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Master's Thesis

**The Government support for the Cultural
Creative Industries:
the case of Italy and South Korea**

문화와 창조산업에서 정부의 지원: 이탈리아와 한국의 경우

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Cultural Creative Industries:
– the case of Italy and South Korea –

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Abstract

The Government support for the Cultural Creative Industries: the case of Italy and South Korea

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As an industry sector, the cultural and creative activities have been largely ignored and underestimated. The perception of the arts as an exclusive matter of enlightenment or entertainment diminishes the economic benefits and social values that this industry is capable of, undermining it as a marginal sector (KEA, 2006). But besides having a substantial economic value, the cultural and creative industries have unmeasurable non-monetary qualities, and, therefore, can constitute the most important activities for the development of our countries and societies. The active job of promoting the nation's culture and creativity has to fall in the hand of the government itself, as it represents the State, and therefore, the people. That is why national public funding can be considered as the foundation for the development of the CCI. To understand the role of the governments in the support of the CCI, I will analyze the two cases of Italy and South Korea, that share a different history in the vision of this sector, and to do so I will look at the countries budgetary trends for their respective Ministries of Culture, which represents the main government support for the sector, and at the countries' policies and measure applied and then listed by the countries under the most recent UNESCO Diversity of Cultural Expression Report. The analysis revealed that the two nations do share commonalities in the administration of their CCI through a variety of direct and indirect means but most importantly show differences in the budgetary trend for their Ministry of Culture for consistency and stability and have different preferential methods for the funding with a "top-down" or "bottom-up" approach.

Keywords: Cultural and Creative Industries (CCI); Italy; South Korea; Government; Ministry of Culture; Policies and Measures.

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CHAPTER I

1. Introduction

Culture has always been a necessary element for individual development and expression worldwide. Throughout the ages and world history, culture has been the protagonist that has complemented and driven the growth of societies in many aspects. Culture and artistic/creative potential are something inherent in each of us as a part of the natural expression of the human mind. Every country and every society, being it rich or poor, big, or small, has its cultural heritage and creative potential. “The core of culture are the values. As to the content of culture, we consider it comprises the materials and spiritual wealth created in the history of human society” (Haneş, Andrei, 2015, p.34). As an industry sector, the cultural and creative context has been largely ignored and underestimated. The perception of the arts as an exclusive matter of enlightenment or entertainment diminishes the economic benefits and social values that this industry is capable of, undermining it as a marginal sector (KEA, 2006). Besides having a substantial economic value, the cultural and creative industries have unmeasurable non-monetary qualities and are a useful instrument of enrichment for the national Soft Power and international competitiveness (Haneş, Andrei, 2015). Italy is a country that has a long history of cultural relevancy and cultural exchange especially in Europe, has a strong national pride towards its cultural heritage, and maintains its sentiment as a form of reminiscence towards its cultural legacy (Oh, 2019). On the other hand, South Korea is a more freshly formed cultural center in the Asian region and has started to recognize the sector as a valuable resource for the development of the country just in the 1990s (Kwon and Kim, 2014). The “Made in Italy” is an established brand worldwide and has a positive influence on the cultural reputation of the country (Altagamma, 2020). The Korean Wave or Hallyu has become a global sensation and in recent years has been shaping the establishment of a Korean cultural sphere of influence (Kim and Jin, 2016). The governments’ position and support are the key elements for the promotion and enhancements of the cultural and creative industries. That is why the study of the public funding trend can be a useful means to identify the perspective and priorities of the States towards this sector. In my research, I will use instruments like the

budgetary trend of the Ministry of Culture for both Italy and South Korea, and I will analyze the national and financial policies and measures present in the countries' reports to identify the role of the governments in their cultural and creative industries.

2. Research Question

Oftentimes the cultural sector can still be misunderstood or taken into less consideration compared to the other “more traditional” industry sectors. In this environment, art and creativity only function as enrichment for the soul and mind, rather than being conceived as an actual source with high commercial viability and economic value. The UNESCO describes the economic weight of the cultural and creative industries in mature and emerging economies, as partially described, misunderstood, and undervalued (UNESCO, 2015). Nonetheless, especially in the XXI century, the cultural and creative industries have a strong significance in the economic growth of a country and can and do function as a core part of its economy and soft power with its “attractive” force used by the nations to extend their interests on a global scale and to weave international relations (Haneş, Andrei, 2015). Therefore, I believe that the cultural and creative industries can constitute the most important activities for the development of our countries and societies since they both share high economic benefits while also having inconceivable nonmonetary value.

Yet, to function at their best capabilities, the position of the State and government in regard to these industries is fundamental. The cultural and creative industries have to be given a chance to be able to exude their value. The government's investment in the cultural and creative industries is the core element of support that these industries require to develop, along with the international and private ones (Kwon and Kim, 2014).

There are many actors, actively involved in the support of culture and creativity: world organizations, charitable donations, private investments, and public funding are all devoted, in different measures, to the protection and implementation of Culture.

The active job of promoting the nation's culture and creativity has to fall in the hand of the government itself, as it is the main administration that represents the State, and therefore, the

people. That is why national public funding can be judged as the foundation for the development of the cultural and creative industries.

Traditionally, Italy is very connected to its cultural heritage and therefore has acknowledged, a long time ago, the importance of its cultural and creative value for the nation's growth. Italy has been a center of excellence for centuries, the cradle of numerous artistic movements and during the Renaissance period, Italy was among the most flourishing cultural centers in Europe, celebrated as a role model for the arts. Italy displays a sentiment that Sacco defines as "*rhetorical self-celebration*", for which the trend to celebrate its artistic and cultural legacy is shared nationally but with a predilection for its past glory (Sacco, 2012). This behavior is reflected consequently in the image Italy export of itself globally, as a nation that historically oozes cultural heritage and creative value (Wike, 2011).

South Korea has more recently recognized the role of the cultural and creative sector and Soft Economy for increasing its role in the International Community and improving and sustaining the economy of the country. In recent years, South Korea is making itself notice globally for its cultural and creative industries, especially thanks to the so-called Hallyu or Korean Wave, which has become a global sensation (Kwon and Kim, 2014). South Korea is culturally branding itself internationally, especially through the success of sectors such as the Music Industry, with K-Pop; the Film industry, with the highest-grossing South Korean film "Parasite", by the multi-awarded Bong Joon-ho; and the Gaming industry and E-sports, where it is also leading the way (UNCTAD, 2017).

Therefore, Italy and South Korea have a different history of managing and caring for their cultural sector. On one side we have Italy, a nation that has historically focused its attention on its cultural record and that, being part of the European Union, has had more experience and possibilities in sharing and exporting. On the other hand, South Korea is a more recent cultural center; while it became renowned for its miraculous economic achievements, the cultural sector was not a priority during the crucial parts of the developing process.

Thus, by making a comparison between Italy and Korea we are able to identify the differences or similarities that can subsist between the two countries' governments that historically have had such a different approach towards their cultural sector. Moreover, by acknowledging the different cultural background of Italy and South Korea, the comparative analysis helps to expose the countries' incentives towards the spending, investing, and supporting for their CCI, aiming at preserving or reaffirming its cultural legacy (in Italy's case) or aiming at developing its cultural reputation (in Korea's case).

Finally, by analyzing the Government's attitude toward its cultural and creative industries even in a certain amount, we are able to recognize what are the overall concerns and visions of the State on the sector and what are its real priorities when looking at its cultural and creative value. The role of government in the cultural industry is very important to isolate the vision of the State in this specific sector, which sometimes can be overlooked or given for granted in the policymaking or the funding and public's investments.

Given all these premises, my Research Question is:

1. What are the core differences or similarities, if present, in the role of the Government, of Italy and South Korea, regarding the support of their Cultural and Creative Industries (CCI)?

3. Research Methodology

The research will be focused on identifying the role of the Italian and South Korean Governments in the support of their cultural and creative industries and doing a comparative analysis of the two. In order to do so, my analysis and comparative study of the two cases of Italy and South Korea's cultural and creative industries will be drawn on the available reports of both countries.

Since the definitions and classifications of cultural and creative industries in the academic studies are multiple and may be adopted in different ways by the countries, there cannot be a clear grouping of these industries that can be perfectly equal for both Italy and South Korea. Even if

they share the general characteristics that the literature review on the subject will underline, the two countries may have different classifications of the cultural and creative industries and, most importantly, have a different administration of their cultural sector.

Italy's national administrative division is formed by 20 Regions, of which 5 (Sardinia, Sicily, Trentino-Alto Adige, Valle d'Aosta and Friuli-Venezia Giulia) with special statute, 110 Provinces and 8103 Municipalities (UNIONCAMERE). All the entities share the role of supporting and managing the cultural and creative sector in different measures. South Korea is administratively divided into a Special City (Seoul), 6 Metropolitan Cities, and 9 Provinces (UNIONCAMERE), that, like for the Italian case, have different roles in the public support of the cultural and creative industries and have decentralized responsibilities. Therefore, for the purpose of my research, I will choose specific Ministries and reports that share more commonalities as possible among the two countries, so that the comparative analysis can be applied.

Firstly, I will illustrate the countries' general profile of their cultural and creative industries, with the overall characteristics, data, and most important sectors and achievements globally.

Secondly, I will analyze the governments' main Ministry for art and culture – for Italy, the Ministry of Cultural Heritage and Activities and Tourism (MiBACT) and for South Korea the Ministry of Culture, Sports and Tourism (MCST) – focusing on the budget trend from the year 2000 to the year 2019. By looking at the trend on the budget of the ministries throughout the multiple years, we can identify the level of support and the importance that the governments and the State attributed to the role that these ministries represent: protection, conservation, and enhancement of the national, cultural, and creative heritage and potential.

Thirdly, since the study of government policies is even more crucial to understanding the growth of the nation's cultural and creative industries, I will analyze the cultural and creative industries' policies and measures applied and adopted by the two countries. These policies are listed by the countries themselves in the UNESCO's *Diversity of Cultural Expressions quadrennial periodic reports*, that both Italy and South Korea submit to the organization. I will use the latest reports submitted on the UNESCO site which is dated 2020 for Italy and 2018 for

South Korea. Therefore, being quadrennial reports, they include the report and, therefore the policies, related also for the four previous years.

Lastly, I will compare the data and results of my research for Italy's Ministry of Cultural Heritage and Activities and Tourism's budget trend and UNESCO's Diversity of Cultural Expressions 2020 quadrennial periodic reports, with the data and results for South Korea's Ministry of Culture, Sports and Tourism's budget trend and UNESCO's Diversity of Cultural Expressions 2018 quadrennial periodic reports.

4. Analytical Framework

As mentioned above, as main analytical framework for understanding the core differences or similarities, if present, in the role of the Government, of Italy and South Korea, regarding the support of their Cultural and Creative Industries, I will be using two means specifically. First, the budget report of the Ministry of Cultural Heritage and Activities and Tourism (MiBACT) for Italy and the Ministry of Culture, Sports and Tourism (MCST) for South Korea – focusing on the budget trend from the year 2000 to the year 2019. This will be used as to identify the differences between the main governmental units that are active in the support of the cultural and creative sectors and how much importance is given by the respective governments on these institutions. Moreover, as second means I will analyze the policies and measure the two countries have implemented in favor of their CCI. To do so I will be using the reports provided by Italy and South Korea that have complied to the UNESCO's *Convention for the Protection and Promotion of the Diversity of Cultural Expressions*. By doing so the countries have agreed to list all the main policies and measures for the CCI following the same format, simplifying the availability of the data, and improving the transparency of the government's acts. The reports organize the listing categorizing the policies through a variety of different natures and scopes: international, national, regional, and local scope and legislative, regulatory, institutional, and financial nature. Therefore, for the purpose of my research, I will focus on the policies that only are listed as and share a national scope and a financial nature (usually the policies with a national scope also have a regional and local reach). By doing so I identify the policies that the government has implemented

for the nation and not through international organizations while also excluding the ones conceived by non-governmental organizations. Moreover, by pinpointing the ones with a financial nature I can better allocate the government's funding trend towards the cultural and creative industries. To analyze the reports, I will focus on the countries' preferred cultural domains, language used in the compilation and description of their policies and measures as to identify the priorities, and the particularity of the scope that they cover and what type of public funding they most frequently use. I will look for the differences, similarities, and characteristics of the compared information and I will draw my conclusion on the government's support based on that comparison.

