

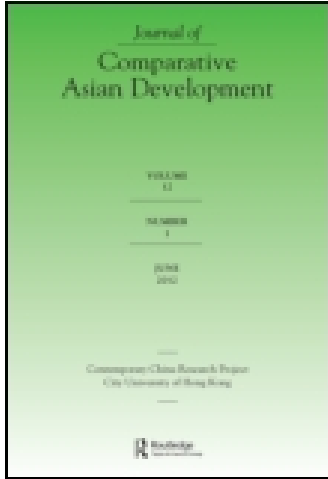
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Publisher: Routledge

Informa Ltd Registered in England and Wales Registered Number: 1072954

Registered office: Mortimer House, 37-41 Mortimer Street, London W1T 3JH, UK



Journal of Comparative Asian Development

Publication details, including instructions for authors and subscription information:

<http://www.tandfonline.com/loi/rcad20>

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Published online: 24 Jun 2014.

To cite this article: DaeYong Choi & Pan Suk Kim (2014) Promoting a Policy Initiative for Nation Branding: The Case of South Korea, *Journal of Comparative Asian Development*, 13:2, 346-368, DOI: [10.1080/10548408.2014.926804](https://doi.org/10.1080/10548408.2014.926804)

To link to this article: <http://dx.doi.org/10.1080/10548408.2014.926804>

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Promoting a Policy Initiative for Nation Branding: The Case of South Korea

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Abstract

How to raise the brand value of Korean products has been seriously considered in recent years by the government as well as commercial firms, and this question has brought a momentum to deal with policy matters on nation branding in Korea. Consequently, the Lee Myung-bak administration (2008–13) took drastic action by establishing the Presidential Council on Nation Branding (PCNB) in 2009 to deal with nation branding. This policy initiative on nation branding was conducted by the Lee administration from February 2008 to February 2013. This paper first reviews and discusses the policy framework for nation branding and the key activities on nation branding, followed by a discussion of achievements and limitations of Korea's nation branding. The nation branding issue has not been discussed much in the Korean or Asian public policy and public management communities in the past, and this article might provide a useful and timely reference for promoting such discussion.

Keywords: Nation branding; Presidential Council on Nation Branding; Korea; policy initiative; nation brands index

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Introduction

The Korean government took the initiative in handling its national brand by establishing the Presidential Council on Nation Branding (PCNB) in January 2009 in order to build and manage the reputation of the country in a systematic way. It was the first seriously organized governmental attempt in modern Korean history. Since then, “nation branding” has experienced a boom in both the Korean public and private sectors. It implies that Korea has recognized the value of a national brand as a way of building up the image of an advanced country, economically and culturally. South Korea has in recent years been an energetically committed country in Asia, attempting to manage or promote its national brand in a strategic, rather than an ad hoc, manner (Dinnie, 2008, 2010, 2012). This view is the result of the Korean government’s daring actions on nation branding, particularly during the Lee Myung-bak administration (2008–13). In addition, it reflects the fact that Korea’s current pop culture, *Hallyu* (Korean Wave), has been gaining popularity in the world in recent years (Ravina, 2009; Sung, 2010).

The Presidential Council, in the Korean policy context, was located at the top level of the government to advise on, or report to, the President during the Lee Myung-bak administration. The Presidential Council on Nation Branding (PCNB) had a special function since the President expressed his willingness to do something on nation branding when he became the President. This policy initiative on nation branding was conducted by the Lee Myung-bak government from February 2008 to February 2013. Lee’s administration actively pursued the strengthening of South Korea’s global outreach role, for instance by hosting the G20 Summit Meeting (i.e. the Group of Twenty, which is the premier forum for its members’ international economic co-operation and decision-making, and its membership comprises 19 countries plus the European Union) in 2010 and the Nuclear Security Summit Meeting in 2012. In line with this policy direction, nation branding has become one of the top agendas of the government. It was a new attempt for the government to directly handle matters on nation branding.

Generally speaking, many countries are attempting to create more favourable conditions for foreign direct investment, tourism, trade, socio-economic and political relations with other states, but nation branding is complex and controversial (Anholt, 2003; Barr, 2012; Ding, 2011; Dinnie et al., 2010;

Kim, 2009; Marat, 2009; Marsh, 2011; Melewar, Gupta, & Dinnie, 2013; Rasmussen & Merckelsen, 2012; You, 2008; Yun, 2010). The term “nation brand” could refer to the likability and credibility of a country and the “nation brand” may be regarded as the multi-dimensional blend of elements that provide the nation with culturally grounded differentiation and relevance for all its target audiences (Dinnie, 2012). The concept of “branding” has its origins in the business world but has been expanded on the national and local levels to include aspects that build a country or locality’s reputation and image.

