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South Korean nation branding and the building of competitiveness society

Which pressures, which responses?

“Diplomacy in the 21st century will center around economy and culture. We must keep expanding trade, investment, tourism and cultural exchanges in order to make our way in the age of boundless competition which will take place against a backdrop of cooperation.” (Kim Dae-jung 1998)

Introduction

Global competitiveness has become the most urgent imperative for contemporary states to respond to. The European Management Forum commented, as early as 1979: “competitiveness has become to economics what gravity is to physics: one (of) the fundamental forces which underlie the major events [...] like gravity, it is a force that one cannot escape. It affects equally companies that need to grow, individuals who want to preserve their jobs, and, of course, nations to sustain and increase their standard of living. Understanding how competitiveness works is necessary for all.” (EMF 1979) Competitiveness has now been normalized, accepted as an inexorable force to which nations should adapt. Fougner notes: “The prominence and meta-character of the ‘competitiveness problem’ in contemporary reflections on state governance can hardly be exaggerated”. (Fougner 2006, 165)

No state has taken this imperative as seriously as South Korea. From the end of the military dictatorship in the 1980s up to now, South Korean governments have led strategies to open Korea to the world, and make it a global country, responding to a perceived necessity to “globalize or perish” and to upgrade South Korean competitiveness in an era of “boundless competition” (Kim Dae-jung 1998). They have attempted to build what is probably the world most sustained and encompassing strategy to attain and maintain national competitiveness. This was implemented through the *Segyehwa* (globalization) policy of President Kim Young-Sam or the Global Korea policy of Lee Myung-Bak, which culminated in the nation branding strategy put in place by Lee Myung-bak from 2008 to 2013. The Korean example is revealing of a global trend: nations have entered the realm of competitiveness, and thus adapt the tools of corporate competitiveness to boost their nation brands’ success in the “global market place of nations”. This is not only about finding policy responses to foster national companies’ competitiveness. This also entails a more encompassing strategy of branding the nation *for itself*.

South Korea has thus become what I call a “competitiveness society”, a social sphere where all elements and relations of the social are subject to the imperative of competitiveness. In order to define what I identify as a competitiveness society, I will rely on two sources. I will first work from Cerny’s notion of “competition state”, which he saw as the new state form

that would emerge from the demise of the welfare state, and ultimately lead all states to adopt an orthodox neoliberal model to respond to global competitiveness. I will complement Cerny's approach and its limitations by relying on Michel Foucault's notion of neoliberal governmentality. What is essential in Foucault's approach is that it goes beyond the political economic domain, and enables us to understand how the state's actions towards competition do not limit themselves to the economic realm, but rather encompass all sites of social life. Indeed, as Foucault noted, neoliberalism "is about turning market, competition, and consequently firm, into what we could call the informing force of society." (Foucault 2004, 54)

Conceptualizing Korean society as an archetype, or at least an example, of "competitiveness society" highlights the fact that late modern capitalism has turned competitiveness, not into an economic force that necessitate political responses, but rather into *a project of government*, that needs to be addressed as such.

This leads me to unveil the discursive absurdity of the discourse of competitiveness. Indeed, capitalism promises to end poverty and bring prosperity to all human beings, and the current liberal-dominated international order conveys this very egalitarian promise. Nevertheless, it is semantically absurd, come to think of it, to rely on a principle of the zero-sum game of competitiveness to save *all* from the evils of misery. If competitiveness, as the discursive embodiment of the capitalist ethos and *raison d'être*, is about survival of the fittest and not being "left behind" (interview with a nation branding consultant, London, 2014), then it *cannot* fulfill its promise of world shared prosperity.

In this paper, I will first recall the roots of the ideology of global competitiveness, and how it has acquired supremacy in contemporary governance. This will lead me to discuss the notion of "competition state" introduced by Cerny, and complete it with the help of Fougner and Foucault, introducing the notion of "competitiveness society", which seeks to move beyond the strictly political economic sphere and understand the effects of contemporary capitalism with a wider view of the social realm.

I will then look at Korea and develop a demonstration to show that contemporary Korea can be seen as the embodiment of the competitiveness society. What is notable in the Korean example is the political will behind this society-wide transformation, and its particularly explicit character. To sustain this argument, I will first recall the successive governments' developmental strategies from the early 1960s to the early 2000s, emphasizing their common underlying project. Although their mobilization power seems less obvious after the fall of the authoritarian regime put in place by Park Chung-Hee and his successors until the late 1980s, it should not be forgotten that citizens can be targets of developmental mobilization even under a constitutionally democratic regime.

It will then focus on the effects of new policies responding to renewed competitiveness pressures in South Korea. I will present the main features of Pres. Lee Myung-Bak's nation branding project, and emphasize the continuity with the core developmental path taken by the country from the 1960s. But this nation branding strategy should also be linked to legal, economic and political transformations under the competitiveness imperative. Therefore I will

also consider the changes in labor regulations, and the role of development diplomacy in this competitiveness framework.

Underlying the mobilization of citizens under the competitiveness imperative will enable me to bring citizens to the fore, and to talk about a “competitiveness society”, rather than of a “competitiveness economy”.

From the competition state to the competitiveness society

The 1990s have seen the emergence of an academic literature that predicted that states no longer had control over their territories and people, and would be swayed away by the forces of globalization. Such defenders of the “end of the state” include Ohmae (1990; 1995), Badie and Smouts (1999) or Strange (1991). In *Rival States, Rival Firms*, Strange underlined the growing power of transnational corporations that threaten the independent power of states to define their policies.

Indeed, she argues, “Firms have become more involved with governments and governments have come to recognize their increased dependence on the scarce resources controlled by firms.” and “the emergence of new forms of global competition among firms also affects how states compete for wealth.” (Strange 1991, 1) Accordingly, states are undermined in their capacity to control economic events (Strange 1991, 14) and have to accommodate the growing power of TNCs.

Against this “hyperglobalization” school, Cerny argued that the state had never left, and instead had become a major actor in promoting and responding to the discourse of globalization¹. His main argument was that the welfare state was indeed gradually disappearing, but instead of doing away with the state, it would transform itself into a “competition state” (Cerny 1997).

He argued that “greater structural interpenetration of national economies’ had – in conjunction with ‘the more competitive, zero-sum world of [the] international recession’ that prevailed in the wake of the so-called oil crisis of the early-1970s – forced several changes in government policy to the fore”. In 1997, he outlined the changes in question as follows: “(1) a shift from macroeconomic to microeconomic interventionism, as reflected in both deregulation and industrial policy; (2) a shift in the focus of that interventionism from the development and maintenance of a range of ‘strategic’ or ‘basic’ economic activities in order to retain minimal economic self-sufficiency in key sectors to one of flexible response to

¹ “Globalization cannot simply be verified empirically according to measurable criteria such as the convergence (or not) of corporate forms or social structures. Perhaps its most crucial feature is that it constitutes a *discourse* - and, increasingly, a hegemonic discourse which cuts across and gives meaning to the kinds of categories suggested above. In this sense, the spread of the discourse itself alters the *a priori* ideas and perceptions which people have of the empirical phenomena which they encounter; in so doing, it engenders strategies *and* tactics which in turn may restructure the game itself. With the erosion of old axioms, the concept of globalization is coming increasingly to shape the terms of the debate.” (Cerny 1997, 256)

competitive conditions in a range of diversified and rapidly evolving international marketplaces, i.e. the pursuit of ‘competitive advantage’ as distinct from ‘comparative advantage’; (3) an emphasis on the control of inflation and general neoliberal monetarism – supposedly translating into non-inflationary growth – as the touchstone of state economic management and interventionism; and (4) a shift in the focal point of party and governmental policies away from a general maximization of welfare within a nation (full employment, redistributive transfer payments and social service provision) to the promotion of enterprise, innovation and profitability in both private and public sectors.” (Fougner 2006, 167) He outlined three models of the competition state: the strong state “technocratic-dirigisme” (France, Japan); the orthodox neoliberal state (the US and the UK) and the neocorporatist model with its emphasis on social partnership (Germany, Sweden). Eventually the neoliberal model would become the model of competition state as others proved economically inefficient in the new political economic setting. (Fougner 2006, 167)

