



Photo provided by SOCAR

## JAEUK PARK

### Leveraging Smart Mobility Solutions for Sustainable Urban Development

**M**eet Jaeuk Park, CEO of SOCAR, a Korean car-sharing and ride-hailing service provider. Jaeuk is part of the new generation of entrepreneurs in Korea looking to create new markets and services and to disrupt legacy industries. Founded in 2011 as the first car-sharing company in Korea, SOCAR now operates approximately 13,000 cars (2021). It leverages technologies to efficiently and effectively allocate the vehicles to meet demand by continuously monitoring and analyzing information generated from the cars.

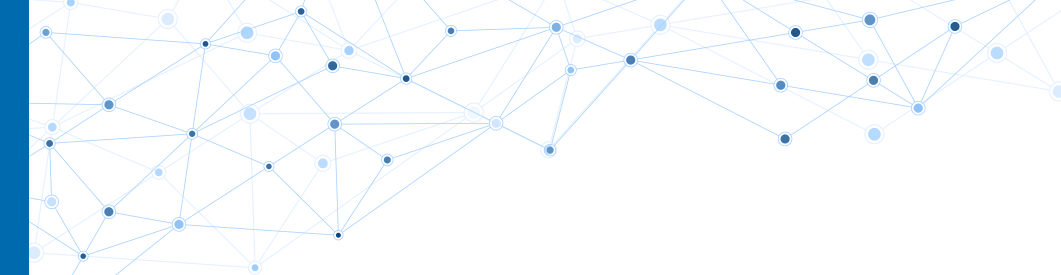
Hear from Jaeuk as he reflects on the role of technology and innovation in sustainable development, and what countries can learn from Korea's startup experience.

## Q1.

### HOW DO RIDE-SHARING SERVICES CONTRIBUTE TO SUSTAINABLE URBAN DEVELOPMENT?

SOCAR is working to address traffic and parking congestion by reducing the number of vehicles on the streets. The Seoul Institute's research shows that one shared car replaces approximately 8.5 privately owned cars. In addition, the total parking area in Seoul is the size of Seocho-gu, the city's largest borough.

Through ride sharing, we are aiming to increase the use of cars during the weekdays when people



at work leave their cars parked and idle. We are collaborating with local governments to make official vehicles available to the public on weekends. When the official vehicles are out on the road, the parking spaces can be made available to the public. This is important because the parking spaces of local government entities tend to be located in prime downtown locations. Where car sharing is not accessible, our ride hailing fills the gap to make travel more convenient for users.

I believe it is important that smart mobility solutions be integrated into urban design from the very beginning. Companies such as SOCAR can also contribute to sustainable urban development by working closely with local governments in urban renewal or new urban development projects, to ensure that urban planning incorporates smart urban management and takes full advantage of the insights generated from smart-mobility services.

## Q2.

### HOW CAN DEVELOPING COUNTRIES TAKE ADVANTAGE OF SMART-MOBILITY SOLUTIONS?

SOCAR has 10 years of operational and technical expertise. It is very difficult for smart-mobility companies to become profitable without considerable technical experience. Companies like SOCAR can help developing countries learn from us and minimize trial and error. If we were to work

with the developing countries, we would be sharing our experience in data analysis and various technologies as well as our know-how in reducing errors and improving customer experience.

One potential concern is whether developing countries have the technological capacity to adopt smart-mobility solutions. I would have been more concerned, let's say, 10 years ago, but there is much less concern today. In recent years, developing countries have made significant progress in technology adoption – particularly leapfrogging from landline to mobile phones. In fact, it is this ability to leapfrog legacy solutions that sometimes makes the adoption of mobile services more rapid in developing countries than in developed countries. Rather than mobile technologies, it is the lack of infrastructure complementarities—for example, poor road networks, bad road conditions, and substandard vehicle maintenance—that are often a greater constraint in developing countries.

## Q3.

### AS A SERIAL ENTREPRENEUR, WHAT ADVICE DO YOU HAVE FOR DEVELOPING COUNTRIES SEEKING TO BENEFIT FROM INNOVATION AND TECHNOLOGY?

Innovators look for opportunities to create new products and solutions to address unmet demand, but this can disrupt legacy industries

and create conflict with vested interests. When this occurs, the government's mediation role can be critical. One important function is to support the “soft landing” of the industries that are being disrupted. The innovators can also share the burden of the disruptions to help ease the transition. For example, the profit made from the disruptions can be shared with those impacted by them.

The government's other vital role is to provide a conducive entrepreneurial ecosystem. Korea's startup environment has substantially improved over the years. It has become much easier for entrepreneurs to start another new venture after a failed attempt. In the past, startups had a substantial minimum capital requirement, but this is no longer the case, which has significantly lowered barriers to entry. Many government-supported programs have been rolled out to help entrepreneurs. As a result, Korea now has a very vibrant startup sector and a healthy pipeline of “unicorns” (privately-owned startups that are valued at more than US\$1 billion). Developing countries can learn from Korea's experience in this regard.

Finally, I think developing-country governments can actively promote a startup culture by building greater appreciation of the contribution that innovation and entrepreneurship make to development, and by encouraging the cultural acceptance of risk taking. In fact, this is also an area where Korea could and should do more.