Before the PCNB was established in 2009, the perception on branding was originally regarded as a style of marketing in the private sectors of Korea. Originally, the value of a brand was also reckoned by commerce and industry rather than the government. So it was not easy to formulate the policy framework on nation branding in government besides its complication and complexity. Regardless of the difference between the public and private sectors, the work on nation branding requires collaboration between the government and the private sectors.

Concerning brand valuation, some Korean export products such as electronics and semiconductors gained much higher reputation than that of the country, but other Korean export products such as textile and mechanical goods were under-priced because of their low brand valuation in the past. This was not a question of marketing and advertisement but of nation branding. It was an issue, the so-called *Korean discount* (i.e. undervaluing Korean goods and services), of Korean export products at that time. According to a study done by the Korean Association for Policy Studies (2012), the main reasons that the Korean brand was undervalued by foreigners were: (1) compared with its economic power, Korea’s contribution to international society was not sufficient; (2) Korean people’s global citizenship and etiquette was lacking and sometimes inappropriate behaviour happened in tourist areas; (3) attractions for foreign residents and tourism were lacking because of the inconvenience in language and life facilities; (4) there was not enough cultural openness and acceptance of foreigners, as shown by the strong social prejudice and discrimination against foreign migrant workers and transnational marriage immigrants; and (5) compared with Japan and China, Korea’s external awareness was low (Korean Association for Policy Studies, 2012).

Consequently, the question of how to raise the brand value of Korean products was seriously considered by the government as well as commercial firms. Along with Korea’s rising role and status in the international

society in recent years, public attention to nation branding was increasing. Consequently, such a climate provided a momentum to deal with the policy matters on nation branding in Korea. As a result, the Lee administration took the drastic action of establishing the PCNB to deal with nation branding. This paper first reviews and discusses the theoretical and policy frameworks, and the institutional arrangements and key policy actions for nation branding, followed by a discussion of the management and evaluation systems for nation branding. Then the achievements and limitations of Korea's nation branding will be discussed, and the conclusions will follow.

Theoretical and Policy Frameworks for Nation Branding

Nation branding is used as a way to describe the value of a nation's image as perceived by others (Anholt, 2003, 2009). It is like business marketing applied to the national brand and is related to the ability to attract investment, trade and tourism. Anholt's ideas on nation branding rest on the success of the Nation Brands Index (Anholt, 2009), which attempts to quantify a nation's brand value through the assessment of six criteria: people, tourism, exports, governance, culture and heritage, and investment and immigration. These measures appear to be influential in the government's assessments of their own public diplomacy efforts (Spry, 2013). Another approach to nation branding draws on Taylor's concept of the social imaginary, because social imaginaries can be created and maintained through policy interventions and various marketing mechanisms (Taylor, 2002). As a consequence, nation branding can be seen as a conscious effort to influence the social imaginary of a nation (Valaskivi, 2013).

Nye (2011) notes the distinction between "hard" and "soft" power in international relations, and he advocates the pursuit of "smart" power, which is a combination of hard and soft power. In brief, hard power is the ability to use coercive force, either military or economic, to forcefully achieve foreign policy aims. Soft power, on the other hand, relies upon the capacity to convince or persuade, through force of argument and positive examples, in order to bring others around to one's own point of view. Soft power assets and strategies include the attractiveness of a nation's ideas (democratic freedoms, equality of opportunity, etc.), its performance (successful development, global influence, etc.), its cultural heritage and the contemporary popularity of its cultural products, its reputation as an

international citizen, and its reputation as a place that is beautiful, friendly, or otherwise desirable (Nye, 2011; Spry, 2013).

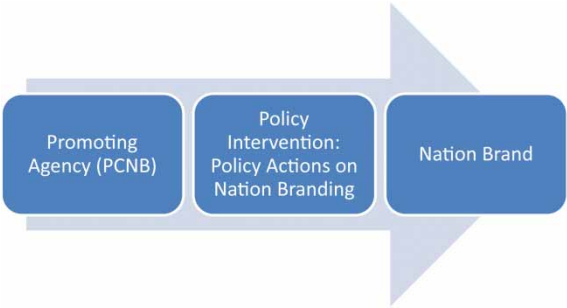
The objective of nation branding is to promote a positive national image for the nation and its people, to establish a nation's brand identity, to increase the export of its products, and to attract tourists and foreign direct investment (Anholt, 2003; Dinnie, 2008). The image of a country is a product of its geography, history, art and music, famous citizens, product brands, stereotypes, and other factors (Kotler & Gertner, 2002). The goals commonly associated with nation branding include export promotion, the attraction of foreign investment, tourism promotion, and, more intangibly, an increase in the influence of the nation in world affairs. Although the first three goals lend themselves readily to the application of conventional branding techniques from the business sector, the goal of building the nation's influence is often situated within the domain of public diplomacy and soft power promotion (Brown, 2009; Dinnie, 2010).

