have been repurposed and new infrastructure has been built, the human infrastructure is still in the making. The cultural governance of international activities—including the Gwangju Biennale, the Asian Culture Hub, and the Media Art Creative City—continues to be fraught with tension. The conflict lingers between those local players who want to protect their territory and those who are from Seoul or have international background.

Central-local relations must be considered to relieve tension. Local players' defensive attitudes are based on actual past history of a suppressive national government and isolation from the government's policy. Current experiences have left local experts feeling that their input was not welcome in forming major events and programs in their hometown, while people from Seoul or outside Korea were given freedom on decision-making and planning. Within the local art community itself, friction arose as artists of traditional painting and pansori felt their art was superior to contemporary and media art, although are they very different genres. Further, when the national government provided funding for contemporary art, artists of these traditional forms were displeased to have been overlooked but tried to still play a role in the biennale. Some art directors have managed to successfully combine traditional crafts with the contemporary energy and method.

Conclusion and recommendations

Conclusion

The case of Gwangju demonstrates that external resources; local responses; spatial, economic, and social outcomes; as well as conflict and lack of resources are all interconnected. External support from the national government combined with proactive local government initiatives produced clear economic, spatial, and social outcomes. Lack of resources can, to some degree, be overcome by the interplay between these external resources and internal drivers, and any economic outcomes could result in additional resources and further opportunities for growth. Second, even conflicts and resistance may be assets to the process of transforming a city's particular history into important content for art and culture. Conflict may constitute new opportunities and redirect the cultural governance of the city. Third, the lack of resources is not necessarily negative; it can motivate local players to seek external opportunities. As interaction with others expand, more rich, complex, and fruitful connections develop.

A city's historical association with a negative image can become a significant asset. In the case of Gwangju, a reputation for political unrest was thought by some to be a barrier to planning, implementing, and executing cultural and creative city strategies. However, as it became evident that many citizens were proud of the city's role in the country's transition to democratization, the suggestion to overwrite the memory has been a contentious one. Attempts to do so did, in fact, generate resistance and conflict, which hampered the city's cultural strategies. Instead, the spirit and history became the substance of the art and culture.

Actively seeking external support is critical to sustaining a cultural and creative city. External supports can be the greatest enabler and the greatest barrier. Once the national government took a step back, offering support from a distance, local players struggled to maintain cooperative relations. Historically, this struggle is partly due to a conditioned dependence on the Korean developmental state where the national government led urban development both financially and through policy. Apprehensive of external support they cannot control, local players are nonetheless disconcerted when theses external controls are removed. In the context where the national government has been a tremendous central power inthe capital city, other cities have come to rely on the external support.

In the case of Gwangju, many questioned if the city merited the national government's designation of ACH. However, the designation had a performative effect on planning and participating. During this process, local players have learned how to make their city a cultural and creative city, with some degree of success. Gwangju may not have succeeded in terms of outcomes and cost-benefit effect, but it certainly in terms of an ongoing evolution in learning and their achievements.

Cities with a particular history and external support that also seek alternative CCIs may consider the following suggestions:

- **Determine how their history can become a resource and asset:** Even if the history has been misrepresented by the media and the majority of population is misinformed, embracing that history as a cultural and creative city strategy can inspire artists and citizens to participate and help make the policies and strategies sustainable.
- **Create a balance between community participation and experts involvement:** Creative communities are the heart of creative cities. Without organic and sustainable communities, the creative ecosystem will be limited in growth and scope. Policies that catalyze creative communities through targeted interventions while safeguarding their ICH and creative capital tend to result in more sustainable ecosystems over the long term.
- **Patient communication can contribute to establishing lasting partnerships and governance:** Conflicts are natural in the formation of new partnerships and governance. Players have

cooperative conflict relations, in which they have common goals while each has a different motivation. Fostering comprehensive art and comprehensive creativity would gain a lot of advantages in terms of participation and inclusiveness.

- **Expand the role of cultural and creative city strategies and connect them to urban planning:** cultural and creative city strategies are not only important for the culture of a city but also vital to the city's urban regeneration. Should cultural and creative city strategies be used to promote urban regeneration, they can contribute to the livability and the quality of life in the city.
- **Go beyond territorial attitudes and make partners outside the city and the country:** Local players may have developed peculiar attachment and loyalty to a wounded city, such as Gwangju, with its particularly painful history and memory.[94] However, cultural and creative city strategies and CCIs require elements of de-bordering and interdisciplinary and flexible attitudes that require partnerships with outsiders that may well invite healing.