Cerny thus described the difference between the welfare state and the competition state: “Rather than attempt to take certain economic activities *out* of the market, to ‘decommodify’ them as the welfare state was organized to do, the competition state has pursued *increased* marketization in order to make economic activities located within the national territory, or which otherwise contribute to national wealth, more competitive in international and transnational terms.” (Cerny 1997, 260)

Nevertheless, as has been rightly pointed out by Fougner, the limit of the competition state approach is that it failed to demystify the imperative of international competitiveness, and observed the mutation of the state under what it treated as a real governmental problem. (Fougner 2006, 169) Fougner adds: “If it is the case, as Peter Dicken has claimed, that ‘[a]s long as the concept of national (. . .) competitiveness remains in currency then no single state is likely to opt out’, then a critical (re)problematization of international competitiveness as a governmental problem might contribute to the required devaluation of the concept and, subsequently, to a de-competitivisation of the state.”(Fougner 2006, 169) Fougner brilliantly reconceives competitiveness as a problem of government, inspired by Foucauldian notion of governmentality; that is a problem of government. Competitiveness is not a fact of the social world that states need to respond to; rather it is posed as a governmental reality, a problem that states participate to create and thus treat as a tangible reality.

What is essential to build is thus a genealogy of the notion of competitiveness and the way it emerged as a governmental problem. Changes in the international political economic setting of the late 1970s- early 1980s explain why competitiveness has gradually moved from the corporate realm to the national sphere *per se*. The discourse of global competitiveness is also sustained and nourished by a series of actors and publications that constantly work towards creating and reinforcing this governmental problem.

State competitiveness had been discussed in international forums from the 1970s, but became a prominent issue in the 1980s with the publication of various reports and indexes evaluating

national competitiveness. In 1979, the European Management Forum published the first annual Global Competitiveness Report (EMF 1979). By the late 1980s, the World Economic Forum (former European Management Forum) published yearly reports which became a reference for national governments. A whole literature developed and turned competitiveness into a governmental problem that different actors (business schools, government offices, think tanks, research institutes) took extremely seriously. Fougner notes that “international competitiveness was initially constituted as a governmental problem in the USA – this, in the context of a growing trade deficit and what was perceived to be the competitive challenge posed by Japan and other East Asian countries.” It then spread to Western Europe and is now the main preoccupation of most governments in developing countries too (Fougner 2006, 170)².

Whereas competitiveness had been a concern of the corporate world, it came to be applied to a new object: the nation. National governments’ role was to change to adapt to this competitiveness imperative: they should remove all obstacles to industrial growth, withdraw their own means of intervention in the production to make their national companies more competitive. But also, beyond the international competitiveness of firms, global competitiveness meant that governments should use their governance abilities to make their nations attractive to footloose capital. (Fougner 2006, 172, 174)

Fougner notes: “In accordance with this, the primary governmental problem on the part of state authorities is no longer to make firms more competitive, but to make the state itself more competitive – this, irrespective of how a so-called competitive state can subsequently be claimed to make firms located on its territory more competitive.” (Fougner 2006, 175)

The state becomes “a flexible and manipulable market actor in and through the discourse on international competitiveness.” Its role becomes that of “selling the state as a location to globally footloose capital and firms.” (Fougner 2006, 180) and this reconstituting of the state as a market actor is carried out by numerous actors in different sites of power: international organizations (OECD, UNCTAD, regional development banks); institutions producing competitiveness bench marking such as the World Economic Forum; business scholars; consultancies and PR companies; individual companies; governmental bodies specializing in national competitiveness enhancements, investment promotion agencies and so forth. (Fougner 2006, 181)

According to the competitiveness imperative, nations should now be branded in order to enhance their competitiveness and their attractiveness to mobile capital.

Consequently, nation branding is now a major trend, one in which corporate and state interests are entrenched and have been “adopted in countries with emerging market economies and with established capitalist economies alike.” (Aronczyk 2013)

I define nation branding as an apparatus of discourses and practices aiming to create a highly competitive national image in the global market place of nations. It uses corporate marketing

² As an example, the national competitiveness of the Philippines was created in 2006. The Nigerian competitiveness council was inaugurated in 2013. Almost all nations have created such institutions over the last two decades.

and brand management techniques and tools to convey a national image to be broadcast within and outside the nation.

A successful nation brand is assumed to be able to compete for international capital: tourists, investment, import-export trade, skilled labor and highly educated international students; and foster national companies' competitiveness. It helps "convey an image of legitimacy and authority in diplomatic arenas" (Aronczyk 2013) and obtain a legitimate seat in multilateral negotiations and decision-making.

Let me briefly recall how the practice of nation branding gained prominence. Historically, the shift from industrial to service society and from production to consumption in the second half of the twentieth century led to the emergence of brands, intangible assets representing the intangible value of corporations.

In the 1980s, corporations began to "rely on intangible assets as measures of corporate value" (Aronczyk 2013). It corresponded to a new methodology of value assertion by corporations' CEOs. Brand management became the major field of expertise in the corporate world. Branding consultancies started to appear, working on the measurement and improvement of corporate brands, which represented the ultimate means to evaluate a company's success on the market. These consultancies created rankings, best practices and optimum criteria to which companies should comply. Most companies consulting on nation branding issues today were originally corporate branding consultancies.

In the 1990s, a "postmodern branding revolution" took place and advertising, marketing and public relations (PR) became fundamental disciplines and fields of practice. For Jansen, the shift from conventional advertising and marketing occurred when the brand itself and its logo became "the focus of conventional efforts. Indeed postmodern branding does not even require a tangible product." (Jansen 2008)

In the 1990s, the emergence of brands met the growing concern about national reputation, in a world where national governments started to be aware of different forms of power, especially with the much debated American soft power (Nye 1990).

Branding, a tool of quality and distinctiveness measurement designed for companies, "started to be considered the most legitimate way to make the nation matter in a global context." (Jansen 2008, 30)

As it had been, for corporations, a way to differentiate one another and acquire legitimacy in the eyes of consumers, nation branding became a way for nations to obtain and secure legitimacy on the global scene, a legitimacy that had seemed to be threatened by the post-Cold War period and the narrative of globalization which predicted the "obsolescence of the State".

Then, the nation brand became, according to nation branding consultant Simon Anholt, "a clear and simple measure of a country's "license to trade" in the global marketplace and the acceptability of its people, hospitality, culture, policies, products and services to the rest of the world. The only sort of government that can afford to ignore the impact of its national

reputation [...] its citizens to benefit from the rich influences and opportunities that the rest of the world offers them.” (Anholt 2010)

Not only did nation branding appear as a way to restore nations’ threatened legitimacy, it was also a response to the introduction of the neoliberal concept of competitiveness into the national realm.

When I interviewed nation branding consultants and asked why they considered their work as necessary, their answers invariably evoked the “force” of globalization and competitiveness:

“ - Why do you think countries should be competitive today and more than before?