One of the conceptualizations of nation branding defines it as the strategic self-presentation of a country with the aim of creating reputational capital through economic, political and social interest promotion at home and abroad (Szondi, 2008). The focus on self-presentation and promotion derives from a public relations perspective and emphasizes the importance for a nation to actively manage its reputation rather than passively allowing external parties to impose their own conceptions onto the nation. Nation branding may thus be conceived as a form of self-advertising in which countries seek to tell their own stories rather than be defined by foreign media, rival nations, or the perpetuation of national stereotypes (Dinnie, 2008).

Nation branding is also suggested as a government's practice of remaking its nation's brand identity and shaping the conduct of its people (Dzenovska, 2004). Compared with the product brand and corporate brand, nation brand equity refers to the intangible assets of a country (Fan, 2006) or to the emotional value resulting from consumers' evaluation of the country's brand (Maheswaran & Chen, 2006; Shimp, Samie, & Madden, 1993). As shown in Figure 1, the Korean government's promoting agency, the PCNB, is responsible for initiating various policy actions on nation branding. In doing so, it is expected that the level of nation branding power could be enhanced.

The multiplicity of nation branding objectives includes a wide range of stakeholders whose input is required for the formulation of a nation branding strategy. The large extent of stakeholder participation is desirable but

Figure 1 Framework for Promoting Nation Branding



challenging, as it needs to develop a coherent architecture. If all potential stakeholders take part in the formulation and implementation of nation branding, it would be ineffective given the challenges of co-ordination that flow from an inclusive approach. A co-ordinating body is needed to manage resources and interests from the diversity of stakeholders (Dinnie, 2008).

According to the Presidential Decree on Raising Nation Branding of Korea, the policy objectives are to raise the value of the national brand to enhance the internal and external status of Korea and to strengthen the image of an advanced country. For this, the government needs to formulate and implement comprehensive and systematic strategies and policies, to provide support for ensuring necessary budgets and resources for these strategies and policies, and to form a social atmosphere with citizen participation in conducting nation branding. However, there are no arguments about policy objectives to enhance the value of the national brand. As mentioned above, the systematic strategies and policy alternatives are necessarily essential for that. The questions remaining are how to enhance the national brand, by whom, and what that means in detail.

The Lee administration took serious action to treat nation branding as a key policy agenda. It might be presumed that the Lee administration put the focus on nation branding as a way of strengthening national competitiveness through a business-friendly approach. President Lee took a practical approach to policy matters with a pro-business stance for economic recovery and national competitiveness, and he made it clear that his government was striving to enhance the standing of the state and the country's image by raising the value of Korea with the policy focus on nation branding.

According to this policy orientation, the government made a new presidential decree to conduct policy matters for nation branding with legal authority. The PCNB was established on this legal foundation.

The scope of nation branding activities is wide and multi-dimensional. The PCNB set a vision to pursue, and the vision is “Korea caring for and being loved”. It wished to be a “contributing country, respected culture, accompanying society, world class enterprise” (PCNB, 2011, 2013). The vision was changed later to “Korea is reliable and dignified”, which has the same meaning but expressed differently. This vision implied the manner in which Korea desired to be viewed by foreigners. More concretely, its objective was described as “For Korea to attain the average level of OECD countries’ brand power” (PCNB, 2013). It reflected the fact that the level of perception on nation branding in Korea was rudimentary at the time. It was a way of gaining public awareness that the PCNB sent a message to all stakeholders and the general public on nation branding. To achieve this vision and objective, the PCNB deployed the following strategies: (1) to motivate available resources for nation branding by intensifying government capacity and partnership with the private sector; (2) to introduce a management system including the formulation of a basic plan and annual action plans with an evaluation and feedback mechanism; (3) to respond to demands arising from stakeholders and clients; and (4) to promote the national atmosphere by increasing public participation (PCNB, 2009, 2010, 2011, 2013).

Institutional Arrangements and Key Policy Actions for Nation Branding

The Lee administration focused more on national marketing for an export-led economic recovery compared with the former governments. At the beginning, the Lee administration attempted to enact a bill for the PCNB but it was not easy to do so because of the conflicts between the ruling and opposition parties. The presidential decree usually aims to regulate the detailed implementation delegated from an act passed by the National Assembly. If a decree is not delegated from an act, its effectiveness is limited within the central government under the President. Thus, a presidential decree was made to offer the legal grounds for establishing the PCNB. This level of legislation means its role and status were modified to an advisory council and not an executive body, and the executive function

of nation branding has to be performed by government ministries, and not by the PCNB.

The function of the PCNB can be summarized as follows: (1) it played a control tower role in conducting government policies on nation branding; (2) it strengthened the collaboration between the government and the private sector by playing the key role of the civilian majority; (3) it set up a management system on nation branding by co-ordinating ministries' plans and evaluating them; (4) it strengthened the network and partnership between the government and the private sector; and (5) it provided the momentum of the President's agenda in conducting nation branding policies (PCNB, 2009, 2010).

