

A photograph of SMBA Administrator Kim, Dong-sun. He is a middle-aged man with glasses, wearing a dark suit, a white shirt, and a light blue patterned tie. He is seated at a table, holding a black smartphone in his left hand and gesturing with his right hand. The background is a blurred office setting with vertical blinds and a window.

SMBA Administrator Kim, Dong-sun

Torch Bearer for 2nd Outward- Looking Policy of Korea

Reported by Korea Policy Insight (KPI)



Torch Bearer for 2nd Outward-Looking Policy of Korea

Korea's outward-looking policy, initiated by former President Park Chung-Hee in the early 1960s, provided a turning point for the nation's rags-to-riches odyssey. Featuring overseas market development in a departure from a focus on a domestic demand-oriented economy, the outward-looking philosophy has remained a pillar of Korea's economic growth. But changes in the global development paradigm have sparked the need to rethink, redesign and rebuild essential aspects of the policy.

During the course of overcoming the recent economic crisis, countries around the world, both advanced and developing, experienced a common problem -- conglomerates were relatively quick to recover from the crisis, but SMEs were being left far behind, raising the need to revise the previous growth and development paradigm.

Against this backdrop, Kim Dong-sun, administrator of Small & Medium Business Administration (SMBA), is in the limelight as the torch bearer for Korea's second outward-looking policy.

Outward-Looking Policy Progression

Keys	Original	New
Driving Force	Large enterprises (relative concept)	Small & medium enterprises
Industrial Areas	Light industry to heavy industry	High-tech, notably green industry, content & knowledge industry
Target / Missions	- Freedom from poverty - Development first - Sustainable growth	- Inclusive growth - Participation & sharing
Strategies	- Government-led - Efficiency & productivity	- Private-led - Value networking

As a matter of fact, among his first remarks upon being selected as the nation's top SME policymaker, Kim said, "Our new focus should be on the promotion of small but strong global enterprises as the axis of the nation's economy." Then, his first organizational restructuring of SMBA included the establishment of a team exclusively charged with the mission of international cooperation.

"When the nation first launched the outward-looking initiative, the big corporate names of today, like Samsung,

Hyundai, LG and others, were actually at the small enterprise level relative to their global counterparts. It is high time for us now to focus on the development of SMEs to produce the next Samsung or Hyundai,” Kim said. “That’s the path for our policy to travel to build a better Korea and a better world.”

Kim’s SME-based economic policy philosophy received a major boost these days, as fostering venture start-ups and innovative enterprises has emerged as important policies on the national agenda in Korea and with Korean President Lee Myung-bak emphasizing the value of a fair society as a new order and standard of ethics for the sake of sustainable growth and common prosperity.

Heralding that SMEs will be in the driver's seat of global economic issues, the G20 Seoul Summit adopted the slogan “Shared Growth Beyond Crisis.” In this context, China’s leaders emphasized that the national policy focus would be on inclusive growth, a concept very similar to the G20’s shared growth and Korea’s fair society.

Below are examples of SMBA Administrator Kim's global perspective-based SME policy initiatives, re-igniting the heat of outward-looking policy during the previous development period.

Green Initiative, Beyond Korea Toward the World

In line with President Lee Myung-bak’s “low carbon, green growth” strategy, Administrator Kim has backed a series of innovative measures to energize and support SMEs’ advances into the green sector.

Kim’s SME Policy Initiatives Focused on Globalization

- o Green Initiative, Beyond Korea Toward the World
- o Online Exports Targeting the World
- o 2nd Venture Boom With Global Fund
- o Fuel Biz Start-ups Looking to 'Go Global'
- o Transfer of Korean SME Expertise to Developing Countries



As Korea's second-outward looking policy pioneer, Kim intends to implement the green initiatives with a global perspective. The first fruit of his leadership on the world stage was the successful hosting of the ASEM SME Green Forum, which led to the establishment of the ASEM SME Eco Innovation Center in Korea.

During the APEC SME Ministerial Meeting last October in Kifu, Japan, the administrator gave a keynote presentation on "Green Technology, the Next-Generation Growth Engine for SMEs." Emphasizing that a green growth strategy encompasses not only preserving the environment but also creating new growth opportunities, he offered suggestions to narrow the technology gap among APEC economies and to promote cooperation and balanced development.

The administrator's leadership resulted in the adoption of the Green Initiative as the major task of the second cycle of the APEC SME Innovation Center, meaning that green growth has become a core element of SME innovation in the Pacific region under Korea's leadership.

Furthermore, at the OECD SME Meeting, the Korean delegation also gave a presentation, on "Green Growth & SMEs," which emphasized global cooperation, coordination and collaboration in greening SMEs for future prosperity.

Online Exports Targeting the World

Despite world-class Internet infrastructure and the widespread utilization of the Internet for diverse social and business activities, the level of Korean exports via online systems is in reality quite low.

Understanding this, the SMBA administrator launched a drive to invigorate online trade as a new channel to develop more market opportunities for SMEs.

On September 1, SMBA announced a program to promote online exports for SMEs. The program intends to increase awareness of the potential of online exports among SMEs, cultivate specialized online-export-related manpower, and sup-



port start-up of online export enterprises and collaboration with offline businesses.

On September 10, Kim flew to China to sign a memorandum of understanding with Alibaba Group, the world's largest e-commerce conglomerate.

