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CENTER FOR NORTHEAST ASIAN POLICY STUDIES

in cooperation with

CENTER FOR INTERNATIONAL DEVELOPMENT
KOREA DEVELOPMENT INSTITUTE

WELCOME AND KEYNOTE ADDRESS
KOREA'S APPROACH TO SOFT POWER

SaKONG IL
CHAIR, PRESIDENTIAL COMMITTEE FOR THE G20 SUMMIT

**KOREA'S SOFT POWER
AND EAST ASIA**

*Tuesday, November 30, 2010
Ritz-Carlton Seoul
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ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

PARTICIPANTS:

Opening Remarks:

HYUN OH-SEOK

President
Korea Development Institute

STROBE TALBOTT

President
The Brookings Institution

RICHARD BUSH

Senior Fellow and CNAPS Director
The Brookings Institution

Keynote Address:

SaKONG IL

Chair
Presidential Committee for the G20 Summit

Panel 1: Korea's Growing Soft Power:

RICHARD BUSH, *Chair*

Senior Fellow and CNAPS Director
The Brookings Institution

EVANS REVERE

Senior Director
Albright Stonebridge Group

SHIM DOOBO

Professor
Sungshin University

LIM WONHYUK

Director of Policy Research, Center for International Development
Korea Development Institute
CNAPS Visiting Fellow, 2005-2006

Lunch Address:

STROBE TALBOTT

President
The Brookings Institution

Panel 2: East Asian Perspectives on Soft Power

KYONGSOO LHO, *Chair*

Professor, Seoul National University
Co-Chair, Asia Society Korea Center
CNAPS Visiting Fellow, 2001-2002

RICHARD HU

Associate Professor of Politics and Public Administration
University of Hong Kong
CNAPS Visiting Fellow, 2007-2008

LAM PENG ER

Senior Research Fellow, East Asian Institute
National University of Singapore

TOSHIHIRO NAKAYAMA

Professor of American Politics and Foreign Policy, School of
International Politics, Economy and Communication
Aoyama Gakuin University
CNAPS Visiting Fellow, 2005-2006

Panel 3: Hard Power vs. Soft Power -- What Has Changed?

EVANS REVERE, *Chair*

Senior Director
Albright Stonebridge Group

GEORGY TOLORAYA

Director of Regional Programs
Russkiy Mir Foundation
CNAPS Visiting Fellow, 2007-2008

ERICH SHIH

News Anchor and Senior Producer
CTi Television, Inc.
CNAPS Visiting Fellow, 2003-2004

JIA QINGGUO

Associate Dean, School of International Studies
Peking University
CNAPS Visiting Fellow, 2001-2002

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PROCEEDINGS

WONHYUK LIM: Good morning. My name is Wonhyuk Lim. I serve as director of policy research at the Center for International Development at KDI. We were thinking about getting a professional announcer for this event, but I'm afraid you are stuck with me.

This event is co-organized by the CNAPS of the Brookings Institution and CDI of KDI. And as the program says, it will focus on Korea's soft power and East Asia. This is the 10th CNAPS Annual Meeting in this region, and we are honored to co-host this event with CNAPS.

As the program says, we have three panels and a keynote speech, as well as a lunch speech. And let me just briefly go over the format first and then introduce speakers.

We'll have opening remarks by President Hyun Oh-Seok of KDI and President Strobe Talbott of The Brookings Institution, as well as Dr. Richard Bush, director of CNAPS at Brookings Institution. And then Dr. SaKong Il, the chairman of the Presidential Committee for the G20 Summit, which was successfully concluded on November 12th, will give a keynote speech on Korea's approach to soft power. And right after that we'll have the first panel on Korea's growing soft power.

And then after a brief adjournment, we'll move to the third floor to have our lunch. You'll notice that there's no second floor in this hotel. In fact, you are at A-1 now and you move to the first floor by escalator, and then take another escalator to the third floor. And lunch will be served from 12:00 to 12:45. We understand that the acoustics there isn't as ideal as we had hoped for, so we'll have to come back down to this conference room for the lunch speech given by President Strobe Talbott of The Brookings Institution.

And then after the lunch speech, we'll resume with the panels, Panel 2, on other countries', other East Asian countries' approach to soft power: China, Japan, and Singapore. And then we'll conclude with our third panel, looking at the combination of hard power and soft power what Professor Joseph Nye calls smart power, in fact.

So without further ado, let me introduce the speakers for the opening ceremony. First, I'd like to invite President Hyun Oh-Seok of the KDI. President Hyun. (Applause)

HYUN OH-SEOK: Good morning. Dr. Il SaKong, chair of the Presidential Committee for the G20 Summit; Mr. Strobe Talbott, president of The Brookings Institution; Dr. Richard Bush, director of the Center for Northeast Asian Policy Studies at The Brookings Institution; distinguished participants; and ladies and gentlemen, it is my great privilege to co-host this important conference on soft power with The Brookings Institution. I welcome all eminent domestic and international

speakers and participants to this conference.

The Center for Northeast Asian Policy Studies, so-called CNAPS, at The Brookings Institution collaborates with think tanks, universities, and media outlets to host a public conference in a different Asian city each fall. This year KDI, especially the Center for International Development, has been privileged to co-host the 10th CNAPS Conference on Korea's Soft Power and East Asia.

In this globalized world where every country is interconnected, no country could only live upon hard power, which generally refers to armed or economic forces. Now countries need to attract others with their soft power through values, culture, policies, and institutions to complement hard power in becoming a genuine leader. In that sense, Korea seems to have significantly extended its soft power influence thanks to the increased popularity of Korean culture around the world led by The Korean Wave.

Also, in hosting the G20 Seoul Committee, Korea has done a significant job not only utilizing its mediating skills to moderate diverse and potentially conflicting options during the summit, but also in compiling and representing the opinions and perspectives of developing countries that were unable to participate in the summit. With such effort, Korea was able to boost its international standings as well as its soft power.

I truly believe that this is a timely occasion for this conference when Korea's soft power has been upgraded ever more with Korean culture, gaining significant popularity around the world, and Korea having successfully served the role of the G20 chair. This conference will serve as a great opportunity for participants to take a step back to analyze Korea's growing soft power. It will also be a locus to seek ways to upgrade Korea's soft power by understanding the views of other East Asian countries on soft power and by sharing their experiences.

Lastly, in discussing the differences and change in circumstances of hard power and soft power, in Panel 3, I believe, we would be -- to find ways in making soft power complement hard power to form what Professor Joseph Nye calls smart power. In addition to the conference being a pivotal platform for East Asian countries to exchange best practices and develop progressive agendas on soft power, participants will be able to gain a deeper understanding of the importance of soft power and build a wide-reaching network within this region.

It indeed is a pleasure to be here and I anticipate an exciting and inspiring discussion. I hope all distinguished participants will have a fruitful time here by sharing ideas and expanding knowledge on soft powering East Asia. Thank you very much.
(Applause)

DR. LIM: Thank you very much, President Hyun. Now I'd like to invite President Strobe Talbott of The Brookings Institution.

STROBE TALBOTT: Good morning to all of you. President Hyun, thank you for all that you have done along with your extraordinary team to make this

conference which is about to begin a reality. The timing could hardly be better. And I'd like to express particular appreciation to you, Wonhyuk, for the work that you have done working with my colleagues at Brookings and with your own team to make all this happen. We're proud to have you as an alumnus of the Center for Northeast Asian Policy Studies, the program that Richard Bush heads, and you're about to hear from him in just a moment.

In a personal vein, I would just like to express the admiration that I have for the people and the leadership of Korea. I've had a checkered career. I have been coming to Korea since the 1970s: first as a reporter, then as a government official, briefly on two occasions as an academic, and over the past eight or so years in my capacity as a colleague of Richard's at The Brookings Institution. And during that time I've had a chance to witness the extraordinary trajectory of the ROK's emergence not just as a major and constructive power in this region, but as a very significant player on the world stage. And that, of course, was crystallized for all of us in the way in which the Korean people and government hosted the G20 just a few weeks ago.

And Chairman SaKong Il, I congratulate you in particular for the leadership that you showed in making all that happen and happen so smoothly. I think I first had the pleasure of meeting the chairman when he accompanied then the newly elected president of Korea, President Lee, in 2008, when they did us the great honor of coming to The Brookings Institution. And I can remember that meeting vividly. We anticipated, maybe not in such specific terms, but in general terms, virtually all of the issues that we're going to be talking about today; not just issues of soft power, but the issues of hard power that are very much on our mind because of recent events.

So my thanks to all of you for allowing me to participate in proceedings, and I now would ask you to give my colleague, Richard Bush, a chance to say a word or two since he is the driving force behind our center at Brookings. Thank you very much. (Applause)

RICHARD BUSH: Good morning. Thank you all for coming. I think we're going to have a really good conference. It's a real privilege for The Brookings Institution and the Center for Northeast Asian Policy Studies to convene conferences like this one in major Asian cities in collaboration with really important Asian organizations, like KDI. We're very grateful to all the support that KDI has shown and the hard work of my good friend, Lim Wonhyuk. He does have at least one day job and probably two, and so this is his -- this is what he does in his spare time, but he did it extremely well.

This is also a special occasion for Brookings because it does bring together former CNAPS visiting fellows, people whom I've had the privilege to work with during their time at Brookings, and reconnecting and catching up is a great pleasure for me and for all of us.

I would like to pay a special tribute to all the staff people who have made this event possible, both KDI and Brookings. You know, any time you have a conference that runs smoothly it means that the staff has not gotten any sleep, and that's certainly

true in this case.

My main job this morning is to ensure that we don't fall too far behind schedule and to introduce Dr. SaKong Il, our keynote speaker. He really needs no introduction to any citizen of the Republic of Korea. He actually doesn't need an introduction to anybody because we have a handout that gives his biography and all the major positions he's held. Most recently, as Strobe mentioned, he was chair of the President's Commission on the G20 Summit. So he has been extremely busy and we are grateful that he's taking time out today instead of getting a little bit of rest after the G20 meeting.

It seems that whenever Korea needs a tough job done, it's likely that SaKong Il will be called upon to do the job. And so it's my great privilege to call on Dr. SaKong to make some remarks. Thank you. (Applause)

SAKONG IL: Well, good morning, ladies and gentlemen. It is indeed a great privilege for me to speak before this distinguished audience. I'm thankful to The Brookings Institution and KDI for giving me this opportunity. I'm especially thankful for the kind words of introduction by Mr. Bush.

And, in fact, I am here to make a brief remark on the G20 Summit from the perspective of Korea's soft power or the other way around, maybe talk a little about the soft power from the perspective of the G20 Summit. Because I know I am invited to this conference not as an expert on the main topic of the conference, but in my capacity as the chairman of Korea's Presidential Committee for the G20 Summit, to talk about the Seoul Summit, as I said, from the perspective of Korea's soft power. So I will just do that and, at the same time, share a few of my thoughts on Korea's approach to soft power with you. In that regard, a keynote speech is too much. I'll just say a brief remark on the subject you'll be focusing on today.

As you know, Korea recently hosted and chaired the G20 Summit. It was indeed the first time for Korea to play a leadership role in the global economic agenda settings. We had to show the world that not just Korea, but a non-G7 country can play such a role. Certainly it was a daunting challenge for Korea. In fact, there are many skeptics about the outcome of the G20 Seoul Summit under Korea's leadership. Bob Davis of the *Wall Street Journal*, a well-known journalist in the United States, informed me of such skepticism in an interview with me in May last year. He said, I quote, "Next year South Korea chairs the G20 to the groans of some U.S. and European officials. Why the worry? In international negotiations on trade and finance Asian nations are notorious for laying back and only reluctantly making concessions at the end of the talks. The U.S. and Europe invariably push the deals forward." He just quoted; he didn't say it from his own. But he's being a good friend he just told me about this.

And then to this I said to him that we're ready to lead and you will see Koreans are different. I said the Koreans are never shy, don't worry about it. (Laughter) Our problem is to our short temperament. And actually he was here a few weeks ago to interview President Lee.

As most of you know well, Korea made special efforts to make the Seoul Summit another success. As a matter of fact, with the determination the Korean government introduced an administrative innovation for the first time in the G7 and G20 history by establishing the Presidential Committee for the G20 Summit to prepare the Seoul Summit. More than 100 government officials and private experts work for the committee. I had the privilege of leading the group, so I know how dedicated they were in carrying out their tasks. It has been our belief that the Seoul Summit will be a litmus test for the future of the G20, so we worked hard to disappoint those skeptics by making the Seoul Summit successful.

The four previous G20 Summits held in Washington, D.C., London, Pittsburgh, and Toronto were to focus on crisis management by primarily dealing with issues and problems of the West countries, where the current financial crisis originated. On the other hand, however, the Seoul Summit turned attention to post-crisis global economic steering with a special focus on the issues and priorities of the developing and emerging world.

To be more specific, rebalancing was one of the main agenda of the Seoul Summit, to ensure the global economy to achieve a strong, sustainable, and balanced growth. Toward that end, the agenda included, in addition to macroeconomic rebalancing, reform of the international financial institutions, particularly the IMF, and the financial system and renewed commitment for early completion of the DDA.

On top of this, Korea proposed and successfully persuaded the G20 member countries to include development and the global financial safety net in the G20's agenda, primarily for the benefit of the emerging and developing world. When we proposed this, obviously we had in mind that our soft resources can be utilized for a meaningful G20 outcome. We are glad to know that the general assessment so far has been positive. That is, contrary to the West common perception, Korea exerted its leadership to deliver what was promised.

Even before the Seoul Summit the economists wrote in early November, I quote, "Under the energetic chairmanship of South Korea, the G20 has notched up a few notable accomplishments in recent weeks." That was just before the Seoul Summit.

With this I would like to briefly touch on Korea's approach to soft power. I don't think I need to get into details of Korea's successful development story and the painful process of overcoming the 1997/'98 currency crisis before this audience. There is no doubt that all of you here will agree with me in saying that Korea does have various soft resources which can be usefully shared with fellow nations in the developing and emerging world.

I believe that was the main reason why we were able to persuade the G20 members to include both items in the Seoul Summit agenda. Fortunately, a number of significant agreements were reached on this new agenda, including the Seoul development consensus with multiyear action plans. Indeed one of the African leaders

who participated in the G20 Seoul Summit was so enthusiastic about the Seoul development conference -- consensus as to claim as it as the African consensus. I was there and he was so pleased to have this Seoul consensus, development consensus agreed at the G20 Summit.

At this point, I must say that the Korean government should enhance its effort to transform those soft resources into Korea's soft power. As you all know, Korea joined the OECD DAC -- Development Assistance Committee -- last year with its continued efforts to increase its ODA. In fact, Korea was the first Asia recipient turned donor in the OECD DAC history. There also have been a number of efforts to share Korea's soft resources, notably, for example, the knowledge-sharing program by the Korean government in cooperation with KDI to share Korea's development experience with the emerging and developing world.

Recently, the Korean government completed a study on the 60-year history of the Korean economy with its English version to share Korea's experience with the fellow nations. In my view, however, the government needs to devote more of its time and efforts to plan and manage Korea's promotion of soft power. Toward this end the government might consider establishing an international development agency by integrating the existing aid and development-related administrative bodies. I suppose we can discuss details about this, but I think this is an absolutely necessary thing for us to do.

Korea Studies Programs should also be more systemically initiated and managed. And again, here, also, I suppose there can be many options we can consider.

By the way, one might interpret the fact that the Korean Authority chose the Korean National Museum, a private art gallery, a private cultural museum with a good collection of Korean traditional furniture, and Korea's old palace court as the site of the G20's leaders' dinner and the first ladies' gathering, as their subtle gesture to introduce the outside world to Korea's soft resources in the fields of culture, history, art, and way of life.

Along with the Korean government's strength and administrative apparatus, I would like to see a greater school of development with a short-term training center for policymakers from emerging and developing countries. I've been promoting this idea for some time now. Perhaps the existing KDI Greater School of Public Policy and Management might be expanded into such an institution by a new legislation if necessary. It is my firm belief that such a new school associated with KDI will easily become the most popular among students and policymakers from emerging and developing countries.

It is needless to say that Korea's effort to translate its soft resources into actual soft power would not only benefit Korea, but the rest of the world by contributing toward a strong, sustainable, and balanced growth. Let me now say a few words on *Hallyu*, or the Korean wave. *Hallyu* is a surprising phenomenon to many. Korean soap operas and pop culture are becoming popular, especially in Asia and gradually spreading into other regions as well. Many Korean celebrities came to make their names across

Asia and other regions. I don't think drama and songwriters and performers got it preplanned, but, in any case, they should be proud of the Korean wave they have generated. Having said that, I hope that they should not forget that the Korean way of life is watched and admired and perhaps to be emulated, so they should be mindful of their potential impacts on others. I would like to see they really refrain from resorting to excessive violence and widely used profanity.

At this point, I would also like to emphasize that humbleness should be the basis of promoting Korea's soft power. We should let others know that we made many mistakes as well as successes. Obviously the lessons which can be drawn from failures will also be useful for others not to repeat similar mistakes. Actually this is the point I always make when I talk about Korea's case. We made a lot of mistakes. Otherwise, we run into -- ran into a current crisis in 1997/'98, but somehow we overcame successfully. So there are many lessons to be shared from both successes and failures. So the Korean case, I think we have to emphasize the fact that we did make a lot of mistakes and that humbleness should be the base of promoting our soft power.

Before closing, let me just sum up what I have tried to say. First, Korea does have various soft resources which can be translated into Korea's soft powers. So Korea needs an integrated and systemic strategy to promote its soft power.

Second, toward that end I suggested we establish appropriate institutions which would best utilize Korea's soft resources available.

Third, in promoting Korea's soft power we never forget to take a humble approach, and the idea is to share Korea's soft resources with others.

As I said, it's a very short keynote speech and actually it's a rather brief remark regarding the G20 Summit from the perspective of Korea's soft power. I don't claim to be an expert on soft power or on this particular subject area.

Well, on this note, I would like to finish my short remarks and wish the conference all the success. Thank you very much. (Applause)

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PROCEEDINGS

DR. LIM: Thank you very much for the illuminating speech on the G20 Summit as well as Korea's growing soft power.

Now we'll move on to the first panel on -- do you want to say something? You wanted to say something? No, okay.

Now we'll move on to Panel 1, which is on Korea's growth soft power. So I'd like to invite Dr. Bush and the speakers to the podium, to the stage.

DR. BUSH: It's a little bit difficult for any panel to follow such an illuminating set of remarks as we've just heard, but my panelists will do their best I'm sure. I'm a political scientist by training. It's a long time since I've done political science. I suppose I could give a long introduction dealing with definitional issues about what soft power is and what it isn't, but I think you would find that very boring so I'm not going to do it. Our panelists are not boring at all and so I think we should hear from them right away, first from Evans Revere who is a senior director of the Albright Stonebridge Group, but more importantly is a long-time friend of the Republic of Korea and has seen Korean soft power on a day-to-day basis. Evans?

EVANS REVERE: Thank you very much, Richard. It is a delight to be back here in Korea, back here in Seoul, a place that has become for me very much a second home over the last 40+ years. Let me begin by thanking CNAPS and The Brookings Institution but also, of course, the Center for International Development and KDI for making this forum possible. I cannot imagine a more timely conversation to be having in the current environment that we are in right now. I will not be the first person and will certainly not be the last to note the irony of the topic that we're talking about today and the context that we are living in right now. This is a timely discussion.

Let me begin perhaps with just a word or two about the context and the environment that we're in. I can't move on without saying and conveying to you my heartfelt condolences to the families and the loved ones of those who lost their lives in the recent attack on Yeonpyeong. It was a really shocking and brutal development and in all my years in Korea I don't recall seeing anything quite like that. That attack was a very stark and disturbing reminder of the threat that continues to loom over the Korean Peninsula today and indeed to the region from the North Korean regime. That attack as many have pointed out was unprecedented. It's the first time since the Korean War that artillery shells have fallen on the soil of the Republic of Korea. Indeed, it was the second unprecedented event that we have seen this year, the first of course being the attack and sinking of the ROK warship *Cheonan* on March 26. I said just after the sinking of the *Cheonan* that that attack, that incident, might somehow presage future North Korean military action as North Korea perhaps was seeking to change the military balance and the military situation on the peninsular vis-à-vis the ROK and the West Sea. I did not know then how accurate that prediction would be.

Considering the topic of this forum, soft power, some might question in the midst of this environment and in this context whether it is indeed appropriate to be talking about soft power in light of this very blatant demonstration of power of a very different kind. And some might even say that Chairman Mao was right that power grows out of the barrel of a gun. I don't agree and I don't think things are that simple. Obviously a strong defense, a credible deterrent capability and a close alliance relationship with the United States, all of these things are the core components of the ROK's hard power and they are very important tools and the ROK's willingness and ability to prudently and wisely employ those tools I think is being tested today and I think it's very important that the Republic of Korea not fail this test.

Let me say that the Republic of Korea's very high international standing that it enjoys today, the tremendous respect and admiration that Korea enjoys in the Asia Pacific region and indeed around the world, the credibility that the Republic of Korea has in international fora, the United States and other fora, the authority that it has in those fora, the leadership position that the Republic of Korea occupies in so many areas, is based largely on its soft power and not its military muscle and that is as it should be I think.