CHAPTER II

1. Literature Review

1-1. Cultural and Creative Industries (CCI)

1-1-1. From Art and Culture to Cultural Industry and Creative Industry

The definitions of Cultural Industry and Creative Industry have been shaped into multiple structures and have changed numerous times even before the actual terms that we use today were coined. The identification of what exactly falls under the concepts of creativity, creative, and culture can be a very complicated process and can easily be too wide-ranging. Therefore, the process of creating the right definition of Cultural Industry and Creative Industry, which could be shared and identifiable by all countries, has created a lot of discussions and has been analyzed in multiple studies.

“Originally the concept of ‘cultural industries’ was separate from the creative arts, but representatives of the creative arts were effectively lobbying to be included as part of the cultural industries” (Galloway, Dunlop, 2007, p.18). Dr. Justin O’Connor, Professor of Cultural Economy at the University of South Australia, in his study of the Cultural and Creative Industries’ literature reviews, identify the beginning of the discussions on the cultural industry with the term and definition of “The Culture Industry” coined by Theodore Adorno and his colleague Max

Horkheimer in 1947 (O'Connor, 2007). Adorno's study was parallel to the post-war founding of the first arts and cultural ministries in Europe and experience its growth and find its purpose with the advent of monopoly capitalism. The technological reproducibility of the arts, which took place since the beginning of human history with the first molds and the print of papers, was intensified with the modern industrial techniques, such as the Fordist factory system, that deeply shaped the dynamics of cultural production and consumption (O'Connor, 2007). Between the late 1970s and the early 1980s, the transformation of the "Culture Industry" to the "Cultural Industry" was supported by a more empirical discussion on the production of culture, and the found need of the safeguard of the cultural industries under a national cultural policy: "It was about a more active and democratic involvement in cultural policy-making and cultural production" (O'Connor, 2007, p.26). The Greater London Council's work (GLC), done between the year 1979 and 1986, was recognized to be the "first cultural industries strategy at a local level" (O'Connor, 2007, p.27) and it was based on Garnham's idea that the art and the market shared an affinity with each other and so the GLC strategy "represented an industrial approach to cultural policy, using economic means to achieve cultural (and economic) objectives" (O'Connor, 2007, p.28). By the end of the 1980s, the arts and culture had gained importance in the policymaking discussions as a useful economic resource, and "the art sector began to develop arguments about managerial efficiency and economic benefits in terms of employment, tourism and image enhancement" (O'Connor, 2007, p.32).

In 1997, with the creation of the Department of Culture, Media and Sport (DCMS)¹, there was the first attempt to define the 'creative industries' that can be found in the *Creative Industries Mapping Document*. In the mapping document, the 'creative industries' were defined as "those activities which have their origin in individual creativity, skill, and talent, and which have a potential for wealth and job creation through the generation and exploitation of intellectual property" - DCMS 1998: 3 (BOP consulting, 2010). The definition, which created the space for the creative industries among the national cultural and economic policies, was used as an example in Europe, Latin America, and Far East countries, as the new idea of culture was being shaped

¹ Department of Culture, Media and Sport (DCMS) is the executive department of the British government responsible for the sector.

(O'Connor, 2007). The new definition and term created multiple discussion as the differences on what was 'cultural' and 'creative' became more problematic to understand and separate as if also sectors such as science (without a direct reference to culture and art) could fall under the creative industries' spectrum (O'Connor, 2007). This gave the space to the creation of multiple models, classifications, and definitions of the Cultural Industries and the Creative Industry with distinction on the national and international level (Tomczak, Stachowiak, 2015).

1-1-2. Classifications and Models of the Cultural and Creative Industries

"The plurality of terms in the sector highlights a reality: there is no shared definition. The definitions' differences indicate that it is not *theoretically* easy to identify the set of activities to be included in the sector" (Valentino, 2013, p.275). Therefore, studies have tried to create classifications and models that have a common denominator, so that they could be shared and understood by the Nations and communities. These classifications have been modified during the years to be adapted to the changes in the societies, technologies, and process of creating, perceiving, and enjoying the arts and culture. There is no single parameter for selecting cultural and creative industries activities, but rather a combination of them. Most of the classifications are based around a combination of five main criteria: *creativity*, *intellectual property*, *symbolic meaning*, *use-value*, and *methods of production* (Galloway, Dunlop, 2007). Even if the changes between the different models may look irrelevant, they can create great discordances in the empirical investigation. Moreover, this does not allow the production of an adequate statistical survey to understand the real economic and employment dimension of the sector, which activities may vary between one classification and another based on the weight attributed to these criteria (Valentino, 2013).

The most popular criteria employed for the definition of the cultural and creative activities must be selected based on a plurality of principles (Valentino, 2013).

- ***Creativity***

Creativity is considered to be the foundation of the activities that can classify as part of either the cultural or creative industries. Often identified as *individual creativity*, it becomes the

necessary input of the production process for these industries. However, since creativity is not an exclusive trait of the cultural and creative activities, for example scientific and technical innovation (Galloway, Dunlop, 2007), it cannot be used as the single criterion to classify the sector (Valentino, 2013).

- ***Methods of Production***

The methods of production adopted by the CCI can be both industrial and artisan. Even though the understanding of the characterization of the cultural and creative industries' production differs between scholars' definitions, generally the cultural method, as Towse (2003) described, reflects the "mass-produce goods and services with sufficient artistic content to be considered creatively and culturally significant. The essential features are industrial-scale production combined with cultural content" (Galloway, Dunlop, 2007, p.24).

- ***Use Value (and Symbolic Meaning)***

The *use value* considers the demands: if the product is consumed for its identity, esthetic, or as Throsby theorized for the "intellectual, moral and/or spiritual behavior of the individual and/or the beliefs, values, norms and other expressions of groups in society" (Galloway, Dunlop, 2007, p.22) it acquires a specific value that may be classified under the CCI (Valentino, 2013). In this way, the product is characterized by a symbolic value or has a *symbolic meaning* which is attributed by the consumer rather than just the producer. Being a socially constructed *use value* (and not individual), it is not clear who defines the cultural or creative quality of the product (Valentino, 2013).

- ***Intellectual Property***

Intellectual Property is among the most common criteria used to select cultural and creative activities and it allows the producer to own the rights to the product. Since the concept can be too wide-ranging hence many types of activities may generate *Intellectual Property*, it is often supported by the *creativity* criteria as well, as indicated in the first definition of the creative industry by the DCMS (Valentino, 2013).

It is clear that all the criteria listed above are considered together as a whole and cannot be singularly selected to identify the cultural and creative sector and production. They also may evolve again throughout the years, as there may be many changes in prospective, technologies, societies, and priorities of the Nations.

Tomczak and Stachowiak (2015) in their wide-ranging summarization of the criteria and core characteristics (see **Table 1** below), are able to identify the ‘creative industries’ as having a high *utility value* over the symbolic one, seen in sectors such as industrial fashion, and graphic design, advertising, and architecture. They share a high level of commercialization and are most frequently funded by private sources. The final product may serve as an intermediate commodity where the consumption is not immediate but is subjected to further production processes such as software, data processing systems, and artistic education. It is located mostly in urban areas where it often clusters following around its related industries and it is oriented towards the global market and does not require specific proximity of recipient (Tomczak and Stachowiak, 2015).

Unlike the creative industries, in the ‘cultural industries’ the *symbolic*, non-material *values* predominate over the utility and functionality of the product visible in the film, music, games, and performing art production. They generally share a low level of commercialization and are often public-funded (e.g. museums, galleries, theaters, libraries). The consumption of the final cultural product is considered to be the aim of the production itself and does not need further processes to be consumed. It is mainly dispersed in multiple locations that can be based on both urban and rural areas and it is primarily oriented to the local market rather than the global one, where generally the proximity of the recipient is a key factor for the consumption (Tomczak and Stachowiak, 2015).

Table 1. Selected criteria for the delimitation of creative and cultural industries

Delimitation criterion	Creative industries	Cultural industries
Utility value	Utility value dominates over symbolic one (e.g. industrial design, fashion design, advertising, architecture, graphic design)	Predominance of non-material values, like some ideas or aesthetic impressions, over functionality (e.g. film, music, computer games, performing arts)
Commercialisation and sources of funding	High level of commercialisation, private sources of funding (e.g. advertising, architecture, computer games, film, music, publishing)	Low level of commercialisation, often subsidised from public funds (e.g. museums and galleries, theatres and opera houses, libraries)
Character of goods and services produced	Final product is an intermediate commodity used in further production processes (e.g. software and data processing systems, artistic education)	Final product is a cultural good the consumption of which is considered an aim in itself (e.g. film, music, computer games)
Location of creative activity	Mainly concentrated or clustered location, predominantly in urban areas, often following related industries (e.g. design following manufacturing)	Mainly dispersed location, both in urban and non-urban areas (e.g. photography, libraries)
Market range	Orientation towards global market, recipient's location does not matter (e.g. computer games, film, music, fashion, design, advertising)	Orientation towards local market, recipient's proximity is of key significance (e.g. museums and galleries, system of artistic education, libraries, theatres and opera houses)

Source: compilation by Tomczak, Stachowiak (2015) on the basis of Galloway, Dunlop (2007), Stryjakiewicz, Stachowiak (2010), and Lewandowski et al. (2010).

Along with this general classification, that helps to identify better what may fall under either the cultural or creative industries, I will list some of the most relevant models that have been made throughout the years:

a) DCMS Model

The United Kingdom paved the way for the mapping of the CCI, and in 1998 it compiled its first model. It was used as a starting point for many of the classifications that followed. The DCMS itself modified the model in 2016 to include some of the activities that were not considered as CCI at first (see **Table 2**) (Basque Government, 2018).

b) KEA Model

The KEA consultancy created the model for the European Commission in 2006. It is widely used, especially in Europe, and it gives a broad classification of the CCI (see **Table 3**). It classifies under the core art fields, sectors such as art schools, museums, and galleries, performing arts, and visual arts. The core is contained under the broader cultural industries' umbrella that is characterized by sectors such as films, music, publishing, radio, and television. It is followed by the bigger umbrella of the creative industries that contains the advertising, architecture, fashion, design, softer, and video games sectors. Finally, each part emerges into the creative economy,

which is made of all those activities that benefit from or exploit the outputs generated by the CCI (Tomczak and Stachowiak, 2015).

c) Concentric Circle Model

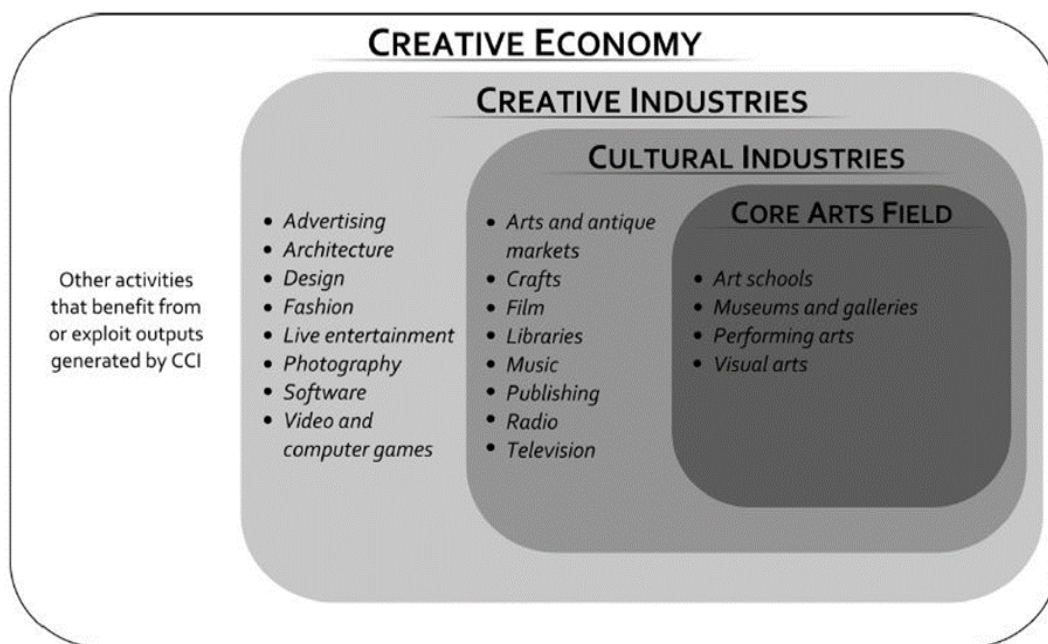
The Concentric Circle Model (see *Figure 1*) was initially developed by David Throsby along with the Work Foundation in 2007. The model identifies four circles, based on the different levels of *expressive value*: at the center, there is the ‘creative core’ with commercial outputs, a high degree of expressive value, and copyright protected (e.g. visual art, literature, and music). Next is the ‘cultural industries’ circle that contains those activities with a high reproduction of expressive outputs and copyright protected (e.g. libraries, films, and museums). It is followed by the ‘creative industries’ circle, for which the use of the expressive value is essential (e.g. publishing, cultural heritage conservation and enhancement services, television and radio, video games). Finally, there is the rest of the economy, with all the sectors that benefit from the expressive output generated by the preceding circles.