- I guess globalization has been increasing for some decades and so that’s a driving wind to the need to compete as a nation, that increases the pressure to be competitive and increases the need to raise your profile.” (personal interview, 2014)

Together with articles and books describing and justifying the practice of nation branding, nation branders have also created indexes, benchmarking tools to measure the competitiveness of nation brands and the elements composing the nation brands. Among these, the Anholt-GfK Nation Brands Index is an annual index measuring the nation brands of 50 countries in the fields of exports, governance, culture, people, tourism, immigration and investment.³

The first nation to implement nation branding programs was Spain after the death of Franco and the democratic transition. It is widely considered as a success for nation branding (Gilmore 2002). After Spain, the Irish Republic’s young European campaign, and the Cool Britannia campaign followed, opening the growing list of nations which turned to nation branding consultancies in the 1990s and the 2000s.

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In 2010, Cerny updated the notion of “competition state” with a shift from *raison d’état* to what he calls *raison du monde*. (Cerny 2010) What guides state actors is not traditional *raison d’état* (conservation of the state) but *raison du monde*, the imperative of competitiveness. He states that the competition is something slightly different from the neo-liberal state in that it bears a distinctively global character, with “the state as a (the?) key promoter of globalisation and therefore of global competition as the primary requirement for the achievement of economic growth for all states (in principle, at least), enabling the development of pro-market social policies too (Evans and Cerny 2004).” He adds that “This competitive *raison du Monde* has become the hegemonic paradigm for major political actors”. (Cerny 2010, 8)

The competition states is thus an essential actor in the enacting of the discourse of globalization which presents global competition as the only way to attain growth. Not only is

³ <http://www.gfk.com/news-and-events/press-room/press-releases/pages/nation-brand-index-2013-latest-findings.aspx>; For more indexes, see also http://www.brandfinance.com/knowledge_centre/reports/brandfinance-nation-brands-2013

the state an agent in this discursive formation, it also enables it to be self-fulfilled, by taking measures to enhance national competitiveness. Thus the state is far from being solely a victim of globalization; it is its major agent, in constantly reproducing and adhering to this hegemonic “raison du monde.”

If we give a closer look at Foucauldian neoliberal governmentality, the phenomenon is made bright clear. Cerny relies on Foucault to show how competition is not a given social fact, but rather the result of a political program, a program of government: “ [The first principle of this revolution within liberal governmentality is] a shift from exchange to competition as the principle of the market . . . ; the problem of competition and monopoly is much more [important for the success of capitalism] than that of value and equivalence. [However], competition is not the result of a natural interplay of appetites, instincts, behavior, and so on. (Foucault 2008, 116-120)

. . . pure competition is not a primitive given. It can only be the result of lengthy efforts and, in truth, pure competition is never obtained. Pure competition must and can only be an objective, an objective thus presupposing an indefinitely active policy. Competition is therefore an historical objective of governmental art and not a natural given that must be respected . . . There will thus be a sort of complete superimposition of market mechanisms, indexed to competition, and governmental policy. Government must accompany the market from start to finish. (Foucault 2008, 120-121; my emphasis)

Indeed, when bringing to the fore the concept of “competitiveness society”, I explicitly ground the notion in Foucauldian critique.

In *The Birth of Biopolitics*, a lecture given at the Collège de France in 1979, Foucault establishes the genealogy of neoliberalism thanks to the concept of governmentality with which he examines the emergence and tenets of neoliberalism (Foucault 2004). He treats neoliberalism “not just as ideological rhetoric [...] but above all as a political project that endeavours to create a social reality that it suggests already exists.” (Lemke 2002, 60) Thus, the discourse of neoliberalism serves as a reservoir of political practices that constitute a reality which it claims to be responding to, it almost appears, like competitiveness, as a self-fulfilling prophecy.

In his 17th February 1979 lecture, Foucault shows how the market works as a site of truth (“lieu de véridiction”) (Foucault 2004), a rational space in which government should not intervene, although neoliberalism does attribute a role to government: that of setting rules to protect the independent work of the market. The role of government is minimized but not absent. Whereas in former political configurations the market was subordinated to government, in the neoliberal society the market dominates government.⁴

⁴ “Unlike the state in the classical liberal notion of rationality, for the neo-liberals the state does not define and monitor market freedom, for the market is itself the organizing and regulative principle underlying the state. From this angle, it is more the case of the state being controlled by the market than of the market being supervised by the state. Neo-liberalism removes the limiting, external principle and puts a regulatory and inner

Foucault also comments that « The problem of neoliberalism is to [...] know how to manage the global exercise of political power on the principles of a market economy.” (Foucault 2004, 137, my translation) He talks about an “economic tribunal” that is constantly judging and critically reviewing the actions of government, evaluating them according to the principles of market society. (Foucault 2004, 252)

The first aim of the neoliberal program of government is thus the subjection of the realm of government to the scrutiny of the market, understood as a source of perfect rationality and truth.

The second issue of neoliberalism is then to diffuse the “form of the company” to all social objects. Foucault argues that “it is about turning market, competition, and consequently firm, into what we could call the informing force of society.” (Foucault 2004, 252) Competition and entrepreneurship are generalized and become the grid of intelligibility, the principle of analysis according to which the social sphere can be understood. Social relations and individual behaviors are then to be understood through the prism of market rationality, gradually transforming each nation into a “competitiveness society”.

Building a first world society in Korea: origins and path dependency of the ideology of competitiveness (1960-2000s)

From the early 1960s, the South Korean state founded its legitimacy (albeit contested) in its developmental character. The “miraculous” development of the peninsula has been acclaimed by various international organizations (most notably, by the World Bank 1993) and a wide body of literature (for instance: Amsden 1989) which revolves around a debate on the role of the state in this developmental success. The prevailing explanation for this success from the late 1980s emphasizes the overwhelming role of the state in efficiently managing market forces (Chang 2006), and has been labeled the developmental state explanation.

General Park Chung-Hee took power in 1961 and justified his military coup by the developmental project he advocated: transforming South Korea into an independent and strong nation state, both militarily and economically (Kim, 2004). What is over overlooked, or taken for granted, is the ideological underpinning of such a national project. As Lie noted (Lie 1998, 147), “The crucial underpinning of South Korean state nationalism was the celebration of GNP growth.” His project of modernization of the fatherland, *Jokuk Kundaewha*, “envisioned a world of nation-states that were in fierce competition with one another and were ranked hierarchically. His rhetoric of “modernization” and “catch-up” suggests that the *kundaewha* discourse accepted Korea’s low status in the hierarchy of nation-states and the West’s position at the top” (Kim, 2014, 4). The catch phrase of the *kundaehwa* discourse is revealing of the pro-growth, proudly capitalist project that Park envisioned for his country: “*jal sara boshe*” (Let’s have a rich life!).

principle in its place: it is the market form which serves as the organizational principle for the state and society” (Foucault 2004, lecture 7 February 1979, p.120, my translation)

In the process of making Korea change “from a pre-modern, underdeveloped society to a modern, productive, constantly growing society” (Park Chung-Hee, quoted in Lie 1998, 43), Park Chung-Hee’s authoritarian leadership relied on the sacrifice of a repressed labor force, enrolled in the developmental project to provide cheap manpower for the ambitious industrialization programs he set up. South Korean citizens were notably made to participate in national development through the New Village Movement (*Saemaul Undong*), a developmental program targeting rural areas.