Based on the enablers outlined earlier in this chapter, the following recommendations are suggested for other cities in the world that share some characteristics with Gwangju.

Recommendations

The following are recommendations for other cities interested in pursuing a cultural and creative city, derived from the enablers described in the previous section.

1

Catalyzers and uniqueness

- **Translating the unique history and places of memory into cultural and creative city assets contributes to the sustainability of a cultural and creative city.** In some cases, the city's unique history or memory places do not appear to have the qualities of a cultural and creative city asset, but their storytelling does have value in that it reproduces the roots of the city. Features that are simultaneously unique and commonplace illustrate the full spectrum of a society and provide the materials for art and culture to convey that society's message.
- **Acknowledging the importance of memory places produces a potential resource for cultural and creative city strategies**. Memory survives through and in places, so the potential of those memory places to form an urban identity, attract tourists, and stimulate urban regeneration is noteworthy. The roles those places can play have been discovered only because cultural and creative city strategies started memorializing events that were previously misunderstood. As the case of Gwangju shows, there were several sites that played an important role in the events of May 18 that featured exhibitions, first as memorial spots or renovated for practical purposes.
- **Dealing with living history requires compassion when it involves people connected to the events.** These people may include survivors or the victims' families and friends. Considering their connection, they have strong voices and representational power, so their opinions should be heard and considered. The case of Gwangju demonstrates that communications among survivors, victims' families, experts, and bureaucrats tended to be difficult as they use different language and sentiments. Patience is needed for each player if cultural and creative city strategies are to do justice to a tragic history.

2

Social networks, catalyzers, technical and financial support

- **A balanced approach to external support contributes to a sustainable cultural and creative city that makes room for CCIs.** If external support is necessary, then gaining autonomy will be problematic while dependence still exists. A balanced approach that maximizes external opportunities and focuses on a transition from external resources to internal assets is critical for making sustainable cultural and creative cities and CCIs.
- **Publicly-led cultural and creative city strategies need to invite businesses and the community to participate**. Initially, Gwangju's strategy was to attract businesses, but the community objected to these single-minded tactics, and by demanding that their perspective be considered, thus enriched the cultural and creative city strategies. Business and community involvement can contribute to a healthier and more inclusive governance than strategies formed by government mandates alone.
- **Forming an inclusive cultural governance attracts businesses and contributes to the creative ecosystem**. The city's creative ecosystem was so restricted that it could not attracted CCIs. However, in the process of hasty preparation for cultural strategies, key players noticed the city's lack of an ecosystem and preemptively prepared industrial parks and as a result, attracted some CCIs.

3

Urban spaces and infrastructure in the making

- **Urban spaces related to a cultural and creative city contribute to urban well-being if they result in urban development or urban regeneration.** Cultural spaces can play a more important role when they translate in some way to urban development rather than remain limited by their historical significance. Cultural and creative city strategies embrace creative placemaking, which also contributes to enhancing quality of life and community values.
- **The flexible use of urban spaces contributes to resilient urban spaces.** As the COVID-19 pandemic has demonstrated, the future use of space will have to be more flexible to survive crises. Urban spaces in the future can be used not only for exhibitions and performances but also for education and leisure. Gwangju has had some success in that sense.
- **Not only placemaking but also place-management should be considered in budgeting.** One challenge that Gwangju faced was how to manage the ACC. The ACC's place-making went through a number of negotiations and re-negotiations, but when renovations were complete, place-management turned out to be an unanticipated problem. The chair appointment, staff recruitment, and the organization should be considered and prepared for in advance.

4

Inclusive institutions and partnerships

- **In the case of local cities with a strong national government, interaction between national and local governments is as important as interactions within the city.** Power relations can be particularly difficult; but keeping the lines of communication open with the national government is crucial in getting things done. Local players may attempt to interact with the national government in both formal and informal ways.
- **Forming partnerships inevitably causes discomfort, but the tension helps clarify what each player wants.** A truly creative city is not necessarily achieved by placid collaborations. Conflicts often expose flaws that then require that every member of cultural governance can state their opinion on how to go forward. This is a positive aspect of conflicts and can also help manage tensions in forming partnerships.
- **A communicative approach rather than top-down management would contribute to inclusive and participatory policy making.** A top-down approach can affect a dramatic shift in the initial stages. However, in the long run, the communicative approach, despite slower progress, can create inclusive and participatory institutions and partnerships.