Table 2. CCI sectors included by the DCMS 1998-2016

1998	2016
1. Advertising	1. Advertising and marketing
2. Architecture	2. Architecture
3. Art and antiques	3. Crafts
4. Crafts	4. Design: Product, Graphic and Fashion Design
5. Design	5. Film, TV, video, radio and photography
6. Fashion	6. IT, software and information technology services
7. Film and video	7. Publishing
8. Entertainment software	8. Museums, Galleries and Libraries
9. Music	9. Music, scenic and visual arts
10. Performing arts	
11. Publishing	
12. Software and information technology services	
13. Radio and television	

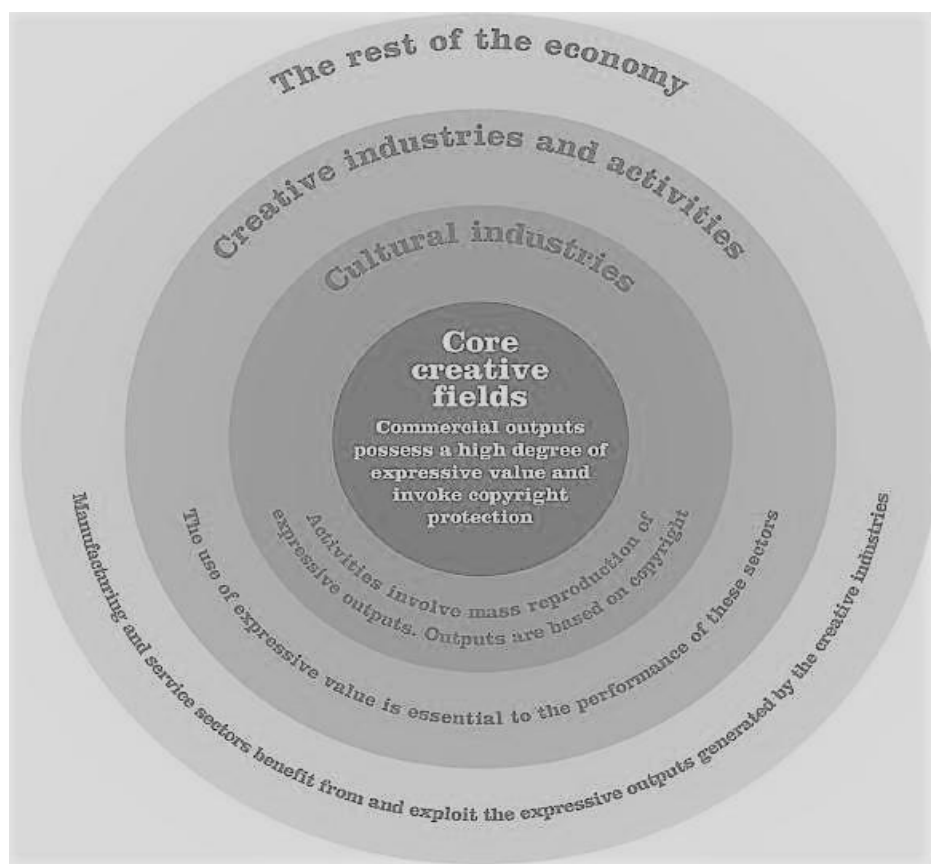
Source: compilation by Department of Culture and Language Policy, Basque government (2018)

Table 3. KEA model - Cultural and creative industries and their place in the economy.



Source: compilation by Tomczak, Stachowiak (2015) on the basis of KEA (2006).

Figure 1. Concentric Circle Model



Source: O'Connor (2007) by The Work Foundation (2007)

1-2. UNESCO's Diversity of Cultural Expressions Report

With the 2005 UNESCO *Convention for the Protection and Promotion of the Diversity of Cultural Expressions*, the global community officially recognized the “dual nature, both cultural and economic, of contemporary cultural expressions produced by artists and cultural professionals” (UNESCO) and settled an agreement to lead the international cultural policy discourse.

The UNESCO defines the 2005 agreement stipulated to be “the heart of the creative economy” and it is aimed at shaping the implementation and stipulation of the cultural and creative policies and measures adopted by the joining members.

While recognizing the “sovereign right of States to maintain, adopt and implement policies to protect and promote the diversity of cultural expression, both nationally and internationally” (UNESCO), the Convention is used as support and guide when facing solution and challenges in regard to the cultural and creative sectors.

With the ratification of the Convention the members commit to provide, every four years, “periodic reports”, listing the policies and measures that they have adopted, their main features, and the recommendation and conclusion. By doing so, the Convention encourages the governments to be more transparent and participant in the support of the cultural and creative industry.

For this purpose, the writing process of the report is guided by UNESCO through an organized form, with a number of questions and sections that the countries need to follow when reporting. Therefore, the compilation can be shared among nations and can be easily understood through the use of a single format.

“These reports are key instruments for civil society to engage with government officials in assessing progress made to protect and promote the diversity of cultural expressions” (UNESCO).

Italy ratified the 2005 Convention in 2007 and has submitted three reports dated 2012, 2016, and the more recent available dated 2020. Therefore, Italy is scheduled to submit the next report in 2024.

South Korea was the 110th country to ratify the 2005 Convention in 2010, but the Act on the Protection and Promotion of Cultural Diversity, drafted by the Ministry of Culture, Sports and Tourism, was enacted in November 2014. South Korea has therefore submitted a brief report dated 2015 and then submitted the regular report for the year 2018. It is scheduled to submit the next report in 2022.

CHAPTER III

1. Italy

Italy has been a center of cultural excellence for centuries and has been the cradle of numerous artistic movements. During the Renaissance period, Italy was among the most flourishing cultural centers in Europe, celebrated as a role model for the arts. Traditionally, as a nation it has recognized its cultural record as a fundamental means for making itself known globally, counting on international (and domestic) cultural tourism to build its profits (Federculture, 2019). By being part of the European Union, Italy has had an advantageous position for the promotion and export of its cultural and artistic value. Nationally, Italians share a sentiment that Sacco defines as “*rhetorical self-celebration*” that is characterized by a predilection and remembrance of its past artistic glory and cultural legacy (Sacco, 2012). This behavior is reflected consequently in the image that Italy exports globally, as a nation that historically oozes cultural heritage and creative value. “Italians are much more likely than their fellow Westerners to believe in their country’s cultural pre-eminence. About two-in-three Italians (68%) agree with the statement: *Our people are not perfect, but our culture is superior to others*” (Wike, 2011). Therefore, Italy sustains its national pride in the form of reminiscence of its cultural legacy and often takes a “retrospective learning posture, believing that it can and should recover the previous

glories of economic development and global domination of their culture and power” (Oh, 2019, p.100).

1-1. Italy’s CCI general profile

Italy enjoys a great cultural seduction power in the world, thanks to its cultural excellence and history (Symbola Foundation, Unioncamere, 2019). The “Brand Italia”, in all the categories of luxury products (except cars and watches) is recognized as the leader in manufacturing quality and according to a study made by KPMG, the “Made in Italy” is the third best known brand in the world after Coca-Cola and Visa (Altagamma, 2020).

The number of companies that form the Italian Cultural and Creative production system is 416.080, which is 6,8% of the overall number of companies registered in Italy, and of which 291.025 are from the core culture sectors (4,8% of the Italian companies) (Symbola Foundation, Unioncamere, 2019).

In Italy, just in the year 2018, the Cultural and Creative Industries have produced 95,8 billion euros which is 6,1% of the GDP. Adding the 169,6 billion euros with the satellite activities and reaching a total of 265,4 billion of added value (16,9% of GDP) (Symbola Foundation, Unioncamere, 2019).

The Cultural Production System employs more than 1.55 million people, 6.1% of the total employed in Italy, with a growth of + 1.5%, a higher result compared to the one for the economy as a whole (+ 0.9%) (Symbola Foundation, Unioncamere, 2019).

Italy holds 30% of the market share in the design sector, 23% in luxury goods such as apparel, accessories, shoes, cosmetics, jewelry, and perfume; 30% in the food & beverage sector; 22% in wine and liquor; and 40% in nautical science (Altagamma, 2020).

In 2011, the Cultural and Creative Industries have generated the 10,1% of the total Italian export, of which the Creative Industries make up the 9,3% against the 0,8% of the Cultural Industries (Sacco, 2012).

Thanks to its globally renowned cultural seduction power, one of the leading sectors for Italy and the Italian cultural and creative industries is tourism. Italy is the country with more UNESCO World Heritage Sites (now equally at 55 with China), data that shows just how much cultural heritage the Peninsula holds. The tourism sector generally produces 223 billion euros; it has an incidence of 13% on the GDP and employs 4 million people (Altagamma, 2020). The 2019 Travel & Tourism Competitiveness Report shows Italy is in 8th place in the top ten of the most competitive countries in the world in the tourism sector (Federculture, 2019).

1-2. Italy's National Public Funding

The support of the cultural and creative industries, in Italy like in the majorities of cases, comes from both private and public funding. For the sake of my research, which is aimed at the understanding of the role of the State and Government, and the vastness of the sources, I will focus exclusively on the public one.

“La Repubblica promuove lo sviluppo della cultura e la ricerca scientifica e tecnica. Tutela il paesaggio e il patrimonio storico e artistico della Nazione.” (Art. 9 della Costituzione Italiana)

“The Republic shall promote the development of culture, and scientific and technical research. It shall safeguard the natural beauties and the historical and artistic heritage of the Nation.” (Article 9 of the Constitution)

In Italy, public funding can be divided into two categories which are *direct* funding and *indirect* one (Domenichini, 2013). Direct public funding considers the money transfer from public funds to the cultural sector through grants, prizes, contributions, etc. while indirect one does not concern an exchange of money but the adoption of actions like fiscal measures and financial stimulation policies in favor of cultural organizations and projects. The indirect funding can include tax deduction and the VAT rate (Domenichini, 2013; Fusco, 2016).

The Ministry of Cultural Heritage and Activities and Tourism which is the state administration responsible for the protection, conservation, and enhancement of the national,

cultural, and environmental heritage, is the central actor for the national public funding for the cultural and creative industries (MiBACT), especially in the direct one. It is followed by the regions, provincial, and local governments, or administrations (comuni) who cooperate with the central ministry and focus more on the local areas that they represent.