In the aftermath of the *Cheonan* and Yeonpyeong attacks, the people of the Republic of Korea received the overwhelming sympathy and support of the international community. I think two factors contributed to this. One was the obvious international outrage over the blatant aggression of the North, but the other aspect of international respect in my view that the ROK has continued to receive was because of what the Republic of Korea represents today in this region and in the world. Let me suggest that the Republic of Korea of several decades ago back in an era of authoritarian rule, an era when democracy had not taken root, a time when poverty and backwardness characterized the country, a time when its markets were very much closed, that Republic of Korea presented a much less sympathetic and appealing picture to the international community. And since the topic of this first panel is change in soft power, let me suggest that all of those things that I just talked about, your father's Korea as I like to say, no longer exists. We are dealing with a very different situation today and that is a good thing.

Today a Korean, a good friend of mine, is secretary-general of the United Nations. Korea, as we have heard this morning, successfully hosted the recent G20 meeting where a central element of the agenda was an effort to accelerate economic recovery and that is a subject that Korea knows a lot about. In two years' time, Korea will host a Global Nuclear Security Summit and there Korea will help to lead the international community's efforts to reduce the danger from the spread of illicit nuclear material. My colleagues on this panel will have more to say about this, but Korea's economic success that has already been alluded to today represents one of the strongest aspects of its soft power and is, of course, as Dr. SaKong mentioned earlier, an aspect of its hard power as well.

Korean firms and their superior products and services are in dominant or strong positions in the fields of automobile manufacturing, information technology,

consumer electronics, construction, engineering, civilian nuclear power, shipbuilding, et cetera. You know the list. Korea's economic miracle has been and continues to be an inspiration to developing countries around the world, and I should also add as an American that it's not just developing countries that are impressed with what Korea has achieved and is achieving.

Korea's markets are of course more open than ever. Korea has signed a major free-trade agreement with Europe and if all goes well and I think it will, a far-reaching FTA with the United States will eventually be approved as well. All of this will put Korea among the world's leaders in terms of trade and market opening, a fitting position for Korea which depends so much on international markets. Korean students and their passionate dedication to learning not only fill Korea's schools but increasingly are found in large numbers all over the world pursuing knowledge so that they might contribute to the welfare of their own country of course, but also the countries in which they are living. These students are becoming global citizens and in the future they will help Korea integrate further into and help lead the international community.

Korea's successful pursuit of democracy remains a beacon of hope and a beacon of possibility to many people around the world and I strongly suspect to many across its border to the north. Korea's democracy is occasionally loud, it's occasionally contentious, but this only reinforces the message. And here I go back to my theme of change over the years, of how far the Republic of Korea has come certainly during my lifetime. In the end, despite the bumps, it is Korea's commitment to the principles of democracy that serves as a magnet attracting the world's attention and also the world's imagination.

Another colleague is going to address Korea's cultural appeal, so I won't go into that in any great detail other than to stress here that the attractiveness and popularity of Korea's cultural products is impressive not only in and of itself, but also because it takes place in a regional context in which Korea has managed to succeed in many cases by overcoming the legacy of historical rivalry and prejudice.

Korea today for all of these reasons and more is a powerful country. Its power derives from the appeal of its accomplishments, its principles, its leadership, its aspirations, its values and the attractiveness of all of those things and of its culture. This power also derives from a certain moral authority that Korea possesses, an authority that is both the distillation of all of the elements of Korea's success and also a reflection of the appeal that these elements have for so many in this region and around the world.

But despite its success in building its soft power and building this appeal around the world, there is more I think that the Republic of Korea can and should do to enhance its stature even further. I think Korea should work even harder to open itself up to the world by expanding opportunities for foreign students to come here by opening up new areas for foreign investment and foreign economic interaction here by bringing more world-class foreign researchers into its laboratories, by putting more foreign businesspeople on its corporate boards, by boosting its ODA to those countries in greatest need. And in this connection I think the proposal that Dr. SaKong made earlier for a

public policy institute as a profound appeal in my view. I think Korea can build on its success with the G20 by hosting even more international conferences and symposia particularly on those global, regional and transnational issues in which it has a special expertise. I think doing all of those things will further enhance South Korea's soft power and at the same time enhance the Republic of Korea's prestige.

Today as I close, I've spoken a lot about Korea's regional and global appeal, but I don't think we should underestimate the value of that appeal as the ROK continues to contend with its neighbor to the north. Pyongyang has declared its intention to become a "great and powerful nation" by 2012. By no stretch of the imagination will it ever achieve that goal, but in an important way the Republic of Korea's success in achieving both greatness and power offers a valuable reminder to the North's leadership of what a better model for success is. And I live for the day when the North's leadership will acknowledge that fact, but I'm not going to hold my breath.

Let me close where I began by acknowledging that the Republic of Korea's achievements have taken place in the shadow of a threat that is even more serious than in the past, but the ROK is on the right course and it should continue to further pursue the further strengthening of its soft power. But in the meantime, a word of advice: As we say on the streets of Brooklyn, New York, keep your powder dry. Thank you.

DR. BUSH: Thank you very much. Truly outstanding. Evans Revere referred to the Korean wave, which is really I think a unique phenomenon in world affairs and we are very privileged to have Dr. Shim Doobo to talk about that subject. Dr. Shim?

DOOBO SHIM: Good morning. My name is Doobo Shim at Sungshin Women's University. I am very happy to have a chance to give my presentation here at the CNAPS meeting and before these distinguished scholars. Today I'm going to talk with the title of "The Korean Wave and Cultural Exchanges." In my presentation topics will include the advance of Korean pop culture abroad, globalization, and some implications and meanings of cultural exchanges are going to be discussed.

One of the biggest changes in the past decade about the Asian is the rise of Korean pop culture. International news magazines have recognized such a change and often report on the so-called Korean wave. For example, the American news agency AP reported, "Call it Kim Chic, all things Korean from food and music to eyebrow shaping and shoe styles are the rage across Asia where pop culture has long been dominated by Tokyo and Hollywood." This report was done in the year 2002 and if the same report has been as of today, they may enter plastic surgery. Another trade magazine, *The Hollywood Reporter* on the film industry reported, "Korea has transformed itself from an embattled cinematic backwater into the hottest film market in Asia." Now let's briefly check out the trajectory of the Korean wave.

It started in the late 1990s, with the unexpected megahit of the Korean drama *What Is Love All About?* in China, Taiwan, Hong Kong, and other East Asian countries. And the popularity of the Korean drama continued into the 2000s with *Winter*

Sonata, *Dae Jang Geum*, and more recently *Boys Over Flowers*. This sudden change was possible because many Asian countries introduced media liberalization measures in the 1990s and also there was an economic crisis in the late 1990s. In order to fill the increased time for broadcasting and cable, many television stations across Asia had to import foreign programs and also because of the economic crisis they resorted to the cheaper Korean programming. At the time the price of Korean drama was about a tenth of Japanese dramas and one-fourth of Hong Kong dramas so that Korean dramas were a reasonable alternative. Once more, Korean dramas' entertainment quality was gradually improving based on domestic competition in the late 1990s also supported by media liberalization in Korea. Then, as you know, Korean television drama series unexpectedly hit it big.

Also Korean pop music commanded huge popularity, and also Korean films became a regular fixture in many theaters across Asia. For example, in 2003, at one theater in Singapore, three Korean films were being screened out of nine choices. In Indonesia, Korean films became one of the three most-preferred national films following Hollywood films and Indonesian domestic films.

These are some images of hit Korean television dramas. Against this backdrop of the Korean wave, culture issue magazines in Singapore and Indonesia headlined Korean pop stars. They also report on fan club gatherings, and Korean pop stars have become trendsetters in Asian pop culture and beyond.

This is an interesting picture. In 2005, when the late President Roh Moo-hyun visited Mexico, the fans of the Korean wave there chanted shouts of, "Dear Mr. President, please send Ahn Jae Wook to here in Mexico." Seeing is believing, so let's check out some examples of the Korean wave. I brought a file which was broadcast in Singapore.

(Video shown)

DR. SHIM: Did you enjoy the show? How can you understand all these sudden changes in Asian pop culture? Simply put, they were not possible without the globalization trend. I have found three different but related strains of globalization discourse widely circulated today, especially in media and communication studies. But because of time constraints, I don't think I can elaborate on each of the three strains, but if you really are into this theory, please Google my name.

Roughly, the first strain says that globalization is an outgrowth of cultural imperialism. The second strain says that globalization is an outcome of a modernity project. And the third strain says that globalization is rather a cultural hybridization.

What political and cultural meaning can we take from the Korean wave phenomenon? The following quote from *The Korea Times* in 2004 briefly shows the implications. Although the quote is rather long, I think it's worth reading it together.

"When President Roh Moo-hyun invited Vietnamese Prime Minister Phan

Van Khai and his delegation for a luncheon meeting last September, something unexpected happened. After a moment of calm, the Vietnamese officials stood up one by one and started to line up in front of a woman asking him to sign their menus. The woman was actress Kim Hyun Joo, heroine of the SBS TV drama *Glass Shoes*, which had been shown on Vietnamese television in May 2003. The actress had become well known in Vietnam after the drama became a big hit there. The commotion settled down only after a Korean general promised the actress' autographs for everyone after lunch. The center of attention during the luncheon apparently was not President Roh or Prime Minister Khai, but the actress Kim, showing that perhaps the Korean wave is stronger than diplomacy."

American historian Meredith Cumings once said that Asia is an area without an identity, a region incapable of imagining itself as a community. In fact, most Asians actually have not known the other locals in Asia because of historical baggage. So American communications scholars Waterman and Rogers once commented that American culture is the common denominator of popular culture in Asia. Anthropologist Benedict Anderson, who theorized the concept of nationalism, once said that identity is constructed through daily rituals of media consumption. So readers and audiences of media, although they do not know their fellow readers and audiences, they tend to imagine the corridors as the community of nations. If we apply this idea to the current Asian pop culture formations today, the Korean wave provides and laid the foundation for more active cultural exchanges and also they could be the foundation for a new identity called Asian identity.

So this all is my presentation today. Thank you very much.

DR. BUSH: Thank you very much, Professor Shim. I was particularly intrigued by the point in the clip that cultural performers in Korea must ensure high standards, must have a lot of training and that leads me to look at our American cultural performers in a new light.

Now we're going to turn to Dr. Lim Wonhyuk who will talk about Korea's role in global development, a subject that has already been mentioned a little bit by Dr. SaKong Il, but thank you, Dr. Lim, for elaborating on the subject.

DR. LIM: Thanks, Richard. When I was planning this panel with Richard and Kevin and thought about who we should invite to give a talk on the *Hallyu*, we thought about inviting pop artists but then we realized that the fandom for say Nichkhun or Yuri might not really overlap with the fandom for Evans Revere. So we decided to invite a scholar who could give analysis as well as insight on pop culture and I think Professor Shim gave the most multimedia presentation of the 11-year history of CNAPS annual meetings. Thank you very much.

Let me speak about Korea's possible contribution to global development, a topic that Dr. SaKong mentioned in his keynote speech and I'll try to do a PowerPoint presentation. It's not as multimedia as Professor Shim's, but I'll give it a shot. One thing I'll note from the outset is that development is much more than just economic growth so

that if we think about Korea's possible soft resources for projecting and enhancing its soft power, I think there are three. One is economic development. A second one is pop culture and hopefully one of these days we'll be able to go to what is called high culture and other varieties of culture as well. Then thirdly, political development that Evans mentioned.

What I'd like to do in my presentation is touch mostly on the economic aspects but not lose the sight of the multidimensional nature of development. As Amartya Sen mentioned in his book *Development as Freedom*, development is a process through which individuals get to have more fuller and richer lives by enjoying a greater degree of freedom and that extends to the political, cultural, social spheres as well as the economic sphere. Let me talk about Korea's place in global development first and then I'll briefly explain or give an overview of Korea's development experience. Then I'll mention what that implies for global development debates.

Korea has an interesting place in the global development debate in that, yes, it's only a single data point but it's a very important single data point. In fact, two economists, David Lindauer and Charles Prichard said in 2002 that because Korea grew so rapidly for so long, any big idea in development economics had to account for Korea before it could become conventional wisdom. Korea's case is valuable as a counterexample to ideology based theory. It's a single data point but that single data point is enough to serve as a counterexample. At the same time, it would be limited as a paradigm unless other similar examples can be found and development experience could be generalized. I would argue that Korea's case is not so unique. If you look back from the Industrial Revolution on, there are late starters of the 19th century like the United States and Germany as well as more recent late starters like China, Vietnam and so on. I would argue that the development path they chose may be somewhat different, but many of the recipes are the same and one could generalize important lessons that could be replicated in a different regional context.

As the graph shows, Korea grew rapidly. It suffered an economic crisis in 1997-1998, but recovered quickly. This whole story in the words of one Dominican minister represents the face of hope for many developing countries that hope to change the lives of their people within the course of a single generation. This chart shows comparative growth experience in different countries and regions. As you can see, in 1960, per capita GDP of Korea was lower than some African countries like Senegal, to say nothing of Latin American countries like Argentina, Brazil, and Mexico. At the same time, we should be careful as to how we should interpret Korea's experience.

As Dr. SaKong mentioned in his keynote speech, after Korea's accession to the OECD Development Assistance Committee this year, the basic storyline that we've heard in Korea is that Korea has had a very successful experience as an aid recipient and that experience could be translated in the global arena to provide lessons for aid receivers of today. But if we take a look at the 1950s, Korea was widely regarded as a hopeless aid recipient. In fact, Meredith Jung-En Woo Cumings wrote in her book *Race to the Swift* that American development agencies in the 1950s found Korea "a nightmare, an albatross, a rat hole, a bottomless pit." "Rat hole" is a direct quotation. In fact, Korea

was regarded as a basket case that in 1956 the U.S. Congress decided to relegate Korea from the category of development assistance to supporting assistance. There was no pretense about the possibility of rapid development in Korea at the time.

It took a major political economy change, two major political economy changes, in Korea in the early 1960s, the student revolution of 1960 and the military coup of 1961. Those two events in combination changed the setting in Korea. There was a passionate national debate as to how to promote modernization and development in Korea and the student revolution especially of 1960 put an end to the crony capitalism days of the 1950s so that even after the military coup of 1961, you couldn't see politicians advocating a return back to the good old days of the 1950s. And, in fact, if you read some of the writings that General Park Chung-hee wrote in 1961, which was translated into English in 1963, there are some important passages to think about because, at the time, South Korea was widely criticized as having a "mendicant mentality." And, in fact, Kim Il-sung of North Korea offered assistance to South Korea in the early 1960s to relieve economic suffering in South Korea. But you'll look at General Park Chung-hee's writing, he wrote as follows. He deplored that South Korea had to depend on U.S. aid for 52 percent of its supplemental budget in 1961 and he said, "Although nominally independent, the real worth of the Republic of Korea from the statistical point of view was only 48 percent."

In other words, the United States had a 52-percent majority vote with regard to Korea and it showed that our government would have to instantly close down if United States aid were withheld or withdrawn. He wasn't saying it's great that we are getting 52 percent of our budget free of charge from the United States and let's think about how to get more free money from the United States, the kind of strategy that Syngman Rhee to maximize aid revenues in the 1950s. So there was a break from this mendicant mentality. And Park Chung-hee added that from 1956 to 1962, we have received on the average some \$280 million of economic aid each year and \$220 million in military aid. In addition, we have run a current account deficit of \$50 million. In other words, even after excluding our military sector, \$330 million annually would have to be earned to keep the Korean economy on a self-sufficient footing.

In 1962, the total exports for South Korea amounted to about \$55 million so that somehow Korea had to find a way of earning an amount that would be six times the export revenue of the time. It was clear to Park Chung-hee and other political leaders and economic leaders as well as the people that if Korea were to gain independence in the true sense of the world both economically and politically, it would have to reduce its dependence on aid have to find a way to generate hard currency and that provided the political background for choosing export-oriented industrialization.

This has a lot of implications for the current debate in aid communities on the role of ownership by partner countries and what ownership really means in practice. There was a clear understanding in Korea in the early 1960s that it's just not realistic for an aid-dependent country to claim ownership and that different kinds of in-bound foreign capital, grants, concessional loans, non-concessional loans and FDI, had different implications for the degree of ownership that a country could exercise.

Two main pillars of Korea's development included export-oriented industrialization and human resource development. In fact, these two pillars were neatly captured in two slogans: "Exportization of All Industries" and "The Scientification of All People." In fact, for Korea, export development has been the engine of growth and it has served as the organizing principle under which industrial upgrading, infrastructure development, and human resource development could be pursued. This slide shows two calligraphic writings by President Park Chung-hee. "Exportization of All Industries," says the first one, and the second one says, "Heavy and Chemical Export Promotion," so that the promotion of heavy and chemical industries was done from the outset with the view toward securing global competitiveness.

This slide shows President Park Chung-hee visiting a mechanical high school in Pusan and giving encouragement to a young student. Around 1970, there was an active policy debate in Korea. It was clear to these policymakers that Korea would have to move up the quality ladder and get into more higher value-added industries if Korea were to sustain its growth and development. But there was doubt as to whether Koreans had the right national character to succeed in sophisticated industries because even before Japanese colonial occupation there was a lot of talk in Korea that the Korean people just didn't have the right national character. Koreans were called the Irish of the East. We like drinking and singing. So Koreans could do okay in labor-intensive manufacturing that did not require sophisticated skills, but when you get to industries that require attention to detail and sophistication, maybe the Koreans don't have the right national character. That was the sentiment, especially the older policymakers who lived through the Japanese colonial occupation. Then these young students proved these policymakers wrong. In fact, President Park Chung-hee used to call them the flag bearers for nation's modernization because they were the ones who spearheaded Korean's move up the quality ladder.

This table shows Korea's use of development assistance in the early stages of development. In fact, it summarizes the use of Japanese reparation funds. Korea called that Japanese reparation funds, the Japanese called it ODA grants. The key point is this. Instead of subsidizing consumption, Korea allocated funds to facilitate self-sustaining growth which in turn would support human development. Korea adopted a proactive science and technology policy from the mid-1960s. In fact, as part of a deal to send Korean troops to Vietnam, Korea received not only military aid, but support for the establishment of the Korea Institute of Science and Technology, KIST, in 1966. And Korea used Japanese reparation funds to buy some of the equipment and facilities for KIST. Also, it used these funds to set up mechanical high schools that I just showed.

And Korea also used reparation funds to develop projects that were opposed by international lenders, like the World Bank. And these projects involved, for instance, POSCO, the steel mill, and the Seoul-Busan Expressway because Korea at the time thought infrastructure investment and manufacturing investment would be critical to generating self-sustaining growth, but a lot of international lenders and aid agencies at the time thought these investments were inappropriate or premature. The whole point was that by making these investments it provided the basis for private-sector companies to

proper. In order to reduce transaction costs, transport costs, and so on, it's important to have critical enabling infrastructure like ports, highways, railways, and so on, and Korea used investment funds wisely to focus on the products that had a very high rate of return over the long term.

This slide shows Korea's change in policy in terms of industrial policy and science and technology policy over the years. After the promotion of heavy and chemical industries in the 1970s, which was directly also linked to national defense efforts in the aftermath of the Vietnam War, Korea went into more sophisticated industries and gave greater weight to private-sector initiatives. In fact, if you look at Korea's R&D expenditure trends, the public sector accounted for more than 70 percent of the total expenditures in the 1970s. The Korean government set up government research institutes in key industries like steel making, shipbuilding, machinery, and so on, and spearheaded R&D efforts initially. But then private-sector companies exposed to global competition came to realize that innovation was key to their prosperity and dramatically their R&D expenditures so that now they account for more than close to three-quarters of total R&D expenditures. As you know, the overall R&D expenditure increased by a great deal. It was less than .5 percent of GDP in 1970, but now it's well over 3 percent.

What kinds of implications do Korea's experience have for global development? The basic consensus on development at the global level are the Millennium Development Goals which were agreed upon in 2000. As you know, there are eight goals, eradicate extreme poverty and hunger, achieve universal primary education and so on, and these Millennium Development Goals were significant in they it recognized widespread poverty around the, they stated clear and good intentions to reduce poverty and established a global partnership to do something about poverty. But it has some serious limitations too because it focuses on basic human needs. I'm not saying basic human needs should not be paid attention to, but, rather, the point is that it's insufficient to generate self-sustaining growth based on progressive local capacity development.

In conducting consultations with non-G20 members, Korean officials were surprised or impressed with the statements made by low-income countries. They said pointing to Korea's own development experience that they would like to have not only the means to address their present needs, basic human needs, but also they would like to be empowered to address their future concerns. In fact, one Ethiopian Sherpa said in Seoul that Africa needs not only investment in extractive industries, but also investment in trade in manufacturing and agriculture as well so that they will be able to generate self-sustaining growth and promote human development based on progressive local capacity-building.

I think that should be the approach that the global community should adopt as we look forward to the revision of the Millennium Development Goals in 2015. Currently, the Millennium Development Goals tend to focus on symptoms such as maternal health, child mortality, and so on, but they do not really address the causes and I think the focus has to be on generating self-sustaining growth based on progressive local capacity development. If we are to do so, I think the key point is to support development

by providing aid to end aid. Continuing aid is not really a testament of our success but, rather, failure and there has to be some notion of self-liquidating aid is development is to succeed.