The democratization process took place after the 1987 protests forced President Chun Doo-Hwan to abandon the authoritarian system. The first democratically elected President Roh Mu-Hyun maintained concerns of designing a central place to South Korea, with the *Donduka Jungsim Gugka* doctrine, aimed at making of South Korea “the center of North East Asia”.

The election of President Kim Young-Sam in 1992 is considered as a turning point in Korea’s engagement with globalization. The new government adopted a new foreign policy paradigm, *segryehwa* (“globalization policy”).

The core objective of *segryehwa* was to “become a central country to the world” (Segryehwa White Paper 1998) and an advantaged nation. More than adapting to globalization, Kim emphasized the need to adopt globalization as a state policy. (Segryehwa White Paper 1998) *Segryehwa* was born out of a “recognition of a move from the periphery to the core” (Segryehwa White Paper 1998) and a worldview in which globalization could be “a shortcut that will lead us [South Korea] to building a first-class country in the 21st century” (Kim Young-sam 1995, New Year’s address, January).

The new democratic regime, pro-business, accepted the principle of economic liberalization of the country. From the late 1980s, Korean chaebols began acquiring more and more autonomy as the developmental state was steadily dismantled. The relation between state and chaebols moved “from a dominating/subordinating relation to symbiotic and collaborationist relations.” (Kim 2008, 236) Kim Young-Sam led the opening of the South Korean financial sector to foreign companies, with the goal of entering the OECD. Despite a fierce opposition to this membership by protest groups (such as the Citizens’ Coalition for Economic Justice), South Korea joined the WTO in 1995 and the OECD in 1996. Although many observers claimed that the country was ill-prepared to liberalize its economy and follow the standards of the OECD, Mimiko notes that “The desire to be in synergy with the developed Western market economies was one of the great issues that propelled Seoul into the OECD” since “the process of globalization involves greater liberalization of the economy or what former President Kim referred to as making it “look more like the West”.” (Mimiko 2002, 71)

The *segryehwa* policy intrinsically associated globalization and competitiveness, and it was presented as the best way for Korea to regain and maintain international competitiveness in a changing global economic environment. Following democratization, wages in the country had increased significantly and labor seemed to exit from its position of developmental industrial army, decreasing the appeal of South Korea as a cheap manpower destination for TNCs. The privileged access to the US market that Korean products had enjoyed had also come to an end, and Korea was under diplomatic pressure from the US to stop cheating the laws of free

market and abandon the protectionist policies that had characterized the developmental state period. Kim Young-Sam responded to these pressures but “Ironically, Korea’s *segzehwa* campaign was initiated by the state independent of the Western world’s more conventional interpretation of globalization, with its emphasis on an inexorable demise and irrelevance of the territorial nation-state.” (Kim 2000, 3)

As noted by Kim, “Under Kim Young-Sam administration, Korean development adopted the style of a competition state, with focus on marketization and commodification of the state indicating: a shift from macroeconomic to microeconomic interventionism, embodied in both deregulation and industrial policy; the pursuit of competitive advantage; a commitment to the promotion of enterprise, innovation and profitability in both the private and public sectors.” (Kim 2008, 211) He argues that *Segzehwa* was the turning point in transforming the developmental state instituted by Park Chung-Hee into a competition state ready to compete in an era of boundless competition.

Segzehwa was a society-wide response to what Kim Young-Sam administration perceived as the necessity to “globalize or perish” (Kim 2000, 2) Engaging with globalization was understood as a way to avoid what Kim Young-Sam saw as the mistakes of the past, when Korea had been opened by force by foreign powers and subsequently colonized. Globalizing Korea meant enhancing Korean competitiveness⁵ in all sectors of society. Indeed, in an address to the nation on the 6th of January 1995, Kim Young-sam declared that *segzehwa* “is aimed at realizing globalization in all sectors- politics, foreign affairs; economy, society, culture and sports. To this end, it is necessary to enhance our viewpoints, ways of thinking, system and practices to the world class level... We have no choice other than this.” (Kim 2000, 1)

Just as Park’s developmental project had aimed at creating a new Korean society along the lines of capitalist social subjectivity, and had consequently reformed every aspect of life in Korea, *Segzehwa* was not restricted to the economic realm. Not only were Korean companies to be made more competitive, and Korea a place to invest and visit. All spheres of society were to be transformed under the imperative of global competitiveness.

“[*Segzehwa*] meant a sweeping transformation of society requiring productivity and flexibility in all areas of national life. *Segzehwa* included economic reform to meet global standards of practice (including transparency of all transactions, fair competition, deregulation of the financial sector and a fairer tax system); industrial relations reform, expansion of the social security system; political reform towards a more open competitive system; administrative reform.” (Kim 2000, 38)

As stated by the Korean embassy in Washington when *segzehwa* was launched “under the globalization program, all sectors of socio-political, economic, social and cultural were to become competitive at the international level.” (Kim 2000, 107)

⁵ Sydney Declaration 17 November 1994 “New Diplomacy” under Foreign Minister Han Sung Joo for whom “best mean of melting the challenge of globalization was to enhance competitiveness.” (Kim 2000, 37)

Segyehwa would rationalize all aspects of life; maintain national unity by rising above class, regional and generational differences; strengthen Korean identity as basis for successful globalization; enhance a sense of community with all humanity. This would be done through reforming education; legal and economic systems (to match global standards of excellence); politics and the press; national and local governments; environmental policies; Korean culture and consciousness. A Presidential *Segyehwa* Promotion Committee was established to carry out and supervise the necessary reforms.

Although the substance of *seggyehwa* was evaluated quite poorly by observers (Kim 2000), what is striking is how the imperative of competitiveness that had become hegemonic at the international level was translated into a set of reforms and everyday social practices in Korea, through legal reforms and mass mobilization campaigns. “The stage thus set for the world game to be played out in the politics of everyday life in South Korea during much of the Kim Young-Sam administration.” (Kim 2000, 244)

Although Kim Young-Sam was a democrat and had been an opponent to the military regime, the path-dependency with the Park era underlying *seggyehwa* should not be missed. Indeed, as Kim Nora notes, “Recall that Park saw the world as a place in which nation-states compete against one another and envisioned *kundaehwa* as a strategy to survive such fierce competition. Kim Young-Sam promoted a similar sense of vulnerability and crisis. At the Seattle Summit conference on APEC in November 1993, he declared the beginning of his *seggyehwa* drive, with which Korea “should prepare for the coming 21st century, an era of unlimited competition, by planning survival strategy of internalization equipped with the supreme competitiveness of the whole world” (Kang 2000, 448).

The model to be emulated was that of “more affluent Western [states]” (Moon 2005, p.110) and the government emphasized the adoption of international norms and standards. As Kim points out, “As Korea repositions itself from the bottom to the middle and aspires to be a top country, conforming to Western norms has become an important component of developmental strategies”. (Kim, 2014, 4) Mass mobilization of citizens was considered essential to the accomplishment of *seggyehwa*, in order for globalization to reach out to every aspect of the social realm in South Korea (Kim 2014).