It is not possible to understand and precisely quantify all the fiscal measures, and different tax deductions that are allocated and applied to the different entities, projects, or organizations that fall under the umbrella of the cultural and creative industries.

For the purpose of my research, I will first present the total amount of the annual budget of the Ministry of Cultural Heritage and Activities and Tourism (MiBACT), throughout the available years (2000 to 2019) to show the broad trend on the State's movements and planned investments in favor of the CCI.

To better identify the nature of those financial records I will analyze and list the policies and measures found in the UNESCO's Diversity of Cultural Expressions quadrennial periodic reports dated 2020, that as main characteristics have a national scope and have a financial nature. I will specify, when possible if the policies and measures fall under direct funding or indirect one signaling their domains, requirements or eligibility, and type of support.

1-3. Ministry of Cultural Heritage and Activities and Tourism (MiBACT)

The Ministry of Cultural Heritage and Activities and Tourism exercise the powers of the State regarding the protection of national cultural, creative, and environmental assets. It has as its main objective the conservation of the artistic and cultural heritage and landscape, through the promotion of various cultural activities, and entertainment. It was founded in 1974 as the Ministry of Cultural and Environmental Heritage and over the years it has taken various names and experienced multiple reforms (MiBACT). Since 2006 the competencies of the sport field, previously under the Ministry of Culture itself (1998), were assigned to a separate and newly formed 'ministry without portfolio', the Ministry for Youth Policies and Sports Activities. Additionally, from 2013, the Office for Tourism Policies passed from the presidency of the Council of Ministers to the Ministry of Culture. The Letta government entrusted the

responsibilities of tourism to the Ministry which, from then, assumed the name of Ministry of Cultural Heritage and Activities and Tourism (MiBACT).

Being the main State's department active in the cultural and creative activities, it represents the importance and consideration that the government shows in regard to its artistic, cultural, and creative sectors. By obtaining this symbolic value of representation, through the budget and financing trend of the Ministry, in a way, it is possible to identify how much the State decides to invest and commit to the cultural and creative sectors during the timeframe considered.

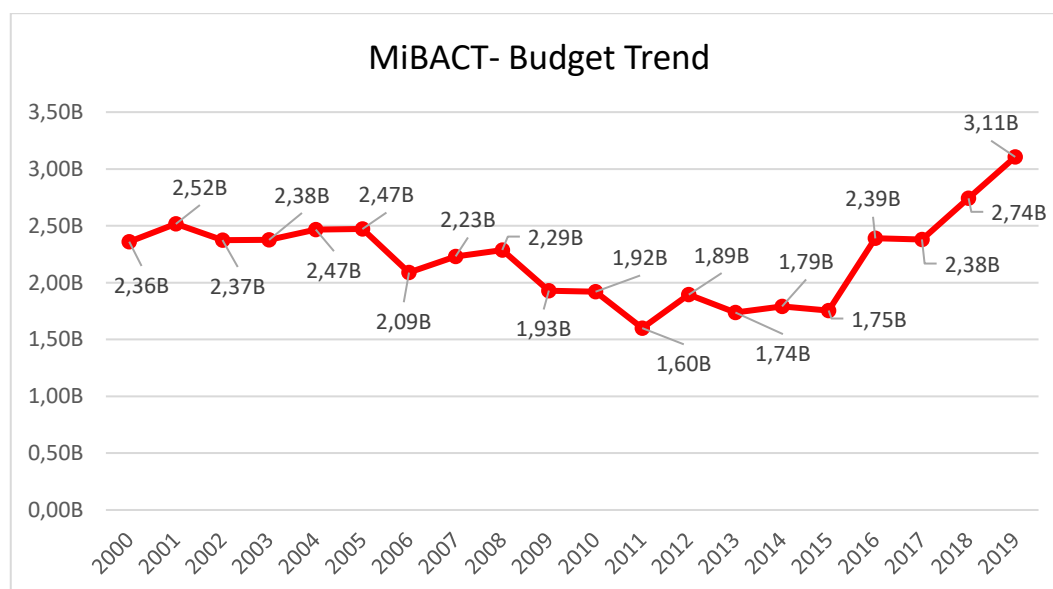
Through **Table 4** and **Figure 2**, I have represented the budget trend of the Ministry of Cultural Heritage and Activities and Tourism from the year 2000 to the year 2019. In the first table (**Table 4**) I have listed the budget in Billion Euros, as provided by the organization Federculture in charge of the national annual reports of the cultural and creative sector, with the corresponding currency exchange in Billion USD. The figure that follows (**Figure 2**) is a visual representation of the trend in Billion USD of the budget appointed for the Ministry in the same referenced timeframe.

Table 4. Ministry of Cultural Heritage and Activities and Tourism's budget trend – 2000 to 2019

Years	ITALY MiBACT Budget	
	EUR	USD
2000	2,10B	2,36B
2001	2,24B	2,52B
2002	2,12B	2,37B
2003	2,12B	2,38B
2004	2,20B	2,47B
2005	2,20B	2,47B
2006	1,86B	2,09B
2007	1,99B	2,23B
2008	2,04B	2,29B
2009	1,72B	1,93B
2010	1,71B	1,92B
2011	1,43B	1,60B
2012	1,69B	1,89B
2013	1,55B	1,74B
2014	1,60B	1,79B
2015	1,56B	1,75B
2016	2,13B	2,39B
2017	2,12B	2,38B
2018	2,44B	2,74B
2019	2,77B	3,11B

Source: own compilation based on the data by Federculture (2019)
Unit: Billion (currency exchange done with Kutools for Excel)

Figure 2. Ministry of Cultural Heritage and Activities and Tourism's budget trend – 2000 to 2019



Source: own compilation based on the data by Federculture (2019)
Unit: Billion USD (currency exchange done with Kutools for Excel)

The figure shows that the budget of the Ministry of Cultural Heritage and Activities and Tourism has been mostly stable in the first part of the 2000s, settling at a balance of over 2 billion USD. There has been a significant decrease after the year 2005, with a drop of 15,4%, followed by a second decrease after the year 2008 of 15,7% in 2009. After 2008 the budget has stabilized again under 2 billion USD, reaching the lowest level in the year 2011 with 1,6 billion USD. In 2016 there has been a significant increase of 36,6% compared to 2015, and the budget has reached its highest level since the early 2000s first in 2018 with 2,7 billion USD and increased again in 2019 reaching 3,1 billion USD.

Therefore, the general trend looks very stable in the first part of the 2000s but begins to fluctuate especially between the years 2004 and 2012. After four years of stability, it shows a substantial increase since 2017 that seems to be keeping the growth.

1-4. UNESCO's Diversity of Cultural Expressions Report

As mentioned previously in the literature review, the 2005 UNESCO *Convention for the Protection and Promotion of the Diversity of Cultural Expressions* was aimed at shaping the implementation and stipulation of the cultural and creative policies and measures adopted by the joining members, guiding them to better be able to face challenges and to find solutions in regards of the cultural and creative sectors. By ratifying the Convention, the States agree to supply a four-year periodic report with the list of the policies and measures that they have adopted, their main features, and the recommendation and conclusion (UNESCO).

Italy officially ratified the Convention in the year 2007 and started to submit the quadrennial reports in 2012, followed by 2016 and the latest available for 2020. The elaboration of the report was coordinated by the UNESCO Unit of the General Secretariat of the Ministry for Cultural Heritage and Activities and for Tourism (MiBACT), and "it took into account the most up to date regulatory and design elements during the four years 2016-2020" (UNESCO report, p.1).

I will now list the policies and measures shown in the report, that have a national scope and a financial nature, with their domains, requirements or eligibility, and type of support².

i. Fund for Performing Art (FUS - Fondo Unico per lo Spettacolo):

- *Cultural domains covered by the policy/measure:* Music; Performing Arts; Visual Arts.
- *Requirements/eligibility:* Proven professional performance of the activity in the sectors.
- *Type of support:* Grants for three-year projects (accompanied by an updated program for each year); annually grants contributions for tours abroad (as well as to events of solo concert performers of recognized artistic value); access to the Art Bonus (65% of tax relief).

ii. Discipline of cinema and audiovisual (Disciplina cinema e audiovisivo):

- *Cultural domains covered by the policy/measure:* Cinema/ Audiovisual Arts.
- *Requirements/eligibility:* Production companies, distribution of cinematographic and audiovisual works; film business companies; the enhancement of the film offered by theaters; attracting investments to the national territory film and audiovisual international companies; companies not belonging to the sector film and audiovisuals that bring money for the production of works cinematographic.
- *Type of Support:* Introduction by the "higher Cinema and Audiovisual Council"; introduction of the Fund for the development of investments in cinema and audiovisual; increase in the tax credit rates and introduction of the measure of automatic contributions.

iii. Facilities for the diffusion and strengthening of the social economy (Agevolazioni per la diffusione e il rafforzamento dell'economia sociale):

- *Cultural domains covered by the policy/measure:* Cinema/ Audiovisual Arts; Design; Media Arts; Music; Performing Arts; Publishing; Visual Arts.
- *Requirements/eligibility:* Social enterprises registered in the appropriate section of the business register; social cooperatives and their consortia; cooperative companies with the status of Onlus; cultural and creative enterprises.

² All the names and descriptions of the policies and measures are directly taken from the UNESCO report itself.

- *Type of Support:* aid scheme targeted at support productive investments, have an innovative character, high environmental sustainability and take into account social impacts and the increase in employment of workers with disabilities.
- iv. Fund for pluralism and information innovation** (Fondo per il pluralismo e l'innovazione dell'informazione):
- *Cultural domains covered by the policy/measure:* Media.
 - *Requirements/eligibility:* Media agencies that are selected through European tenders, thereby reconciling the principle of pluralism of information sources with the principle of free market competition, using open procedures divided into lots. The various interventions of specific competence are established annually by the Prime Minister's Office.
 - *Type of Support:* Fund aimed at ensuring the implementation of the constitutional principles regarding freedom and pluralism of information at a national and local level, encouraging innovation of the information offer and the development of new publishing companies also in the field of digital information. Also, possibility of tax credit.
- v. MOVIN'UP Project:**
- *Cultural domains covered by the policy/measure:* Performing Arts; Visual Arts.
 - *Requirements/eligibility:* Young creative people between 18 and 35 years of age who work with professional goals and who have been officially admitted or invited abroad by cultural institutions, festivals, public and private entities to competitions, residences, seminars, workshops, internships or similar initiatives or projects that have artistic productions and / or co-productions to be carried out at foreign centers and institutions.
 - *Type of Support:* Allocation of an annual fund that allows artists to request a contribution to partially cover travel costs and / or residence and / or production in the host foreign city.
- vi. Multi-year editions projects- Contemporary Creativity:**
- *Cultural domains covered by the policy/measure:* Design; Media Arts; Visual Arts.