If I were to revise the Millennium Development Goals beyond 2015, I would introduce new baskets such as follows. Basic and process freedoms, inclusive growth and some targets for infrastructure like IT, electricity, transportation, and so on, and some measures of industrial and trade development. Also, I would consolidate some of the basic health baskets. Currently there are three health baskets -- child mortality, maternal health, and diseases -- and I think they could be lumped together as a basic health basket in the Millennium Development Goals, and for some of the Millennium Development Goals, focus has to be on improving quality. As for education, currently the goal is to achieve universal primary education, but the next step is to focus on quality and completion as well as enrollment and also introduce maybe new factors on technical education and vocational training as well.

This picture shows on the horizontal axis value segments along the value chain such as R&D, product design, assembly and production, distribution and marketing, and on the vertical axis it indicates the amount of value added or value creation. The thing to note is that if we look at the development experience of many countries, the key is for a country to retain ownership of its development and progressively build up its capabilities to add value and manage risk. At the same time it should actively learn from and engage with the outside world. That balance has to be struck. And a country must address innovation and coordination externalities in technical education, vocational training, R&D, industrial clusters, and infrastructure development and, at the same time, it should also establish fiscal discipline and prudential regulation in finance and flexibly address prices to mitigate the impact of shocks and manage risk.

Last but not least, a commitment to social cohesion and broad-based growth would be critical to reduce the risk of growth-kill conflict. This is a very common experience that we can share and global development should focus on the totality of the development agenda rather than just providing aid. In fact, that was the approach that Korea wanted to take for the G20 Development Agenda that Dr. SaKong mentioned in his keynote speech where we came up with 9 pillars and 16 action programs with multiyear action plans here.

Finally, what kinds of lessons can we draw from Korea's experience and what kind of role can Korea play as a soft power? First, I think it's important to ask when and how did Korea become a successful aid recipient? As I mentioned at the outset, in the 1950s Korea tried to maximize aid revenue and Korea became a successful aid recipient only after it started its export-oriented industrialization to reduce its dependence on aid, so that the lesson for ownership is that an aid-dependent country is not credible for an aid-dependent country to claim ownership and the choice of inbound foreign capital matters. As for governance, I think it's important to realize that regardless of regime type, democracy or authoritarianism, it is important to establish a system of governance characterized by responsiveness, competence, and accountability.

But at the same time, while a regime that facilitates resource mobilization can be effective in a catch-up phase, an institutional platform that fosters autonomy, diversity, and experiment is critical to sustained productivity-led growth. Although we shouldn't confuse form with function, I think there is a correlation between form and function as economies develop.

Finally, the big question of whether aid can catalyze development is probably not, but if aid donors and recipients are willing to promote self-liquidating aid, yes. And development can be supported by, as I said, aid to end aid designed to facilitate self-sustaining growth based on progressive local capacity building. And in this endeavor infrastructure and human resource development are critical and things like knowledge sharing and institution building should receive more attention as well. Thank you very much.

DR. BUSH: Thank you, Wonhyuk. I really endorse your emphasis on the policy environment in which aid is used. I think that's right on point.

So, we have about 40 minutes until our break. I have a number of questions, but I will restrain myself because I know there are a number of very smart people in the room. There is an overlap among our various sessions, but if we could do our best to keep the focus of questions this morning on Korea's growing soft power, which is the subject of the panel, that would be good.

So, I suppose we have mics -- do we have mics? Yes, we have mics. So, if you want to ask a question, please raise your hand and wait for me to call on you and once I've called on you, wait for the mic to come and then identify yourself briefly and ask your question. If you want to ask it to a specific person on the panel, please so indicate.

So, who would like to ask the first question?

Yes, sir? Wait for the mic.

QUESTION: Hello. I'm a reporter from Taiwan. I'm a reporter of *Want China Times*. And I have a question for Dr. Shim Doobo and Dr. Lim. My question is that Dr. Shim talked a lot about fashionable culture and products exported to the world from South Korea, and my question is, there are many similarities between Korean culture and the Chinese culture, what is the relationship between the Korean culture and the Chinese culture? Do you think it is more complementary or competitive?

And my other question for Dr. Lim is that China has also offered many aid to other countries and also want to enhance their soft power. How do you think that the difference between China and South Korea's strategies to aid other countries? Thank you very much.

DR. BUSH: Good questions. Dr. Shim?

DR. SHIM: Yes. Thank you for your question. Well, after Korean wave became a reality, the first destination of the Korean popular culture abroad was China and other areas where many Chinese diaspora also live, so-called “pan-Chinese culture sphere.” And then Korean wave moved further to Japan because before “Winter Sonata” in around 2004, many people believed that the limitation of the Korean wave is up until the area called Korean and Chinese areas because Korean wave was not a reality in Japan. And also Japan was the biggest market in -- biggest market of pop culture in Asia at the time, so one of the biggest challenges for the Korean popular culture industry was to penetrate into Japan. And then, in some sense, Korean popular culture conquered Japan. And as I noted in my presentation, there is no national borders of the Korean wave these days.

So the initial questions of the Korean wave was quite often that the relationship between the Korean culture and the Chinese culture, but as I am rather a scholar on the popular culture instead of the general culture, so I don't think I can give you the answer you are -- you supposedly want to have. But at least in terms of the popular culture formations these days, because of the existence of the consumers in China, it was possible for the Korean wave to survive and prosper.

So, the question is not that -- who is the producer of the culture, but what is the interaction between the production and consumption? And also, what is important is that the Taiwanese middlemen, or in Korean, some kind of a *boh dda ri jang su* -- how can I translate? It is because of their help, the Taiwanese kind of, how can I say, migrating, small-budget sellers. They initially bought some of the tapes, VCDs, DVDs of the Korean drama, and they penetrated into other regions in Southeast Asia and the rest of Asia.

So, when we have the reality of Korean wave, it is not simply that Korean industry was good or Korean industry was superior than the rest of the Asian industries, but we, the Korean -- the success of the Korean popular culture industry was only possible with the help of other agents who are scattered around Asia. And then we -- the more recent question is not about the essentialism of culture, but how to develop them into the industry.

So, Korea initially learned from Japan and the United States in terms of how to turn the traditional culture into the industry or content. And these days I heard that Taiwan and Philippine and Thailand, they are also learning from the lessons from the Korean case.

So, at least by this interaction, I hope we can have more brisk and more active culture exchanges within Asia and also in the global culture can be more prosperous. I hope this is an answer for your question.

DR. BUSH: Thank you. Wonhyuk?

DR. LIM: It's a very good question and as Korea is hosting the high-level forum on aid effectiveness in Busan in November and December next year, that's a very

key topic, the interaction between OECD DAC donors and non-DAC donors, sometimes called traditional, non-traditional, emerging, and so on. But to focus on the question itself, there are some similarities and differences.

Similarities first. Both China and Korea tend to emphasize the knowledge component of aid, so because development experience for both countries is relatively fresh, they can offer very practical advice, for instance, the International Poverty Reduction Center in China is engaged in agricultural development cooperation project with Tanzania. Korea also has a knowledge-sharing program that Dr. SaKong mentioned. KDI is heavily involved in this.

Another similarity is a package approach. What I mean is this, both China and Korea do not separate aid from trade and larger industry and economic cooperation relationships. I think it's actually more accurate to talk about development cooperation rather than aid when we describe the policy approaches of Korea and China in that regard, and the third similarity is the more empirically based or experience based policy prescription, because Korea has had its trial and error with economic and political development, so Korea doesn't really put forth something like human rights as a precondition for receiving aid, for instance. And there's a sense that by concurrently working on economic, political and other aspects of development you could generate development, rather than just separate one component as a precondition. China is similar in that respect.

But there are some major differences as well. One is the relative labor cost of the workers. China can manage to bring a large number of their own workers to Africa, for instance, and work on the projects there. Korea cannot do that. Korea tends to emphasize local capacity building rather than utilizing its own workers.

The size of the program is a major difference too. Although Korea is hoping to, or is planning to increase its ODA from .1 percent of GNI to .25 percent of GNA by 2015, it still not a great deal of money, it's almost just about 3 trillion won which is slightly less than \$3 billion.

Now, China, as we know, has 2.5 trillion won -- actually, \$2.5 trillion of foreign exchange reserves and it could use, you know, that great amount of money to try and work with partner countries. So, I think the size of the program is a definite differentiating point as well.

And the most important difference, in my view, is China's proactive use of its development cooperation to further its diplomatic goals. It has engaged heavily with countries like Venezuela, Sudan, and Iran, and so on, so China uses its development cooperation policy as a key component of maintaining its mantle as a leader of the developing world and that can create some friction with advanced economies. And in Korea's case, the key word Korea tends to use is "the bridge," bridge between the developing world and the developed world. So, Korea tends to be more aware of the possible friction it may generate through development cooperation with countries that are more hostile to the West.

DR. BUSH: Wonhyuk, is there a difference between China and South Korea in terms of the emphasis on the policy environment in the recipient country?

DR. LIM: I think both countries place a lot of weight on how ready the partner countries are, so it's not just need based. Humanitarian relief, yes, every country supports humanitarian relief, but in picking priority countries, partner countries, I think both China and Korea tend to look at the will of the partner countries quite a bit.

DR. BUSH: Okay, thank you. Next question? Scott Harold, up here.

QUESTION: Scott Harold of the RAND Corporation. I would like to ask my question to the entire panel because it is going to attempt to synthesize that what I read as kind of political comments from Evans, cultural comments from Doobo, and Wonhyuk's comments on the economic soft power.

I guess I'm thinking of South Korea's soft power in the context of Northeast Asia, an area where several parts of South Korea's soft power either face limitations or are outright rejected. I think starting with North Korea, South Korea's economic model is threatening. It's freedoms in the cultural realm are threatening, and of course, its political model is threatening.

So, right there, off the bat, I think we can look at the impact of soft power on -- as received by foreign governments and received by foreign populations. We don't really know what the people of North Korea think by and large. They do seem to enjoy Korean movies and music from time-to-time if they can get them, but that's quite dangerous.

If we then turn to Korea's relations with China, we do know that some Chinese do appear to find the South Korean political model somewhat intriguing. Culturally, obviously, there are much less restrictions there so there's a lot of cultural interest in China about South Korean soft power. And economically, clearly, there's a lot of interpenetration.

So, I guess, as I think about these two areas, and then Japan, I'd say, well, Japan seems like it really embraces a lot of the same political values nowadays, certainly a lot of cultural sharing, and the economic model that Korea adopted is in many ways similar to, and has reinforced and shares values with, the economic model in Japan. So, looking across these three areas in Northeast Asia, South Korea's most immediate neighbors, I'd say there's some real limitations on South Korea's soft power's ability to move Korea's overall mission or interests in the area forward.

And I guess as a closing remark I would invite comments from the panelists on the question of just what in the end are the areas in which you think South Korea's soft power can most effectively contribute to South Korea's overall interest. I was trying to list, as I was listening and as I was thinking, you know, it seems to me one of the biggest things South Korea's soft power does is it attracts people to come to Korea.

Not a whole lot yet, I mean, I think of the countries that Westerners visit in East Asia, it's Japan and China. Unfortunately, it's not yet very much Korea, but it does bring people in, it does help promote Korean exports, both of tourism and of cultural products, and it does woo people to a certain sympathy towards the story of South Korea and its place in the world. But I would really welcome your thoughts on the extent to which you see South Korea's soft power playing a role, especially vis-à-vis China.

I was reading a story last night, in fact, that came to mind while listening to this to the effect that, of course, the public persona of China is very monolithic. The government has a position, but on the Internet, the blogs in China, there's much more lively debate, and there you do see signs that some people in China are looking at what's happened, most recently last week, and viewing, in some extent, South Korea's position much more favorably, in part because of the society that South Korea represents.

So, I guess that's just a lead-in for any of the panelists to say anything they'd like about the potential of Korea's soft power to speak to its environment in Northeast Asia.

DR. BUSH: Evans?

MR. REVERE: You covered a lot. Let me see if I can do even partial justice to your question and I look forward to my colleagues chiming in as well here.

This issue of the threatening aspect of Korea's soft power and its cultural products is a really fascinating one particularly in connection with the north. It is true that there are severe limitations, restrictions, and perils, that apply to the ability of North Koreans to get their hands on these materials. But I would not underestimate the extent to which this is happening in a big way.

I'll share one anecdote with you based on personal experience. A few years ago I had an opportunity to invite a couple of North Korean diplomats to my residence for dinner and my wife, as many of you know, is Korean, and during the course of the evening she raised the question of South Korean music, pop music, and the North Koreans said, well, why don't you put some on? Let's listen to some music. And so my wife very proudly walked over to the CD player and popped in what she thought was a fairly contemporary collection of Korean pop songs. And after a few seconds of silence in the room, the two North Koreans looked at her and one of them whose name is very familiar to you, I will not mention it here, though, looked at my wife and said, don't you have anything newer than that?

So, do not underestimate the degree to which these materials are getting into the North and are available, but they do have a powerful impact up there even if it's an indirect one, a slow one. And the products themselves are regarded very highly, I believe, by the limited number of consumers, particularly of the elites who receive them. But keep in mind that it's not just the cultural product itself that is getting into the hands of people there, it's all of the values that are reflected in that: the products that they see in the backgrounds, the attitudes that people are expressing towards each other and

towards common, everyday things, the values that are inherent in all of that. This is profoundly subversive stuff when you think about it and it's no accident that the North has taken such great pains to keep it out. Unsuccessfully, I should add.

This other question of the other element of soft power that you referred to in terms of bringing people here to Korea, that's an excellent point. I've served in China for many years, Japan for many years, Korea for many years, and when I talk to American audiences about Asia and the attractiveness of Asia and visiting Asia and why they should be out here developing greater understanding of the region, the default countries for many American audiences are precisely the two that you've just referred to: Japan and China. Korea's done a good job of trying to turn that around. A lot more needs to be done, a lot more needs to be invested in this process so that Korea will join the other two as a default country, if you will, of East Asia, and people will think of Korea as a logical, natural destination.

Dr. SaKong mentioned the fact that one of the dinners during the G20 was held in a museum. Korea has some tremendous museums, tremendous collections of things, not just here in Seoul, but in some of the most interesting places in the countryside as well. The notion of advertising and publicizing those things, great stuff.

I accompanied a group of academics and donors to Stanford University on a two-week trip to Korea this summer in the company of Dr. Bill Perry, and it was a great opportunity to take people into every corner of this country that they would normally not have visited. And we intentionally spent most of our time out of Seoul in little villages and eating in little restaurants and visiting these little facilities hither and yon, and the reviews that we got back were just spectacular.

Everybody knew something about Seoul, but virtually none of the people in this program had ever been outside of Seoul to see what else is out there. So this is the kind of thing that perhaps the Korean government, Korean firms, and others could put some money behind, the notion of making the attractiveness and the appeal of things that are outside of Seoul out there for people to sink their teeth into.

DR. BUSH: Your answer on music raises the interesting question, what are the items in Kim Jong-eun's CD collection?

MR. REVERE: That I can't answer, but I can come close. As many of you may know, I was one of the people responsible for organizing the visit of the New York Philharmonic to Pyongyang. I was thinking hard as we were here in Seoul the day before the concert getting ready to drive up -- we drove to Pyongyang, at least I did with a couple of others, to oversee this program. And it was a wonderful event, but I won't go into that. And I was thinking, what should I give the various North Korean officials and others who had been helpful in putting this thing together as gifts? I went to the -- this is not an advertisement, by the way, to the Lotte department store, and went up to the CD and DVD collection and bought a collection of, I think, a dozen films. I intentionally made sure there were no Korean films among them, South Korean films, knowing that that would be a hot button issue for them, but I had a remarkable collection of things --

sex, violence, music, you name it, it was in this collection. And at the end of our stay up there I went over to one of the officials and I said, I would like to convey these presents to you for those senior people in your leadership that have an interest in film -- nudge, nudge -- and as an expression or as a token of our appreciation for the incredible cooperation that we'd had. And this was sincere. They had really bent over backwards to make this possible.

And my counterpart from the North Korean Foreign Ministry said, do you mind if I just look inside the package and see what you've got here? Of course. And he lifted the stack of CDs, we were seated at the time, and he looked at them and he went, seen it, seen it, seen it, seen it, seen it.

DR. BUSH: Dr. Shim?

DR. SHIM: This is a very interesting question and also thank you, Evans, for your very interesting anecdotes. As a person who's had his popular culture, but I have a little reservation about the efficacy of pop culture when it is translated into action. As you know, the recent crisis in the West Sea, but at least there has been a big change. These days when I have fan interviews in the region, in the Philippines, I'm surprised, the girls in Indonesia, after the interview session, they always ask me please introduce Korean boyfriend for them. So, I tell them that, you know, the reality of the Korean boys are different from the television shows. But they still say at least I want to experience Korean boys.

And also after the session, the Filipino or Indonesian fans, they ask each other "how old are you?" among the fans. Their culture is very different from Korea because they do not care for the ages, but after fans -- after becoming fans of Korean drama and Korean pop, they appreciate the Korean culture, the measuring based on age, or some other things. And also they often say that something in Konglish such as "fighting!" or "aja aja." So, whenever I read Korean newspapers, we have to be careful for usage of the Konglish. This kind of discourse is widespread in the Korean newspapers, but what is interesting is that even this Konglish is appreciated by the fans in Asia. So, things have changed a lot.

And also when Bae Yong Joon became a big star in Japan, being called Yon-sama -- "sama" is only for honorific term for the prince or something like that -- and I remember that there is a Japanese agency which arranges for international marriage, and after -- because of Bae Yong Joon there was 1,000 times of increase of the Japanese women who wanted to have a Korean boyfriend. And I checked the number as of 2004, it was 1,003. So, two years ago there was just one Japanese woman who wanted to have a Korean man.

So, all these anecdotes show the power of the Korean popular culture, but at least -- although the attitude towards the Koreans and the Korean culture have changed, as you can see, it's a huge change. About 10 or 20 years ago we, in Korean college campuses, not many foreigners, for instance, but these days, a lot. Every campus in Seoul, they have more than thousands of foreigners and they come to Korea not

because Korean scholarship is much, much better, but they wanted to visit Korea after they become fans of the Korean dramas. But as I replied at the outset of my answer, the action and the level of action and the level of attitude, there is a gap. So, we have to also have a reservation of the power of -- power and influence of The Korean Wave. Thank you.

DR. BUSH: Wonhyuk?

DR. LIM: Actually, I don't think I agree with your premise, Scott, actually. If we look back at the last 20 years into Korean relations of the last 2 decades, what's surprising is the degree to which North Korea has been receptive to South Korea's soft power. Yes, there are, you know -- there's all this talk about North Korea would find the very presence of South Korea threatening, so on. But if we actually look at what happened, if we can frame the interaction within the concept of national identity, unification, and so on, North Koreans have been very receptive. And, in fact, that was one of the rationales for pursuing engagement policy because as we saw with the Yeonpyeong attack, right, Korea -- I mean, the Korean Peninsula is heavily armed, right, and there aren't many good alternatives militarily. Yes, there's tit for tat retaliation that should be pursued with an understanding that it not lead to escalation race, that there has to be firm response militarily if there's an attack, maybe a limited airstrike on the artillery that fired a shell, and so on, right, but there's always this danger of miscalculation on either side and this thing sort of escalating to a full-scale war.

Given those realities and the possible receptiveness of North Korea to greater interaction between the two sides, South Korea pursued engagement policy, right, and what it basically tried to do was to change facts on the ground with Kaesong Industrial Complex, greater exchanges of visits among separated families, cultural performances, and so on. And as Evans illuminated with a couple of very interesting anecdotes, North Koreans have been, on the whole, receptive to this idea of working together to preserve national identity and to build for a better future. And empirically, if you actually look at the incidents, it's when the outside seems to pursue a policy of hostility that North Korea responds in kind as well.

So, there's always this mutual distrust that is involved on both sides, and it's just not wise, I think, to cut off interaction, exchanges, and just resign ourselves to guessing what's going on in North Korea as opposed to meeting with the North Korean leadership and actually have a conversation as to what the leadership is thinking about the situation in North Korea and in East Asia as well.

As for China, I think the interesting thing to know is that the Chinese themselves know that they have made a great improvement in governance since the Cultural Revolution days. That's an obvious point, right, and having a system of leadership change and some competition among factions within the Communist Party is an improvement, a vast improvement, I would say, over a monolithic structure, right. Now, they are understandably concerned about a further transition, right, and there are leaders in China, Premier Wen Jiabao, and so on, who seem to be more open to the idea of greater political liberalization, but that's not -- I mean, there is always a limit to how

much they can go, and South Korea is viewed as an interesting case of political development within Asian context. And I think China looks at not only Singapore, but South Korea, as a larger sample case, a larger case, to think about economic development in conjunction with political development.

So, yes, it is -- it may be seen as threatening, but it's a very interesting case study for the Chinese leadership too.

DR. BUSH: Professor Lam Peng Er from National University of Singapore?

QUESTION: Thank you, Mr. Chairman. I have a question about Korean soft power and development to each panelist. The first to Professor Lim about Korea's role in global development. To what extent do you think the Japanese state-led economic development model had been an inspiration or perhaps a blueprint of a sort for South Korea?