5

Skills, talent and innovation

- **Professional artists, educational institutions, and technology can strengthen and reinforce each other.** Mediators might be necessary to help them communicate with each other but, once linked, their synergy could produce effective cultural and creative city strategies.
- **The existence of a healthy art scene is critical for a cultural and creative city.** The idea that artists are far removed from business is strong in the Korean context. Yet, in a cultural and creative city, active art markets contribute to the creative ecosystem. Transparent and healthy art markets would allow artists to dedicate themselves to their art, which would contribute to the further development of a creative city.
- **A comprehensive range of skills and talents would make for a sustainable cultural and creative city.** While external support often concentrates on molding the city around one particular brand, a comprehensive range of arts and skills is preferable. If diversity is allowed to flourish, the variety of arts and talent can contribute to a genuinely creative city.

Notes

1 The statistics in this paragraph are based on the notion of "content industries" in Korea. The definitions of the terms related to cultural and creative industries (CCIs) in Korea will be discussed in the next section. See MCST, *2020 Contents Industry White Paper*, 2021a.

2 MCST, *Creative Korea: New Cultural Vision for the 21st Century*, 2004.

3 Joint Ministries of Government, *The National Agenda of the Moon Jae In Administration*, 2018.

4 UNESCO and The World Bank, *Cities, Culture, Creativity: Leveraging Culture and Creativity for Sustainable Urban Development and Inclusive Growth*, 2021, p. 31.

5 MCST, 2020 *Contents Industry White Paper*, 2021a.

6 Nissim, *A Tail that Wages the Dog? Cultural Industry and Cultural Policy in Japan and South Korea*, 2011.

7 As Nissim points out, the relationship between the government and content industries is rather different from the relationship between the government and traditional manufacturing industries in Korea. Manufacturing industries like shipbuilding and steel have been initiated and shaped by government intervention, but the government has played only a supplementary role in promoting content industries. See Otmazgin, *A Tail that Wages the Dog?*, 2011.

8 MCST, *2020 Contents Industry White Paper*, 2021a, p. 56.

9 Park, *Korean Cultural Policy*, 2010.

10 Chae, *Twenty Years of the Korean Wave, Past Achievement and Future Strategies*, 2020.

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12 Ibid.

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18 Korean Statistical Information Service (https://kosis.kr), accessed December 9, 2021.

19 Many provincial cities have been successful in capitalizing on their cultural and historical assets by means of urban (re)development. Coinciding with the launch of the nationwide "urban regeneration policy" in 2013, cities' cultural policies are more connected with urban development, since funds from the national and local governments are generously being injected into urban (re)development projects. Currently, hundreds of urban regeneration projects across the nation are under implementation—and culture, tourism and urban development have become more interconnected in the designated zones. See Park, *Can we Implant an Artist Community*, 2016; Jo, I*ssues and Strategies for Harnessing Historical and Cultural Content in Urban Regeneration*, 2017).

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26 Ibid.

27 MCST, *2020 Contents Industry White Paper*, 2021.

28 Ibid.

29 MCST, *Selection of 5 Tourism Hub Cities for Creating World Class Tourism Hubs*, 2020.

30 Kwon and Kim, *Tourism Hub Cities are Advancing*, 2020.

31 UNESCO Creative City Network, http://map. unesco.or.kr/creativecities (accessed December 9, 2021).

32 This is the primary reason the national government has not reduced its influence on cultural policies in Korea after the nation's democratization and devolution (see Lee, *Cultural Policy in Korea*, 2019). The national government has carved out a new and influential role in cultural policy as a bulwark against widened regional inequality and distressed provincial cities.

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38 Ibid.

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44 Park, *Busan's "Soft Power City" Strategies*, 2012, pp. 1-12.

45 Hwang, et al., *Determinants of the Successful Busan International Film Festival: Focusing on the Role of the Multi-Scalar Mediators*, 2017, pp. 298-339.

46 Interview with the head of the UNESCO Creative City of Film Team, 2021, Busan, July 9, 2021; Hwang, et al., *Determinants of the Successful Busan International Film Festival: Focusing on the Role of the Multi-Scalar Mediators*, 2017, pp. 298-339.

47 Interview by the author with the head of the UNESCO Creative City of Film Team, Busan, July 9, 2021.

48 Busan Film Commission, http://www.bfc.or.kr/ (accessed July 22, 2021).

49 *Busan Visual Industry Center*, introduction to the tenant application, http://www.bvic.kr/homepage/default/page/ subLocation.do?menu_no=10070401 (accessed December 26, 2022).

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