- *Requirements/eligibility*: Italian talents and excellence in the arts and architecture, photography, design and contemporary Italian fashion.
 - *Type of Support*: Multiple projects, programs and awards with research prizes (On Board project; Talent Video Awards; Shanghai Awards; Urban renewal research prize; Research grants for the study of the culture of photography; New York Prize; Berlino Prize; Mosca Prize; Barcellona Prize; Italy-China Prize; The Premio AccadeMibac; "Giornata del Contemporaneo" (The day of contemporary art); "Italy -Argentina Award for Art").
- vii. Music sector – “Music Tax Credit”:**
- *Cultural domains covered by the policy/measure*: Music; Performing Arts.
 - *Requirements/eligibility*: Companies producing phonograms and musical videograms and those that produce and organize live music performances.
 - *Type of Support*: Recognition of a tax credit
- viii. “Per chi Crea” project for the cultural and creative sectors:**
- *Cultural domains covered by the policy/measure*: Cinema/ Audiovisual Arts; Design; Media Arts; Music; Performing Arts; Publishing; Visual Arts.
 - *Requirements/eligibility*: Individuals, companies, schools, organizations, and associations that present a project in support of authors, artists, performers under 35 and residing in Italy.
 - *Type of Support*: 10% of revenues collected by the SIAE (Italian Society of Authors and Publishers) that feeds a support fund for the younger generations and multiple projects.
- ix. Bonus Culture/18App (Cultural products and services):**
- *Cultural domains covered by the policy/measure*: Cinema/ Audiovisual Arts; Design; Media Arts; Music; Performing Arts; Publishing; Visual Arts.
 - *Requirements/eligibility*: all residents in the national territory in possession, where applicable, of a valid residence permit, who turn eighteen years of age in 2016 (then extended for the following years).
 - *Type of Support*: The electronic card "Bonus Culture - 18App", for a nominal amount of € 500, for theatrical and cinematographic performances, for the purchase of books as well

as for entrance to museums, exhibitions and cultural events, monuments, galleries, archaeological areas, natural parks and live shows and foreign language courses.

x. Cinema and Audiovisual Sector:

- *Cultural domains covered by the policy/measure:* Cinema/ Audiovisual Arts.
- *Requirements/eligibility:* The provisions on tax credit provide for the possibility of offsetting tax debts (IRES, IRAP, IRPEF, VAT, social security and insurance contributions) with the credit accrued following an investment in the audiovisual sector.
- *Type of Support:* Tax credit calculated based on the expenses incurred in Italy, in the audiovisual sector. The rate is variable, within a range of 40% to 15%. For each type of tax credit, a maximum annual credit ceiling is defined that can be attributed to each company / group of companies.

The report presents many other policies and measures. Several policies listed have a legislative, institutional, or regulatory nature, with the foundation of units for the protection and support of specific cultural and creative sectors, or the modification of existing ministries, projects, or regulations for their improvement in the ability to support the sector. Many policies and measure had also an international scope, with the frequent participation or co-financing of the European Union or other international organizations like UNESCO itself. Moreover, a list of policies and measure were exclusively dedicated to the contribution of CSOs in the sector.

CHAPTER IV

1. South Korea

South Korea is being gradually affirming itself as modern example of cultural center and main point of reference for the cultural and creative industries, especially in the Asian region. Its long tumultuous history of forced occupation under the Japanese Empire was not favorable to the cultivation of the nation's artistic, creative, and cultural sectors. Moreover, the Korean War fought in the 1950s, had left the country in absolute poverty and with the difficult task of rebuilding and catch up. Sooner than expected, the country became famous for its "miraculous" and unprecedented successful development, the so-called "Miracle of the Han River" (UNCTAD,

2017). To obtain economic growth, South Korea adopted a state-led and export-driven strategy, prioritizing specific industrial sectors such as shipbuilding, automobile, heavy industry, and steel, in which Korea establishes international competitiveness (UNCTAD, 2017). Yet, the rapid and guided national economic development did not prioritize the promotion of the cultural and creative industries, which have been reconsidered as valuable assets for the economy of the country just from the beginning of the 1990s. During this time Korean pop songs, movies, and television dramas became very famous in many Asian countries bringing Korea the "cultural pride" that had never been felt by many Koreans before, and raising the 'Korea's brand' image after the Asian economic crisis of 1997, generating economic benefits (Park, 2008, p.6).

1-1. South Korea's CCI general profile

With the beginning of the export and diffusion of the 'Korean Wave' in the near Asia countries during the late 1990s and the more recent success during the last decades of this phenomenon in the West as well, South Korea has been effectively branding itself as the new center of 'transnational pop culture' (UNCTAD, 2017).

South Korea, which has always been an example of 'export-driven economic success' since the end of the Korean War, is now also becoming a global positive example for the export of its cultural products.

It is constantly innovating, and it is showing its interest in boosting its international competitiveness through the export and development of its cultural and creative industries rather than just through the more "traditional" sectors, such as shipbuilding, chemical industries, and iron and steel, which remain its strongest resources (UNCTAD, 2017).

South Korea has ranked first in the Bloomberg Innovation Index for the seventh time in 2021, and "maintains its top positions in patenting and other intellectual property-related markets, according to the Global Innovation Index 2017 (GII) by INSEAD, Cornell University and the World Intellectual Property Organization (WIPO)" (UNCTAD, 2017, p.6).

As for the export of the cultural and creative goods, among the main sectors are design (such as handbags, accessories, furniture, toys, and jewelry) that account to USD 2,029 million, followed by Art and craft (handmade lace, embroidery, artificial flowers), that amount to USD

1,805 million, as of 2014. The total added value of the design industry accounted for up to 5.5% of the GDP in 2012, and the value of creative services exports increased from USD 1,643 million in 2007 to USD 3,405 million in 2012 (UNCTAD, 2017).

The ‘Video Games’ sector has had a rapid increase in revenue, placing itself among the leading creative industries of the country, ranking number 6 worldwide in 2017 (UNCTAD, 2017). In 2018, the Korean gaming industry produced nearly KRW 14 trillion in sales, and also about USD 6.4 billion in exports, gaining popularity especially in Asia, among China and Japan, but also in North America (Korea Cultural Center NY).

The phenomenon of the ‘Korean Wave’ (or Hallyu) has captured the interest of many countries globally and, consequently, brought multiple benefits to other sectors, such as the increase of sales of Korean products overseas and the inflow of foreign tourists in the country. “Hallyu generated production and value-added worth USD 6.8 billion and USD 2.5 billion and 69 thousand jobs in 2011” (UNCTAD, 2017, p.27).

Tourism has become a very important sector for the economy of South Korea, and in 2018 it accounted for 4.7% of GDP and it supports 1.4 million jobs, covering 5.3% of total employment (OECD).

1-2. South Korea National Public Funding

South Korea began to acknowledge the commercial viability and economic value of the cultural and creative industries during the early 1990s, rather than just viewing them as an ‘ideological tool’ for the conservation of the national identity (Kwon and Kim, 2014).

In 1994, the Korean government established the Cultural Industry Bureau (CIB) within the now Ministry of Culture and Tourism (MCT) that helped the spread of the term ‘cultural industry’ itself (Park, 2008).

The Korean government now describes the creative economy as “*a new economic strategy that makes new industries and markets by integrating/aligning imagination and creativity to science, technology, and ICT and creates decent jobs by reinforcing traditional industries*” (UNCTAD, 2017, p.6).

In South Korea, the governmental support through public funding, similar to the Italian case, can be divided into *direct* funding and *indirect* funding. Direct public funding is characterized by the immediate money transfer from public funds to the cultural sector through grants, prizes, contributions, etc. while indirect funding is made through fiscal measures and financial stimulation policies in favor of cultural organizations and projects and can include tax deduction and benefits. Indirect funding can involve multiple types of policies and financial supports like software support for the development of programs and the digitization of culture content resources, hardware support for cultural infrastructures, education, and training, support for innovation and R&D (Park, 2008).

The public funding system is moderately decentralized in South Korea, characterized by a significant role for the city governments, local authorities, and foundations. At a national level, the Korean government is especially active through tax deductions and mainly targeting national museums, theatres, and performing arts companies. Therefore, the overall funding profile is private, dominated by the big corporation (WCCFR, 2017).

There are many ministries and agencies that are involved in the support of the cultural and creative industries: The Ministry of Culture, Sports and Tourism, which is the main actor in regards to the cultural policies. Another important actor is the Ministry of Science, ICT, and Future Planning, which, among its other responsibilities, it coordinates the creative economy policies among ministries. For this purpose, it has the Creative Economy Policy Bureau which is exclusively in charge of creative economy affairs (UNCTAD, 2017).

Since there are multiple actors involved in the public funding of the cultural and creative industries, several ministries at the national level, and also several local administrations and foundations, it is not possible to precisely quantify the amount of funding for both the direct and indirect ones. Therefore, I will present the budget of the Ministry of Culture, Sports, and Tourism, from the years 2000 to 2019, to show the broad trend on the State's movement in favor of the CCI. Secondly, to better identify the nature of those financial records I will analyze and list the policies and measures found in the UNESCO's Diversity of Cultural Expressions quadrennial periodic reports dated 2018, that are listed under the national scope and having a financial nature.

I will specify, when possible if the policies and measures fall under the direct funding or the indirect one signaling their domains, requirements or eligibility, and type of support.

1-3. Ministry of Culture, Sports and Tourism (MCST)

The Ministry of Culture, Sports, and Tourism is the state administration that was conceived for the sake of supporting, promoting, and preserving the arts, culture, and heritage of the nation. For this reason, the Ministry gains a symbolic function as well, representing the cultural and creative aspects of the country. The Ministry of Culture, Sports, and Tourism was originally part of the Ministry of Education created in 1948, and with later modifications, it became the Ministry of Culture in 1990. In 1993 there was the inauguration of the Ministry of Culture and Sports with the unification of the Ministry of Culture and the Department of the Youth Sports. In 1998 the Ministry of Culture and Tourism was formed and in 2008 the Ministry of Culture, Sports and Tourism was inaugurated, assuming its current name. Additionally, during the years it experienced multiple changes in the office's names, the restructuring, renaming or abolition of bureau and departments, in the adjustment of work allocation between sectors, in the number of regular staff and in the reorganization of the MCST to execute major government projects (MCST).

The Ministry of Culture, Sports and Tourism of Korea sets its main objective “*to improve the quality of cultural life and the physical health of Korea’s citizens and to play a role in developing the nation into a culturally advanced country of the 21st century. It will achieve these aims by preserving and passing on the traditional culture, as well as supporting its modernization, expanding the nation’s cultural and art domains, cultivating the cultural content industry, developing sustainable tourism resources and promoting tourism, cultivating the international tourism industry, and promoting elite sports as well as sports for all*” (MCST, 2011, p.2).

The Ministry is involved in different aspects of the cultural life of the country and takes care of its promotion through multiple channels, frameworks, policies, projects, and organizations.

To understand the value that the State and government place into the administration, through **Table 5** and **Figure 3**, I have represented the budget trend of the Ministry of Culture, Sports and Tourism from the year 2000 to the year 2019. In the first table (**Table 5**) I have listed the budget in Billion Won, as provided by the Contents Industry White paper that contains the national annual reports of the cultural and creative sector done by the Ministry itself, with the corresponding currency exchange in Billion USD. The figure that follows (**Figure 3**) is a visual representation of the trend in Billion USD of the budget appointed for the Ministry in the same referenced timeframe.