Next question to Dr. Shim Doobo on The Korean Wave, again, you know, when I look at Japan – K-Pop, very, very fascinating, very enjoyable, you know, but I see a mixture of Japanese style, American hip hop, and so and so. So, to what extent -- you did mention about hybridity and so on. To what extent do you think K-pop is a derivative of U.S. and Japanese popular culture, or even American soft power or Japanese soft power?

My last question is to Professor Evans Revere. You ended on a very, very tantalizing and enigmatic note when you said "keep your powder dry." Now, that's really open to 1,001 interpretations, no? Are you suggesting that -- I want to probe you and find out, you know, why do you end instead of a very definitive conclusion, your conclusion was an enigma wrapped up in a mystery, you know? Are you suggesting that South Korea should pursue a balanced strategy of both hard and soft power, that soft power, after all, it is really an iron fist in a velvet glove? I mean, it's just soft power, the velvet glove is just an empty glove.

So, I'm not quite sure what you are trying to drive at. I think you are trying to say something important, but I'm not quite sure what it is. I hope you can clarify.

DR. BUSH: To put it bluntly, was Chairman Mao correct? So, we'll start with Wonhyuk.

DR. LIM: I didn't get the question right. Did you say China's state-led development –

DR. LAM: Japanese –

DR. LIM: Right, well, in the –

DR. LAM: (inaudible)

DR. LIM: That's somewhat different. Japan's state-led development model was a benchmark, an important benchmark in the '60s and '70s, and, in fact, especially for the promotion of heavy and chemical industries in the late 1960s and early '70s, Korean policymakers looked at Japanese experience carefully in the '50s and the '60s. And given a very similar natural endowment structure that Korea had with Japan, they drew some references as to which industries Korea should go into after exhausting its value-added in labor-intensive manufacturing.

But these days state-led development model is no longer serving as an inspiration. And, in fact, what has happened, especially since the economic crisis of 1997 and '98, is a search for sort of a middle ground between the neo-liberal model and the state-led development model as well as a social market economy model of Germany and so on.

If you look at the policy debate in Korea, you would be struck by a very conflicting statements because it seems to go all over the place because the thing is, in Korea, unlike in the West, we didn't go from absolute rule to classical liberalism to social welfare state, and excessive social welfare state led to neo-liberalism, and then a backlash to that. That would be sort of a simplistic way of thinking of the evolution in the West, but in Korea, we didn't have this classical liberalism period. It was actually state-led development that defined the early stages of development. So, this upsurge of neo-liberalism and so on did not really receive popular support in the Korean context. You can think about what happened in Japan during and after Koizumi's government and there's still a search ongoing as to what kind of paradigm would best serve Korea at this stage of development.

DR. SHIM: Thank you for your question. You know, I suggested three strings of globalization discourse, and finally the third one was that globalization is not simply one way or the other, but rather a culture hybridization. This idea was largely developed by post-colonialist theories and critics after many countries have been liberated from long years of colonialism, so that what they find in their own culture after they experienced long years of colonialization is that there are many cases of mixing: culture mixing, hybridizing, and Creolizing. So these post-colonial critics try to find other cases in the history.

And then, you know, we always consider the tomato is a basic element in Italian cuisine, but tomato was only imported to Italy about 400 years ago. So, before 1500, tomato was not there in Italy. So, the form of Italian cuisine was probably very, very different from today's.

And also, when you travel to Latin America, the tribes people who are considered as carriers of their traditional culture, they tend to sell the traditional styles of clothes. But you know what? Those styles were actually transplanted by Spaniards in 1600s.

So, this is, in some sense, an essence of culture. Culture is always flowing. Culture -- there is no authentic culture itself. So, actually in today's Korean pop culture there are many traces of Japanese and American pop culture, but if you trace the Japanese culture, there are many elements of Korean culture which have been imported throughout the Japanese history.

So, I can say that today's success of the Korean pop culture industry was not possible without Korean's efforts to import Japanese and American elements, but in some sense this is the culture mixing, hybridization, and Creolization, is the essence of the global culture throughout humankind. And nevertheless, when a certain culture imports other elements, other cultural elements from other countries, from other locales, it is not simply 100 percent pure importation, but there is always a mixing.

So, these days, what is interesting is that Japanese pop culture industry, they chant out slogans that they learn from Korea. Ten years ago, it was -- the Korean case was learning from Japan or learning from America, but these days Japan is chanting, learning from Korea, because we have -- there are many things we can learn from Korean culture.

So, I hope this can be an answer to your question.

DR. BUSH: Thank you. Evans?

MR. REVERE: I'm going to get really adventurous here for a second and try to actually answer, Professor Lam, one of the questions that you posed to Dr. Shim, and then I will get to the one that you posed to me.

I am not a political scientist, I am not a social or cultural anthropologist, but I'm 60 odd years old and I have two daughters who are fanatic followers of music and culture. And one of the things that I was compelled to do as a result of this interesting status was to listen to what they were listening to over the last 20 or 30 or 35 years or so. And looking at what Korea is producing today, that Professor Shim has so eloquently described, this hybridization of culture, I have strong memories of the origins of a lot of what we see today in the Japanese idol culture that we saw in the '70s and '80s in a lot of the pop music and dance and music trends that I remember seeing in the United States in the '70s and '80s. I'm dating myself now, but anybody who's familiar with the early days of Madonna and the early days of the Backstreet Boys and the early days of the boy groups and the early part of the hip hop era, you will see reflected in what is being produced in Korea today elements of all of those things. So it's very familiar to me even though I'm not a follower of it. And it's sort of a -- as I sometimes describe when I look at these cultural products today, especially on the music scene in Korea, it's sort of a vanilla version of what this was in America in a certain era.

Let me switch tracks, Dr. Lam, and talk about the question that you posed specifically to me. I guess I was being a little enigmatic, but I was trying to anticipate the fact that we're going to have a panel later on this afternoon that will talk about hard and soft power. And the point that I was trying to hint at, not sufficiently well apparently, is

that in the context of the relations between North and South Korea, and in the context of dealing with a North Korea that perhaps doesn't see the value of soft power the way all of us in this room probably do, and also in the context of having learned, I think, several important lessons if you look at the history of North/South relations and the contentious relationship between North and South, one of the most important lessons that North Korean behavior continues to teach us is that soft power, South Korean style soft power, in and of itself, is by no means adequate to contend with what South Korea has to contend with. And I wouldn't describe it quite as bluntly as you put it, the fist, but elements of strength and power, as I said in my own remarks, and alliance relationships and the traditional instruments of the harder aspects of power are absolutely indispensable to South Korea's survival.

DR. BUSH: Thank you very much. Thanks to the panelists for really outstanding presentations. They have been interesting in their own right, but I think they also provide an excellent foundation for the afternoon where we talk about views of soft power from other places in Asia and then come back to this very important issue of the relationship between hard power and soft power.

So, thank you very much. Thanks to all of you in the audience for your attention and your outstanding questions. We now have a small break and I'll just let Wonhyuk give you your instructions.

DR. LIM: Let me wear the other hat. We'll start at 12:00 noon at the Oksan Restaurant, which is two stairs up, as I said. So 12:00 sharp because in order to finish lunch by 12:45 and then come back down here for the luncheon speech, time is limited. So, don't go far away.

And another important thing is that on the backside of your nametag there's a lunch coupon. You have to show that to one of the employees at the restaurant on the third floor to have your lunch.

So, I'd like to call this panel to a close and then we'll move up two stairs - - two floors up to the restaurant. (Applause)

[RECESS]

THE BROOKINGS INSTITUTION
CENTER FOR NORTHEAST ASIAN POLICY STUDIES

in cooperation with

CENTER FOR INTERNATIONAL DEVELOPMENT
KOREA DEVELOPMENT INSTITUTE

PANEL TWO

EAST ASIAN PERSPECTIVES ON SOFT POWER

**KOREA'S SOFT POWER
AND EAST ASIA**

Tuesday, November 30, 2010

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706 Duke Street, Suite 100

Alexandria, VA 22314

Phone (703) 519-7180 Fax (703) 519-7190

PARTICIPANTS:

Opening Remarks:

HYUN OH-SEOK

President
Korea Development Institute

STROBE TALBOTT

President
The Brookings Institution

RICHARD BUSH

Senior Fellow and CNAPS Director
The Brookings Institution

Keynote Address:

SaKONG IL

Chair
Presidential Committee for the G20 Summit

Panel 1: Korea's Growing Soft Power:

RICHARD BUSH, *Chair*

Senior Fellow and CNAPS Director
The Brookings Institution

EVANS REVERE

Senior Director
Albright Stonebridge Group

SHIM DOOBO

Professor
Sungshin University

LIM WONHYUK

Director of Policy Research, Center for International Development
Korea Development Institute
CNAPS Visiting Fellow, 2005-2006

Lunch Address:

STROBE TALBOTT

President
The Brookings Institution

Panel 2: East Asian Perspectives on Soft Power

KYONGSOO LHO, *Chair*

Professor, Seoul National University
Co-Chair, Asia Society Korea Center
CNAPS Visiting Fellow, 2001-2002

RICHARD HU

Associate Professor of Politics and Public Administration
University of Hong Kong
CNAPS Visiting Fellow, 2007-2008

LAM PENG ER

Senior Research Fellow, East Asian Institute
National University of Singapore

TOSHIHIRO NAKAYAMA

Professor of American Politics and Foreign Policy, School of
International Politics, Economy and Communication
Aoyama Gakuin University
CNAPS Visiting Fellow, 2005-2006

Panel 3: Hard Power vs. Soft Power -- What Has Changed?

EVANS REVERE, *Chair*

Senior Director
Albright Stonebridge Group

GEORGY TOLORAYA

Director of Regional Programs
Russkiy Mir Foundation
CNAPS Visiting Fellow, 2007-2008

ERICH SHIH

News Anchor and Senior Producer
CTi Television, Inc.
CNAPS Visiting Fellow, 2003-2004

JIA QINGGUO

Associate Dean, School of International Studies
Peking University
CNAPS Visiting Fellow, 2001-2002

* * * * *

PROCEEDINGS

DR. LIM: Thank you very much for the speech. And now we'll move on to Panel 2. Professor Lho will chair the session. Lho Kyongsoo will chair the session and I will invite the other speakers as well to the podium.

DR. LHO: Shall we start?

DR. BUSH: Yeah, go ahead.

DR. LHO: Good. How do you follow after such a magnificent luncheon address? I'd like to begin by thanking the KDI and the CNAPS at Brookings for hosting this very useful, interesting seminar.

If Wonhyuk Lim is still here, I'd like to congratulate him on his stroke of genius breaking up the luncheon so that we come down here for the luncheon speech. Had we had the luncheon speech upstairs, I worried that people might just go up to their rooms after lunch for a snooze, jet lag and all. But he forced us to come down here, so I think our defection rate is relatively low. And after that stimulating presentation by President Talbott, I think most of us are still awake.

We hope to follow on in this second panel today with a reflection and examination of what soft power is. I remember Joe Nye from my undergraduate days when he was teaching Gov 20 at Harvard, this is the international politics course. And even back then he had this inkling that America was more effective in pursuing its foreign policy goals by using what would constitute soft power today rather than hard power. But it also goes without saying soft power isn't quite effective without a measure of hard power. We have lots of countries like New Zealand, Denmark, which have plenty of soft power; but in terms of global -- getting things done on the global stage, independently or in coalitions, they're not that effective. You have to be persuasive.

Nevertheless, our topic today is not about hard power, in this panel at least, but about soft power and what Asian countries think of soft power. To my left and to my right, I have three very distinguished scholars: Richard Hu from the University of Hong Kong, who will speak on the Chinese and Hong Kong perspectives; Professor Nakayama, who will speak about Japanese perspectives on soft power in this region; and, last but not least, Lam Peng Er from the National University of Singapore. Singapore is one of those small countries but a small country not without power. Singapore has lots of soft power. And so we will have the perspectives from two major players in the region and another major player in Southeast Asia, smaller but with a very big voice in what happens in this region.

So, without further ado, may I invite Professor Hu to give your presentation.

DR. HU: Okay, thank you. Thank you, Professor Lho, for your introduction. And also I want to thank KDI and CNAPS to holding this conference, provide us opportunity for the CNAPS fellow alumnus to have a reunion. And talking about soft power, this kind of reunion is a kind of soft power itself. It's a networking power in the region.

I'd like to also start with a Joe Nye story. In 1992, I was an honor fellow at Harvard Center for International Affairs. Joe was the director of the Center. I remember we had one-on-one conversation, but not on soft power, on the nuclear learning which related to my dissertation.

But his book, *Bound to Lead* book in 1992, was the first time I've encountered the concept of soft power. It was very influential, and I'm glad 20 years later people finally pick it up as the important themes for international relations.

Well, my job today is to talk about Chinese perspective of soft power. I think this morning we heard some very interesting or excellent presentations about Korea's growing soft power. I think these presentations touch on a very important theme in East Asian IR, which is the rising -- the growing importance of soft power competition in the region. Although these days happen to be the irony, the hard power is in play. But still if you look at big pictures, I think both soft power and hard power are getting more important.

Although there are territorial disputes, hard power competition, military alliance, and a power balancing, nobody should deny that soft power is getting more important -- visibly or not so visibly. And so by that stance, I would say soft power competition is kind of non-zero sum competition in East Asia. And in some way, this non-zero sum competitions among major powers has changed the landscape in East Asia. And also you will find a new game, and if the hard power competition is driven by the logic of balance of power, the soft power competition is defined by the logic what I call the balance of influence. So, this is high time -- is a good, very timely topic for us to talk about soft power.

Now, for the sake of time since I only have -- 20 minutes? I have 20 minutes. I will focus my remarks on two issues: first, how China developed its soft power; and second, how we assess China's soft power, its effectiveness, and weakness.

Well, first, the development of Chinese soft power. Now, in recent years, you probably noticed that the soft power theme or soft power topic has becoming high priority when people in China, within China, and also outside China, talking about Chinese foreign policies. And we have seen Chinese leaders and elites use the term "soft power" more frequently. And soft power concept has been already officially incorporated into the policy documents.

Now, here comes the questions. Why China has becoming so clear about soft power? I think there are several reasons. First, everybody knows the -- China is

rising as the rising power. Now, rising power, you know, typically tend to have mirror imaging thinking about, as I rise, what kind of lesson I learn from history? So, there's a lot of this kind of mirror imaging thinking in China in the history, how other great power has risen. A few years ago, there's a TV series called *The Rise of Great Power*, and that educated the Chinese audience about how other powers have risen in history.

Now, one of the interesting things to the Chinese audience and also the intellectuals is over last 2,000 years a lot of countries rose through gaining more hard power. But in the 20th century or 19th century, you see this new type of rising. The rise of United States to the world stage is through a combination of hard power and soft power. So, the uniqueness of U.S. story tells us that if you want to establish global leadership, it has got to be something different for the traditional ways. It has got to be you accumulate more soft power as though -- the soft power in terms of your value, your systems, your practice becoming attractive to others. Now, this is, I think, one of the weakness as China rise, people will find China need to do more on accumulating soft power.

Now, the second reason why China cares about soft power I think has to do with the things that the others -- how others perceive China's rising. And there's no question China's hard power is rising rapidly, but how you legitimize the rise of hard power and the way to legitimize the hard power rising or rising power have to be -- have a lot of things to do with the soft power. So, the rise of China needs to be put in the context or the discourse of peaceful rise. So when talk about peaceful rise you have to think about the elite and believe that it should not just have power, it have to, you know, give people impression and also assurance the rising power will not be a threatening power.

So, for these reasons in recent year we see there's lot of discussions about Chinese soft power inside Chinese policy community and intellectuals.

Now, how China developed a soft power in recent years? Now, this question I think is not an easy task. It depends on how you define soft power. What is soft power? And this morning we talk a lot about these issues about culture impact, economic dimension, and I think it's very, very useful for this.

Now, my understanding of soft power is probably a little bit narrower than earlier speakers' on the definition of what is soft power, because Joseph Nye's original definition of soft power is the ability to get what you want through the ability of co-option and persuasion, and so this is what he tried to -- you know, he means what is soft power. So, if you use that definition, I would characterize Chinese activities in building soft power in the following categories.

The first category is what I call activity of symbolism or activity of name recognition or brand name building. This is very common for a lot of countries. As you rise you need to be recognized by others, and this morning we heard a story about how Korean hosting of the G20 meeting as a good occasion to present Korea to the world, to

promote understanding of Korea.

Now, China has done similar things. In the recent years, China has become very care about building its image, and China has showcased its economic and the development success by hosting the 2008 Olympic Games in Beijing and then this year the 2010 Shanghai Expo and now just last week just finished the Asian Games in Guangzhou. And also there's activities like manned space flight, the Lunar Exploration Project, the -- you know, and also if you travel to major cities in China you see everywhere building the tall skyscrapers. And these are just -- you know, it's a showcase. It have symbolic meanings to show the world China's rising, and this is what I called branding effect. This is very common for every rising countries.

Now, China also expanded culture and education exchange, receiving a lot of foreign students, even provide financial aid to these students. Now, CCTV have international -- have 24 hours broadcasting global coverage. And also a lot of culture exhibitions, and you also notice there's a growing number of Confucius Institutes all over the world. So, these -- in some ways, it's kind of a branding effect for the rising countries. Now, it's also very good for image building. So this is one category of activities in building soft power.

Now, second kind of activity is -- according to Joseph Nye, soft power is the ability you attract -- you induce emulations from other countries. So, in some ways, China is doing a lot of things trying to increase its attraction and induce some emulation. And you probably notice China's official leaders and officials becoming more confident to share with the world China's successful story of economic development. And there's -- although the term "Beijing consensus" or "China model" were not coined by Chinese government or Chinese intellectuals, but they are never shy to share some of the Chinese experience, especially with third-world countries. So, in some way, this is another way to build your soft power, setting examples and telling your stories. And in some way, I remember Joe Nye says a story tells a thousand words.

Now, another kind of activity China has done is how to increase its moral authorities in international relations. This is the problem for all the rising powers. Now, China trying to make some normative contribution to international relations, and there's a -- if you're familiar with Chinese foreign policy, China has long championed so-called five principles of peaceful coexistence.

Now, in recent years, the intellectual circles and the Chinese leaders keep introducing some new concept to international relations and international debate. These concepts, including *xin anquan guan*, new security concept, which is basically cooperative security, and democratization of international relations, *guoji guanxi minzhu hua*, and then harmonious society and respecting cultural diversity in the world affairs and also attaching no condition to foreign economic aid and limited sanctions. These are the concepts, if you are closely following the Chinese foreign policy discourse, you will find this is China's contribution to the normative debate in IR.

Now, last but not least, soft power is how to attract -- how to increase your diplomatic appeals to other countries. So it got to be something in the behavior side, either some behavior change. So, in recent years you see, especially in Asia, in Southeast Asia, there's a so-called charm offense, good neighborhood diplomacies, and these behavior changes in diplomacy in some ways increase or help improve China's image. And China's Asian policy, I think you see some fruit, *mulin anlin fulin*, good, secure, and prosperous neighborhood policies is well received -- receptive by other countries. And China's becoming more positive, participating in the regional institution building and the regional forum and dialogue.

So, these are the -- I just gave you a very brief summary about what China's doing trying to increase soft power.

Now, let me quickly turn to the second topic, which is how we assess Chinese soft power. How effective is this? What is the weakness of this?

Now, it's how you assess this. It all depends on your definition. And soft power is a perceptual power. It also depends on whose perceptions. Now, if we -- I think there are two difficulties here.

First difficulty is how you tell soft power really works. It's difficult to establish this causal relations. This change of China's influence increase is caused by soft power. It's very difficult to establish that -- or by hard power maybe.

The second difficulty is the definition. What I mean by soft power? What exactly makes the soft power? The concept soft power is easy to say, but is very difficult to define.

Now, as I said earlier, Joe Nye defined it as an ability to obtain what you want through co-option and attraction. So, soft power is more defined in what is not -- it is not something material, something military, something economic induced. But what is soft power is still not very clear. You know, a lot of debate. So, in my view, in assessing Chinese soft power, how effective it is, my message here is if hard power is the ability to make people fear you, soft power is the power that you make people love you. But looking the record, you can see what make people love you has proved to be much, much more difficult than to earn that -- make people love you. So, this is my major message here.

Now, let me give you some example why I said that. Now, people -- this morning we talk about cultural powers. Culture could be a source of soft power. I agree with that. But culture itself, I think in some way, is not a soft power, because many people in China, many scholars -- somebody I know very well -- they argue that culture, Chinese culture, could be a soft power. But they said culture product like Chinese calligraphy, Peking duck, panda, Great Wall, Chinese movies, Peking opera -- these could be soft power. But I have different views. I see these are the cultural attractions instead of cultural product. Cultural product can carry some message, can reflect your

values. But cultural product itself have name recognition effect or -- but culture products itself is still a commodity. It is not a tool of soft power, if we use Joe Nye's original definitions.

So, that means people may love Chinese culture, but they do -- they may not like Chinese policy, right? To use Richard's phrase, we have to look at what Kim Jong-il's CD collection is. He may have a lot of Korean pop songs CD collection, but he doesn't like South Korean policy. So, culture itself may not necessary be a soft power, it could be a source.