The PCNB was designed to work with government ministries and the private sector, so the members of the PCNB included about 30 civilian experts and 12 ministers, including finance, culture, foreign, education, knowledge economy, land, public administration, and so on. Civilian members, including the chairperson, were the majority. They were appointed based on their expertise on nation branding, such as public relations, marketing, design, advertising, and sociology. Their occupations varied, including professors, CEOs, designers, artists, and heads of public agencies. The civilian chairperson and civilian members played a major role in operating the PCNB. The PCNB was internally divided into five subcommittees on planning, corporate and IT, culture and tourism, international co-operation, and global citizenship. This system of five subcommittees shows the major areas of the PCNB's activity. There was also an office assisting the administration of the PCNB, like a secretariat, comprising 40 staff members seconded from government ministries, public agencies, private firms, and contracted employees. The Presidential Office was a prime supporter as well as a supervisor in establishing the PCNB and took a major role in running the PCNB at the initial stage, which gave a strong impression of the PCNB belonging to the President. Thus, with the support of the Presidential Office, it had the advantage of co-ordinating policy work at the upper level of ministries. Its influence was especially strong at the beginning of the new government (PCNB, 2012a, 2012b).

The PCNB let many ministries conduct nation branding according to their responsibilities, and ministries developed policy tasks that can be implemented efficiently and effectively. The PCNB integrated each ministry's plan and project as one part of a basic plan. The basic plan was a medium-term plan of three years involving related ministries. The policy

tasks of this basic plan were implemented by the respective ministries and agencies. The PCNB co-ordinated and evaluated the policy activities. As shown in [Figure 1](#), the various policy activities, including tasks for nation branding, were carried out, thus (1) strengthening contributions to international society; (2) making cultural assets known; (3) encouraging global citizenship and cultural embracement; (4) promoting advanced technology and products; and (5) enhancing global communications.

Strengthening Contributions to the International Society

The Lee administration emphasized Korea's global role and leadership by positively participating in global activities. In line with this policy orientation, overseas aid, official development assistance (ODA), the knowledge sharing programme (KSP), peace-keeping operation (PKO), and hosting international events were all positively promoted as a way of nation branding. President Lee himself was eager to ensure his presence on the global stage. Owing to his assertive role, Korea held the G20 Summit Meeting in 2010 and the Nuclear Security Summit Meeting in 2012.

The PCNB highlighted overseas volunteer programmes by integrating the government overseas programmes under an umbrella brand of "World Friends Korea" (WFK). The PCNB took the initiative in integrating the various overseas volunteer programmes in different ministries and agencies to produce synergy effects under one unified brand of a Korean overseas volunteer group. At first, the WFK covered government-sponsored programmes, such as the long-term contract-based volunteers operated by the Korea International Co-operation Agency (KOICA, which is a representative aid agency under the Ministry of Foreign Affairs), volunteer IT experts from the Ministry of Public Administration and Security, volunteer college students and scientists from the Ministry of Education and Science, and volunteer sports people from the Ministry of Culture, Sports and Tourism. The number of KOICA volunteers for 2008 was 1,500 volunteers to 43 countries, which was the third largest in the world, next to the US and Japan.

As a result, the size of the WFK increased to over 4,000 volunteers per year in the following four years. Universities, NGOs, enterprises, and local governments joined the WFK. Moreover, overseas volunteers from universities, NGOs, and private companies had been on the rise. Every year during his term, President Lee held a motivation ceremony for the overseas volun-

teers of the year. The PCNB organized the ceremonies continuously and facilitated the boom of the overseas volunteer programme by providing public support and co-operation.

Besides this, activities focused on the increase of ODA, the expansion of KSP (including economic development consulting, infrastructure, agriculture, education, e-government, and so on), active involvement in climate change, PKO, and humanitarian aid to developing countries were also organized. In fact, Korea has received lots of aid from the international community in the past. By dint of this aid, Korea escaped from the extreme poverty and devastation caused by the Korean War. Korea is now acclaimed as a country that has accomplished success in industrialization and democratization. Thus Korea offers aid to the international society as a donor country, being a country that has received aid in the past and is now able to pay it back.

Making Cultural Assets Known to the World

Culture has been described as the most intangible yet the most distinguishing element of any population and country (Pant, 2005). Korea's own language and the Korean alphabet, *Hangul*, is one of its most distinguished cultural brands created by Sejong the Great (the fourth king of the Joseon Dynasty) in 1443. Especially in recent years, the Korean wave (*Hallyu*, a neologism referring to the increase in popularity of South Korean culture) and Korean cultural content have been gaining popularity around the world, which has facilitated the rise of the cultural image of Korea (Ravina, 2009). The PCNB focused on spreading the Korean language by establishing the King Sejong Institute (*Sejong-hakdang*, which is similar to the British Council, Goethe Institute, Alliance Francaise, or Confucius Institute) in many countries. The King Sejong Institute (<http://www.sejonghakdang.org>) aims at teaching and promoting the Korean language and culture to those who want to learn Korean as a foreign language. The PCNB worked to integrate and streamline the overseas Korean language programmes and facilities of several ministries and agencies under the King Sejong Institute, which is continuously expanding its locations and facilities while improving the quality of its contents and education services.