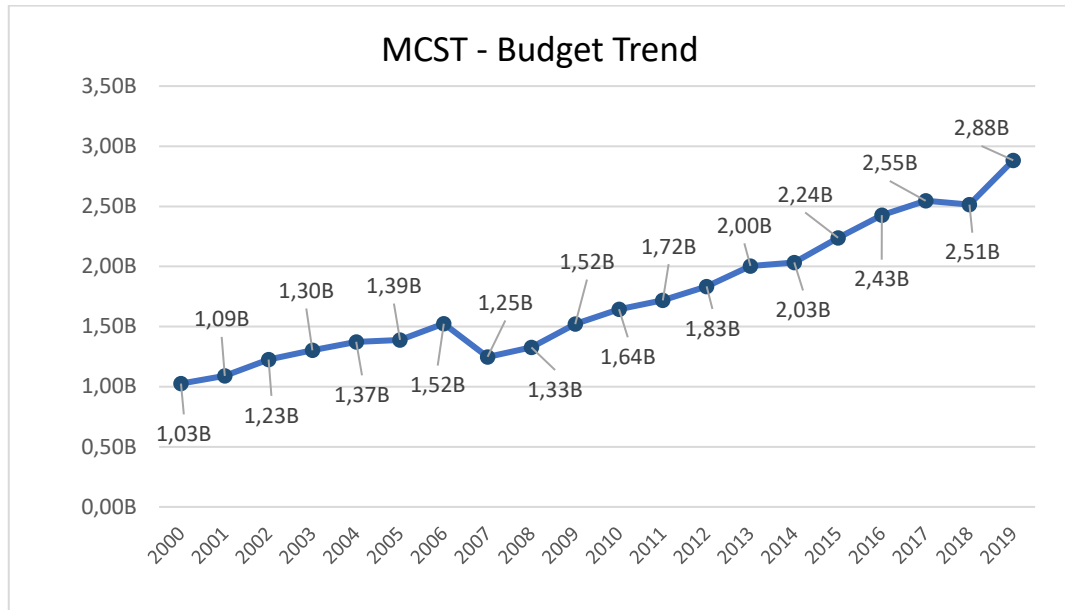
Table 5. Ministry of Culture, Sports and Tourism's budget trend – 2000 to 2019

Years	SOUTH KOREA MCST Budget	
	KRW	USD
2000	1.170,70B	1,03B
2001	1.243,10B	1,09B
2002	1.398,50B	1,23B
2003	1.486,40B	1,30B
2004	1.567,50B	1,37B
2005	1.585,60B	1,39B
2006	1.738,50B	1,52B
2007	1.425,00B	1,25B
2008	1.513,60B	1,33B
2009	1.735,00B	1,52B
2010	1.876,20B	1,64B
2011	1.960,30B	1,72B
2012	2.093,30B	1,83B
2013	2.287,60B	2,00B
2014	2.320,80B	2,03B
2015	2.554,60B	2,24B
2016	2.769,70B	2,43B
2017	2.905,50B	2,55B
2018	2.869,20B	2,51B
2019	3.290,20B	2,88B

Source: own compilation based on the data by the Contents Industry White Paper (MCST, 2019)

Unit: Billion (currency exchange done with Kutools for Excel)

Figure 3. Ministry of Culture, Sports and Tourism's budget trend – 2000 to 2019



Source: own compilation based on the data by the Contents Industry White Paper (MCST, 2019)
Unit: Billion USD (currency exchange done with Kutools for Excel)

As shown in the representation of **Figure 3**, the budget of the Ministry of Culture, Sports, and Tourism has been in a constant increase since the 2000s.

The increase appears to be gradual, without major jumps or signs of major fluctuations during the timeframe. But it is showing a steady increase from year to year.

The only exception that appears to interrupt the positive trend is between the years 2006 to 2007, where there is a visible decrease of 17,8%; and again from 2017 and 2018, with a smaller percentage of 1,6%.

The highest increase of all the timeframe is found between the years 2018 and 2019 amounting to 14,7%, where the budget reaches its higher peak with 2,8 billion USD.

The budget has increased from the year 2000 to the year 2019 of 179,6% meaning that it more than doubled.

1-4. UNESCO's Diversity of Cultural Expressions Report

South Korea became the 110th country to ratify the UNESCO Convention on the Protection and Promotion of Diversity of Cultural Expressions in the year 2010. The Act on the Protection and Promotion of Cultural Diversity, drafted by the Ministry of Culture, Sports and Tourism, was

enacted in November 2014 (UNESCO report, p.4). South Korea has therefore submitted a brief report dated 2015 and then submitted the regular report for 2018, which is the last available.

The elaboration of the report was conducted by the Ministry of Culture, Sports and Tourism (MCST) with the Culture & Humanities Policy Division, the Korea Culture and Tourism Institute, and the UNESCO Korea Committee. It considered the most up-to-date regulatory and design elements during the four years 2014-2018.

I will now list the policies and measures shown in the report, that have a national scope and a financial nature, with their domains, requirements, and type of support³.

i. Strengthening access to culture for persons with disabilities:

- *Cultural domains covered by the policy/measure:* Sports, Arts, Culture.
- *Requirements/eligibility:* disabled persons with sports, art, and creative interests.
- *Type of Support:* Programs to publicize sports for the disabled and improve the public perception about it and supplying the support for lifetime classes, clubs, instructors, equipment's, programs.

ii. Improving framework conditions for the art and culture sector:

- *Cultural domains covered by the policy/measure:* Arts; Artists.
- *Requirements/eligibility:* Participants will be selected among the applicants. The Ministry of Culture, Tourism and Sports selects operators of the project based on their applications and interview with them.
- *Type of Support:* Establishment of safety net for artists, provision of consulting services on local culture, expansion, and operation of cultural facilities. It aims at providing job opportunities; grants for the low-income and elderly artists; legal consultation; to pay for the artists' payment for the industrial accident's compensation insurance; to protect artists' rights under standard labor contracts; and operate the artists welfare foundation.

iii. Enhancing the diversity of media:

³ All the names and descriptions of the policies and measures are directly taken from the UNESCO report itself.

- *Cultural domains covered by the policy/measure:* Media; Film; Comics; Music.
 - *Requirements/eligibility:* Indie films productions, children comics; indie music artists and production.
 - *Type of Support:* Government-funded research institutes and selection of research projects via public contest. Organization of film festivals; support of the production and screening of indie films; publish and distribute children's comics; supporting new indie music talents and organization of Awards.
- iv. Promoting Partnerships through culture and the arts in East Asia (Culture City of East Asia Program):**
- *Cultural domains covered by the policy/measure:* City Culture.
 - *Requirements/eligibility:* Culture City of East Asia that is selected out of applicant cities.
 - *Type of Support:* Through local governments of the Culture City and Cheongju Cultural Industry Promotion Foundation. They focus on subsidizing the opening and closing ceremonies of the Culture City of East Asia and the events for their cultural exchanges; the establishment of a trilateral cooperative system by inviting representative festivals of Culture Cities or assisting youth exchanges and hosting traditional plays.
- v. Traditional Culture Promotion Project:**
- *Cultural domains covered by the policy/measure:* Traditional Art and Culture; Fashion; Cuisine; Paper.
 - *Requirements/eligibility:* The operators of the project select their partners among the one that work in the sectors of traditional fashion (hanbok), cuisine (hansik), and paper (hanji).
 - *Type of Support:* Institutes, like the King Sejong Institute, and other institutions and businesses associated with the traditional cultural industry, of which 20 are local governments, offer budgetary support to the programs.
- vi. Multilingual Communication:**
- *Cultural domains covered by the policy/measure:* Multicultural Language.
 - *Requirements/eligibility:* Multicultural families; children and parents.

- *Type of Support:* Project commissioned by the central government and enhanced by the Multicultural Family Support Centers in Korea (217 across the nation) and local governments, social welfare centers, and NGOs.
- vii. World Artist Exchange of the Korea Arts Management Service:**
- *Cultural domains covered by the policy/measure:* Performing Arts; Visual Arts.
 - *Requirements/eligibility:* Organizations of Visual and Performing Arts.
 - *Type of Support:* Global expansion of performing arts; overseas expansion strategy; regional tours of quality programs; global expansion of visual arts and establishment of artwork appraisal system.
- viii. Out of School Culture Education Programs for Youth on Saturday (Saturday cultural School for Children):**
- *Cultural domains covered by the policy/measure:* Leisure; Art and Cultural activities.
 - *Requirements/eligibility:* children, adolescents and their families.
 - *Type of Support:* local governments, national or public institutions, libraries, museums, art galleries, cultural organizations' programs for leisure and cultural activities.

The report presents many other policies and measures. Several policies listed have a legislative, institutional, or regulatory nature, with the foundation of new units for the protection and support of specific cultural and creative sectors, or the modification of existing ministries, projects, or regulations for their improvement in the ability to support the sector. Many policies and measures had also an international scope, with the frequent participation or co-financing of other international organizations like UNESCO itself. Moreover, a list of policies and measure were exclusively dedicated to the contribution of CSOs in the sector.

CHAPTER V

1. Comparative Analysis

Italy and South Korea, as previously mentioned, have a different history of managing and caring for their cultural sector. Italy is a nation that historically has prioritized its culture and heritage, and being part of the European Union, has had more experience and possibilities in sharing and exporting its CCI. On the other hand, South Korea is a more recent cultural center; while it became renowned for its miraculous economic achievements, the cultural sector was not a priority during the crucial parts of the developing process. Nonetheless, is becoming one of the leading role models for the creation and export of cultural and creative content, especially in the Asian region.

Italy has made itself known globally through the “Made in Italy” brand, especially in the design, luxury goods industry for apparel, shoes, cosmetics, jewelry, and perfume, and the food and beverage sector (Altagamma, 2020). South Korea is strongly marketing itself through the Hallyu or Korean Wave and the export of its pop culture, the Film Industry, and the Gaming Industry that is growing stronger by the year (UNCTAD, 2017).

The public funding system in favor of the cultural and creative industries is moderately decentralized in both Italy and South Korea, characterized by a significant role for the regions and municipalities for Italy and city governments, local authorities, and foundations for Korea. The main governmental unit active in the cultural and creative activities for both country is the Ministry established and dedicated to the sector specifically, that is the Ministry of Cultural Heritage and Activities and Tourism (MiBACT) for Italy and the Ministry of Culture, Sports, and Tourism (MCTS) for South Korea. Both organizational and administrative structures of the ministries have been subjected to multiple revisions since the year they were established; several responsibilities and sectors have been gradually established under the ministries jurisdiction like illustrated in the relative chapters of the countries.

The Ministry has the role of supervising the policies and measures that fall under their cultural and creative influence, protect the national cultural, creative, and environmental assets, and be of active support for the conservation of the artistic and cultural heritage and landscape, and the promotion of various cultural activities, entertainment, and sport (MiBACT; MCST).

As the reports regarding the data for the budget trends of the two Ministries for the years 2000 to 2019 as shown, the financing of the administrations appears to be different between the countries. In **Table 6** I have listed the budget in both the national currencies (Euros and Won), as provided by the Contents Industry White paper and the Federculture organization, with the corresponding currency exchange in Billion USD. The figure that follows (**Figure 4**) is the visual representation of the compared trend in Billion USD of the budget appointed for the Ministries in the same referenced timeframe

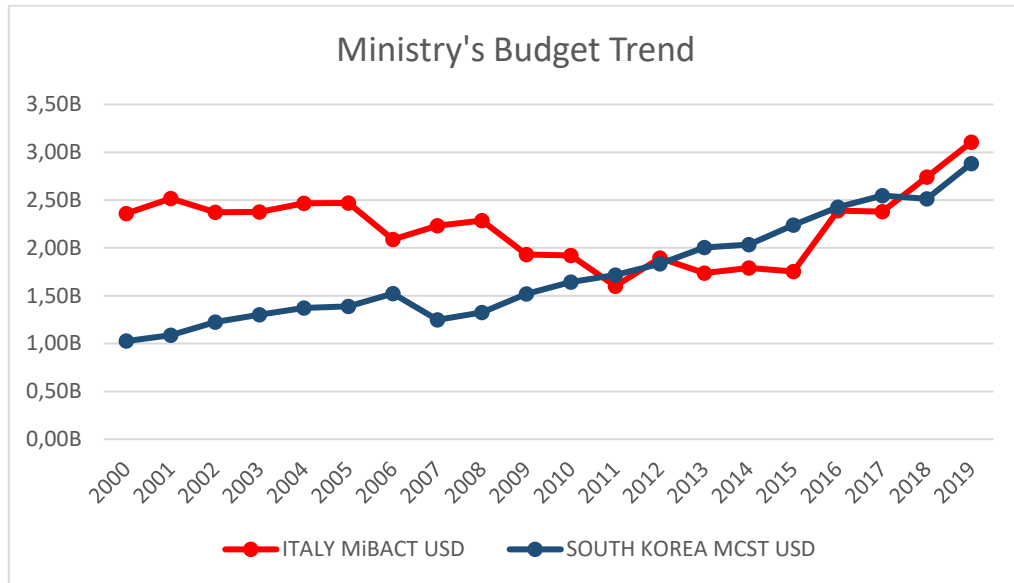
Table 6. Comparison of Ministries' budget trend – 2000 to 2019