Another issue is the image building. Every country cares about its international image. There's no question about it. But building a good, positive international image is a very tricky business. You know, if we use a balance sheet, we'll see sometimes you can have a credit, but sometimes you have more debits, especially for a rising power like China. People have high expectations. You should be responsible great powers, but it a very high bar for China to be a responsible great powers. So, its image in the 1970s when China just opened door, I think that 20 years before June 4th, was a good time for China have very positive international image. After that, it proved to be very difficult China to establish an image in a positive image to satisfy everybody.

You can -- if you have a good image, but your economic clout cannot automatically translate into your positive image, and also you are keep being distracted by Dalai Lama, Nobel Peace Prize awarded to Liu Xiaobo, and even the Olympic Games, the outside China torch relay was viewed as negative.

So, I think here -- I think there's a very interesting story. U.S. Ambassador to China, Ambassador Huntsman, talked to the Chinese intellectuals, and he said China needs to get used to international criticism, (in Chinese). So, you know, you've got to use that. So, image is -- there's both domestic and international constituencies. It's difficult to reconcile these two constituencies.

Now, soft power is the ability to attract, induce respect from other countries. Now, attraction -- attractive power is not necessarily soft power. Sometime can turn the other way around. As China's economic power, military power grows a lot of people get scared. You know, a lot of people get scared. And so the world has becoming not so receptive to the rising Chinese powers.

Now, lastly, but let me turn to those normative concepts China proposed in international relations, and you will find there's also a lot of limitations. The world is not so receptive to those new concepts.

So, the core meaning of Joe Nye's soft power concept emphasize the ability to attract, induce emulations, but to get that I think China have long way to go to cover that. And there are some Chinese scholars argue that, this is a Professor from Tsinghua University, it's difficult for China to compete with United States unless China's value, ideology, political system has changed. And in today's world, I think the

normative foundation of soft power is also very important. In the end, soft power is a perceptual power, so if others do not accept, do not agree, there's no attraction.

So, thank you.

DR. LHO: Thank you, Professor Hu. Hopefully we'll hear a little bit about Hong Kong's perspective during the question-and-answer session.

DR. HU: (inaudible).

DR. LHO: Now I'm going to, with the speakers' permission, switch the order around a little bit and instead of having Nakayama-sensei speak first, we'll have Dr. Lam Peng Er be the second speaker.

DR. LAM: Thank you Mr. Chairman. Good afternoon, ladies and gentlemen.

I come from Singapore, which is located in Southeast Asia, a region of more than half a billion people, and it's winter in Korea but it's perpetual sunshine in Singapore. Singapore may be tiny, but I suspect that some of you know that Singapore is a forum where North and South Korea have been holding their so-called "secret talks." They've been holding talks in Singapore. But the fact that we say that it's secret talks, so it's not that secret anyway.

The interesting thing is despite the up-and-downs in the relations between Pyongyang and Seoul, the Kaesong industrial project is ongoing, the secret talks are ongoing in Singapore. So, to what extent the latest episode will result in the derailment of secret talks in Singapore, that I wouldn't know. But I hope they will carry on in Singapore, which is perceived by both sides to be a neutral forum rather than Washington, D.C., or Beijing for talks between North and South.

Without further ado, let me flesh out the basic outline of my short presentation today. I will begin by alluding to Southeast Asia's multicultural olio, (inaudible) of Southeast Asia, is basically multiculturalism. And next I'll talk about the Korean wave, okay? The Korean wave -- maybe I should say Korean tsunami -- in Southeast Asia. Third, more personal sharing. I'll tell you five things. If I had more time, if the chairman had given me more time I will say 10 things I like about Korea, since I've been instructed to keep it -- you know? That's a guillotine for 15 minutes --

DR. LHO: Well, Richard Bush is staring at me.

DR. LAM: Yes.

DR. LHO: So we need to keep it at --

DR. LAM: Oh, okay. Five things I like about Korea. And then last but

not least, I shall talk about South Korea's soft power, possibilities and limits.

First, Southeast Asia's multicultural olio. First point I'd like to make, first talking point, is that Southeast Asians states and societies rarely talk about (inaudible) soft power. Southeast Asia may have its own discrete charm, so -- but you notice that there are 10 ASEAN countries, but we do not beat our chests and say, hey, you know, this is our soft power and this is how we are going to charm you and this how we're going to influence you. I mean, we don't really say that.

This region is very special. Why? Because it is the hybridity of Indian, Chinese, Islamic, Western, and indigenous culture. So, in that sense, it is quite distinct from certain Northeast Asian countries.

If you look at Korean, South Korean, and Japanese societies, they have become more globalized, more pluralistic, but they are basically ethnically homogenous countries. That is not so in Southeast Asia. Southeast Asia is a *mélange*, a blend of so many cultures, which I don't think you can find in other continents.

Next, let me say something about intellectual "soft power in Southeast Asia." I remember in the 1990s, before the Asian financial crisis, Southeast Asian countries like Malaysia, Singapore tried to raise the possibility that liberal democracy is not necessarily the end of history. They actually rejected the Francis Fukuyama's argument that the end point of humanity -- this like Hegelian march of the dialectics -- is a liberal democracy. So, Malaysia, Singapore, some elements in Japan argued that as far as human organization or governance is concerned, there are different possibilities, different alternatives. Of course, liberals within Malaysia, Singapore, and Japan will disagree with the government.

Interestingly, I remember in the *Foreign Affairs* magazine, Lee Kwan Yew, who is now minister mentor, who still wants to run in the forthcoming elections at age 87 -- you know, he wants to outlive maybe, like, Konrad Adenauer, you know? I don't know. He debated with Kim Dae-jung about culture and democracy. So, Lee Kwan Yew basically argued that culture is destiny and certain countries have certain cultural disposition. You will probably have certain patterns of governance, certain types of political culture, which will not necessarily end up like Western liberal democracy. Kim Dae-jung argued that to a certain extent certain East Asian countries, including Korea, has assimilated certain aspects of Confucianism, and in Confucianism the people are sovereign, the people are more important than the ruler, and as such, East Asian culture, Confucianism is compatible with democracy. So at this debate, debate within East Asia, it shows that a case can be made that the East Asian countries were prominent -- not only in terms of economy development, but did not -- they did not swallow hook, line, and sinker the kind of intellectual fads from the United States. But then again, this culture about the Asian values debate and so on kind of ended with the Asian financial crisis when the sense of triumphalism amongst Southeastern Asian countries were -- took a hit.

But one thing which the Southeast Asian countries are quite proud of is taking the lead in regionalism. Institutional building, like the ASEAN + 3, ASEAN Regional Forum; ASEM, the Asia-Europe Forum; ADMM; East Asian Summit. In fact, South Korea, Japan, China are very important, pivotal participants in this process, but Southeast Asian countries, there's the image that we are Lilliputians, but as I've said earlier we are more than half a billion people. We do try and make ourselves useful to the great powers, to Korea, to China, to Japan. And we would like to think that next to the EU in the whole wide world we have the intellectual capacity to be one of the leading builders, the architects of regionalism, because we don't think if the Japanese or the Chinese or the Koreans are left to their own device they can forge some kind of a trilateral association similar to ASEAN, because of various reasons. But we in Southeast Asia, we can play that role. We don't call it soft power. Some people when you say that the ability of ASEAN to be a platform for regional building to link Northeast Asia, Southeast Asia -- and even bringing in the great powers, including the United States -- that's a form of soft power. We don't call it soft power, but we would like to say that that's a role we can play.

What about the future? I would argue that there's a powerful possibility if Southeast Asia can do three things -- harmonize three features: economic development, which is very, very important, eradication of poverty, there's no dignity in poverty. So, I would say economic development; multiculturalism, which Southeast Asia already has; and democracy -- and democracy. You can do these three things, reconcile these three things, balance these three things, have a good tradeoff, then it will exercise soft power in the world, even if Southeast does not say, hey, we have considerable soft power. But if Southeast Asia can do this -- economic development, multiculturalism, and democracy -- and it will be a fantastic model for the rest of the world.

More specifically, if I look across to the South -- Indonesia -- its moderate Islam, secularism, multiculturalism, tolerance, and democratization can be a source of soft power, especially to the Muslim world. So, if Indonesia can rise up to the occasion and do this, I think it will be a tremendous model, not the kind of Iranian theocracy or the Turkish kind of convoluted secularism, but if Indonesia can reconcile the three features of economic development, multiculturalism, and democracy, it will be a very, very powerful model for the Muslim world.

And Singapore and Malaysia, in terms of population size Singapore is small, 5.1 million; Malaysia, 27-28 million. But then again, I think we have significance -- Singapore and Malaysia, significant beyond its size. Why is that so? Because Singapore and Malaysia are the only two countries in the world where there's significant Western, -- under the British -- Islamic, Indian, and Sinic influences. No other countries in East Asia, in Africa, Latin America have these features. So, Malaysia and Singapore -- hopefully we can show the world how civilizations can co-exist and energize each other, to have a synergy so that civilizations do not necessarily clash when we can actually cooperate and show the world.

So, I hope that can be our soft power for Southeast Asia -- hey, next

coming to the Korean Tsunami in Southeast Asia.

I mean, there's a certain celebratory note in this conference of talking about South Korea soft power and so on. It's rightly so. But a gentle reminder that South Korea is a cultural latecomer in Southeast Asia. It's a cultural latecomer, why? Because the Indians and the Chinese have been there 2,000 years earlier. The Europeans, they have been there half a millennium, Portuguese, Dutch, British, French, Americans colonize the Philippines. So, Korea is a welcome wave. We love, you know? We assimilate all these waves. So, it's just one among many is the latest wave. But after Korean wave, I'm not quite sure what will be the last wave, no? The Korean wave will not be the last wave in Southeast Asia, okay? There will be more waves to come. I don't know, maybe 10 years from now there might be a Brazilian wave, I don't know. But, still, I would think that Korea has become a permanent feature in Southeast Asia's cultural terrain.

Now, how does Southeast Asia view South Korea? I came across two public opinion surveys, the 2008 Chicago Council on Global Affairs on soft power in Asia, the statistics are there, how Vietnam, Indonesia view South Korea vis-à-vis other countries. There's also a 2010 BBC World Service poll, which said that Southeast Asians view South Korea -- it says mildly positive according to the BBC. Mildly positive, okay? So, the South Korean wave is there, but let's not be carried away. It's not the only wave. There are many waves. Okay? Before the Korean wave, there was a Japanese wave. It is still there. It has not disappeared.

Now, why the Korean waves in Southeast Asia? Without belaboring the point: K-pop, soap operas. At any one time there are so many boy bands, girl groups in Singapore, and there'll be thousands of teeny-boppers, everything (inaudible) at the concert halls and so on. So, that's a fact of cultural life in Southeast Asia.

The other thing is affordable, good quality, increasingly stylish cars. Used to be predominantly Japanese, but these days we see more and more German and Korean cars. They're more affordable, good quality, and very, very stylish. High tech electronics and mobile phones. There's an explosion, a proliferation of Korean restaurants in Southeast Asia. So, you go to centers like Bangkok, Kuala Lumpur, Singapore, Jakarta, you find there are so many Korean restaurants, and that's wonderful.

My daughter, she's 13 years old. She dragged me along. She buy South Korean nail polish. She's 13 years old, but I'm quite happy to bring her along to buy it, you know? She cannot go to school with nail polish, but during her school vacation she'll use nail polish, and they have Korean products. So, Korean fashion is also very popular in the region now.

Okay, one of five things I like about Korea. My first trip to South Korea was in 1994. I fell in love with the celadon pottery, this beautiful green-glazed pottery, and I bought quite a number. I paid a princely sum for it, insured, and sent it back to Singapore. And when I saw it, it reminded me of the saying by John Keats, the poet. "A

thing of beauty is a joy forever.” But I think he said that when he looked at the Grecian urn. I don’t get turned on by a Grecian urn, but I got really turned on when I saw the celadon pottery. Beautiful, you know? A thing of beauty. Hot pepper paste, cloudy rice wine.

The next thing I say may sound very strange to you. One of the things I like about -- I like it not because it happened but it represents something important to me. That’s the 1980 Gwangju uprising.

Why would I say 1980 Gwangju uprising? When I was at Columbia, I did a course on Korean domestic politics. My term paper was on the Gwangju uprising. I felt very touched, because it is a mass resistance against an authority military regime, and they paid the price for freedom. I mean, it can be interpreted in many ways, but that’s one way of interpreting it.

And of late, I’ve watched the DVD, *Wonder Girls*, you know? It’s really very, very infectious. You can’t escape from the *Wonder Girls*, especially that tune, “Nobody.” (Singing) “I like nobody but you --” (Laughter). So, you know, I couldn’t escape from that, so I like that.

Now, next, Korea’s soft power possibilities and limits. And Dr. Lee, South Korea’s pop culture, food, cars, electronics are entertaining and appealing to the masses in Southeast Asia and beyond. However, personally I think its so-called soft power has limited influence or no influence on Pyongyang, Beijing, and Tokyo.

I would imagine that national security elites are not swayed by frivolous -- to them frivolous K-cool. It doesn’t matter how many CDs they have in a collection or movies they watch. I don’t think they can be swayed so easily by that.

The questions I would raise about Korean soft power is what higher values and ideas can Korea make towards human civilization? Can Korea -- has Korea offered any higher values and ideas to human civilization? It produced wonderful products, entertaining products, but what higher values and ideas can Korea make? Can Korea make a difference in terms of human civilization? I mean, that kind of a question can be asked to all countries, and most of us would fall short of that kind of ideals. Another question is can South Korea become an Asian model of democracy, development, and culture? Can it? I think it’s somewhere -- making its way there, but I don’t think it’s the only paragon or the best paragon of Asian model democracy, development, and culture. And I’m not sure.

Last but not least before I end is this difficult and awkward question. Can a divided country, preoccupied with the uncertainty and instability of the Korean peninsula -- does it have the energy to play a larger role in the world beyond appealing to middle-class consumers abroad for profits? Again, I’m not sure.

My sense is that one reason why K-pop, K-fashion, and all these have

been so popular -- soap operas -- is because of the rise of South Korea as a middle-class society appealing to the rise of the middle-class in Southeast Asia. If the middle-class in Southeast Asia is really, really small, then I think there's a limit to how South Korean middle-class fashion, movies, music, and so on can reach out.

So, I think, interestingly, despite our different histories, languages, and different regions perhaps there is some kind of emergence of an Asian middle-class society so what you have in South Korea has a certain resonance in Southeast Asia because of the rise of the middle-class in Southeast Asia, too.

Thank you for your -- for listening to my presentation. (Applause)

DR. LHO: Thank you, Dr. Lam, for a tour de force. It was just 20 minutes.

DR. LAM: Mm-hmm.

DR. LHO: But as is usually the case when I go to conferences in Singapore, highly charged, very stimulating, provocative, and interesting as papers should be.

You know, before we go to Nakayama-sensei, because you were pointing out Korea, I had to point out to some of the people on this Presidential Committee for the G20 that this doesn't help Korea's soft power. None of this does. There's a difference between being able to host a meeting like this and something called convening power. If you have convening power, you have something approaching what we understand to be soft power. Singapore has convening power. You mentioned ASEAN, ASEM, and others. But, for example, there's a Shangri-La dialogue with which some of us are very closely involved from the beginning. It brings Asian security defense ministers together. Singapore can do that because of Singapore's place in the intellectual terrain of the political and military leaders of the region. And it's very difficult to get across to my countrymen the difference between convening power and just having the money and the organizational capability to put tables in place and microphones in place and have cars to take people around and having hotel rooms. It's not the same as soft power.

Likewise, I'm glad you mentioned "Nobody But You." "Nobody But You," meaning South Koreans, believes you're increasing your soft power by sending girl groups or boy groups overseas or selling *kimchi*. This doesn't constitute soft power. The Beatles were from the U.K. If you were talking about cultural icons, Beatles beat anybody hands down, and what did it do for the U.K. soft power, or Beckham, for that matter, or Bond Street?

I mean, it takes intelligent leaders to have soft power in the first place, especially if you're not a mega-power bestowed with large amounts of land mass, huge populations, and whatnot. So, an intelligent discussion of soft power would go far beyond talk about *kimchi* or "Nobody But You." (Laughter) So, I'm delighted that Lam

Peng Er was able to point this out.

To finish, I think when Joe was talking about -- Joe Nye was talking about soft power back in the '70s, late '70s, this was just after the end of the Vietnam war and right after the first oil crisis when the U.S. was having a soul searching, a very painful period thinking about what its global priority was going to be, and it was still the Cold War, the second wave was about to begin in the Cold War. And I think his comments on soft power, his thoughts on soft power that began in the '70s is that the U.S. has an ample inventory of what we call the hard power: money, at the time; weaponry; huge military assets. But not using them would increase the diplomatic flexibility of the U.S. far more than trying to pressure the world with military power.

And in retrospect, countries like Korea that emulated the U.S., Taiwan that emulated the U.S., other Asian countries that emulated the U.S. did so because, I think, of five things. Their perception that America was a very generous country. It was wealthy, but it was also generous.

Number two, we admired America's culture, and this is into the '50s and '60s and partly into the '70s when things began to unravel. We believed in the superiority of the American political and educational institutions. I'm a part of that belief as are many in my generation and generations before me.

And, finally, we subscribe to the ideals, to the values -- it's a big word, but the moral leadership of the U.S. on the global stage as compared to the Soviet one or the Chinese one at the time. This is what constituted the core, I think, of America's soft power and its ability to lead. And why we worry about America today is that we believe much of this has been eroded and continues to erode.

But by these five yardsticks simplified, five yardsticks, if we measure China, China may increasingly have impressive inventory, huge markets, and whatnot, and we need them for our market-driven economies. Do we really believe in Chinese generosity? Do we really subscribe to China's cultural magnetism? Do we admire China's political or educational institutions? And do we truly believe that China has ideals, visions, a moral core that we admire and would like to follow? Unless China meets these five tests, I don't think its soft power is going to convince the rest of us in Asia, and I'm glad Lam Peng Er began by criticizing Korea along these lines. I don't think we're going to lead any time soon. (Laughter)

But the country, in my view, that punches below its weight in this region is Japan. China may have surpassed Japan in terms of absolute GDP, but when you look at Japan, it still leads in so many areas: in technology, in economic processes, education. But especially over the last 20 years, since the end of the Cold War, Japan's role has been particularly limited in my view. So, it would be very interesting to hear from Professor Nakayama what his view -- what the Japanese view is of soft power in this region.

DR. NAKAYAMA: Thank you. But as being a typical Japanese, I have

to apologize first. (Laughter) It's my voice. I have to be as efficient as possible because my voice span is really badly damaged. I hope it will last 15 minutes or so.

I'm a '05-'06 CNAPS fellow. Glad to see you all again. And I've been a strange loner since the start of this conference, because, you know, I didn't want to use my voice before this session, so.

And unlike Professor Shim this morning, I'm not an expert on soft power. My main job is to teach at a university, but I have added two more: adjunct fellow at a major think tank in Japan and the other is a member of NHK World Deliberative Council. It's one of the new sort of efforts in Japan trying to be beefing up its soft powers. So, I tried to -- I just wanted to prove to you that I'm minimally at least qualified to be on the panel.

And it's really easy to be cynical about Japan these days, and I am, too. But I'll try to avoid being cynical and try to catch the new thinking within the DPJ, which came to power last September. Many of the negative aspects have been highlighted, especially in the context of managing U.S.-Japan alliance. But in terms of soft power, I think they may have a better chance than LDP. So, hopefully I can say something positive about Japan and soft power.

I think if you look at the post-war Japan, even before the word "soft power" was coined, Japan has been consistently a soft power. In a way, there was no other choice. I think there was two pillars. One was to prove to the United States that we would be a democratic nation and get the past -- overcome the past, and to our Asian neighbors, our rise and our recovery is not dangerous. That was the two pillars of Japan's post-war foreign policy. And that was to expand the space where within Japan can act within the international community. So, in that sense, I think it was based on realism. And Japan foregone -- we were quite satisfied being a sort of a salesman of transistor and never thought about dignity or prestige of a nation. We were quite satisfied in thinking ourselves as salesmen of transistor. And ultimately I think that in itself, reviving of our image in the region, was the ultimate foreign policy goal during the post-war period. It was to become a peaceful, democratic, cultural nation. So, it's a bit different from Professor Nye's notion of soft power, but how the others would see us, that was very important for us, because that image was limiting Japan's capability in acting.

And in the 1970s, we've quite successfully recovered and rebuilt our nation, and people saw Japan as an economic power, and we had to sort of manage the image of the rise as China is doing today. In the model of British Council or the Goethe Institute, Japan established a Japan Foundation. It is still active today. It was designed and established by Foreign Minister Fukuda. I think when a country is rising, in many cases you would have a visionary leader, and I think Prime Minister -- Foreign Minister at the time, Fukuda was one of them. And of course he is known to sort of opening up our doors to the ASEAN countries. And it was Fukuda's vision to make an institution that would proactively show the positive side of Japan, and the fact that Japan Foundation is still ongoing shows that he was a visionary leader.

And there were other efforts as well. For instance, *Japan Echo*, which is - maybe some of you have seen it. It's one of the first English publication about Japan, so -- and there were only few English written literature about Japan at the time, so Japan published a magazine called *Japan Echo*. And there were some others -- Foreign Press Center, which was to show Japan in a positive light in the media context. And this is also still ongoing.