The PCNB was directly involved in enlisting the *Seowons* (private academies established in the Joseon Dynasty) and traditional temples as

the World Heritage sites of the United Nations Educational, Scientific and Cultural Organization (UNESCO). The PCNB played a central role in steering this project by organizing a promotion committee composed of members from related agencies, target institutes, local governments, academia, and experts. This work included selecting nine *Seowons* located in eight local governments, field survey, international conferences, drafting documents, and compliance with the procedure for being included in UNESCO's World Heritage list. Compared with the *Seowons*, the work on traditional temples took more time, mostly in selecting target temples and rule-setting, because of the complications and complexity due to the many temples and various stakeholders. It held several workshops and meetings and selected seven target temples and took action to list them as UNESCO World Heritage sites. This activity assumed that Korea's traditional culture was less known to the world. In addition, this activity focused on fostering youth campaign groups to preserve cultural heritage and provide cultural content on the occasion of international events in order to promote the cultural image of Korea. In particular, the PCNB held conventions focusing on the national brand of Korean culture, and got involved in state events such as the G20 Summit Meeting and the Nuclear Security Summit Meeting in terms of the national brand.

Encouraging Global Citizenship and Generosity to Foreign Culture

According to the Korea Tourism Knowledge and Information System (<http://www.tour.go.kr>), the number of overseas travellers and foreign visitors was over 20 million in 2011. Korea has continuously made efforts to promote its tourism industry by increasing investment, infrastructure, facilities, and services. This effort was accompanied by national campaigns to foster hospitality and global citizenship. The PCNB attempted to deploy this campaign together with companies by placing public advertisements on TV and mass-media. However, this exposure was limited by the funding available. Most of the campaigns were targeted to inspire Koreans. In terms of nation branding, this movement was encouraged in both government and private sector.

The PCNB gave attention to transnational immigrant families, which directly affected the image of Korea in foreign countries, especially the immigrants' mother countries. As the number of multi-cultural families continuously increased, related policy issues also increased. The issue

emerged as a critical policy agenda, socially and culturally. The government provided special programmes to embrace transnational immigrant families under the “multi-cultural family policy”. Several ministries such as the Ministry of Gender Equality and Family, the Ministry of Health and Welfare, and the Ministry of Culture, Sports and Tourism were responsible for supporting married female immigrants’ settlement, including their adaptation to Korean culture and customs, language learning, children’s education, and so on. Local governments were also directly involved in this policy implementation.

The policy regarding multi-cultural families is not just for immigrants, but all foreigners, embracing their cultures and customs and providing them a better condition for life and business in Korea. This policy also contributed to social integration in Korea. The PCNB continuously pointed out that Korea had to be generous to foreigners and foreign culture.

Promoting Advanced Technology and Products

Among past stories about Korean products in the world market, one is that Korean products were treated as discounted because of the under-valuation of the national brand, though the products were high quality and boasted advanced technology. Another is that global brands of Korean companies such as Samsung, Hyundai, and LG were recognized as non-Korean brands. According to one survey conducted in the US by Anderson Analytics (which is a market research consultancy, <http://www.andersonanalytics.com>) in 2007, “58% respondents answered Samsung was a Japanese company compared with 10% recognizing it as Korean; 42% respondents answered LG was a US company rather than 9% Korean; 56% respondents answered Hyundai was a Japanese company relative to 25% Korean” (PCNB, 2013). This misperception needed to be corrected by nation branding for the image of Korea. It is one of the reasons why Korea launched a positive policy drive for nation branding.

This policy focused on promoting high-quality Korean products as “Advanced Technology and Design Korea” (AT and D Korea) in the world market. For this, the government and related agencies such as the Korean Trade Investment Promotion Agency (KOTRA) and the Korean Institute of Design Promotion (KIDP) formed collaborative networks. This work included selecting world class products with premium images and promoting them by their design and market strategy. This policy collab-

oration extended especially to those small and medium enterprises (SMEs) with advanced technology products for export. Concerning the existing brand reputation of Korean global companies, the perception gap between the national brand and the company brand would be reduced by promoting associational links over time. This collaboration worked to establish a brand identity for Korea by strengthening public relations and advertising in the international mass media. This could well be achieved by market competition rather than by government intervention, and the government just pointing out the issues that people needed to recognize.