Years	ITALY MiBACT		SOUTH KOREA MCST	
	EUR	USD	KRW	USD
2000	2,10B	2,36B	1.170,70B	1,03B
2001	2,24B	2,52B	1.243,10B	1,09B
2002	2,12B	2,37B	1.398,50B	1,23B
2003	2,12B	2,38B	1.486,40B	1,30B
2004	2,20B	2,47B	1.567,50B	1,37B
2005	2,20B	2,47B	1.585,60B	1,39B
2006	1,86B	2,09B	1.738,50B	1,52B
2007	1,99B	2,23B	1.425,00B	1,25B
2008	2,04B	2,29B	1.513,60B	1,33B
2009	1,72B	1,93B	1.735,00B	1,52B
2010	1,71B	1,92B	1.876,20B	1,64B
2011	1,43B	1,60B	1.960,30B	1,72B
2012	1,69B	1,89B	2.093,30B	1,83B
2013	1,55B	1,74B	2.287,60B	2,00B
2014	1,60B	1,79B	2.320,80B	2,03B
2015	1,56B	1,75B	2.554,60B	2,24B
2016	2,13B	2,39B	2.769,70B	2,43B
2017	2,12B	2,38B	2.905,50B	2,55B
2018	2,44B	2,74B	2.869,20B	2,51B
2019	2,77B	3,11B	3.290,20B	2,88B

Source: own compilation based on the data by the Contents Industry White Paper (MCST, 2019) and Federculture (2019)

Unit: Billion (currency exchange done with Kutools for Excel)

Figure 4. Comparison of Ministries' budget trend – 2000 to 2019



Source: own compilation based on the data by the Contents Industry White Paper (MCST, 2019) and Federculture (2019)
Unit: Billion USD (currency exchange done with Kutools for Excel)

Figure 4 visibly shows that the budget dedicated by the Italian Ministry has been higher than the Korean one during all the timeframe, with the exception of the years 2011 through 2017, where the Italian budget was slightly lower than the Korean one. Moreover, the Italian trend appears to be subjected more to fluctuation, with multiples ups and downs in the allocation of the budget, especially between the years 2005 and 2017. On the other hand, Korea looks to be starting a steady increase in the year 2000, maintaining it throughout the timeframe, with fewer exceptions in the lowering of the trend; one more prominently visible from the year 2006 to 2007 and again in the more subtle decline of the year 2017 to 2018. Therefore, Italy appears to be more affected by fluctuations with less consistency in the trend, while Korea appears to be continuing an increasing trend. The average budget allocated during the 19 years for the Italian Ministry appears to be 2,3 billion USD, while the budget for the Korean Ministry stands with an average of 1,8 billion USD.

While it is accurate to say that Italy has maintained a higher budget for the Ministry of Cultural Heritage and Activities and Tourism standing with a higher average, it is essential to unknowledge the significant budget increase that the Korean Ministry of Culture, Sports, and Tourism has experienced throughout the timeframe. In fact, the Korean Ministry has had an

increase of the 179,6% on the budget, more than doubling its initial amount, while the Italian Ministry has shown an increase of the 31,8% from 2000 to 2019.

The movements of the trend significantly underline the growing interest of the Korean government in the allocation of the budget for the Ministry that is responsible for the support of the cultural and creative industries and activities. While the Italian government, even if it has a bigger budget, to begin with, has shown less of a growing trend, with a more unstable tendency in the allocation of the funds for its cultural Ministry. The Italian lack of consistency can be a symptom of an undecisive position towards the sector or can symbolize a more plausible lack of prioritization or moderate sentiment towards a further growth and development of the cultural and creative sector.

When doing the comparative analysis of the Ministries' budgetary trend, is important to recognize the history of the countries' governments throughout the 19 years. Italy has a very unstable record concerning its governments' longevity and high frequency of political crisis (Tentoni, 2019). Therefore, the governments' mandates usually tend to interrupt before their expected ends; just from the year 2000 to 2019, Italy has changed 12 governments (Italian Government). A frequent practice that follows the establishment of a new government is the adjustment or change in the Ministries management. The political parties that have the majority in the Parliament can express their right to appoint the role of the minister to whomever they prefer. Therefore, the ruling parties may have different perspectives and priorities regarding the management of the Ministries and the support of one over another; this may lead to an instability of the policies in favor of the funding or general support towards a specific Ministry like the cultural one. Hence, the fluctuation and instability of the Ministry of Culture's budget could be a consequence of or be influenced by the frequent changes of power and administration. On the other end, Korea has a more stable government history. During the timeframe that goes from 2000 to 2019, Korea has seen 5 presidencies (Britannica). This could have positively influenced the support of the cultural sector, showing a greater consistency in the funding and continuity in the policies implemented that are not interrupted by or changed by the following of multiple governmental administrations. Yet, to be able to confirm the correlation between the fluctuation

of the budget and the instability of the government for Italy, and the longevity of the government and the stable increase in the budget for Korea, an in-depth analysis of the two factors is needed.

The second part of my analysis considered the policies and measures adopted by the countries and reported on the quadrennial periodic reports under the agreement of the 2005 UNESCO *Convention for the Protection and Promotion of the Diversity of Cultural Expressions*. With the ratification of the Convention and the provision of the periodic reports, the States list the most relevant policies and measures that they have adopted during the four years, their main features, and the recommendations and conclusions. By doing so, the Convention encourages the governments to be more transparent and participant in the support of the cultural and creative industry (UNESCO).

The reports list multiple types of policies and measures with a variety of nature and scope: international, national, regional, and local scope and legislative, regulatory, institutional, and financial nature. I focused only on those that are categorized under a national scope and financial nature (usually the policies with a national scope also have a regional and local reach). By doing so I identified the policies that the government has implemented for the nation and not through international organizations while also excluding the ones conceived by non-governmental organizations. Moreover, by pinpointing the ones with a financial nature I can better allocate the government's funding trend and support towards the cultural and creative industries.

In **Table 7** I listed all the policies and measures that the two countries have reported under national and financial characteristics side by side with the name of the policies and the domains they are meant to cover.

In the report submitted by Italy for the years 2016 to 2020, the UNESCO Unit of the General Secretariat of the Ministry for Cultural Heritage and Activities and for Tourism, that coordinated the compilation of the report, presents numerous policies and measures that cover multiple domains of the cultural and creative context. The majority of the domains covered appear to be those related to the Performing Arts, Visual Arts, Media Arts, Design, and Cinema/ Audiovisual Arts. As showed in **Table 7**, among the most inclusive policies based on the domain covered, Italy

lists the “*Facilities for the diffusion and strengthening of the social economy*” measure, the “*Per chi Crea project for the cultural and creative sector*”, and the “*Bonus Culture/18 App*” measure. This three specific policies were designed to cover as many cultural and creative domains as possible to bring a wide-ranging support for the nation’s CCI sectors.

The Korean report, for the years 2014-2018, completed with the coordination of the Ministry of Culture, Sports and Tourism, the Culture & Humanities Policy Division, the Korea Culture and Tourism Institute, and the UNESCO Korea Committee, presents less broad scope in the domains covered by the policies compared to the Italian one. The cultural and creative domains of the Korean report appear to be more specific to certain issues and necessities for example the promotion of the traditional arts of fashion, cuisine and paper making and indie productions, the access to sports and creative activities for persons with disabilities or the support of multicultural families and bilingual communication. This is mostly visible through the “*Straightening access to culture for persons with disabilities*” policy, the “*Traditional Culture Promotion Project*”, the “*Multilingual Communication*” project, and the “*Out of School Culture Education Programs for Youth on Saturday*” project. Hence, in the Korean report, the national scope is oftentimes reorganized under the more local, and city-centered one, with the focus on the communities and especially under the supervision of the city organizations.

Therefore, the overall scope of the policies appears to be more local/ community-centered for the Korean case, with the enactment of programs and projects for the minorities or the less industrialized and widespread arts. On the other hand, the domains covered in the Italian report on average appear to have a broader scope, including programs and projects for multiple sectors of the cultural and creative industries, with a tendency for the encouragement and support of investments targeted to the companies and firms active in the sector. Moreover, in the Italian report the terms “national territory” and “Italian residents” are often used to underline the attention for the protection and development of the Italian cultural and creative sector.

The vocabulary and the representation of the measures stipulated and submitted by the two nations symbolize the different nuances that constitute the perception of importance in the communication and transparency of their cultural policy discourse. Although both countries are

characterized by a decentralization of the responsibilities with a fragmented national administrative system, the Korean report's tone underlines the importance of the city governments in the support, protection, and development of the cultural and creative policies with the focus on the communities. This dynamic of support can be categorized as a "bottom-up" and "residents-feeling" type of policies' application (Lee, 2017). Therefore, the national development and support of the CCI is achieved through the attention and promotion of projects and programs at a local level that together influence the national one. On the other hand, the Italian process of support diversify from the Korean one, presenting a more national-centered, Italian, and "Italianized" narrative throughout the report that characterize what can be defined as a "top-down" dynamic.

As for the type of support, it appears that the preference for both the countries in the form of their funding is through the direct one. As we know, direct public funding considers the money transfer from public funds to the sector through grants, prizes, contributions, etc. while the indirect one does not concern an exchange of money but the adoption of actions like fiscal measures and financial stimulation policies in favor of cultural organizations and projects (Domenichini, 2013). In both reports, it is often mentioned the public support through grants and fund allocation, which results to be the most frequent method of funding. Additionally, the second most common method of public funding appears to be the implementation of tax credit and tax deduction, which falls under indirect support.

The indirect funding system of a tax credit is most frequently acknowledged in the Italian report, totally eight times out of the ten measures listed, with the degree of percentage of reduction for multiple projects and in favor of different Italian organizations. In the Korean report, on the other hand, is often reported the construction of facilities, the creation of government-funded institutes and events, and the budgetary support. It is important to mention however that both countries' reports specify the practice of direct and indirect funding, especially through the allocation of funds and budget support. However, Italy appears to be more prone to apply tax reliefs, while Korea shows to be more active in the allocation of direct funds as a means of support. The tendency showed in the Korean report of privileging the direct funding can be additional

evidence for which the support is more commonly “bottom-up”, local, and city-centered, while the indirect funding tendency that emerges through the Italian report results to be more nation or “top-down” centered.

Table 7. UNESCO Diversity of Cultural Expressions' reports

ITALY		KOREA	
<i>Name</i>	<i>Domain</i>	<i>Name</i>	<i>Domain</i>
Fund for Performing Art	Music; Performing Arts; Visual Arts	Strengthening access to culture for persons with disabilities	Sports; Arts; Culture
Discipline of cinema and audiovisual	Cinema/ Audiovisual Arts	Improving framework conditions for the art and culture sector	Arts; Artists
Facilities for the diffusion and strengthening of the social economy	Cinema/ Audiovisual Arts; Design; Media Arts; Music; Performing Arts; Publishing; Visual Arts	Enhancing the diversity of media	Media; Film; Comics; Music
Fund for pluralism and information innovation	Media	Promoting Partnerships through culture and the arts in East Asia (Culture City of East Asia Program)	City Culture
MOVIN'UP Project	Performing Arts; Visual Arts	Traditional Culture Promotion Project	Traditional Art and Culture; Fashion; Cuisine; Paper
Multi-year editions projects- Contemporary Creativity	Design; Media Arts; Visual Arts	Multilingual Communication	Multicultural Language
Music sector – “Music Tax Credit”	Music; Performing Arts	World Artist Exchange of the Korea Arts Management Service	Performing Arts; Visual Arts
“Per chi Crea” project for the cultural and creative sectors	Cinema/ Audiovisual Arts; Design; Media Arts; Music; Performing Arts; Publishing; Visual Arts	Out of School Culture Education Programs for Youth on Saturday	Leisure; Art and Cultural activities
Bonus Culture/18App	Cinema/ Audiovisual Arts; Design; Media Arts; Music; Performing Arts; Publishing; Visual Arts		
Cinema and Audiovisual Sector	Cinema/ Audiovisual Arts		

Source: own compilation based on the UNESCO Diversity of Cultural Expressions' reports (Italy, 2020- Korea, 2018)

CHAPTER VI

1. Conclusion

My research had the purpose of understanding and identifying, if present, the differences and/or similarities of the role of the governments in the support of the cultural and creative industries of Italy and South Korea.