And there was some other effort as well, an imperial family, imperial diplomacy. Of course, Japanese emperor is a very sensitive figure in the region, and in the '50s, '60s his role was mainly domestic. But in the '70s -- I think in 1974 -- he visited the United States for the first time and there's some places, very important places, he hasn't visited yet. But Japan has started using the emperor family as a sign of peace and as a soft power and a public diplomacy tool. And that was in the 1970s.

And in 1980s, we became more proactive in image building, going beyond just the regular cultural exchanges: *kabuki* and *sumo* wrestling, and the Japanese traditional cultures. We wanted people to know more about modern Japan. And the slogan at the time was "*kokusaika*," which literally means "internationalization." And it was like the second opening of Japan, and the Japanese people started going abroad and many people came to Japan. And there's one famous program called JET Program, it stands for Japan Exchange and Teaching Program. Close to 5,000 foreigners, mainly English-speaking foreigners, have come to Japan and taught high school students English and about their own culture, and this has been a very successful project. If you look at the U.S. JET Program alumni, there are mid-aged, young, soon-to-be Japan handlers in the alumni of the JET program, so this is one of the successful soft power programs, which is directly linked to the Japanese national interest.

But I think ultimately, the ultimate source of soft power in Japan during the 1980s wasn't a government program or some other specifically designed institution, but it was the "Made In Japan" products. So, during that time, people like Matsushita and Morita of Sony and Honda, they weren't just business leaders, but they were seen more as national leaders, even more respected than politicians. And what I worry about these days that we lack those kinds of visionary business leaders today. So, that's what worries me a bit looking at the current situation in Japan.

In the 1990s, the Cold War ended, and people were sort of starting to have an interest in new form of power. And in the book, *Bound to Lead*, Professor Nye came out with this notion, soft power. And by the time Japan was the second largest economy in the world, there was this self-searching process within Japan that are we doing enough as a second largest economic power. And this notion of soft power was very convenient for Japan. And, yes, Professor Nye always stressed that they have to come together. But Japan saw something -- soft power as something antithesis to hard power, because that would rationalize their role in global space. So, at a snap, a soft power was, I think, a very popular notion in Japan. I think it became much more popular faster in Japan than any other place in the world, because there was this specific background in Japan.

And this period, the '90s, was a very difficult period for Japan in the sense that you saw a negative -- especially in the United States, you saw a Japan bashing, especially in the early 1990s. Japan bashing in the United States was seen as a very serious issue, and we felt that we couldn't control the negative spiral of Japan's image. So, in light of that, Japan, with the direction of the government, established a Center for Global Partnership -- the CGP -- mainly to deal with U.S.-Japan relations to fund a project which would sort of enhance cooperation between U.S. and Japan. And this is still ongoing, so I think it's one of the successful projects started, launched by the Japanese government. It's a blend, a mixture of a government and a civil society. So, this was one of the successful effort in Japanese soft power institution building.

And by this time, I think the "Made In Japan" product was no longer made in Japan. It was becoming more global -- Sony and Lexus and Acura. And despite everything we did in the realm of public diplomacy and in soft power, this brand image, the global brand image, was the Japanese image. But at the time, I think we started to think beyond just being a salesman for transistors and we were more becoming seriously engaged in who we are, what our roles are. But the irony of history is that that's exactly the time when Japan's influence in the region has started to decline.

And I guess before firmly establishing who we are and what we can do in the region, we saw in Fareed Zakaria's words in a different context, the rise of others in Northeast Asia. And if you look at the post-war period, soft power in Japan was always about controlling the image of rising Japan. That was -- like I said at the beginning, that was the sole purpose. But in the 2000s, that wasn't the case. The context of Japan exercising soft power was no longer about controlling rising Japan's image but how can we sustain our soft power that has been built during the post-war period in the context of Korea and China rising and in some respects over-passing, going beyond Japan's place. And that's the time when the Japanese politicians started to come out with a value-oriented diplomacy, because Japan never talked about values and diplomacy. We were salesmen.

But in the early 2000s, our prime ministers started talking about arc of freedom and prosperity, and value diplomacy in line with the neo-conservatism in the United States, although it's a bit different. And the Bush Administration liked that, because they felt also that they were pursuing a value based diplomacy. But -- and Japan sort of jumped into that wrong. But it never really sort of took off.

And shifting issue a little bit, Japan has always been criticized as being a manufacturing power. It has been good at making things. But it was always being criticized as not being able to produce more -- not a tangible soft products, software -- I guess pop music, animation wasn't satisfactory for many of the Japanese. We wanted to become more of a high-cultured, an idea-driven country. But we never were. But in the late 1990s and early 2000s, there was this word, "GNC," gross national cool. (Laughter) And in this respect, Japan was doing okay. But these days, even in those realms, we were consuming Chinese and then many huge amount of Korean aspects.

So, where are we? We're still searching. And what worries me the most is that as a result of a very aggressive budget screening conducted by the new Democratic Party of Japan, *Japan Echo*, that I've just introduced to you, was -- it's no longer there. CGP -- Center for Global Partnership -- and Japan Foundation's budget have been cut. My institution, Japan Institute of International Affairs -- Japan is known for not having a viable think tank, and there's JIAA and some others -- and the fund for JIAA, subsidies for JIAA, has been cut as well. So, just when time -- when Japan has to revive and control and become more forthcoming in the realm of soft power and public diplomacy, the financial basis of that is eroding, and that worries me a lot.

I've skipped this slide.

So, is Japan a soft power superpower? I think we have been successful in some areas, but there are key failures as well. If you look at the general image, how the world sees us, in fact it's very good. It's one of the best. If you look at how the U.S. sees Japan, the Ministry of Foreign Affairs conducting how the U.S. sees Japan annually, and this year for the first time in 30 years, China has surpassed Japan as the most important partner for Japan among the elites in Japan. I don't know important that number is, but it does I think signify a certain trend. But the most important thing is how our neighbors see Japan. This is very difficult, and I think it's not solely our fault. There's fault on both sides. But in terms of this image, specifically people in South Korea and China sees us, it's very negative. So, that's the area that we have to put more effort in.

And, like I said, although this has become -- because we're not just enough selling transistors anymore, we have to -- this issue has become a national priority. But robust domestic support is lacking.

But last year, we saw a change in government for the first time in Japan. Like I said at the outset, negative aspect has -- and I'm one of the very critical scholars on DPJ's foreign policy, literally all of the Japanese foreign policy experts are critical of DPJ's foreign policy, but I think that there are potentials. And I've talked to some of the officials in the prime minister's office, and there is a new thinking in this field. And they see a new opportunity. And DPJ, and specifically Prime Minister Kan, is trying to design a Japan brand, just going beyond *manga* and Sonys and all that. They're trying to focus more on lifestyles, ideas, longevity, energy conservation, those type -- they're not just technologies, they're ideas. So, that's what they're trying to do, and I hope it works.

And up until now, this soft power, public diplomacy effort has been very sporadic. It hasn't been well coordinated. So, it seems like the prime minister's office is going to coordinate an effort. I'm sure there are limits to what a prime minister's office can do in terms of exercising soft power, because there are so many that civil society and other institutions can do. But I think it's at least good news that there will be a certain degree of coordination. And they would use all sorts of communication methods. And this is -- the thinking behind that is that it's no longer enough to react to things. If there's a demonstration in Thailand in the 1970s, anti-Japanese demonstration, we will react. But now we have to be more proactive in showing what Japan is about and what we're

thinking, and beyond uniqueness, because Japan, more than any other countries -- all other countries are unique, every country is unique but Japan, I don't know why we say we're so unique, but we have to go beyond that, and we have to focus more on the universal values of Japanese culture, and I hope that works as well.

And lastly, I think if you're talking about soft power, there's really three pillars. It's about increasing your presence, increasing your likeability, and increasing knowledge. And for the whole of the past years, we never worried about our presence except for '40s and the early '50s. It was always rising. But now this presence is declining. So, in that context, what can we do to sort of enhance our -- increase likeability towards, the feeling of likeability towards Japan and knowledge about Japan. That is a very serious. I don't have an answer, but I am willing to say that we are fully aware of this, and many people in Japan are focusing how can we redesign Japan's soft power and public diplomacy.

Thank you very much. I'm very sorry for my voice.

DR. LHO: Thank you, Professor Nakayama. Nineteen minutes.

DR. NAKAYAMA: Nineteen.

DR. LHO: Thank you. This leaves us about 13 minutes before the 3:00 limit Lim Wonhyuk -- Dr. Wonhyuk -- gave us for the coffee break. While you were away, we were mentioning that it was actually a very good strategy to break up lunch. Nobody left. They all came down, but I think they were ready for a coffee break, so now we'll open up the floor to questions.

Yes?

QUESTION: Hiro Matsumura, former fellow at CNAPS. I think that Professor Hu's and Professor Nakayama's views on the soft power is actually well compared and contrasted. And then Professor Hu's idea of soft power, sometimes referring to Joseph Nye, has some element, measured element, that soft power in China, whereby China's establishment is used to justify the rise of China. So the idea is very much instrumental. And then the question is how this instrument could be utilized effectively.

And you pointed out five principles, one of which is that the Chinese have to respect cultural diversity in the world affairs. But what China does in domestic arenas, like their policy to minorities like Tibet and Xinjiang, is actually far from respecting a culture of diversity. So in that sense, what they're doing in the inside and what you are telling to the outside is inconsistent, and sometimes -- this is not first time in the world history, but it sounds very much autocratic, so, which means there a serious limit of the Chinese understanding of soft power, from my view at least.

For Nakayama-san's ideas, I tried to reconstruct that you are treating us a

new approach or a new constructivist approach to the soft power. That means we try to, with the Japanese government, try to reshape the mindset of other people. And then so essentially, in Asia where the post-modern Japan and a modern South Korea and a modern Taiwan, and a pre-modern China, and maybe increasing the digressing from pre-modernity North Korea, these are coexist together.

And then, as you said, many ideas like lifestyle, energy conservation, and longevity and these things could shape the way other people think. And then, if not that these people don't like Japanese, but they would ultimately think in an almost similar way as the Japanese.

But the question is, this is like Chinese medicine: It takes a long time. There is no immediate impact which could be utilized in the policy context. So these are my two distinct critiques to Professor Hu and Professor Nakayama. I'm happy to get your feedback.

DR. HU: Thanks for the questions. I think there's no limit -- there's no limitation on the Chinese side about its understanding about its soft powers, but the Chinese are still learning, that's true.

Now, the question also says that China is trying to use soft power as, you know, in an instrumental way. I do not personally share that belief. As I said, culture itself is not a soft power tool because cultural products are a contribution to the humankind. Everybody like it. Cultural products are getting a global identity, not simply belong to any countries, although it has a name recognition effect.

And also, I don't think economic clout should be used as a tool to promote soft power. This is clear in my presentation.

Now, I do share with your questions, the point that China have a lot of problem how to build and improve its international image, because this is a common problem for any country, especially a big power. You're vulnerable to criticism, you know. Everybody can criticize what you're doing, your policy. This is not just for China, but also for United States, and so China needs to get used to international criticism.

Now, the problem is image-building has both domestic and international constituencies, and sometime there's a gap, you know. Although there's overlap between these two constituencies, but sometime you really need to focus on what you're doing domestically. So maybe the message to our side is contradictory. Okay, you argue for culture, ethnical diversity, but your minority policies are maybe not quite in alignment. Yeah, that's true. You know, some practice -- you know, this has been pointed out -- I think China needs to -- there is some work needed to be catch up. But here the thing is this is a common problem for a lot of countries. The two constituencies, how you can satisfy both in simultaneously. Okay, thank you.

DR. NAKAYAMA: Thank you, Professor Matsumura. I totally agree that it doesn't have an immediate effect. It takes a long time, but I think by definition soft power and public diplomacy efforts, to see an effect it will take a very long time. So I think the important point is that if we're going to focus on ideas and lifestyles of Japan, you know, ideas and lifestyle of Japan doesn't change by a change in government, so it has to be continuous. So I think that's the most important point that we have to stress. This immediate effect, we can't expect that.

DR. LHO: I think we have time for possibly one or two more questions. Yes?

QUESTION: Thank you. I'm James Tang from the University of Hong Kong. Since, Chairman, you yourself has made some remarks about Korea's soft power, I'm wondering whether I could also ask a question of you in terms of your own assessment about the limitation of Korea's soft power. And how far do you think Korea's actually moving towards what you think would be more effective soft power in terms of, you know, the various other things that you mentioned and not just organizing a meeting? So that's the sum of my question.

Also, I have a couple of other questions for the other panelists. Toshi, I know you have a voice problem but I'm still a bit curious about the business dimension of Japan's soft power, because Japanese business actually has become even more globalized. But somehow the kind of figures you mentioned or other forms of articulating Japanese economic and business presence and voices in soft power terms seems to have been weakened. I don't know what's your sort of evaluation on that.

And finally, Peng Er, I don't know whether we can draw you out on also comparing Korea soft power vis-à-vis how China and Japan are being perceived in Southeast Asia. Thank you.

DR. LHO: I wish we had a half an hour where we could have a serious sort of discussion about your very important question. I'll just say that Korea's still a work in progress. We don't know. I don't think our political leadership knows. I don't think our political opposition knows. I think the whole country still doesn't have an answer about what we want to be.

The tragedy of power, I think, you know, that word has problems for this country. If the Republic of Korea decides as a national priority that we're not going to unify, that not only is the Korean Peninsula's stability best served by staying divided from North Korea but at peace with North Korea, or if it decides that it's better served by unifying at whatever high cost that entails, the paths that this country and this people will follow are going to be radically different, and the impact it has on the reorganization of the Northeast Asian political, economic, and military landscape will be consequentially very, very different. We don't know.

I don't think, to my recollection, that we've had a very serious national

debate about what is best for our future. Events have forced decisions on the Republic of Korea since its birth: the Korean War; trying to recover from it; now today feeling a little bit proud and confident that that we've emerged from the ashes relatively wealthy, relatively stable, relatively comfortable, and with a future, it seems. Things change rapidly in global affairs. Here nothing is assured, especially in this corner of the world.

So I think, to answer your question what is Korea's soft power, I think if we can call soft power something else, what is Korea's sort of example for other countries, if we can call that an aspect of soft power, is that you can go from utter hopelessness, utter devastation, and utter poverty, if you figure out a political system and economic modality of growth that you can achieve what we have. If we have soft power -- if we can call it that -- it's the power to persuade developing countries and the very least-developed countries that if you as a national system, as a political system, as an economic system get your act together, find a niche that works for you and try to compete with other economies around the world, find a niche that works for you, then you can reach a modicum of success.

Our ability to be an example to teach and, number two, I think politically it might be that we show as an example to other areas of conflict that, you know, being patient with provocations is better than going to war. I think we've done that for six centuries now. And despite this recent provocation, if we can call it that, by North Koreans' misadventure, I think the wise counsel would be to be patient once again. Trying to teach North Korea lessons, I think, will be counter-effective for both us and for the region.

So those are the kinds of things, you know, in conflict within areas we can go and say, look, we've lived with this kind of pain, and you can, too. And figure out a way to have dialogue. That kind of power may be what we offer, if you can call that power. Thank you.

DR. LAM: I will try to be succinct to respond to Professor James Tang's question about comparing South Korea with Japan and China. So his question is, how do the Southeast Asians perceive China and Japan? Okay, first let me address China.

I think we have to make a differentiation between country, civilization, state regime, and people, okay? So Southeast Asians, when they view China, there's a degree of ambivalence, a great deal of admiration for Chinese civilization. Country, yes, rising. That's also a consideration. Admiration for China's economic growth being a very important additional engine of growth, along with India, for Southeast Asia. So that's appreciated.

Regime. The soft power of the Chinese Communist Party is absolutely zero in Southeast Asia. Again, so you have to make a differentiation: state, party, civilization, people. In the South China Sea, that is one thing which is of grave concern. China's assertiveness, recent assertiveness, in the South China Sea. Okay, it's disputed waters. There's quite a degree of concern. So on the one hand, we can talk about

Chinese soft power. On the other hand, there's all this territorial disputes with China in Southeast Asia. Okay.

Japan. You mentioned Japan had transformed quite significantly in Southeast Asia. It started off as a fearsome samurai, conquering samurai, but in the 1970s became a rapacious merchant. But over the years, Japanese came up with the Fukuda Doctrine in 1977. In fact, the first country, Asian country, which enjoyed peaceful rise in East Asia, it's not China but Japan. Japan was the first country, post-Second World War, to not just talk, but also walk the walk, become a peaceful and fairly pacifist state. But it is not some kind of a passive pacifism, you know. It's an active pacifism in a sense that Japan is involved in peace-building in countries in Southeast Asia suffering from internal conflicts -- civil wars, for example. Right now Japan is a key player in the peace process in Mindanao, Southern Philippines.

It was active in Aceh, also a dispute between a region, Aceh, most Islamic region of Indonesia with Jakarta. Also, East Timor and Cambodia. Okay, so that's walking the walk, to some extent. The image of Japan is generally positive in Southeast Asia: anime, *manga*, cosplay, and so on.

A last sentence, Mr. Chairman -- a last sentence. Japanese soft power is by no means inferior to Korean soft power in Southeast Asia. Thank you.

DR. NAKAYAMA: I'll be very brief to James's question about the Japanese business leaders. I don't have enough knowledge to talk about leaders in Japan, but my impression is that the Japanese corporations have become like dinosaurs: the institutions are too big, and they're now sort of directed by commanding figures in the postwar period. They have become an organization, so you can't really pinpoint who the leader is. And in that context we don't see any business leaders like Makiyama-san of Mitsubishi Corporation, and Kobai-san of Fuji Xerox; there is no leader like that.

But there are some new rising businessmen, young in their 30s and 40s, in the Internet and other, you know, new fields. But they're more free-wheeling. They don't see themselves as Japanese, they're more like global citizens, so they're not really willing to sort of play their role in this political, you know, soft power public diplomacy arena. So that is an issue for us. Thank you.

DR. LHO: Thank you, Nakayama-san. It seems obvious to me that we could go on for another hour, but the coffee break is upon us, and Dr. Lim is winking at me. I think five minutes is not too bad. Perhaps he'll give us five more minutes for a coffee break.

But next session is hard power, so much of what we talked about will meld into the next session. So let's go have our coffee break. It remains for me to thank my three colleagues. Wonderful presentations. Thank you. (Applause)

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THE BROOKINGS INSTITUTION
CENTER FOR NORTHEAST ASIAN POLICY STUDIES

in cooperation with

CENTER FOR INTERNATIONAL DEVELOPMENT
KOREA DEVELOPMENT INSTITUTE

PANEL THREE

HARD POWER VS. SOFT POWER – WHAT HAS CHANGED?

KOREA’S SOFT POWER
AND EAST ASIA

Tuesday, November 30, 2010

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ANDERSON COURT REPORTING

706 Duke Street, Suite 100

Alexandria, VA 22314

Phone (703) 519-7180 Fax (703) 519-7190

PARTICIPANTS:

Opening Remarks:

HYUN OH-SEOK

President
Korea Development Institute

STROBE TALBOTT

President
The Brookings Institution

RICHARD BUSH

Senior Fellow and CNAPS Director
The Brookings Institution

Keynote Address:

SaKONG IL

Chair
Presidential Committee for the G20 Summit

Panel 1: Korea's Growing Soft Power:

RICHARD BUSH, *Chair*

Senior Fellow and CNAPS Director
The Brookings Institution

EVANS REVERE

Senior Director
Albright Stonebridge Group

SHIM DOOBO

Professor
Sungshin University

LIM WONHYUK

Director of Policy Research, Center for International Development
Korea Development Institute
CNAPS Visiting Fellow, 2005-2006

Lunch Address:

STROBE TALBOTT

President
The Brookings Institution

Panel 2: East Asian Perspectives on Soft Power

KYONGSOO LHO, *Chair*

Professor, Seoul National University
Co-Chair, Asia Society Korea Center
CNAPS Visiting Fellow, 2001-2002

RICHARD HU

Associate Professor of Politics and Public Administration
University of Hong Kong
CNAPS Visiting Fellow, 2007-2008

LAM PENG ER

Senior Research Fellow, East Asian Institute
National University of Singapore

TOSHIHIRO NAKAYAMA

Professor of American Politics and Foreign Policy, School of
International Politics, Economy and Communication
Aoyama Gakuin University
CNAPS Visiting Fellow, 2005-2006

Panel 3: Hard Power vs. Soft Power -- What Has Changed?

EVANS REVERE, *Chair*

Senior Director
Albright Stonebridge Group

GEORGY TOLORAYA

Director of Regional Programs
Russkiy Mir Foundation
CNAPS Visiting Fellow, 2007-2008

ERICH SHIH

News Anchor and Senior Producer
CTi Television, Inc.
CNAPS Visiting Fellow, 2003-2004

JIA QINGGUO

Associate Dean, School of International Studies
Peking University
CNAPS Visiting Fellow, 2001-2002

* * * * *

PROCEEDINGS

EVANS REVERE: Ladies and gentlemen, if you can take your seats, and we'll get started. Georgy is getting his technology put together over there. I'm impressed with the level of technology I've seen here today. Hopefully we have enough electric power, though. High-tech for me is a piece of colored chalk on a chalkboard.

I'm under strict instructions from my leadership that we will end on time, so be warned.