Enhancing Global Communications

In recent years, Korea has increased its global communications, with active presentations on the occasions of international events, such as summit meetings, world sporting events, a wide range of conferences, world expositions, and so on. The government has taken advantage of such mammoth events as opportunities to promote the national brand by enhancing public relations with news media outlets abroad and at home. Such efforts, together with large resources and long-term preparation, contributed greatly in enhancing the awareness and favourable image of Korea.

Besides all these, the PCNB focused on cultural exchange programmes at the state level and sometimes even participated in them. It directly organized cultural exchange programmes in foreign countries, such as cultural exhibitions, performances and receptions, under the title “Korea Week”. The PCNB also positively reached out to foreign residents in Korea, including correspondents, business people and diplomatic delegations, by giving presentations on Korean culture, history, and current themes. These activities were very effective for the participants. However, these activities were limited by the budget, time, venue, and participants.

The PCNB gave special attention to global communication by offering a website especially targeting the youth, including foreign students. There were several promotional events under the auspices of the PCNB, such as “Brand Supporters”, “Content Reporters”, “World Students in Korea” (WSK), “Brand Communicators”, “New Thinking New Korea”, and “Power Bloggers” (PCNB, 2013). These activities proceeded by way of open contest and stressed group dynamics with Korean and foreign students who developed their own ideas and plans to put into practice, and, as a

result, produced content in Korean and the languages of the participants. The resulting contents were loaded onto websites, blogs, and YouTube.

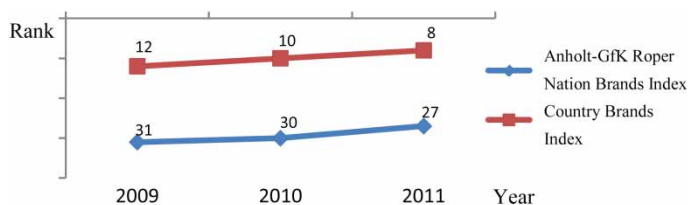
Management and Evaluation Systems for Nation Branding

The PCNB set out policy frameworks on nation branding which were plans proposed and carried out by government ministries and agencies. It was usually called a “Basic Plan” or “Strategic Plan” with a term of three years. At first, the PCNB set the guidelines of the plan and sent them to the ministries. The guidelines suggested the objective, strategy, task, and procedures. Related ministries and agencies then drafted their individual plans and submitted them to the PCNB. Then the PCNB consolidated them into a comprehensive plan. Once the comprehensive plan was fixed, related ministries and agencies set up their own annual action plans accordingly, including the policy means and budgets. Following this procedure, the first Basic Plan was formed with 16 ministries and agencies, covering 73 tasks from 2009 to 2011. The second Basic Plan was formed with 22 ministries and agencies covering 72 tasks from 2012 to 2014.

The PCNB evaluated the implementation of the Basic Plan annually. The evaluation was conducted by civilian experts, applying criteria used in performance management. The result of the evaluation was fed back to ministries and agencies. The PCNB encouraged those ministries that achieved good performance by directly sending commending letters to the respective ministers. If they achieved good performance, their programmes or projects were supported for their continuity and legitimacy, by favouring their priority and budgets.

The nation brands index shows the ranking, co-ordinates and phase of the national brand by country. The PCNB monitored the major nation brands indexes, such as the Anholt-GfK Roper Nation Brands Index (NBI), for reference. Most of the indexes focused on the image of tourism, quality of life and culture. The national competitiveness indexes were also monitored for reference. According to the Anholt-GfK Roper Nation Brands Index, Korea ranked 33rd in 2008. The top five countries were the USA, Germany, the UK, France, and Canada. The results from the Anholt-GfK Roper Nation Brands Index, which measures the global image of 50 countries, showed the United States as the country with the best overall brand. Simon Anholt developed the Nation Brands Index as a way to measure the image and reputation of the world's nations, and to track their profiles as they rise or fall. In

Figure 2 Korea's Trend in Major Nation Brands Indexes



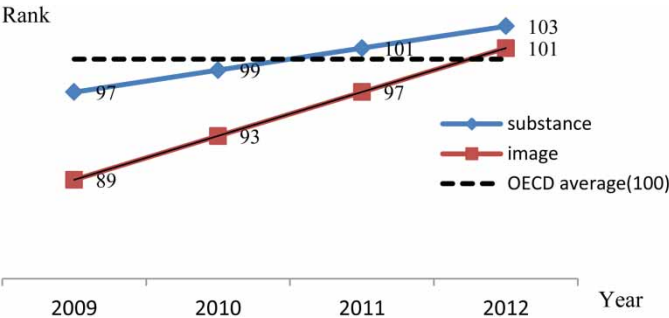
Source: Anholt-GfK Roper Nation Brands Index, various years (retrieved from <http://www.gfk.com>).