Kim Young-Sam’s successors, Kim Dae -Jung and Lee Myung-Bak, although belonging to opposed political sympathies, continued to emphasize the centrality of globalization in the modern development of Korea, again relating to an understanding of world order in which survival is the key driving force of government policies. This was manifested in the continuation of neoliberal policies, especially following the IMF bailout plan accepted by Kim Dae-Jung in 1997, and the urging of Koreans to “globalize” (Kalinowski and Cho 2012). In December 1997, Kim Dae-jung, a democratic opposition activist, succeeded to Kim Young-sam. Although he is most recorded for his Sunshine Policy with North Korea, Kim Dae-jung, like his predecessor, also considered globalization to be crucial for South Korean foreign policy. He “saw globalization as in no way restricted to the economy”(Kim 1999b) and launched the slogan “Parallel development of democracy and market economy”. His aim

was to make every citizen a global citizen, arguing that the country could only progress if it participated in globalization and “embraced the challenges of the new millennium.(Kim 1999a)”

The 2000s decade was then marked by a series of events that confirmed this policy line: in 2002, South Korea held the first Football World Cup in Asia. In February 2004, the South Korean National Assembly approved the controversial dispatch of 3,000 troops to Iraq along the US army. In October 2006, Ban Ki-moon was appointed as UN’s new secretary general. Globalization was, for Kim Dae-jung as it had been for Kim Young-sam, a way to “join the ranks of first-rate societies.” (Kim 1999a)

This policy line culminated in conservative President Lee Myung-Bak “Global Korea” policy.

Branding South Korea

In May 2006, Simon Anholt, “inventor” of nation branding, was the key note speaker at the “Nation Brands in the Global Market” conference in Seoul, held by the Korea Image Development Committee. He addressed the question of South Korean global reputation and advised the South Korean government on these issues. It is not surprising that two of the most active promoters of nation branding, Simon Anholt and Keith Dinnie, have worked on the South Korean case (Dinnie 2010, Anholt 2011). South Korea is indeed one of the countries, if not the only country in the world, which has put so much effort in its nation branding strategy.

I argue that South Korean nation branding cannot be understood without considering the perspective of South Korean capitalist development initiated by General Park Chung Hee in the early 1960s. Successive South Korean governments have aimed at making South Korea a leading nation, a “top country” (Kim 2014, 4). I argue that South Korean nation branding is both a domestic and global exercise, aiming at completing the state-led development project launched by Park Chung-Hee. The different policies aimed at transforming South Korea into a first-class capitalist country share similar features of a constant state-led project. Nation branding can be analyzed as the final step towards the global recognition of South Korea as a fully competitive and globalized (understand: successfully capitalist) state.

At the heart of President Lee Myung-bak’s “Global Korea”, the concern for South Korean global image met the phenomenon of nation branding. Like his predecessors, Lee Myung-bak and his administration were convinced that “South Korea must globalize in order to survive global competition.” (Lee 2008, 4) Lee promoted a more active global role for South Korea. In 2009, he deployed South Korean troops to Afghanistan, after a true effort to convince a hostile South Korean public opinion. On the 1st July 2011, the EU-ROK Free Trade Agreement entered into force and in June 2012 the KORUS FTA with the United States was signed, after six years of negotiation and great protest in South Korea. In November 2010, South Korea hosted the G20 Summit. In March 2012, South Korea hosted the 2012 Nuclear

Security Summit. The “global” lexicon is omnipresent in the documents issued by the South Korean Minister of Foreign Affairs.⁶

In his 2008 Liberation Day speech, Lee declared: “it is extremely important for Koreans to win the respect of the international community. [...] Korea is one of the most technologically advanced nations. And yet, the first images coming to the minds of foreigners are strikes and street demonstrations. If our nation wants to be “approved” as an advanced country, then it [...] needs to improve its image and its reputation significantly.”(Lee 2008) Lee Myung-Bak, former Hyundai Heavy Construction CEO and mayor of Seoul, took nation branding “guru” (Aronczyk 2013) Simon Anholt’s comments on South Korean nation brand’s poor scores very seriously. The concern was focused on the so-called “Korea Discount” phenomenon, referring to the gap between the country’s development accomplishments and its poor image in the eyes of international audiences.

Therefore, Lee Myung-bak consulted Mc Kinsey and Company in 2008 to define the role a nation branding council would play, and on the 22nd January 2009, he launched the Presidential council on Nation Branding (*guka burandu wiwonhoe*). Thanks to the Council, his objective was to climb from 33rd to 15th rank in the Anholt-GfK Ropers Nation Brands Index, as early as 2013.

As branding advocate Dinnie observed, “the government has committed significant resources and energy to position the Korea Brand as a vibrant, dynamic democracy, creative and open to the world.”(Dinnie 2010) These attributes correspond to the standards of global normalcy countries attempt to comply with thanks to nation branding.

The Council’s main objectives were “to increase Korea’s commitment and contribution to the international community; to help Koreans become responsible, respectful global citizens; and to promote Korean products and services.” (Lee 2010) It was composed of 47 members, of which 13 were government officials and 34 were civilians, mostly from the academic and private sector (Kim 2011) 24 international advisors also sat on five different committees: planning, international cooperation, business and IT, culture and tourism, and global citizenship. The chairman was appointed by President Lee. A 100 billion won (74 million dollars) fund was allocated to implement branding campaigns in Korea and abroad. (Lee 2008)

In March 2009, the PCNB presented a plan for action in 10 axes, among which aims are to increase the Korean presence on the development agenda, to foster international academic exchanges, and to make every Korean a global citizen by promoting multiculturalism in the country.

In the 2011 Anholt-GfK Ropers Nations Brands Index, Korea ranked 27th (compared to 33rd in 2008) and its rank was in constant rise⁷.

⁶ In a document dating from 2010 and entitled “Global Korea”, I isolated 14 occurrences of the word “global” or “international” in 6 pages, see MOFA of the Republic of Korea (2010), *글로벌코리아*[Global Korea]

The PCNB has not been the only actor to participate in the nation branding effort. The private sector was also involved in the nation branding strategy, whether it was the business sector (Choi 2014) or the entertainment industry (Kim 2011). Local governments also participated in the branding operation. The Seoul Metropolitan government, under Lee Myung-bak's term as mayor of Seoul, also launched a 100 million dollar "Global Seoul" campaign (Williamson 2012), starting before the PCNB was created. An operation such as the restoration of Cheonggyecheon stream was a striking example of the symbolic reconstruction aimed at adapting Seoul to the growing competitiveness imperative among world cities (Blaz 2011). The Seoul Metropolitan Government aimed at presenting a "clean and attractive global Seoul" (Seoul Metropolitan Government 2006, 26) and Lee Myung-bak's successor consulted Simon Anholt and Christopher Forbes on his city branding strategy. The problem of competitiveness to which South Korean nation branding responded thus worked at several political levels.

In November 2010, South Korea presided and hosted the 5th G20 Summit. President Lee Myung-decided to take advantage of the Summit to boost Korea's nation brand in foreign audiences: "Korea should take advantage of the event to become a more respected and powerful nation. It will be a good opportunity, too, to upgrade global awareness about Korea's potential as well as the remarkable achievements the nation has made during the past decades". (Na 2009a) As member of the PCNB Suh Dae-won noted, since South Korea is "now aiming to become one of the most advanced nations, [it] should confidently display courage and determination to think beyond its borders and accept and implement international standards" (Suh 2009). South Koreans should also "learn globally accepted norms and etiquette and have an international mind-set." (Na 2009b)

The PCNB drew a list of goals for the summit, among which: organizing forums of student leaders from the G20 countries, creating self-promotional ads to be shown on international media such as BBC and CNN, promoting Korean culture and food to foreigners, and broadcasting contents easily accessible about Korean culture.

As one foreigner commentator noted (personal interview 2014), "The country was mobilized to avoid any wrong chord. It came from the top; it was a big thing for Lee Myung-bak. It was a source of pride for his term."

