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PANEL ONE

KOREA'S GROWING SOFT POWER

KOREA'S SOFT POWER AND EAST ASIA

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Keynote Address:

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Panel 1: Korea's Growing Soft Power:

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Panel 2: East Asian Perspectives on Soft Power

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

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P R O C E E D I N G S

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. It's 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 aboard, 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 drams 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 Korean 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 of 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 mantel 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 indispensible 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]