* Note: The ranking of the Country Brands Index is based on Asian countries.

partnership with the GfK Roper Public Affairs and Media (one of the leading research firms, <http://www.gfk.com>), Simon Anholt (<http://www.simonanholt.com>) launched an expanded nation brands index, the Anholt-GfK Roper Nation Brands Index, with an analytical ranking of the world's national images and reputations. The major nation brands indexes show Korea's ranking has been on the rise, as seen in Figure 2.

The PCNB wanted more practical lessons from the nation brands indexes. Thus, the PCNB and the Samsung Economic Research Institute (SERI) developed a model of the nation brands index in 2009. This SERI-PCNB Model covers more comprehensive aspects of nation branding by also considering the attributes of the substance and image. So, compared with the other indexes, the Model covers aspects of eight broad categories, including the economy, science and technology, infrastructure, institution, heritage, current culture, citizens, and celebrity. The Model measured both the substance and image of the eight categories by conducting a country survey and analysing the diverse data based on such statistics as national competitiveness indicators from the International Institute for Management Development (IMD), the World Economic Forum (WEF), the World Bank (WB), the Organisation for Economic Co-operation and Development (OECD), and so on. The work is based on the annual country survey and data analysis and the survey is conducted with more than 10,000 opinion leaders in 26 countries targeting 50 countries and the data analysis utilizes diverse data and statistics of major international research institutes such as IMD, WEF, OECD, WB, and so on. The Model sets a base-line as the average level of OECD countries. The PCNB aimed at attaining the level by 2013. Korea's change in the nation brands index according to this model is shown in Figure 3.

Figure 3 Korea's Change in Nation Brands Index in the SERI-PCNB Model



Source: PCNB (2013); Lee, Kim, & Yang (2013).

Figure 3 shows that Korea's ratings in substance and image have continuously improved and the gap between substance and image has been reduced. One important thing is that Korea's image was not presented properly compared with its substance. This suggests that Korea needs to promote its nation branding to match its low-value image with its substance. From this model, the PCNB could draw on the strengths and weaknesses of Korea's nation branding, and focus more on its cultural heritage and traditional culture which were vulnerable. Besides this, the PCNB had conducted research on nation branding, such as on developing strategies, and the study, analysis, and evaluation of field surveys.

In comparison, many other countries have also promoted their national brand. China has made commendable progress in management of its national image. For example, China hosted three mega events for its city and nation branding: the Beijing Summer Olympics in August 2008, the Shanghai World Expo in May–October 2010, and the Guangzhou Asian Games in November 2010. In doing so, the images of China's three largest cities have been branded nationally and internationally (Chen, 2012). Moreover, the Confucius Institutes (CIs) represent one of China's clearest examples of soft power (Barr, 2012). The Japanese government has utilized the slogan "Cool Japan" in its nation branding projects since 2005, a few years after the famous "Gross National Cool" expression was coined by the American journalist Douglas McGray (2002). The Cool Japan Advisory Council has been working on drafting recommendations for developing the Japan brand. Through Cool Japan, the Japanese policy-makers continue their efforts to define a post-bubble Japan (Valaskivi, 2013). The Indian government launched the Incredible India Campaign (IIC) in 2002, managed by

the then Joint Secretary of the Ministry of Tourism and Culture, aiming at extending international business and leisure travellers' length of stay and yield in India and promoting domestic tourism. The IIC was a government-led, multi-million dollar global endeavour (Kant, 2009).

Achievements and Limitations

The policy initiative for nation branding had impacts on government policy and society during the Lee administration. Nation branding had become one of the key words in formulating policy options, especially those relating to international effects and services, in terms of raising the national brand. This policy initiative enhanced the recognition of nation branding in the government and society, which provided a point of view on nation branding. This viewpoint affected people's thoughts and behaviour, both explicitly and implicitly. Survey results showed that public awareness on nation branding in Korea increased remarkably from 37 per cent in 2008 to 93 per cent in 2012. The PCNB conducted surveys on public awareness and responses to major events relating to nation branding, such as summit meeting and conventions, to understand their effects and trends. Though this change is not achieved entirely through the PCNB's work, it is unlikely to have taken place without the PCNB.

The significant achievement in nation brands indexes was made since the PCNB was established. According to the SERI-PCNB Model, as mentioned above, the level of Korea's image compared with the OECD average increased from 89 per cent in 2009 to 101 per cent in 2012. Korea's rank on the Anholt-GfK Roper Nation Brands Index rose from 33rd in 2008 to 27th in 2011. The ranking on the Country Brands Index in the Asia-Pacific region rose from the 12th in 2009 to 8th in 2011, though based on Asia. The expansion of *Hallyu* (Korean wave), including the popularity of K-pop and drama around the world, particularly in Asia, reflects the rising national brand of Korea. In addition, the continuous increase of inbound tourists reached 10 million visitors in 2012, and export goods achieved \$1,000 billion-worth of trade in 2011, according to the Korea Tourism Knowledge and Information System (<http://www.tour.go.kr>). These achievements show that the national brand of Korea has been rising. This upward trend of Korea's national brand can be directly associated with the promotion and policy initiatives for nation branding during the Lee administration.