It is a delight to be able to chair this final panel today. I cannot remember a time when I have enjoyed so many and such a diversity of presentations as we've had today. And our mission that we have accepted for this last session is to pull some of the strands together that we have heard, with a particular focus on the link or the nexus between soft and hard power, and to try to gather and summarize some of the wisdom that we've heard today which will be an enormous project because there has been so much of it.

It's been noted by several of our colleagues today the very obvious fact that there is this important link between soft and hard power and that these two things do not exist in separate vacuum boxes. And one of the things that I hope my colleagues here will talk about is this linkage between the two and how these things interact. And, in an important sense, they are both a part of a continuum of power that states rely upon as they deal with today's regional and global challenges.

And I thought I would open with just a very brief anecdote, since a number of us have been in anecdotal mode today, to talk about this interesting connection between soft and hard power, because one of the most successful demonstrations of soft power that I have ever seen came because of an interesting application of the instruments of hard power.

One of my final tasks in the State Department as acting assistant secretary, on the morning of December 26, 2004, was to lead the State Department's response to the earthquake and tsunami that struck Southeast Asia. We woke up early that morning to this incredible scene of devastation, and several of us got together in the State Department literally within two or three hours after it happened, very early in the morning, and talked about what to do. And what we ended up doing was assembling, as it turned out, one of the largest U.S. military armadas since World War II: an aircraft carrier battle group; a Marine Corps amphibious-ready group that was actually on its way to Iraq and we turned it around; several hundred military aircraft building an air bridge between the United States and U.S. bases in East Asia going on down to Banda Aceh Airfield; and all sorts of other assets, which we combined with the assets that were made available by other countries, our cooperative partners in a so-called core group, including Japan and others in the region -- Australia, India -- and we combined that with the resources of the United Nations and NGOs. And for several weeks this massive military presence, largely military presence, was there, and a few weeks later it left. And this

massive infusion of military force and power that we put on the ground there ended up leaving a few weeks later, having killed no one and having saved hundreds of thousands of lives.

So my own contribution to his panel is just that little anecdote to show you an interesting linkage, that I would not have anticipated, between the hard and soft power. And I would only add that we did this in the largest Muslim majority country in the world where in the after math of events in Iraq and Afghanistan, our reputation was, to say the least, not very good. And when our military forces left Indonesia, positive support for the United States was polling at 90 percent plus.

Let's move on. I am sure that our three distinguished speakers representing three very important perspectives on these issues will enlighten us. They have many important and thoughtful things to say. I've been chatting with them on and off during the course of the day today, and I know they are ready to provide some very important and share some very important thoughts with you. And so without any further ado, let me introduce the first of our speakers today.

Seated to my right and is a good friend, Georgy Toloraya, who is currently director of regional programs at the Russkiy Mir Foundation, and a man that I have known for a number of years in a number of different capacities, and I am delighted to turn the microphone over to him.

DR. TOLORAYA: Thank you, Evans. How much time do I have? Fifteen minutes? Great.

DR. TOLORAYA: Modern Russia is one of the countries where the soft power probably lags far behind its hard power, although Russia, as well my Singaporean colleague Dr. Lam said here, is was one of the countries which offered some ideas for the humanity, none of them very successful—like the Russian interpretation of communism and socialism. It did gain worldwide attention and some sympathy in the beginning and middle of the 20th century, but, well, when its attractiveness lost its luster, communism collapsed, although at the time Soviet hard power was probably at its peak.

Well, naturally my opinion is that it was exactly this loss of soft power, loss of ideology which resulted in this, and I would say that Western soft power did much to obtain this result because I believe that John Lennon and Paul McCartney did more to break communism in Russia than Ronald Reagan did.

(Laughter)

So now we are at a new stage and quite recently there was a search for a new identity for Russia and a search for, you know, other ways to project its soft power because the Russian image abroad is, well, not very positive. It's often that of a drunken Cossack riding a deer with a balalaika and Russian beauty at his lap, something like that. And there was a need for playing in this game, and it was recognized sometime in the middle of the first decade of this century when the high oil prices brought economic de-stabilization, and political de-stabilization. And that's about the time when Russian

leaders and Russian intellectuals started thinking about the projection of Russian power and, well, at least working out some of the ideas and ideals and values of Russia.

One of the early responses was the creation of Russkiy Mir Foundation, which I work for now as a director for regional projects and specifically for Asian-African projects. And this is a legally NGO, but it was created with the decree of then-President Putin and its co-establishers are the Minister of Foreign Affairs and the Ministry of Education and Science. And we are financed mostly from the budget and some corporate sponsors as well. But being a nongovernmental organization legally makes us much more flexible and makes us, you know, not to follow very strict, you know, government-related rules, like needing a tender to buy every little piece of furniture or something like that.

So our foundation and, well, the intellectuals, we gather right now to figure out what are the Russkiy Mir, which literally means “Russian world” because “mir” in Russian means world, but “mir” in Russian also means peace and it also means community. So this is something like a message of the Peace to the World Community or something like this. So we are working out just to formulate some ideas and values of the Russkiy Mir, of this Russian world civilization, and also promote in it at the same time.

We already have established about, I think, 62 Russian language and culture study centers in major universities of the world, among them a couple in South Korea. One is, by the way, in North Korea, at Pyongyang University of Foreign Languages, so we’re promoting Russian soft power to North Korea as well, and hopeful it’s not that useless for the world as well.

And we are giving grants to different projects related to Russian culture promotion, so -- but we have to study. And I would say, frankly, that the annual report of Korea Foundation is one of my books lying on top of my desk because I really endlessly see how greatly sophisticated Korea has become in recent years to promote its positive image abroad.

And among other things we know that regardless of crisis, the Republic of Korea adopted a national branding program in 2009, which costs the equivalent of \$74 million a year, and the goal is to acquire the 15th position in the global nation branding index. So this is really a good example of a good setting of goals and good technology to attain them.

However, when -- and I come to the second part of my presentation -- when Korea is seen from Russia, we would say that these efforts for promotion of its soft power of Korea is not so much related to Russia but to Asia, to the Western countries and developing world. Traditionally, in Soviet times, brand Korea in Russia was associated with North Korea and, therefore, the quite, quite negative connotations. And South Korea at that time was just seen as a not very big state between China and Japan, just under the influence of the U.S.A.

However, after normalization of relations, South Korea was perceived with euphoria. As one of the researchers who lives here in Korea, a Russian researcher, writes Korea became -- wait a moment, I'll quote -- "a symbol of everything the Soviet people consider desirable: market economy, dynamic economic growth, openness to outside world," and especially the 1988 Olympics played a positive role at the time.

So for an average Russian, South Korea remains a country of technological wonders and economic success, and especially of the omnipresence of Korean companies like LG, Samsung, and Hyundai. They have become household names in Russia, and this provides a very positive image of the country.

Korea is now number 23rd destination for tourists for Russia. Actually, that's ahead not only of Japan but the U.S.A. as well. And the numbers of tourists has increased three-fold since 2007. And a Russian opinion poll shows that 58 percent of the Russian population considers Korea to be a friendly country. The connotations showed little drag in gaining power, remarkable progress, Koreans are seen as a laborious people and a working country, a non-wasteful country, use every grain, nothing is lost, people working like bees, et cetera. These are the quotes from the opinion polls.

However, I can say that the phenomenon of *Hallyu* is largely unknown in Russia, and only the soap operas and movies like *Shiri* and *My Wife is a Gangster* and some other films were shown mostly for elite public or in -- well, by some regional TV channels, for example, in Sakhalin and in the Far Eastern region. And Russian TV networks don't show these Korean serials and the Korean pop stars are also largely unknown in Russia, apart from some occasional concerts.

Also, Korean cuisine hasn't gained much popularity unlike Japanese. Japanese sushi has remarkable, enormous success in Russia. I don't know why because it's quite contrary to the normal Russian diet, and it's quite, quite, quite unaccustomed for Russians. But in big cities, well, you can see Japanese restaurants, well, about two in a block, you know. And interestingly about Korean restaurants, well, in Moscow I think there's only five or six restaurants which are mostly located in one place.

I would say that South Korean soft power, if you take it related to the hard power, is much more influential in Russia than South Korea's hard power. We could talk about that because largely South Korea is perceived just to be under the U.S. extended defense umbrella. And so it's not really much taken in consideration, and there's the soft power of Korea which is more popular in Russia.

However, still there exists a sort of dichotomy because one part -- there is rather strong if not numerous pro-North Korean lobbying in Russia, and the die-hard communists and conservatives who consider North Korea very positive and support it. And actually, if we look into the statistics, for example, of the Russian news agency, ITAR-TASS, for the period of the last 20 years since normalization of relations with ROK, the news about Korea is almost evenly divided: almost 160,000 news items on North Korea and 150,000 on South Korea.

But I should say that news on South Korea are mostly positive. And, well, if we analyze them apart from some episodes like the, well, offensive cartoon published in the *Korea Times* of the terror acts in Moscow, the news on Korea and the information is quite positive. And a recent review by KOTRA in Russia showed that Korea received 4.6 points out of 5 on the (inaudible). This is quite an achievement.

So summarizing, I would say that there are several tools which are used by Korea and which can be used for promoting its positive image in Russia, promoting and projecting soft power. Well, first is, of course, bilateral visits, especially from Russian citizens to Korea. No one I know has ever said some negative things about Korea because everybody was very much elated about the experience of this country. And for this the special government-sponsored exchange programs are very effective. And Russians are in the ninth place among foreigners coming to Korea. The bulk of them comes from Moscow and the Far East, including some sailors and some tourists as well.

The education systems are not yet used effectively for promotion of a positive image. There are only 550 Russian students in Korea and about 1,000 Korean students in Russia. Korean language is studied in 26 Russian universities, and 19 of them are in the eastern part of Russia. And the Korean government and educational institutions they suggest many new programs, like electronic learning, organizing an educational center, bilateral universities, et cetera, but it still has to be implemented.

I would say that Russia-Korean studies in Korea has a long history of more than a century, but now it's actually declined due to low financing. And Korea provides assistance to scholars which is very effective, especially for Korea Foundation grants and activities. And, well, this is effective politically because, well, this small group of Russian Korean experts there, well, their opinion is listened to in the policymaking bodies.

For example, the Russian Association of the University of Korean Knowledge was created and supported by Korean government. But in 1990-2006, there were only 500 books on Korea—in all areas of Korean studies, including philology, history, traditions, and modernity—published in Russia, which is much less numerous than in, say, in U.S.A. or China.

So I've already said about Korean TV and video production. And, well, it is inadequate and I don't know what to do with it because, well, Russian public is more West-oriented. We are mostly under European and American cultural influence. This is a fact, but, however, the interest to Korea, to the Eastern civilization, to the Orient, is now growing, especially in part because of Russian efforts to establish itself as a Euro-Pacific power as to be -- to increase its cooperation with China and other Asian countries. So I think this is a good chance for Korea to ride this wave of interest and introduce more of their pop culture and production to Russia. And one other thing: taekwondo is gaining popularity, but other sports are virtually unknown.

Well, I think that the products of Korea which are mostly popular in Russia are technical products -- automobiles, electronics, mobile phones -- but not good-

living clothes like fashions, accessories, and hair goods which became so popular in Asia.

Okay. So I think I gave you a little briefing on how Korea is perceived in Russia, and also some suggestions about how it should be promoted. Thank you.

MR. REVERE: Thank you very, very much, Georgy. It is very, very useful.

We're going to shift to a Taiwan perspective now, and I'm delighted to be able to introduce Erich Shih, who will offer his perspectives based on a career at looking at developments in hard and soft power from his position as a journalist and a news anchor over the years. Please.

ERICH SHIH: Thank you, Evans, and indeed today's discussion has been very, very interesting. Well, starting with the notion soft power, of course, it means many things to different people. And Joe Nye has his version of what soft power is, but in the rest of the world people adopt the phrase, but they interpret differently. And if I try to use Joe Nye's version of soft power, then it can be said that I am a product of American soft power. Because the culture is desirable. I, like many people before me, I grew up and went to college in Taiwan, and after that I went to the United States to study and I stayed there for 18 years. And I remember Richard once said that I'm practically an American. And actually, the fact of that when I'm in the newsroom, my colleagues call me an American.

And so spending 18 years, and 15 and 16 years of which in Washington and then moving to Taipei a year and a half ago, sort of gives me a different interpretation of what soft power is. And since we're in Korea, my imagination of the Korean definition of soft power is what the rest of the world is looking at the United States for -- basically, it's American pop culture. That's American soft power. It can be narrowly defined as such.

For example, Washington is the heart of world hard power and Hollywood and Madison Avenue are the centers of soft power. Basically for any other country who wants to exert its soft power, the best way is to assimilate itself into the current existing framework of American soft power. For example, the Hollywood version of foreign movies or the Hollywood version of foreign TV shows, like *The Weakest Link*, or the foreign actors starring in Hollywood movies—are too many for me to name.

But there's been a gradual change because of the peace and stabilities and the spread of liberal democracy and the loosening of controls by certain regimes. So it unleashed boundless energies and creativities. And so the consumer culture or the pop culture, is no longer dominated by Western democracies, especially leading by the United States. And we see many nations in a process of becoming a liberal democracy. They unleashed their potentials, and they try to reinvent their culture to make them more attractive in the eyes of many, to make it attractive, to make it desirable. It is no longer the turf simply belonging to the United States.

And one very good example is Japan. Like Professor Nakayama had stressed, even though the Japanese economy has performed poorly since the 1990s, this is exactly the moment where the Japanese culture influence started to take off. And nothing is more true than video games. And we have things like Nintendo, PlayStation, and SEGA. And arguably, the game called *Gran Turismo*, I believe most of the younger generations know what it is, or if you're old enough you know what that means because your kids are always talking about it.

And we have a bunch of American generations, young generations, that are talking about Mitsubishi Lancer Evolution or they are talking about Nissan Skyline GTRs and they are talking about Subaru Impreza WRX STI. These are the cars never being imported to the United States nor to the rest of the world, to be fair, almost none, especially Skyline GTRs, but everybody has heard of it and they want one simply because they play *Gran Turismo* in the PlayStation console. And that's how the Japanese soft power become relevant.

And, of course, the other thing is Japanese *manga* and Japanese animation. And it has become so popular that nowadays, during my days in Washington at least, all the young high school students or even primary school students, they read the same *manga* that I read earlier, but only that it's not in Japanese, it's in English. And this is how the Japanese soft power is being disseminated and it's a perfect example. And now we're talking about Korea, the ROK. Actually, the ROK is a very, very fast emerging new force to be reckoned with in this arena. But of course, it has yet to show its influence on the world stage.

But just like that Professor Shim had mentioned this morning, while it has become a serious phenomenon in East Asia. For example, Korean fashion and Korean TV drama and Korean pop idols are so popular in East Asia that, as many of you may remember, the wife of former Japanese Prime Minister Abe freely proclaimed that she is a fan of Korean pop culture, and she's a fan of the famous actor Bae Yong-joon. And this sort of softened the relationship between Korea and Japan, from the outsiders' perspective, because it made the Abe administration more welcome in the eyes of many Koreans. Because how can the Abe administration be hostile to Korea if the wife of the prime minister is a fan of one of our biggest TV stars?

And since my wife and I moved away from Washington and settled down in Taiwan for the past year and a half, we got to experience what people have been talking about in terms of Korean soft power because it's difficult to go anywhere without feeling the presence of Korean soft power. For example, the hit group Wonder Girls, and their MTV video "Sorry, Sorry," it's practically -- everyone's heard of it and everyone can sing a little bit of it and dance a little bit of it.

And, also, the Korean TV dramas they're more popular actually in Taiwan than, say, arguably, Taiwan's own TV drama production and certainly more popular than mainland productions, more popular than Hong Kong productions, and more popular than Japanese productions.

And, of course, the quality and the skill, the level of sophistication of the Korean cosmetic industry has become the standard bearer or the reference for many East Asian countries. It's basically the standard and, of course, by the perfect look of Korean celebrities. And it is known that the Korean celebrities, they are really into this cosmetic surgery -- big and small -- and the result of that is that nothing is short of perfection. And this is how the influence of Korean soft power has spread in East Asia in the past 10 years or so.

But, of course, soft power is like hard power. It has its own limitations and, for example -- a perfect example is Japan. Just like Professor Nakayama has said, that cultural export was something big in Japan, but anti-Japanese sentiment is quite another. You can freely buy Japanese consumer products, adopting Japanese pop culture, playing *Gran Turismo* on your PlayStation console, but when time comes and you go and you rally against the "Japanese invaders" and you swear you'll never forget what they have done to people back in the 1930s and 1940s.

And, of course, there are limits of American hard power and American soft power. And you don't need to look far and you can look at South Korea, and the base issue and the transfer of command issue and, over the years, the anti-American sentiment—even though the American soft power is omnipresent. It's everywhere. And another example, a case study about the limitation of Korea's soft power, it was the Asian Games that just concluded yesterday.

And just like Georgy has said, that taekwondo has become very popular in Russia. It has also become very popular in the United States, as well as in Taiwan. And then, you know, the Korean culture is so popular in Taiwan. But during the Asian Games, when a taekwondo competitor from Taiwan was disqualified, it immediately triggered an outrage against the Republic of Korea. And it was really, literally a public outcry and people targeted anything that is of Korean origin. You have people stopped eating and buying Korean food. They vowed to stop watching Korean dramas and Korean entertainment celebrities -- at the prudent judgment of some of their agents -- decided to postpone their trip to Taiwan. And if you search the web, you can find everything and anything you wanted, full of emotional opinions. And you have homemade videos posted on the web mocking and trashing anything that is Korean.

And the Taipei Korean School was even attacked by eggs, but nothing more serious than that, not Molotov cocktails. And some Korean stores in Taiwan reported a 20 percent to 30 percent drop of sales. And you have importers of Korean cosmetics and Korean electronic products publicly destroying some products to show their support for the Taiwan athletes.

And in terms of media, the media either initiated it or they enabled it, or they were forced to follow this anti-Korean trend. And, of course, the Taiwan mayoral elections has just concluded last weekend. So during the run up to the elections, of course, the politicians weighed in and they declared their support for the female athletes and basically accusing the other party of not not showing enough support for our athletes.

And so, in short, my conclusion is the world has become a better place because of soft power. But the problem is, without hard power to back it up, soft power will basically remain soft power. And soft power, I think, can enhance the presence of hard power. For example, we all say that we know that America is powerful, but we don't know what really makes America powerful unless you see a carrier strike group staging offshore, 30 kilometers away from your capital. The United States has the hard power to back up the country's soft power.

And does soft power matter? It matters. But does soft power not matter? It doesn't matter. If you look at the case of the People's Republic -- it is one perfect example. The People's Republic is rising very rapidly and -- but in terms of soft power, it is modest. And it is increasing, but it is modest, but it's hard power has barely diminished, if not increased.

And, for example, the evidence is everywhere -- from the renminbi issue to the trading imbalances to the tense situations in the Korean Peninsula. And so my conclusion, again, is that soft power is very good. Soft power is desirable. But if you really want to make your presence shown and to influence actors on an international stage, you really need to have hard power to back it up.

And American hard power is a lot easier for many countries to absorb because of what it stands for: the moral high ground, the ideas, and the leadership, the generosity, the culture. But rest assured, without all of the above-mentioned elements, America would still be the most powerful country in the world and still exercising the same influence. Thank you.

MR. REVERE: Erich, thank you very much for that very thoughtful and comprehensive presentation which also, among the other things that you accomplished, teed up our next speaker perfectly, I think. And so, let's move directly into the presentation by our next speaker, who is professor and associate dean of the School of International Studies at Peking University. Jia Qingguo, please.

JIA QINGGUO: Thank you very much. It's great to be back in the Brookings crowd. And also, I want to take this opportunity to thank KDI for the invitation.

As far as China is concerned, I think the short answer to the panel's question -- that is, hard power, soft power, what has changed? -- the short answer to this question is that there is both change and continuities, okay? On the continuity side, China's belief in hard power has not changed that much. As a developing country with a humiliating history during modern times, China believes in hard power and has been trying hard to attain it, both in terms of the economy and in terms of military modernization.

As one of the slogans in Chinese said, *guojia zunyan shi da chulai de*: national respect can only be obtained through fighting. So, without a strong economy, without a strong military, you are looked down upon. That's the kind of a lesson many

Chinese learn from the past. But as far as China gaining hard power, especially during the past 30 years, China has attached greater importance to the question of soft power and has done a lot in this regard, especially in recent years.

Before we talk about China's approach to soft power, I think we need to disaggregate the soft power concept, as some Chinese have been doing. I think maybe soft power can be disaggregated into something like soft power resources, soft power management, and also soft power effectiveness as a sort of result.

When we talk about soft power as resources, we're including things like hard power resources -- hard resources, like quantity and quality of China's economy, Chinese military, science and technology capabilities. And then there are also soft resources, such as culture, education, ideas, values, visions, we have talked about.

Both hard resources and soft resources are sort of a necessary, but not sufficient, condition for soft power. So, a country has to have some kind of hard and soft resources to have soft power. In terms of soft power management, we're referring to the ability to transform resources into power. In other words, how to mobilize your hard and soft resources for certain policy objectives.