According to a Korean interviewee, "Because of the Summit, Koreans were disturbed in their daily lives." Boards reading "If you come across a foreigner, smile and say "Hello!" were posted in the capital's subway. Other boards asked South Koreans to behave well towards the foreign visitors expected in Seoul for the Summit. "G20" was the key term before the summit: it appeared on newspapers, official speeches, ads, and policemen's uniforms." (personal interview 2014)

While the foreign heads of states were taken on a tour around the country, Seoul's mayor took drastic measures to present a clean and modern capital. The streets were cleaned, street vendors and homeless asked to leave the city centre, for they did not fit in the image of a

⁷ <http://www.simonanholt.com/Publications/publications-other-articles.aspx>

“global city”. Taxi drivers were obliged to attend English classes and shave every day. Other operations aimed at reducing traffic in the city, and present an efficiently working, ordered city (personal interview 2014). The anti-G20 local demonstrators were harshly repressed by the police, largely deployed in Seoul, and the army. International activists were refused entry visa. Despite these security measures, the protests were fierce against the Summit, but not emphasized by the Korean media, for they did not fit in the consensual South Korean nation brand.

I argue that South Korean nation branding should be understood within the context of reinventing South Korea as a site of capitalist accumulation in a global competitive setting (Pirie 2008). Pres. Lee’s nation branding strategy shares common features with previous forms of the developmental project: a strong top-down, state-led character, a sense of vulnerability and crisis facing South Korea (see Kim 2014), and the same concern with the global recognition of South Korea as a competitive state. The way nation branding is imposing on the citizens to participate in “living the brand” (Aronczyk 2008) also recalls earlier mass mobilization of citizens in the developmental project, and gives hint on how all spheres of Korean society have become subjected to the imperative of competitiveness.

South Korean nation branding is one of the last steps in the project of creating modern Korea as a strong player in the game of restless international competitiveness. In 2013, newly elected President Park Geun-hye decided to dissolve the Council, mainly because it has been the target of much criticism by foreign observers. But it seems likely that current President Park Geun-Hye, although she denied this to the PCNB, is working in the same direction. Her promotion of a creative economy and the current praise of multiculturalism are elements of the broader strategy for Korea to survive in what is perceived as the late-modern zero-sum game of global competitiveness. Nation branding is one but the only element that puts Korea in a privileged place to be qualified of “competitiveness society”.

The imperative of competitiveness in labor regulations and development diplomacy

But nation branding is not the only governmental response to the problem of global competitiveness. Responses such as market liberalization measures (see Pirie 2007), labor market flexibility and competitive development diplomacy are also characteristic of a shift towards competitiveness in different sectors of Korean politics.

The situation of labor within Korea has constantly been a mirror of the evolution and contradictions of Korean capitalist development.

While under the military dictatorship, labor was harshly repressed and Korea probably had one of the worst labor conditions in the world, improvements seemed to have been reached, or at least, possible, after the collapse of the military regime in 1987. This hope was short-lived.

Newly elected President Kim Young-sam, as part of his *seggyehwa* policy, started opening up the economy and took the first step in a series of decisions that would lead Korea to be a neo-liberal state by the end of the 2000s (Pirie 2007). Labour has indeed been placed under the imperative of global competitiveness, and is bearing the consequences of this national shift

towards neoliberal competitive society. Indeed, as noted by Gray, South Korea has been directed “towards a bourgeois hegemony and the costs of competitiveness shifted from capital to labour’ (Gray 2011, 2). He explains the context in which this transformation took place: “Korean policy makers willingly adopted neoliberal policies to maintain the country’s position as a site of capital accumulation amidst the dual nature of these challenges emanating both from changes at the level of geopolitics [changing role of US in Asia: imposition of neoliberal policies] and at the level of the underlying social relations of production [rise of a strong society].” (Gray 2011, 2)

Government and the corporate world came together by viewing “globalization not only in the given context of irresistible worldwide economic integration, but also an imperative for economic reforms to enhance national competitiveness under the growing competition of global markets.” This has dramatically hindered the potential for labor resistance that democratization seemed to open up. (Chang, Seok and Baker 2015, 183)

Indeed, as noted by Pirie, “Globalization produced paradoxical outcomes for South Korean workers. Globalization significantly improved the domestic and international status of Korean workers by facilitating the formation of transnational coalitions with international labor organizations. But the costs outweighed the benefits. In the age of waning international competitiveness, the logic of globalization provided the government and business with powerful ideological and institutional weapons to restrain labour. And fear of lay-offs, erosion of labour’s internal cohesion, and threats to wage and job security emerged as inevitable consequences of globalization.” (Pirie 2007, 61)

South Korean labor, after having been brutally repressed by the authoritarian regime until the late 1980s (Hart-Landsberg, 1993), organized itself and became major social component of the *minjung* (“people”) movement, which led to the fall of the military regime in 1987. But the parallel shift to democracy and neoliberal policies hindered its organizative force and led to a renewed exploitation of workers for South Korea to fit in the new global competitiveness race.

In 1996, the government began reforming the existing labor laws through tripartite consultation with workers and business. These consultations were eventually to promote labor market flexibility, seen as necessary to enhance national competitiveness. The OECD membership also made labor market flexibility central to Kim Young-Sam administration. The same year, Kim announced his Grand Idea for New Industrial Relations and formed the Presidential Commission on Industrial Relations Reform, “in order to reshape labor relations in the new era of globalization and information society” (Chang, Seok and Baker 2015, 184). The Commission led the revision of the labor laws by reaching a compromise between the demands of capital and labor. The revised Labor Standards Act (LSA) opened up new lay-off procedures, as well as flexible and selective working hour system. To compensate for this higher flexibility of labor, the new Labour Union Act brought Korean labour unions’ rights to the level of international labor standards by cancelling the “anti-union provisions that prohibited multiple union organizations, third party involvement and unions’ political activity”. (Chang Seok and Baker 2015, 185-185)

The presidency of Kim Dae-Jung was marked by the 1997 crisis and a deepening of the neoliberalization of South Korea. The IMF agreement for Korean bailout plan required that labor laws should be changed to meet with the organization's emphasis on labor flexibility. The Kim Dae-Jung administration complied with the IMF exigencies. It amended the LSA to put the lay-off provision into effect and enacted the Dispatched Workers Protection Act in February 1998. Again, to compensate for this loss of labor protection, it guaranteed that civil servants' work councils and teachers' unions could be established in 1999. (Chang, Seok and Baker 2015, 185)

Market requirements and rationality came to rule labor conditions in Korea. "As such, globalization and more significantly, the economic crisis which placed labour unions into a defensive position, laid down favorable conditions for enabling employers to introduce a performance-based personnel system, and more closely linked workers' wages and employment to market situations." (Chang, Seok and Baker 2015, 189)

As underlined by Dae-oup Chang, irregular unemployment has risen dramatically from the early 1990s, and especially after the 1997 crisis when the Kim Dae-jung government accepted the IMF bailout plan. The rate of irregular employment out of total employment in South Korea rose from 41% in 1996 to 52% in 2001 and 49% in 2003. This was also accompanied by a growing portion of workers engaged in non employed capitalist work like private tutoring, and the increase in the number of migrant workers in South Korea (around 400 000 from 95 countries in 2004).