The PCNB, under the auspices of President Lee, brought a policy focus for ministries and agencies to formulate and implement policies on nation branding. For this, the PCNB played a control tower role in establishing the basic plans and an evaluation system. As a consequence, the management system for nation branding was launched, with government ministries deployed for policy activities. The policy activities worked to reinforce the strength of the national brand and reduce its weakness. This effort contributed to raising the value of the national brand directly and indirectly. It also encouraged expanding collaboration and partnership between the government and private sectors in conducting nation branding, such as joining varied policy activities, national campaign for global citizenship, public ads, cultural heritage campaign, and youth group promotion.

The PCNB is an advisory council dominated by civilian experts, with a civilian chairperson, and this is advantageous for discussion and idea collection. However, it has simultaneous limitations in ensuring executive authority of decision-making and implementation. There are limitations from this organizational constraint. First, it is difficult for the PCNB to play a control tower role in co-ordinating policies through resource allocation (Korean Association for Policy Studies, 2012). Second, its responsibility is confined to the central government because of its legal authority based on a presidential decree. It does not cover matters of local government in dealing with sub-national brands. Third, nation branding itself is multi-dimensional and uncontrollable because of its complexity and complication. This problem eventually leads to the inconsistency of policy options for nation branding. Of course, it is basically not easy to produce a single message for nation branding in a plural society. The PCNB attempted to form a single message for nation branding like a logo or campaign-word, however it was difficult to do so due to a lack of consensus among stakeholders. Members of the PCNB handled this issue through discussions and consultations with relating agencies; however, it could not be resolved because of the diverse voices and opposition. It reflects the complexity and complication in achieving a single government-led message for nation branding in a plural society. One more limitation was that the staff was seconded from different ministries and private firms, resulting in the ambivalence of the dynamics and conflicts inherent in heterogeneity. It was not easy to ensure the expertise and continuity of the staff coupled with a yearly rotating placement.

Conclusions

Korea's policy initiative for nation branding aimed at raising the value of the national brand by conducting policy activities and tasks through establishing the PCNB. It brought a policy focus on nation branding into the policy area. The PCNB played a control tower role in conducting nation branding by providing a policy framework and proceeding with some projects. The policy framework took reference from a foreigner's viewpoint in raising the value of the national brand, such as expanding contributions to the international society, enhancing global citizenship and cultural embracement, building up an attractive culture and tourism, promoting advanced technology and export goods, and increasing global communication and information services. The PCNB conducted policy activities by forming a partnership between the government and private sectors. Its members from various private sectors facilitate the work for this collaboration with their expertise.

The performance of the policy initiative is complex and complicated as nation branding goes. The performance measurement is not easy because of its intangibility and complexity. However, it has been shown that Korea's ranking on nation brands indexes rose during the Lee administration. Its performance was supported by the upward trend in the ranking and status of Korea on the global stage. Coincidentally, it was well matched with the policy orientation towards the outreach strategy of the Lee administration. It shows that the policy initiative responded to the demands for nation branding in a timely manner. The policy effect will last for some time to come as the effects of nation branding also take time.

The PCNB introduced a management system for nation branding by setting up basic plans and evaluation. This has impacted on the government in driving its policy activities. With the President's strong support, the system functioned effectively although the PCNB was basically an advisory body. It showed that political leadership could play a crucial role in deploying policy activities for nation branding. This organizational setting provided the groundwork for nation branding by forming a partnership and networking between the government and private sectors. It was operated by a civilian-led committee including a civilian chairpersonship.

However, a strong policy framework needed to be supported by a sound legal authority for more sustainable impacts. In institutional terms, an advisory body has constraints in exercising executive authority. These

constraints led to the question of legal authority and sustainability. Its operation and effectiveness relied heavily on political leadership and support. In this sense, institutional arrangements needed to be more sophisticated with its architecture based on sound legal authority. In this area, Korea did not have sufficient institutional arrangements for nation branding. If one ministry is responsible for nation branding, the question is how to integrate and co-ordinate inter-ministerial issues. It would be better to deal with inter-ministerial matters in a committee collectively. For this, there needs to be consideration of how best to delegate executive authority and ensure the effectiveness of implementation including funding.

Once a policy initiative is launched, it is important to ensure its sustainability. Korea's efforts at nation branding need to continue for better results towards improved national status and image. The enhanced public awareness and perception of nation branding would facilitate support for sustainability. The question is how to reinforce and co-ordinate the various issues of nation branding at multi-dimensional levels for long periods. There are many reasons for maintaining the policy initiatives to deal with the diverse issues arising from various stakeholders' demands. It needs to continue until people around the world recognize Korea's national brand as an advanced one because brand power matters.

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