And, of course, in terms of soft power effectiveness, basically the criteria is whether you can get things done. In China's drive for soft power, it appears to me that China's focus is on soft power management and effectiveness now. It has made some progress in soft power management and has been effective in some areas in terms of soft power effectiveness. However, overall, China's soft power effectiveness has been limited to the frustration of many Chinese, including their leaders.

Over the past years, China has made a lot of efforts to improve the soft power management, such as building Confucius Institutes all over the world. Now you have hundreds of Confucius Institutes. The Chinese government has spent a lot of money on this.

China has also drastically increased the number of fellowships to foreign students, especially those from developing countries. And also, China has been conducting growing numbers of training programs for foreign officials and officers, military officers, especially from developing countries.

China has also made increasing efforts to propagate Chinese views overseas, through media and other means like the Internet, including the recent publication of the *China Daily* in the Korean language, as I was just told. And also, China has assigned more importance to the recent, heightened interest in public diplomacy. The Ministry of Foreign Affairs of China just set up an office a few years ago to manage public diplomacy. And also, the Chinese leaders, as far as I know, are paying more attention to so-called public diplomacy. This concept has been included in the Chinese official document.

China has tried to explore appropriate ways of representing China, for

example, in holding the Olympics. The Chinese government spent a lot of time, you know, trying to come up with ideas as to how to make it attractive, not only in terms of facilities, but also in terms of ideas. So they talk about the ideas of green Olympics, scientific Olympics, and also humane Olympics. And, of course, the CCTV -- Chinese Central TV -- has done a lot of things. Among other things it has hired foreign correspondents and anchor people to give China a new face.

And China has also made a lot of efforts to develop new and creative ideas for management of international relations, such as the things that actually Richard Hu has mentioned, like a new security concept, “harmonious world” and “common and differentiated responsibilities” when we talk about climate change. Of course, some people have regarded this as a sort of obstacle to progress. But anyway, when you look at all these efforts, many Chinese still feel that China has a shortage of resources in terms of soft power, okay? They’re not confident, especially on the question of ideas, institutions, visions.

For example, when people talk about the “Beijing consensus,” there is a lot of difference -- a lot of debate as to what that means. A lot of people say there is no Beijing consensus. A lot of people say that we don’t have a model. A lot of people say that, you know, so-called China’s development model is not repeatable, okay? In other words, it’s kind of something unique to China, so there is no such thing as a China model for development.

So there is a lot of difference in terms of what other people can emulate. But Chinese overall share the belief that there is a need for combined use of soft and hard power resources. In other words, smart power, okay? But how to balance that is a question that Chinese often debate among themselves.

Despite its success in some areas of soft power effectiveness, the Chinese often feel frustrated with the way China is interpreted and understood in the outside world. There are a lot of criticisms of China and I was asked once by a journalist from *Global Times*, you know, how do you interpret this? I said don’t worry about this, you know. The stronger China becomes, you get more criticisms. The country which gets most of the criticism is the United States. We’re far from that. But, anyway, there is a lot of frustration.

To conclude, I want to say that as far as China’s policy is concerned, China’s approach to hard power has not changed very much, but its approach to soft power has changed a lot. China has devoted a lot of resources to soft power management and has made some efforts and has devoted a lot of resources to it.

China may have made much progress in terms of soft power management, it’s soft power effectiveness is likely to remain limited. This is because China itself is caught in domestic development and reforms and has a long way to go to build up its soft power resources at home, such as political institutions, values, and visions, ideas.

Given the fact that China will need more time to sort out its own domestic

problems, it's likely to take some time for China to develop soft power that can live up to people's expectations. If one wants China to have more soft power, one has to be more patient. Thank you.

MR. REVERE: Thank you very much, Dr. Jia, for yet another very good presentation. We've had three very distinctive and very thoughtful interventions by our colleagues here, and I want to open the floor for questions.

And I thought I would take the liberty, since I'm in the chair and I've got hold of the mic here, to perhaps ask the first one. Because something that you said, Dr. Jia, really struck a chord with me, and you were talking about the occasional frustrations that China feels as it sees the way it is perceived in the world. And as a former American diplomat I can only say welcome to our world.

(Laughter)

But on a serious note, what steps, in your view, that China has not taken so far might it take to get a better sense of how effectively you are telling your story in the world? You mentioned it in passing that CCTV has some foreigners as correspondents and reporters there presenting a somewhat different image, which I think is probably a very good thing. But in terms of getting a better sense of how the product is selling out in the world and how your image is being effectively presented overseas. Are there other things that you think that China can do better in making the sale, if you will?

DR. JIA: Well, that's a good question. I think China has not been very successful in explaining the rationale of what it has done, to explain effectively why it has done certain things. Basically you don't hear a lot of explanations from China in terms of why it does certain kinds of things.

For example, more recently, as far as South Korea is concerned, China has called for an emergency meeting of the heads of the delegations of the Six-Party Talks. And from the Chinese perspective this makes sense. But the problem is why does it make sense? I think China has not been very effective in terms of telling the world, you know, why, you know, we must have the third meeting of the heads of the Six-Party Talks, why this meeting can make a difference from the Chinese perspective.

Unless China can effectively, you know, offer explanations to its behavior, to its decisions, China will have difficulty because people can interpret this decision, this behavior from all kinds of ways, especially when they don't know China, when they have suspicions of China. They can talk about China from very different ways, not to the liking of the Chinese leaders.

MR. REVERE: Thank you for that. Let me open the floor up to questions now. Please keep your questions in the form of questions. Keep them brief. Identify yourself. And first and foremost, wait for the microphone to arrive there.

And I thought I saw a hand way down there. Yes. We have been ignoring

the corners of the room here, so let's make up for our sins here. Please.

QUESTION: Hi. My name is John. I'm from Jawaharlal Nehru University in New Delhi. Thank you for the wonderful presentation and the insight. But, however, I think we need a more analytical understanding of what a soft power is all about. But since we're dealing with power and, I don't know, we need more analytical understanding in terms of how soft the soft can be. Since we're dealing with many factors, the soft power aspect of the conservance of (inaudible) values to put it from the nationalistic or a nation state power, so that I don't know how soft that can be.

And also, my question goes to the chair actually because you are actually the one who was referencing it before. It's about we need a more plural and comparative understanding of what is soft power and the softer aspect of it. Because I'm from India and we have a backfired -- I mean, in the early 2000s, we had this "Shining India" campaign. Actually it was a political suicide for one party and they were thrown out of power, so we have to be careful about the domestic response of the image creations that we do.

And also, the one aspect of promoting this national power we seems to be having lots of national branding campaigns. And we also should not forget the fact that it's actually promoting an identity conflict, based on national levels. And that could be more dangerous in the long term. Erich has already said how it could backfire from the Taiwanese experience. So we have to be very careful in dealing with it. Actually we are dealing with very sensational matters. So how do you respond to it?

MR. REVERE: Thank you. Erich?

MR. SHIH: Well, my problem with the idea of soft power is basically it's very difficult to define. And Professor Joe Nye, of course, wrote an article, and then subsequently he wrote a book about it. And he's going to Taipei next Wednesday and deliver a speech about soft power. So I'll give it one more try to understand exactly what that is.

(Laughter)

And my problem is that it's a very difficult concept to grasp. And I think it is also something that is uniquely American because the United States is the most powerful country in the world. And the United States is in a position to think about the outreach of her power. Is there anything that we can do as a nation or to do more to achieve our national objectives other than the pure use of hard power?

And many people may not agree, but let me try to ask you this question: Has any country ever successfully persuaded the government or the people of the United States to pursue a policy or a course of action that is to its liking by using soft power? I cannot think of any. And this pretty much, you know, explains my understanding of soft power as an academic term and the limitation of the phrase "soft power."

But anyway, I'll give it a try next week. Thank you.

MR. REVERE: Strobe, you had a –

STROBE TALBOTT: Absolutely terrific panel. I'd like to put a question to Georgy and then a question to the panel.

Georgy, could you give us what you think is the best way of understanding President Medvedev's visit to what our Japanese friends call the Northern Territories and what he calls a particularly beautiful part of the Russian Federation?

(Laughter)

And for the panel as a whole, including the chair, I'd be interested in your candid views about the current state of American soft power in the light of the weakness and ill health of America's fiscal situation, which Joe Nye, of course, includes as a component of soft power. I've already sent him one e-mail. I'm going to have to send him several P.S.'s it sounds like. He's far and away the most quoted personality at this conference, which may say something about soft power itself.

But the other shadow over American soft power from my own travels seems to be the manic depressive cycle with regard to what only two years ago was the celebration in many countries around the world -- not all -- of the Obama election and now the sense of disappointment and dismay that seems to have crept in. So a response on that would be interesting as well.

DR. TOLORAYA: Well, President Medvedev's visit to the Kuril Islands, I think it was meant as a public relations exercise. Nobody much heard about it actually because it was planned as a part of his tour around Asia and Russia, and so this was seen just as a sort of occasion to visit this area, to pay attention to the needs of the Far Eastern people. So nobody, in fact, expected the Japanese to react so strongly. And after that it was a matter of principle, of course. You cannot take advice from foreign governments where the national leader should go. What if the Japanese would tell President Lee Myung-bak not to go to Dokdo, for example?

And I would say that from the internal policy point of view, well, this visit got overwhelming support of the Russian population. So if you're speaking about the soft power in terms of internal politics and election considerations, that was a right step. In terms of foreign policy, probably not. The timing wasn't good, but actually no one thought it would be just in the middle of the Chinese-Japanese conflict.

And one more small comment on the U.S. soft power. When I grew up in the former Soviet Union, well, everything in the U.S. was a sort of icon. Starting from jeans and music to films. Now I see that the Russian population, the most part of it, are not so fond of America. And this means that the soft power, when it's combined with hard power, sometimes this gives a negative effect to the perception of a country in another part of the world. Thanks.

MR. REVERE: Strobe, I'm going to defer to my colleagues on your second question, but just make one comment on it. I really want to hear their perspectives on how we are viewed in Taiwan and China, et cetera. But I'm just wondering whether the downturn in the U.S. economy, that the net effect of that is that it is not so diminishing America's soft power -- it has done that obviously because we don't have the resources that we had -- as it is affecting the way America's ability to apply its hard power is perceived around the world by both friends, allies, and adversaries. But let me defer to my colleagues on that and the other questions that were raised.

MR. SHIH: The short answer to your question, Strobe, about the diminishing American perceived soft power and the budget deficit and all: I think, of course, it hurt the United States. And the best way to deal with it is to get the fiscal policy back in order and to make America healthy and strong again. And people like the United States. People want to be Americans not only because the country is strong and it's big, it's also a success story, and the people believe in it and the people believe in so many values that it represents. But you have to be successful for people to believe in you. And right now, the fiscal policy or the national debt is one serious problem. If it is perceived that the United States is not going to be that attractive if -- from an outsider's point of view -- the United States cannot get the fiscal policies in order obviously it hurts their reputation. The best way to deal with it is to really just run a good policy and do good politics.

DR. JIA: Well, I think the impact of the economic problem on U.S. diplomacy or soft power happens more on the minds of the Americans. It's less confident in addressing certain kinds of issues. I think American soft power has not changed that much, but then it's the question of, you know, if you believe this is right, you should push for it. But, of course, it has undermined the soft power effectiveness in the sense that you cannot devote enough resources or adequate resources to push for certain good ideas, such as climate change or free trade or principles -- in that order.

As far as the relationship between democracy and soft power, I think democracy is a plus for soft power in some aspects and then it's a minus in some other aspects. American allies and friends are often frustrated, you know, whenever you have an administration change—especially when the opposition party comes into office, they want to change everything, but then after two years of problems then you change back. So everybody has to go along with it. It gets very frustrating.

But then, you know, on balance, I think, you know, it's still a plus, it seems to me. People understand, oh, you have a system like that, you know, and this is reality. You can't do certain kind of things. You can always say, oh, it's because of the opposition party or the Congress or somebody else. You still want to do this. You still want to fight climate change, but then, of course, we can't do very much because of the Congress, because of the Republicans. People understand or at least people have to swallow, accept, despite the frustrations.

MR. REVERE: Do you have a follow-up?

MR. TALBOTT: Yes, if I could. I'll just bellow. Qingguo's and Erich's last two comments lead me to want to put on the record of this conference something that Mike Mullen, the chairman of the Joint Chiefs of Staff, was willing to put on the record even though he said it off the record at Brookings last May. He gave a tour of the horizon of the various hard power challenges facing the United States. And at the end of this presentation he was asked what is the single biggest threat that keeps him awake at night? And his answer was the national deficit and the national debt. That, coming from the senior military official of the United States, I think represents some sort of nexus between hard and soft power or threats thereto.

MR. REVERE: He's a wise man. Let's come over here on this side.

QUESTION: Hiro Matsumura. As for the effectiveness of international media reporting in the context of soft power I'd like to sharpen the chair's question to Professor Qingguo, but I'd like to address this question to all of the four.

My question is, is soft power possible without free speech and a free press? There is no such country with ideal free speech and a free press. It's ranged from direct governmental control and censorship and/or self-censorship by the media itself or control under the name of classification. But the U.S. certainly has a criticism because of its tremendous power, but it has, at the same time, exercised some soft power. So soft power does not necessarily conflict with criticism.

And again, maybe because of recent WikiLeaks affairs, the U.S. government may suffer from a decline of confidence. But if the U.S. media reported these issues very well, U.S. media and also the U.S. soft power may experience some increase in confidence. So how do you respond? This is a very serious question to our Russian and Chinese fellows. Also, in this WikiLeaks context, it is also a very sensitive question to Americans, too.

MR. REVERE: You want to start?

DR. TOLORAYA: Well, I'll just answer the second part of the question. As far as I know, the Russian government said it has found nothing interesting in the WikiLeaks information, so we're not going to play this game.

(Laughter)

MR. REVERE: Spoken like a true former diplomat.

DR. JIA: Well, the relationship between soft power and freedom of the press and speech I think is a complicated one. Of course, you cannot have much soft power if you are completely a dictatorship. And a complete dictatorship would make it very difficult to develop your economy and become really powerful in terms of resources.

You know, if you look at China's development, accompanied with China's

rise China has become more liberal in terms of press freedom and also freedom of speech. Of course, there are still a lot of limitations. China believes that the level of freedom is associated with the level of development. Unless you have strong institutions, freedom of speech may cause more damages than benefits. So you have to balance between political stability and also freedom of speech.

But if you are a developed country where the institutions are strong, even though you still have certain limitations on freedom of speech in terms of political correctness, you can tolerate a greater level of freedom. But then when you are in a developing country where institutions are weak, political stability can be jeopardized if too much freedom is allowed in the eyes of a lot of people in China. So we have to balance between the two and, of course, try to make the press and personal speech freer as our institutions become stronger and also the economy more developed.

MR. REVERE: I'm going to pass on WikiLeaks other than saying that I completely associate myself with the eloquent and thoughtful and profoundly important comments made by Strobe Talbott at lunch today.

Let's come over here.

QUESTION: Scott Harold of RAND. I'm going to attempt a quick synthesis of two comments that I didn't necessarily agree with and would like elicit more comments on.

First, Professor Jia just said, if I understood correctly, I think you said you could not have soft power under an absolute dictatorship. That doesn't accord with my understanding of Chinese history, particularly in the post-1949 period. China's soft power is greatest when it actually stood for something. It stood for revolutionary class warfare, a value that was also associated with decolonization and was appealing across much of Southeast Asia and Africa, in my sense. Which I think drives to the question of what really determines soft power's impact? In my mind, soft power is about one thing at least, and that is what is global politics about at the period in which we're talking about?

I think one of the reasons to then turn to the question of something Lam Peng Er said -- does Korea have any great contribution to soft power, to human society? I think that Korea democratized at a time when many countries were moving from the view that decolonization and class warfare were the order of the day to a view that said development and democratization were the human values that countries should pursue, something China has not yet done and something that I think many outsiders criticize China for.

And so then to look at what Korea has done, I would say the ROK's contributions to human society include a rotation in power peacefully of political parties, and—extremely impressive in the Asian context, the prosecution of former presidents for military crimes. In the Taiwan context, one could say that Korea applied a generosity of politics in the pardons that were issued to those former presidents. And there is a

relatively egalitarian level of development that I think many in the U.S. believe we could positively learn from that Taiwan, Japan, and many in Asia aspire to.

So I guess I would push back a little against the earlier definitions of a very narrow or instrumental approach to soft power. I actually believe in an extremely expansive version of soft power. It's not just blue jeans. It can't just be Japanese video games. But when I want my society to look like modern China, contemporary China, then China will have soft power. When I believe that the only things I'm getting from Chinese media are more effective propaganda or a more widespread monolithic recitation of the views of the news of the Chinese Communist Party, then China will have less effective soft power. Similarly, I think that you hear a diversity of views from South Korea, and I think that's why South Korea actually has more effective soft power.

But I would be very interested in learning from the panelists if I've made some error or if there's something that I should learn from them about their views on this matter. So thank you.

MR. REVERE: In my opening comments this morning, I think I gave a definition in effect of soft power that overlapped with a lot of what you said, and I'll say no more about that. But I do want to turn to Dr. Jia and ask him to take on the hot potato that you threw his way.

DR. JIA: I'm not sure whether during Mao's period, especially during the Cultural Revolution, China was more powerful in terms of soft power. I think a lot of people during that time draw inspirations of ideas from different parts of the world and they just happen to hit upon Mao's ideas, even though they did not understand what went on in China. As far as I know, many of the Maoist scholars in the United States became so frustrated, and some of them even became anti-China after China opened up and they went to China and saw that China was very different from what they had anticipated. And also, in terms of influence, even in terms of soft power, China now has much greater influence than during Mao's period.

Now, when people think about things, you know, they think about China. They think about what China wants to do. They think about, you know, how we should manage if China does this and does that, much more than during Mao's time. It's precisely because China's influence was, at that time, not so big, but maybe bigger than China's hard power at the time, that the United States pursued a sort of policy of isolation and containment until the '70s, until the beginning of the late '60s and '70s. So China could be ignored or somehow ignored and managed as sort of outside the international society because China did not have the power -- even when you talk about soft power.

MR. REVERE: Thank you. One last question. Please. Thank you for your patience.

QUESTION: I'm from Seoul National University and I'm especially interested in the issues of backlashes and decline of soft power. That's why I was anticipating the remarks about Taiwan, especially after the incidents at the Asian Games,

backlash against Korean soft power there.

You were very quick giving the recipe for how the U.S. can repair its perceived decline in soft power. Could you give any recipe to Korea how it can repair its soft power now in Taiwan after this? And I think it's going to be a very difficult question, so it's probably because the difference between backlash and really decline and the countries which are involved in this issue.

In South Korea, Taiwan has for a long time been considered as a competitor. They started economic development about the same time; a very similar growth rate, just different industrialization strategy; very similar dates for democratization. So maybe it's that -- if the Taiwanese have that similar perception of Korea as Korea as competitor, maybe that was the reason why the backlash against Korea's soft power was so quick and so big in scale in Taiwan. Thank you.

MR. SHIH: Yeah, there are some underlying factors, just like you've said. Taiwan has always considered that the ROK is one of the prime competitors even though the ROK has never seen Taiwan in that role because for the ROK, Japan is the competitor.

And second of all, the Koreans as a people are known to be very, very tough and to act very strong and very patriotic, which translates through the prism or the mirror from the eyes of people in Taiwan. Sometimes it can mean that the Koreans are competing unfairly when they're in their own games. And in this particular situation, the taekwondo and the Asian Games disqualification issue, I think the best way to deal with it is that the truth will set you free.

And basically Taiwan's backlash against South Korea was imagined, it was not true. It has nothing to do with the truth because the governing body -- well, the people who actually made a decision that caused the backlash, they barely have any Korean connections and it's more of a perception because taekwondo originated in Korea back in the '50s and the '60s. And, of course, there are disproportionate representations of Korean citizens, nationals, in the governing body that caused that problem.

And also, the other thing is that the truth should come out. Basically the truth was that the Taiwan athlete who was declared a loser, then disqualified, was on good standing because the judge played by the rules. And in Taiwan, the same videotape that proclaims that our athlete was not cheating, if you put it in the framework of the rulebook it says that she has the intention to cheat. And it's just caught in the maelstrom of so many elements, you know, Korea as a competitor and past histories in Asian Games or regional sports activities. It's an accumulation of all that. And then when you have South Korea and you have taekwondo and you put China together, people stop using their brains.

(Laughter)

And it's an emotional outlash. And, in fact, we're doing an investigative

report, which is to be aired pretty soon. It's going to tell people what actually happened. And so many people who declared their support for the female athlete will be embarrassed.

MR. REVERE: I am reminded as we end this session of two of the words that made me feel extremely uncomfortable during previous Olympics when I was here as the DCM in the American Embassy, and those two words were "Apolo Ohno."
(Laughter)

And those of you who remember that, I need to say no more.

Ladies and gentlemen, can you please join me in thanking our panelists?

(Applause)

RICHARD BUSH: On behalf of those of us from Brookings, I would like to thank everyone who's participate in this really stimulating and thoughtful session today. I think, you know, we've learned something from every single presenter. Some of the panel chairs have made their contribution as well, like Evans. And so I think that we've had a very successful day.

I want to express a particular thanks to KDI and Wonhyuk Lim and all your staff, to my staff for making all of this possible. And we look forward to getting together again soon. Thank you very much.

(Applause)

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