As frequently mentioned in the text, it is important to remember that Italy has a traditional connection with its cultural heritage and value, which has been formed through its history of being the center of excellence and the cradle of numerous artistic movements for which it was celebrated as one of the most influential cultural centers in Europe. Italy's artistic legacy is what is currently shaping the "Italian Brand" worldwide and is what has been characterizing the national sentiment towards the celebration of its culture and art to this day (Sacco, 2012).

Unlike the Italian counterpart, South Korea is a more modern example of the cultural center and main point of reference for the cultural and creative industries, especially in the Asian region that has been establishing itself as a Cultural power influence since the 2000s (Kim, 2011). Its late cultural blooming has to be imputed to the long history of Japanese occupation and the later destruction of the Korean War. Yet, the "miraculous" economic development that followed did not prioritize the promotion of the cultural and creative industries, which have been reconsidered as valuable assets for the economy of the country just from the beginning of the 1990s.

While the "Made in Italy" is recognized globally as the leader in manufacturing quality, especially in luxury products, and it is the third best known brand in the world (Altagamma, 2020), South Korea is making itself notice internationally for its cultural and creative industries, especially thanks to the Korean Wave or Hallyu, which has become a global sensation (Kim and Jin, 2016).

The support of the cultural and creative industries is characterized, for both cases, by the collaboration of numerous actors: world organizations, charitable donations, private investments,

and public funding that are all devoted, in different measures, to the protection and implementation of culture (UNESCO). Yet, the active job of promoting the nation's culture and creativity has to fall in the hand of the government itself, as it is the main administration that represents the State, and therefore, the people. That is why national public funding can be judged as the foundation for the development of the cultural and creative industries. Therefore, the position of the State and government concerning these industries is fundamental.

The government's investment in the cultural and creative industries is the core of the dynamic of support that these industries need to develop, along with the international and private ones. The public funding system in favor of the cultural and creative industries is decentralized in both Italy and South Korea, with regions, provinces, and municipalities for Italy and special and metropolitan cities and provinces for South Korea, that have different roles in the public support of the cultural and creative industries.

The decentralization of the responsibilities produces an intricate system for the identification of national support. Therefore, it was not possible to understand and precisely quantify all the fiscal measures, and different tax deductions that are allocated and applied to the different entities, projects, or organizations that fall under the umbrella of the CCI, especially considering the extended timeframe used in the research. That is why I choose to sustain my study by doing an analysis based on the deduction and observation of the available data. Consequently, it is important to understand the role of the Ministry designated to the protection, conservation, and enhancement of the national, cultural, and creative heritage and potential that are the Ministry of Cultural Heritage and Activities and Tourism (MiBACT) for Italy and the Ministry of Culture, Sports, and Tourism (MCTS) for South Korea. The Ministries, being the main governmental unit active in the support of the cultural and creative activities, represent and symbolize the State's and governments' role and vision towards the cultural and creative sector. To isolate the importance that the governments and the States attribute to the role that these ministries represent, I analyzed the budget allocated to the Ministries of Culture, for the years 2000 to 2019.

From the comparative analysis, it is visible that the budget dedicated to the Italian Ministry has been higher than the Korean one during most of the timeframe, with an average of 2,3 billion

USD compared to the 1,8 billion USD of the Korean Ministry. The Italian trend appears to be subjected to more fluctuation with less consistency and multiples ups and downs in the allocation of the budget, while Korea looks to be starting a steady increasing trend in the year 2000, maintaining it throughout the timeframe. Therefore, while it is accurate to say that Italy has maintained a higher budget for its Ministry, standing with a higher average, it is essential to acknowledge the significant budget increase, that more than doubled, that the Korean Ministry has experienced throughout the 19 years.

The movements of the trend significantly underlined the growing interest of the Korean government towards the funding of the Ministry, and consequently towards the allocation of the budget for the support of the cultural and creative industries and activities, for which the Ministry is responsible. On the other hand, the Italian government, even if it has the accessibility to a bigger budget to begin with, has shown less of a growing trend, with a more unstable tendency in the allocation of the funds for its cultural Ministry. In my comparative analysis I hypothesized that the Italian moderate or undecided sentiment towards a further growth and development of its CCI may be reconnected to the frequent government political crisis and the political and administrative instability that this phenomenon may cause to the Ministry's management. While the Korean government stability may positively influence the growing trend.

While the budget trend for the Ministries of Culture was used to identify the degree of the governments' priorities, I used an additional mean to better draw the comparative analysis of the two countries' government support on the CCI. I looked at the quadrennial periodic reports, part of the 2005 UNESCO *Convention for the Protection and Promotion of the Diversity of Cultural Expressions*' agreement, that present the most relevant policies and measures that the States have adopted during the four years (2016-2020 for Italy and 2014-2018 for Korea), their main features, recommendations, and conclusions. I focused only on those that are categorized under a national scope and financial nature and by doing so I disregarded those policies conceived by international and non-governmental organizations. Moreover, by pinpointing the ones with a financial nature I was able to better allocate the government's funding trend towards the CCI.

In the report submitted by Italy for 2016 to 2020, coordinated by the UNESCO Unit of the General Secretariat of the Ministry for Cultural Heritage and Activities and for Tourism, most of the cultural and creative domains covered appeared to be those related to the Performing Arts, Visual Arts, Media Arts, Design, and Cinema/ Audiovisual Arts. Hence, the domains covered in the Italian report on average appeared to have a broader scope, including programs and projects for multiple sectors of the CCI, supporting and encouraging the investments in favor of companies and firms through what has been hypothesized to be a “top-down” approach.

The Korean report, for the years 2014-2018, completed with the coordination of the Ministry of Culture, Sports and Tourism, the Culture & Humanities Policy Division, the Korea Culture and Tourism Institute, and the UNESCO Korea Committee, presented less of a broad scope in the domains covered by the policies compared to the Italian one. The cultural and creative domains of the Korean report appeared to be oftentimes reorganized under a more local and city-centered scope, around the communities and followed by the city organizations’ authority through what has been hypothesized to be a “bottom-up” approach.

Furthermore, in both reports, it is often mentioned the public support through grants and fund allocation, which resulted to be the most frequent method of funding. The second most common method of public funding appeared to be the implementation of tax credit and tax deduction, which falls under indirect support. The indirect funding system of the tax credit were most frequently acknowledged in the Italian report, while in the Korean report the construction of facilities, the creation of government-funded institutes and events, and the budgetary support were more frequently reported. Yet, both countries’ reports specified the practice of direct and indirect funding, through the allocation of funds and budget support and the implementation of tax relief. However, Italy appeared to be more prone to apply tax relief, while Korea showed to be more active in the allocation of direct funds as a mean of support.

In conclusion, even if we acknowledge the different history of Italy and South Korea in the support, conservation, and enhancement of their cultural and creative industries, we can ascertain that the two nations share commonalities in the administration of the cultural and creative sectors, with a similar decentralization of responsibilities and methods of public funding through a variety

of direct and indirect instruments. While we understood that the Italian Ministry of Culture disposes of a higher budget, it resulted to be more subjected to fluctuations, while the Korean Ministry is more stable in the increasing trend of developing the sector. Moreover, the Italian government seems to prioritize the implementation of policies and measures through indirect funding and a “top-down” approach, while the Korean government prioritizes the implementation of policies and measures with direct support and a local/community, “bottom-up” approach.

Yet, for the nature of the methodology and the availability of the data, the results of this research cannot be generalized. The methods and references used to draw the comparative analysis of the two countries and the conclusions, do not constitute the entirety of the structure that forms the public funding process. Therefore, the conclusions must be taken as a partial approach towards the governments’ support of the cultural and creative sectors and may results to be different with a more in-depth analysis of the public sector of the two countries. That is also because the 'support', which I analyzed in this research, is not a precisely quantifiable factor, but has a degree of subjectivity depending on which stances it is addressed as.

Moreover, since the private sector and the international interventions are not considered during the research, a big part of the countries' support for the industries is missing, which the States may yet consider as the main parts and frameworks for the enhancement of these industries. Yet, the government’s degree of dependency towards International or non-governmental organizations is difficult to accurately quantify when looking for the support of the CCI. Therefore, the total profile on the role of the governments in the support of the sector may not be completely identifiable with the sole use of these frameworks and must be submitted to further, in-depth research.

Additionally, the UNESCO reports used to study the policies and measures implemented by Italy and South Korea may present a level of bias in their compilation, as it is done by the countries themselves. If so, the practicality of those measures may slightly differ from the narration present in the reports. That is why, to confirm and to examine in depth the actual implementation and execution of those policies and measures a comparison of reports from multiple sources could be

advised for further studies. Many of the policies and measures listed in the reports have been created in previous years as well, so they are not to be considered always to be a new addition but as a continuation or an improvement of older policies.

Unfortunately, the States' lack of transparency on the data and statistics of the CCI is very much present for both countries. While for the Korean case, the cultural data are presented by the Ministry of Culture itself, through the Contents Industry White Paper, the national cultural data for the Italian case is collected and reported by non-governmental foundations (Federculture). Furthermore, the reports done by these organizations are a summary of the general expenses and data, hence, the detailed annual analysis is missing or cannot be found.

Finally, it is important to remember that the cultural and creative industries have multiple definitions and criteria of classifications, therefore Italy and South Korea may include or not some sectors that the other excluded in their categorization of CCI. The countries' Ministries of Culture themselves do not administrate the same CCI's sectors. In the year 1998, the Italian Ministry for Cultural Heritage and Activities and for Tourism included the promotion of sport and sports facilities to its jurisdiction. Yet, in 2006, the competencies of the sport were assigned to the new Ministry for Youth Policies and Sports Activities that is a 'ministry without portfolio', and, therefore, without a budget. Thus, while the Korean Ministry of Culture includes sports under its authority, the Italian one does not and so they do not share the same exact classification of sector.

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Abstract

문화와창조산업에서 정부의 지원: 이탈리아와 한국의 경우

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산업 분야로서 문화 및 창작 활동은 대부분 무시되고 과소평가되어 왔습니다. 예술을 계몽이나 오락의 전유물로 인식하는 것은 이 산업이 가질 수 있는 경제적 이익과 사회적 가치를 떨어뜨리고 한계 분야로서의 가치를 떨어뜨립니다(KEA, 2006). 그러나 상당한 경제적 가치를 갖는 것 외에도, 문화 및 창조 산업은 측정할 수 없는 비화폐적 자질을 가지고 있으며, 따라서 우리나라와 사회의 발전을 위한 가장 중요한 활동을 구성할 수 있습니다. 국가의 문화와 창의성을 고취하는 적극적인 일은 국가, 즉 국민을 대표하는 일이므로 정부 자체의 손에 넘어가야 합니다. 이것이 국가 공공기금이 CCI 발전의 기초가 될 수 있는 이유입니다. CCI 지원에서 정부의 역할을 파악하기 위해, 이 부분의 비전에서 다른 역사를 공유하고 있는 이탈리아와 한국의 두 사례를 분석하고, 이를 위해 해당 분야에 대한 주요 정부 지원을 대표하는 문화부처의 국가 예산 동향을 살펴보겠습니다. 그리고 각국의 정책과 조치에서 가장 최근의 유네스코 문화 표현 다양성 보고서에 등재된 국가들에 의해 적용되고 있습니다. 분석 결과 양국은 다양한 직간접적 수단을 통해 CCI 행정에 있어 공통점을 공유하고 있지만, 무엇보다도 문화부의 일관성 및 안정성을 위한 예산 추이 차이를 보이고 있으며, "Top-down" 또는 "Bottom-up" 접근법으로 선호하는 편당 방법이 다릅니다.