The signing took place during the Alibaba-hosted Netpreneur Summit in Hangzhou, China. The MOU features a joint campaign for on-line exports, education related to on-line export, and acceleration of on-line export activities.

2nd Venture Boom With Global Fund

Promotion of innovative and creative venture enterprises played a pivotal role for Korea in overcoming the 1997-98 foreign exchange crisis. At that time, SMBA was nicknamed the Venture Administration.

Today, SMBA Administrator Kim is seeking to re-ignite the venture boom through globalization, especially the attraction of foreign capital investment for Korean ventures. Under the slogan "Beyond Korea, Towards the World," 'Venture Investment Fair 2010' was held April 27~28 at the Kyoyuk Munhwa Hoekwan in Yangjae-dong, Seoul, hosted by SMBA and managed by Korean Venture Capital Association and Korea Venture Investment Corp. (KVIC).

In November, the administrator visited Israel to sign a memorandum of understanding on Korea-Israel SME cooperation and attend the Korea-Israel Conference for Technology Exchange and Cooperation.

On the occasion of this conference, Korea Venture Investment Corp (KVIC) and Technion Incubator and Vertex Venture Capital of Israel signed an MOU for exchanges and cooperation involving speciality and knowhow of fostering business start-up enterprises. "By improving venture capital-related systems to suit global standards, Korea is also preparing an environment in which overseas investors can cooperate and prosper with Korean venture funds without inconvenience. As such, Korea's venture ecological system is continuing to grow and develop, and SMBA also is exerting utmost efforts ceaselessly in order take the system to the next level," Kim said.

Fuel Biz Start-up Looking 'Go Global'

The maximization of job opportunities is a key task of the nation, especially considering the high youth unemployment rate.

Aiming at generating new vigor in the economy, SMBA runs various programs to prime innovative business start-ups across the country. In particular, SMBA is going all out to foster one-person creative companies (independent business creators) as a part of the national Human New Deal, featuring the commercialization of creative ideas. SMBA also supports start-ups by retired persons as well as women-owned and disabled-owned enterprises.

Amid this environment, the SMBA administrator played the global-concept card to stimulate business start-ups in the technology arena, launching the Global App Support Center, designed to provide application developers experiencing difficulties in overseas marketing, despite development of excellent applications, with a full range of services, from support for marketing and publishing to post management.

SMBA intends to provide support in difficult areas facing app developers when they advance into global open markets, such as app translation, preparation of app publicity materials, protection of intellectual property rights, specialized consulting and publishing abroad.

SMBA also plans to support participation in well-known overseas exhibitions, WWDC, TechCruch Disrupt, etc., and diverse app community activities as well as disseminate survey results on overseas markets & technology trends and analysis data.

Transfer of Korean SME Expertise to Developing Countries

In the international community, Korea is regarded as having set a successful model for SME development and is now receiving requests to benchmark the Korean success. Administrator Kim has emphasized the refinement and upgrade of

Korean SME Development-Sharing Program (KSDP) to provide tailored solutions that match the specific conditions in beneficiary countries.

“SMBA is prepared to provide Korean SME development expertise and experience to developing countries,” Kim announced. “Utilizing existing SME educational facilities in Korea, we can provide a variety of education programs to help individual economies.”

Keynoting the Small & Medium Enterprises Cooperation Session at the 2010 Korea-Africa Economic Cooperation (KOAFEC) Forum in September 2010, Kim suggested establishment of the Korea-Africa SME Cooperation Support Center.

“The center’s mission would be to identify viable joint cooperation projects among Korean and African SMEs, facilitate cooperation, invigorate information exchanges, share experiences and technologies and launch other value-added activities,” Kim explained to the delegates.

SMBA has also provided recommendations to the UAE regarding the definition of an SME, which is needed to advance the contributions of the SME sector as a strategic gateway to the knowledge economy.

Kim Dong-sun

Educational Background

2000	Master of Business Administration, University of Helsinki, Finland
1981	Bachelor, International Trade, Korea University
1974	Shinil High School, Seoul, Korea

Career

Mar. '10 ~ Present	Administrator, Small & Medium Business Administration (SMBA)
Mar. '08 ~ Mar. '10	Secretary for Knowledge Economy, Presidential Office
Aug. '07 ~ Mar. '08	Dispatched officer, Korean Indigenous Helicopter Project Unit, Ministry of National Defense
Feb. '04 ~ Jul. '07	Commercial Counselor, Korean Embassy, People's Republic of China
Feb. '04 ~ Jul. '04	Director General, China Cooperation Planning Office
May. '03 ~ Feb. '04	Chief Secretary to Minister, Ministry of Commerce, Industry & Energy (MOCIE)
Feb. '02 ~ May. '03	Director, Export Affairs Division, MOCIE
Sep. '00 ~ Feb. '02	Director, Energy Resource Development Division, MOCIE
Jan. '00 ~ Sep. '00	Director, Industrial Cooperation Division, MOCIE
June '99 ~ Jan. '00	Director, Americas Cooperation Division, MOCIE
June '98 ~ June '99	Economic Structure Realignment Planning Office, MOCIE
May '97 ~ May '98	Korea Representative Office, OECD

Korean Initiative Tabled at OECD Meet

Globalize SME Green Growth



 **Small and Medium Business Administration (SMBA)**