Pirie notes that exploitation of Korean labor has been intensifying, especially since the 1997 crisis. The proportion of unprotected labor has increased, as flexibility has become the new imperative of Korean business human resources policy. (Pirie 2007, 183) The competition imperative has also led to changes in the attribution of wages: while traditionally salary was based on seniority, it became indexed on achievement, transforming the working environment into a sphere of constant competition. (Yi 2002) Indeed, "Korean labor relations, confronted with ever growing challenges from the globalizing circumstance, have entered into an era of uncertainty, in that the terrain of labor relations embraces complex and contentious interplays, involving domestic and overseas actors under the context of globalization." (Chang, Seok and Baker 2015, 194)

These trends have hindered the capacity of South Korean labor to organize itself as it had during the industrialization period, and the democratic trend towards consensus and tripartism has further endangered the capacity of Korean labor to look for alternative visions of society. Indeed, as Chang sums it up as to the organizing principle of contemporary Korean society, "the logic of capital is incarnated in individual workers laboring for capital in and outside the factory, permeating into once solidarity-seeking relations between workers. After ten years of transition, capital became society while society continuously defines itself according to the logic of profit-making." (Chang 2007, 236) Pirie concludes "The purpose of these changes is to tighten the hegemony of capital over labour and to enhance international competitiveness." (Pirie 2007, 182)

Although “the essentially neo-liberal nature of the labour market reform process in Korea” is undisputable (Pirie 2007), the path dependency of labor conditions in Korea should not be underestimated. Korean labor was under the imperative of building a first-rate, independent and modern nation under Park regime. It became a massive industrial army at the service of Park’s export-oriented industrialization program. Contemporary labor restructuring should be seen in the same light: while Korea was to be a modern industrial society up to the 1980s, and Korean products were to compete in the international economy, Korea is now to become a competitive society, and Korean workers are to be competitive players in the global labor market. (see Pirie 2007, 195) The initiative of President Park Geun-hye to make Korea a “creative economy” is but an additional step in this process: Koreans are now urged to become creative entrepreneurs. In the competitive society, as in Foucauldian neoliberal governmentality, entrepreneurship is the new modality governing the social world.

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Competitiveness also influences South Korean diplomacy, especially under Lee Myung-bak and his successor Park Geun-hye. The field of international development cooperation tends to appear as a space of competition, and South Korea is building itself a favorable position in the marketplace of development models and advocacies.

In January 2012, Simon Anholt told BBC journalist Lucy Williamson that South Korean initiatives in development aid policy were more likely to improve South Korean nation brand and make the nation “relevant” to foreigners. (Williamson 2012) It may seem that the South Korean government has followed Anholt’s notion of competitive identity (Anholt 2007), in which a nation’s image can be enhanced not through communication campaigns but through policies. Anholt also favours the use of corporate social responsibility applied to countries. The South Korean active aid policy is an example of this national social responsibility.

From 1995, South Korea was removed from the World Bank list of aid recipient countries and became an aid donor. From the 2000s, it has increased its commitment to development cooperation, with a clear geographical focus on Southeast Asia, with key target countries such as Vietnam, the Philippines, Cambodia, Indonesia and Myanmar⁸, as well as a growing commitment to development in Africa.

South Korean experience of being a “recipient-turned-donor country in terms of international aid” (Lee M-B 2010) makes it more legitimate than other developed countries to take part in global discussions on development. As Lee Myung-bak put it in Davos before the Seoul G20 Summit: “Korea will play a role of bridging between developed and developing countries. At the November Seoul Summit, we will place development issues firmly on the agenda, and work toward finding agreement. As you know, Korea is a member of the OECD grouping of developed countries, but it is also a country with first-hand experience of economic development within living memory. As a country that has made the transition from one that

⁸ See http://www.koica.go.kr/english/countries/region_asia/index.html [accessed 12/03/2015]

receives aid to one that gives aid, we understand well what is involved in making aid work. [...] I believe that Korea is well-placed to share its experiences and expertise with emerging and developing countries on strategies for development and on policies for successful recovery from financial crises.” (Lee M-B 2010)

Development cooperation is defined by the South Korean MOFA as a central asset of Global Korea brand.⁹ Lee Myung-bak and Park Geun-hye administrations followed the same political line, that of a “mature and responsible middle power” which, after attaining the status of “developed country”, is now ready to pay its debt back to the international community and comply with its global responsibilities¹⁰. South Korea has to “contribute to international society” and to “foster its image as an exemplary state in the area of economic development and democratization.”(Suh 2009)

According to official sources, in 2009, South Korea provided 8.2million\$ of ODA, an amount which corresponded to 0.1% of its GNI¹¹. In January 2010, South Korea became the 24th member of the Development Assistance Committee (DAC) of the OECD, taking on a greater role as a donor of foreign aid.¹²

A legal framework for South Korean ODA, the “Basic Law for International Development Cooperation”, went into effect on July 26, 2010¹³, and established the principles, objectives and working mechanisms of South Korean ODA.

In 2012, South Korean ODA amounted to 1,597.5 million\$, of which 1183.2 million \$ were distributed for development assistance in bilateral aid, and 4413.3 million\$ in multilateral aid. Loans of 714.9 million \$ and 468.3 million\$ represented respectively 60.4% and 39.6% of the bilateral aid. Other 444.5 million \$ were provided by the Korea International Cooperation Agency (KOICA), a leading implementing agency of grant aid.¹⁴

Furthermore, the South Korean government has also committed itself to tripling its ODA volume to 3billion\$ or 0.25% of its GNI by 2015. “Korea is also endeavoring to improve the quality of development assistance by undertaking fundamental reforms in the ODA system including increasing the share of untied aid.”¹⁵

After it accessed the DAC, the South Korean government also took steps to acquire major authority and leadership in international developmental cooperation.

⁹ “As the first Development Assistance Committee (DAC) member emerging from the ranks of the least developed countries (LDCs), the Republic of Korea attaches great importance to development as part of the nation’s grand vision of a “Global Korea.”, http://www.mofa.go.kr/ENG/policy/oda/index.jsp?menu=m_20_110

¹⁰ http://www.mofa.go.kr/ENG/policy/oda/index.jsp?menu=m_20_110

¹¹ http://www.mofa.go.kr/ENG/policy/oda/index.jsp?menu=m_20_110

¹² “The year 2010, when we joined the DAC, is one in which we solidified our foundation as an advanced donor country.”, http://www.mofa.go.kr/ENG/policy/oda/index.jsp?menu=m_20_110

¹³ <http://www.odakorea.go.kr/eng.policy.Legal.do>

¹⁴ http://www.mofa.go.kr/ENG/policy/oda/index.jsp?menu=m_20_110

¹⁵ http://www.mofa.go.kr/ENG/policy/oda/index.jsp?menu=m_20_110

It announced that it would provide developing countries with a “South Korean model of Development Cooperation”.

On October, 5 2010, it adopted the "Strategic Plan for International Development Cooperation", which introduced core strategies and projects to strengthen South Korea's capacity as a development partner. “Three core pillars of strategies included systematically documenting the development contents of successes and failures derived from Korea's development experience, strengthening ODA implementing capacities, and taking a proactive role in addressing global issues.”¹⁶

At the Seoul G20 Summit, the South Korean government pushed for the adoption of the “Seoul Development Consensus for Shared Growth” and the correlated “Multi-Year Action Plan on Development” (Lee K-H 2010). According to official sources, “the G20 development agenda is tailored to help developing countries build capacity in key areas toward sustainable and inclusive economic growth.”¹⁷

In November 2011, the 4th and final High Level Forum on Aid Effectiveness, hosted by the OECD and the World Bank, was held in Busan, South Korea.

Korean development cooperation is done not only through different kinds of aid (loans, tied aid, grants), but also through knowledge and technology transfer, elite training and diffusion of principles extracted from the so-called “Korean model”, which emphasizes private sector and rural sector development, self-help and responsibility national feelings, and a national sense of sacrifice.

The Ministry of Strategy and Finance is presiding a Knowledge Sharing Program aimed at transferring macroeconomic knowledge to developing countries, but also promoting export industries, developing SMEs and the “New Village Movement.”¹⁸ The Korean International Cooperation Agency (KOICA) offers programs on South Korean development experience for young developing countries’ elites, along with the Korea Development Institute, funded as the research arm of the Economic Planning Board in the Park Chung-hee era¹⁹.

The New Village Movement, *Saemaul Undong* has notably been used by current President Park Geun-hye²⁰ to be a model for developing countries. “Since the country turned into an ODA donor, it needs investment, models. The internship center which was built for South Korean village leaders has now been renovated and hosts young elites from developing countries to train them to *Saemaul Undong*²¹, which has been accepted by the United Nations as an efficient model of rural development²².

This development cooperation has been accompanied by an emphasis on private sector development in “development partners” (the new locus for recipient countries) and a clear-cut

¹⁶ http://www.mofa.go.kr/ENG/policy/oda/index.jsp?menu=m_20_110

¹⁷ http://www.mofat.go.kr/ENG/policy/oda/index.jsp?menu=m_20_110

¹⁸ *Ibid.*

¹⁹ KIM, KIM and KIM (2013), *op.cit.*

²⁰ Park Geun-hye is General Park Chung-hee’s daughter and South Korean president from January 2013.

²¹ More on the New Village Movement: <http://saemaul.com/>

²² <http://www.unesco.org/new/en/communication-and-information/flagship-project-activities/memory-of-the-world/register/full-list-of-registered-heritage/registered-heritage-page-1/archives-of-saemaul-undong-new-community-movement/>

strategy of mutual benefit- understand market access for Korean goods and companies. This has clearly been stated by South Korean diplomacy which explicitly announces that its priority recipients are those offering economic opportunities for South Korea, emphasizing that this will also be a source of economic growth for the designated “partners”.

As Korea is increasingly present on the development agenda, it offers, at least discursively, a distinct development model than that of traditional, “Western” donors. Indeed, in line with the new development locus introduced by emerging donors and taken over by traditional donors as well, Korea presents itself not as an aid donor but rather as a development partner. It shows no pretention of conditionality, especially in the field of human rights or good governance. It presents itself as apolitical, as opposed to a Western aid that has been described as invasive and imperialist.

As noted by R.Eyben and L.Savage, “Through South-South cooperation, they [the Korean government] claimed a relationship with their development partners based on mutual self-interest and respect for autonomy, which they contrasted sharply with the old colonial powers’ vertical relationship with their erstwhile subjects, based on charity and dependency.” (Eyben and Savage 2013, 458)

This model has been criticized on the basis that it provides a one-size-fits-all solution to developing countries, which might not have the same beneficial conditions that Korea enjoyed from the 1960s: a geopolitical environment where it served as a US front against the spread of communism in Asia, this providing political support from the hegemon and stability, as well as a favourable market access for Korean exports to the US; a strong and authoritarian state apparatus committed to capitalist development; a weak landlord capitalist class in Korea that could not oppose industrialization or seek autonomy from state power (Stubbs 2005; Kim 2004; Glassman and Choi 2014). (Kim 2011)

In reality, Korean development cooperation actually promotes a model that is actually quite distinct from what could be described as the Korean experience of development. It emphasized SMEs development, while Korea is notably known for having relied on a few selected chaebols, thus exhibiting a monopolistic type of capitalism as opposed to a SME-focused economy. Along with major international organizations committed to development (World Bank, IMF, United Nations, to name the major ones), it advocates foreign direct investment, market access for Korean companies in its development partners’ markets, and is actually largely committed to a, conventionally speaking, neoliberal agenda. But rare are the critics that look at the assumptions underlying this discursive advocacy of a new, different, grateful Korea paying back its debt to the world.

A NGO representative I interviewed indeed stated: “South Korea is just a late comer in the neoliberal trajectory, but more or less it is pursuing the same goal as the US and Europe.” (personal interview, Manila, 2015)

Development cooperation, which is now a prominent aspect of Korean diplomacy, is revealing of the way competitiveness has globally become an imperative in formulating contemporary diplomacy, especially in the development sector.

If South Korea promises nothing but a reiteration of the same development theology that has been advocated (Rist 2002), perhaps sugar coated by a discursive emphasis on charity, by traditional donors, it does not only serve to advance the interest of Korean companies in promising developing markets for capital extraction. It is also a strong signal to the world that Korea has learnt the lessons of capitalism so well that it can now play its competitive advantage in global competitiveness, by being a distinct and apolitical development partner.

The Korean development model becomes the way for South Korea to be branded as “attractive model” and thus compete effectively in the development cooperation marketplace.

Conclusion: On conceiving of South Korea as a competitiveness society

In this article, I have shown how the governmental problem of competitiveness has become embedded in state ideology in Korea, and how the successive Korean governments from the late 1980s have participated in the reproduction of this governmental problem.

Against a restricted definition of neoliberalism that treats it as simply “the withdrawal of the state”, I agree with Pirie that South Korea is now an “unambiguously neoliberal state” (Pirie 2007, 10). The competition state approach proposed by Cerny and enriched by Fougner and Cerny complements Pirie’s argumentation. Indeed, the competition state corresponds to what Pirie describes in the Korean case as “not a retreat of the state but rather the state as a commodifying agent” (Pirie 2007, 5). Pirie adds: “What is remarkable, however, is the extent to which the dictates of the contemporary global neo-liberal order have become embedded within the structures of the state.” (Pirie 2007, 121)

The state paves the way to enabling the “full extension of market discipline to every aspect of economic life within Korea” (Pirie 2007, 105). I would go even further.

I have shown in this article that the Korean state has set the conditions to extent the imperative of competitiveness to every sphere of society. The state, as Foucault already noted, is subjected to the logic of the market but nevertheless retains its role of principal agent of the competitiveness society.

The limit of the literature on Korea and globalization is that it takes competitiveness for granted, and tends to remain mostly evaluative of the governments’ responses to the problem of competitiveness. In this article, I have instead tried to conceive of competitiveness as a problem of government, created and managed by governments, along Foucauldian analytical lines. This has enabled me to show how national identity was reconceived under the imperative of competitiveness, through nation branding, and how political and social domains such as labor conditions and development diplomacy were also turned into governmental subjects of competitiveness.

Indeed, as noted by Yi, “Globalization and the opening of Korea to foreign capital have become subjects of everyday conversation. Market opening, competitiveness, efficiency, flexibility, restructuring and global standards are the talk of the land.” (Yi 2002, 29)

The current injunctions, coming from different sites of power (governmental bodies, but also academic institutes, research institutes, self-help literature and so forth) to develop flexibility and entrepreneurship in all domains of social life are characteristic of the way the competitiveness society works. Korean citizens are to be turned into competitive entrepreneurs, and have to deal with the rest of society as such. It would be necessary, at this stage, to adopt a slightly different methodology and work through social surveys to decipher how this competitiveness imperative is now embedded in the most subtle social acts.

If the consequences of this competitiveness society are worrying for the democratic citizen under a nation branding imperative, the worker in an increasingly neoliberal setting, or the purpose of global development policies, it is equally needed, if neoliberal governmentality has managed to “[turn] market, competition, and consequently firm, into what we could call the informing force of society, “(Foucault 2004, 252) to think about what this entails for contemporary subjectivities and what purpose we wish to give to the social sphere beyond that of a space of pure competitiveness.

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